

1. BACKGROUND

This document presents the pro-forma consolidated statement of financial position as of 31 December 2015 and the pro-forma consolidated income statement for the year ended 31 December 2015 of Alperia S.p.A. (formerly O.9 Srl, hereinafter the “**Company**” or the “**Issuer**” and, together with the entities acquired as result of the merger of Azienda Energetica S.p.A. and Società Elettrica Altotesina S.p.A. into the Issuer, the “**Group**”), and the related explanatory notes (the “**Pro-Forma Financial Information**”).

The Pro-Forma Financial Information has been prepared for inclusion in base prospectus relating to the establishment of the Euro Medium Term Note Programme of the Company on the regulated market of the Irish Stock Exchange.

In particular, the Pro-Forma Financial Information has been prepared to represent the main effects on the Company’s statement of financial position as of 31 December 2015 and income statement for the year ended 31 December 2015 of:

- the merger of Azienda Energetica S.p.A. (“**AE**” and, together with its subsidiaries, the “**AE Group**”) and Società Elettrica Altotesina S.p.A. (“**SEL**” and, together with its subsidiaries, the “**SEL Group**”) into the Issuer (the “**Merger**”), effective from 1 January 2016;
- the following changes in the scope of consolidation:
 - the acquisition by SEL of 40% of SE Hydropower Srl in April 2015;
 - the so called “**Alleluia Transaction**” between Alperia and Edison S.p.A. (“**Edison**”), meaning:
 - the sale to Edison of 100% shareholding in Cellina Energy Srl,
 - the acquisition from Edison of 40% shareholding in Hydros Srl (“**Hydros**”),
 - the acquisition from Edison of 42% shareholding in SEL Edison S.p.A. (“**SEL Edison**”);
 - the demerger of Selgas Srl (“**Selgas**”);
 - the disposal of Selgas Net S.p.A. (“**Selgas Net**”);
- the main impacts of the application of IFRS (as defined below) to the Group financial information.

The Merger, the above mentioned changes in the scope of consolidation and the main impacts of application of IFRS (jointly, the “**Transactions**”) are described in detail in Section 2 below.

The Pro-Forma Financial Information has been prepared, in accordance with the accounting policies and applicable legislation followed by the Company, with the purpose of presenting the main effects of the Transactions on the Group’s financial position as if it occurred on 31 December 2015 and the economic effects as if the Transactions occurred on 1 January 2015.

However, the details contained in the Pro-Forma Financial Information represent a simulation prepared solely to illustrate possible effects from the Transactions. In particular, given that the Pro-Forma Financial Information has been prepared to retrospectively reflect the effects of subsequent transactions and, despite complying with generally accepted regulations and using reasonable assumptions, there are limits associated with the real nature of the Pro-Forma Financial Information. Therefore, had the Transactions actually occurred on the dates assumed above, the effects would not necessarily have been the same as those presented in the Pro-Forma Financial Information. Moreover, given the different purpose of the pro-forma data compared to the data in the historical financial statements and the different methods of calculating the effects of the Transactions on the pro-forma consolidated financial position and the pro-forma consolidated income statement, these documents should be read and interpreted without attempting to reconcile them.

Finally, the Pro-Forma Financial Information is not in any way intended to be a forecast of the Group’s future results and therefore should not be used for this purpose.

The Pro-Forma Financial Information should be read in conjunction with:

- the financial statements of the Company as of and for the years ended 31 December 2015 and 2014, prepared in accordance with IFRS (as defined below), approved by the Company’s Management Board on 13 June 2016 (the

“**Alperia Financial Statements**”) and audited by PricewaterhouseCoopers S.p.A., which issued their audit report on 13 June 2016;

- the consolidated financial statements of SEL as of and for the year ended 31 December 2015 (the “**SEL Financial Statements**”) prepared in accordance with the article 2423 and subsequent articles of the Civil Code, the Italian accounting standards and interpretations issued by the Italian Accounting Institution (jointly, the “**Italian Gaap**”), approved by the Alperia’s Management Board on 30 March 2016 and audited by PricewaterhouseCoopers S.p.A., which issued their audit report on 22 April 2016;
- the consolidated financial statements of AE as of and for the year ended 31 December 2015 (the “**AE Financial Statements**”) prepared in accordance with Italian Gaap, approved by the Alperia’s Management Board on 30 March 2016 and audited by Trevor Srl, which issued their audit report on 30 May 2016.

2. THE TRANSACTIONS

2.1 Description of the Transactions

As mentioned above, the Pro-Forma Financial Information has been prepared in order to represent the main effects of the following Transactions on the Company’s statement of financial position as of 31 December 2015 and income statement for the year ended 31 December 2015.

The Merger

The Issuer is the company resulting from the merger by way of incorporation of AE and SEL into Alperia, which took effect as of 1 January 2016.

The Merger was approved on 13 May 2015 by the shareholders’ meetings of SEL, AE and Alperia. The Merger deed, entered into on 21 December 2015 pursuant to Article 2504 of the Italian Civil Code, provided for, inter alia, (i) the merger by way of incorporation of AE and SEL into Alperia, (ii) the increase in the corporate capital of Alperia up to the amount of Euro 750,000,000.

The Merger was promoted by all the shareholders of AE and SEL, respectively, the Municipalities of Bolzano and Merano and the Provincia Autonoma di Bolzano (“PAB”) and SELFIN Srl with the aim at creating a multi-utilities group with sufficient critical mass to compete successfully in the increasingly deregulated Italian utilities sector, able to develop industrial synergies, post-Merger cost rationalization and become a hub for further expansion in the domestic market.

On the date the Merger took effect (i.e. 1 January 2016), the ordinary shares of AE and SEL were cancelled and the corporate capital of Alperia – equal to Euro 750,000,000 – has been allocated as follows: (i) Municipality of Bolzano: a quotholding of Euro 157,500,000 representing 21% of the corporate capital and of the relevant voting rights; (ii) Municipality of Merano: a quotholding of Euro 157,500,000 representing 21% of the corporate capital and of the relevant voting rights; (iii) PAB: a quotholding of Euro 408,380,656 representing 54.45% of the corporate capital and of the relevant voting rights and (iv) SELFIN Srl, a holding company wholly owned by Municipalities and Comunità Comprensoriali located in Alto Adige Province: a quotholding of Euro 26,619,344 representing 3.55% of the corporate capital and of the relevant voting rights.

As result of the above and taking also in consideration the shareholder’s agreement in place, from an accounting stand-point, the Issuer is jointly controlled by its shareholders. Therefore, under IFRS the Merger is treated as the formation of a joint venture. In such circumstances, the net assets contributed in the formation of the joint venture can be valued either: i) adopting the fair value accounting or ii) based on the predecessor accounting, meaning the net book values derived from the financial statements of the entities involved in the formation of the joint venture, adjusted to reflect the adoption of IFRS. The Issuer opted to follow the predecessor accounting policy.

The Merger was approved by Italian Antitrust Authority subject to, inter alia, specific precedent conditions: the Demerger of Selgas and the Disposal of Selgas Net, described below.

Acquisition of 40% SE Hydropower Srl

On 15 April 2015, SEL purchased 40% of SE Hydropower Srl. The purchase price amounted to Euro 345 million, paid to seller, Enel Produzione S.p.A. In order to finance such acquisition, SEL entered into a loan agreement for the same amount, granted by a pool of banks. As a result of such transaction, SEL owns 100% of SE Hydropower's share capital.

The Alleluia Transaction

In 2015, SEL has purchased 12.0% of Edipower S.p.A. ("**Edipower**"), increasing its shareholding to 20.5%. Edipower is controlled by A2A S.p.A..

On 26 October 2015, the shareholders' extraordinary meeting of Edipower and Cellina Energy Srl ("**Cellina**"), a company fully owned by SEL, has approved the non-proportional demerger of Edipower by which certain hydroelectric plants owned by Edipower have been transferred to Cellina. As a result of such transaction, SEL's 20.5% shareholding in Edipower has been exchanged with the hydroelectric plants now owned by Cellina.

On 31 May 2016 Alperia and Edison S.p.A. ("**Edison**") carried out a swap of participations pursuant to a framework agreement and three related sale and purchase agreements. As a result of such swap of participations,

- SEL Srl (a subsidiary of Alperia) received from Edison the stakes held by the same in Hydros Srl ("**Hydros**") equal to 40% for Euro 93.3 million and in SEL Edison S.p.A. ("**SEL Edison**") equal to 42% for Euro 101.7 million, and
- Alperia transferred to Edison its entire quotaholding in Cellina Energy for Euro 197.8 million.

The closing of the Alleluja Transaction took place following the satisfaction of the relevant condition precedent concerning antitrust approval provided by the contractual documents and waiver by Edison of further condition precedent concerning administrative authorization for the transfer of the hydroelectric plants owned by Cellina Energy. A portion of the purchase price for the acquisition of Cellina – equal to Euro 25 million – shall be paid by Edison within 31 December 2016, subject to certain terms and conditions as provided in the relevant agreements.

As of the closing of the Alleluja Transaction, Alperia holds (i) 100% of the corporate capital of Hydros and (ii) 77% of the share capital of SEL Edison S.p.A.

Demerger of Selgas and Disposal of Selgas Net

The Italian Antitrust Authority ("IAA") cleared the Merger for merger control clearance purposes, inter alia, on the following conditions:

- sale of a business of Selgas comprising: (i) a portion of the customer portfolio; (ii) a point of sale belonging to the SEL Group located in Bolzano; and (iii) (if requested by the purchaser) the servicing agreements entered into between Selgas and third parties for the management of the transferred customers, for a start-up period. Such divestment has been implemented through a non-proportional demerger of Selgas in favour of Azienda Energetica Trading Srl (the "**Demerger of Selgas**"), whereby the business identified by the IAA's clearance decision will remain with the demerged company, whose only shareholders – upon execution of such non-proportional demerger – will be third parties independent from the controlling shareholders of Alperia.
- divestment of 51% shareholding held in Selgas Net to a third party independent from the controlling shareholders of Alperia. In order to implement such disposal, Alperia sold its 51% shareholding in Selgas Net to the shareholders holding the remaining 49% for an amount of Euro 16,500 thousand.

3. PRO-FORMA FINANCIAL INFORMATION

The following paragraph presents the pro-forma consolidated statement of financial position as of 31 December 2015 and the pro-forma consolidated income statement for the year ended 31 December 2015 of the Group, with the related explanatory notes.

3.1 Pro-forma consolidated statement of financial position

The following table shows the pro-forma adjustments made to represent the main effects of the Transactions on the consolidated statement of financial position of the Group as of 31 December 2015.

<i>(In thousands of Euro)</i>	Statement of financial position of Alperia (IFRS)	Pro-forma Adjustments						Pro-forma statement of financial position of Alperia (IFRS)
		Consolidated statement of financial position of SEL	Consolidated statement of financial position of AE	Alleluia Transaction	Demerger of Selgas	Disposal of Selgas Net	IFRS adjustments and intercompany eliminations	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	
ASSETS								
Non-current assets								
Property, plant and equipment	2	428,449	417,563	61,028	-	(59,213)	(9,094)	838,735
Intangible assets	-	503,251	21,322	205,340	-	(2,758)	73,085	800,240
Net deferred taxes	-	10,235	9,751	719	-	(1,244)	1,561	21,022
Investments in joint ventures and associates	-	267,255	18,973	(268,490)	-	-	30,165	47,903
Other non-current assets	-	3,323	13,499	-	-	(108)	-	16,714
TOTAL NON-CURRENT ASSETS	2	1,212,513	481,108	(1,403)	-	(63,323)	95,717	1,724,614
Current assets								
Inventory	-	43,059	27,146	289	-	-	-	70,494
Trade receivables	44	117,392	139,059	528	(5,538)	(725)	(5,744)	245,016
Other current assets	501	69,095	60,111	7,228	-	(1,001)	(985)	134,949
Cash and cash equivalents	-	130,816	86,845	19,368	(4,385)	16,135	(19,687)	229,092
TOTAL CURRENT ASSETS	545	360,362	313,161	27,413	(9,923)	14,409	(26,416)	679,551
TOTAL ASSETS	547	1,572,875	794,269	26,010	(9,923)	(48,914)	69,301	2,404,165
EQUITY AND LIABILITIES								
Equity attributable to owners of the parent	(180)	468,325	524,975	-	509	(7,268)	123,652	1,110,013
Equity attributable to non-controlling interests	-	24,740	166	23,945	(2,734)	(20,542)	-	25,575
TOTAL EQUITY	(180)	493,065	525,141	23,945	(2,225)	(27,810)	123,652	1,135,588
Non-current liabilities								
Financial liabilities	-	650,080	65,335	-	-	(9,052)	741	707,104
Net deferred taxes	-	137,236	199	-	-	(17)	(8,054)	129,364
Employee benefit obligations and other non-current liabilities	-	42,832	31,023	1,455	-	(1,581)	(429)	73,300
TOTAL NON-CURRENT LIABILITIES	-	830,148	96,557	1,455	-	(10,650)	(7,742)	909,768
Current liabilities								
Trade payables	697	92,758	115,562	(1,673)	(7,698)	(1,317)	(5,470)	192,859
Current tax liabilities	-	12,001	8,841	683	-	(65)	1,641	23,101
Financial liabilities	-	45,207	14,624	-	-	(5,980)	-	53,851
Other current liabilities	30	99,696	33,544	1,600	-	(3,092)	(42,780)	88,998
TOTAL CURRENT LIABILITIES	727	249,662	172,571	610	(7,698)	(10,454)	(46,609)	358,809
TOTAL EQUITY AND LIABILITIES	547	1,572,875	794,269	26,010	(9,923)	(48,914)	69,301	2,404,165

3.2 Pro-forma consolidated income statement

The following table shows the pro-forma adjustments made to represent the main effects of the Transactions on the consolidated income statement of the Group for the year ended 31 December 2015.

<i>(In thousands of Euro)</i>	Income statement of Alperia (IFRS)	Pro-forma Adjustments							Pro-forma income statement of Alperia (IFRS)
		Consolidated income statement of SEL	Consolidated income statement of AE	100% of SE Hydropower	Alleluia Transaction	Demerger of Selgas	Disposal of Selgas Net	IFRS adjustments and intercompany eliminations	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Revenue and other operating income	-	713,465	677,598	10,796	30,705	(18,401)	(2,020)	(20,694)	1,391,449
Operating costs	(153)	(568,643)	(565,950)	(5,807)	5,490	16,409	(7,939)	22,049	(1,104,544)
Personnel expenses	(31)	(33,318)	(30,670)	(806)	(2,952)	-	2,519	-	(65,258)
Depreciation, amortization and impairment losses	-	(61,802)	(36,388)	(660)	(12,584)	80	2,875	6,881	(101,598)
NET OPERATING INCOME	(184)	49,702	44,590	3,523	20,659	(1,912)	(4,565)	8,236	120,049
Net Financial expenses	-	(10,185)	(477)	(85)	40	2	578	(3,495)	(13,622)
Share of net result from joint ventures	-	-	-	-	(3,178)	-	-	621	(2,557)
Income/(expenses) from other investments	-	1,171	(2,432)	-	2,100	-	-	2,028	2,867
PROFIT BEFORE TAX	(184)	40,688	41,681	3,438	19,621	(1,910)	(3,987)	7,390	106,737
Income tax expenses	-	(45,077)	(15,989)	(1,142)	(6,621)	592	1,333	(1,693)	(68,597)
PROFIT FOR THE YEAR	(184)	(4,389)	25,692	2,296	13,000	(1,318)	(2,654)	5,697	38,140
Profit (loss) attributable to non-controlling interests	-	2,829	(324)	-	2,215	(1,318)	(1,576)	-	1,826
Profit (loss) attributable to owners of the parent	(184)	(7,218)	26,016	2,296	10,785	-	(1,078)	5,697	36,314

3.3 Explanatory notes of Pro-forma Financial Information

3.3.1 Basis of preparation and accounting policies adopted

The Pro-Forma Financial Information has been prepared in accordance with the following basis of preparation. In particular, the Pro-Forma Financial Information has been prepared by adjusting historical financial information of Alperia for the year ended 31 December 2015, derived from the Alperia Financial Statements, in order to simulate the main effects that could result from the Transactions.

The accounting policies adopted in preparing the Pro-Forma Financial Information are the International Financial Reporting Standards, including all the “International Financial Reporting Standards”, all the “International Accounting Standards” and all the interpretations of the “International Financial Reporting Interpretations Committee”, previously known as the “Standing Interpretations Committee”, endorsed by the European Union (“**IFRS**”).

Unless otherwise indicated, all amounts in this document are expressed in thousands of Euros.

3.3.2 Main assumption used for preparing the Pro-Forma Financial Information

IFRS adjustments

As mentioned above, the historical financial statement of SEL and AE have been prepared in accordance with Italian Gaap. The IFRS adjustments identified for the purpose of the Pro-Forma Financial Information are based on a preliminary analysis which was not completed at the Date of the Base Prospectus. Further IFRS adjustments may arise as the analysis will be completed. Therefore, the final determination of IFRS adjustments may differ from the amounts shown in this document.

IFRS adjustments not reflected in Pro-Forma Financial Information

Certain IFRS adjustments have been identified but not reflected in the Pro-Forma Financial Information as the relevant information are not available as of the Date of the Base Prospectus. Below is a brief description of certain of such IFRS adjustments identified but reflected.

Merano-Bolzano transmission net

Under Italian Gaap, the Merano-Bolzano transmission net (the “Net”) is accounted for in AE financial position as tangible assets for a net amount of Euro 8,827 thousand as at 31 December 2015. The depreciation for the 2015 fiscal year is equal to Euro 266 thousand. The Net was built by the AE in previous years but it is actually managed by a third operator, Terna,S.p.A. (“**Terna**”) following a resolution issued by the AEEG (Italian energy authority).

Under IFRS, considering that the Net is not fully under the control of the Company, IFRIC 12 is applicable. As provided by such standard, Alperia should derecognize the Net from fixed assets and account for a financial receivable from Terna for an amount equal to the present value of the expected future rents that the Company expects to receive until the end of the Net useful life (having the agreement with Terna unlimited duration), net of the expected maintenance costs. In the income statement, the Company should derecognize the depreciation related to the Net and account for a financial income related to the financial receivable from Terna.

The above mentioned adjustment has not yet been reflected in the Pro-Forma Financial Information considering, at this stage, the uncertainty related to the certain key information required to estimate the impacts, in particular the yearly receivable from Terna which is not fixed but determined each year based on a calculation provided by the AEEG.

Based on a preliminary estimate, the potential impact should lead to an increase in equity in a range of Euro 9 – 15 million as of 31 December 2015.

Trattamento di fine Rapporto “TFR”

Under IFRS, the TFR provided by the Italian legislation is considered as a defined benefit plan, i.e. a formalized program of benefits following the end of the employment relationship constituting a future obligation and for which the Group assumes the respective actuarial and investment risks.

As required by IAS 19, the TFR should be recognized on the basis of actuarial valuation to determine the present value of the obligation and the respective provision of current employment benefits; this calculation requires the use of objective actuarial hypotheses consistent with demographic variables (mortality rate, personnel turnover rate) and financial variables (discount rate, future increases in remuneration levels). Actuarial gains and losses are recognized in equity.

As of the Date of the Base Prospectus, the above mentioned actuarial valuation is not available yet. Based on a preliminary estimate, the potential impact could lead either to an increase or decrease in equity in a range of Euro 1 – 3 millions.

Acquisition of Hydros and SEL Edison

With regards to the acquisition of Hydros and SEL Edison, the measurement at fair value of the acquired assets and liabilities is in progress and the relative information are not available as the Date of the Base Prospectus. This approach is consistent with the provisions of Paragraph 45 of IFRS 3 – Business Combinations, which governs how to account for business combinations. More specifically, the abovementioned accounting principle call for a “measurement period” during which an entity must carry out an initial accounting of the acquisition and complete the measurement subsequently within up to 12 months from the date of acquisition. During the “measurement period”, the difference between the i) fair value of the consideration transferred and ii) fair value of the acquired assets and liabilities, is allocated to goodwill.

Therefore, the final determination of the value of the assets and liabilities acquired by Alperia may differ from the amounts shown in this document. Any changes will be effective retrospectively so as to reflect any information learned about facts and circumstances on the date of acquisition that would have had an impact on the measurement of the amounts recognized at that time.

The Alleluia Transaction

As mentioned above, Alperia acquired 40% of Hydros and 42% of SEL Edison from Edison for a total amount equal to Euro 195.0 million and sold 100% of Cellina to Edison for an amount equal to Euro 197.8 million.

Despite the amount contractually agreed, in accordance with IFRS, in the Pro-Forma Financial Information the Alleluia Transaction has been recorded based on the fair value of consideration transferred, as determined on the basis of fairness opinions prepared by independent third parties. More in details:

- the fair value of the consideration received for the 100% of Cellina has been assumed equal to Euro 231,541 thousand,
- the fair value of the consideration transferred for the 40% of Hydros has been assumed equal to Euro 119,439 thousand,
- the fair value of the consideration transferred for the 42% of SEL Edison has been assumed equal to Euro 108,892 thousand.

In particular, considering that the Alleluia Transaction is a swap of investments, the value contractually agreed for each component of the transaction has not been considered a fair value proxy.

Furthermore, for the purpose of the Pro-Forma Financial Information, it has been assumed that Alperia receive the portion of the purchase price of Cellina – equal to Euro 25 million – to be paid by Edison within 31 December 2016, subject to certain terms and conditions as provided in the relevant agreements.

3.3.3 Description of Pro-forma adjustments made in preparing the Pro-Forma Financial Information

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note A - Statement of financial position of Alperia (IFRS)

This column includes the stand-alone financial position of Alperia as of December 31, 2015, derived from the Alperia Financial Statements, prepared in accordance with IFRS.

Note B - Consolidated statement of financial position of SEL Group

This column includes the statement of financial position of SEL Group as of 31 December 2015, derived from the SEL Financial Statements prepared in accordance with Italian Gaap and reclassified to take into account the IFRS classification criteria adopted by the Group.

Note C - Consolidated statement of financial position of AE Group

This column includes the consolidated statement of financial position of AE Group as of 31 December 2015, derived from the AE Financial Statements prepared in accordance with Italian Gaap and reclassified to take into account the IFRS classification criteria adopted by the Group.

Note D – The Alleluia Transaction

This column includes the effects of the Alleluia Transaction determined as shown in the following table.

(In thousands of Euro)	Disposal of 20% of Edipower	40% of Hydros	Consolidation adjustments - Hydros	Consolidation of SEL Edison	Consolidation adjustments - SEL Edison	Alleluia Transaction
	(D.1)	(D.2)	(D.3)	(D.4)	(D.5)	
ASSETS						
Non-current assets						
Property, plant and equipment	-	27,215	-	33,813	-	61,028
Intangible assets	-	6	75,151	63,913	66,270	205,340
Net deferred taxes	-	484	-	235	-	719
Investments in joint ventures and associates	(231,541)	594	-	(37,543)	-	(268,490)
Other non-current assets	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	(231,541)	28,299	75,151	60,418	66,270	(1,403)
Current assets						
Inventory	-	234	-	55	-	289
Trade receivables	-	1,898	(436)	1,957	(2,891)	528
Other current assets	-	2,998	(28)	4,836	(578)	7,228
Cash and cash equivalents	231,541	13,570	(119,439)	2,588	(108,892)	19,368
TOTAL CURRENT ASSETS	231,541	18,700	(119,903)	9,436	(112,361)	27,413
TOTAL ASSETS	-	46,999	(44,752)	69,854	(46,091)	26,010
EQUITY AND LIABILITIES						
Equity attributable to owners of the parent	-	44,288	(44,288)	42,622	(42,622)	-
Equity attributable to non-controlling interests	-	-	-	23,945	-	23,945
TOTAL EQUITY	-	44,288	(44,288)	66,567	(42,622)	23,945
Non-current liabilities						
Financial liabilities	-	-	-	-	-	-
Net deferred taxes	-	-	-	-	-	-
Employee benefit obligations and other non-current liabilities	-	942	-	513	-	1,455
TOTAL NON-CURRENT LIABILITIES	-	942	-	513	-	1,455
Current liabilities						
Trade payables	-	607	(436)	1,047	(2,891)	(1,673)
Current tax liabilities	-	84	-	599	-	683
Financial liabilities	-	18	(18)	-	-	-
Other current liabilities	-	1,060	(10)	1,128	(578)	1,600
TOTAL CURRENT LIABILITIES	-	1,769	(464)	2,774	(3,469)	610
TOTAL EQUITY AND LIABILITIES	-	46,999	(44,752)	69,854	(46,091)	26,010

D.1 - Disposal of Edipower (i.e. 100% of Cellina)

This column includes the effects of the disposal of Edipower for an amount equal to its fair value, as determined on the basis of fairness opinion prepared by independent third parties.

D.2 - 40% of Hydros

The previous held 60% shareholding in Hydros was accounted for as a joint venture and consolidated in the SEL Financial Statements using the proportionate consolidation method. As a result of the Alleluia Transaction, Alperia owns 100% of share capital of Hydros that became a fully owned subsidiary. Therefore, this column includes the effects of the consolidation line by line of Hydros following the acquisition of the remaining shareholding.

D.3 - Consolidation adjustments - Hydros

This column includes the effects of the acquisition of 40% of Hydros. As mentioned above, the measurement at fair value of the acquired assets and liabilities is in progress. Therefore, for the purpose of the Pro-Forma Financial Information, the difference between the i) fair value of the consideration transferred (Euro 119,439 thousand) and ii) fair value of the acquired assets and liabilities (assumed equal to the net equity of Hydros at 31 December 2015), results in a provisional goodwill of Euro 75,151 thousand. Please note that such amount does not include the impact of IFRS transition. See note G below for further details. Please also note that the actual amount of goodwill will be determined on the basis of the fair value of the acquired assets and liabilities at the acquisition date.

Furthermore, this column includes the elimination of existing relations between Hydros and the other Group's entities

D.4 - Consolidation of SEL Edison

The previous held 35% shareholding in SEL Edison was accounted for using the equity method. As a result of the Alleluia Transaction, Alperia owns 77% of share capital of Sel Edison that became a fully owned subsidiary. Therefore, this column includes the reversal of the effects of consolidation using the equity method and the consolidation line by line of SEL Edison following the acquisition of control by means of the Alleluia Transaction.

D.5 - Consolidation adjustments - SEL Edison

This column includes the effects of the acquisition of 42% of Hydros. As mentioned above, the measurement at fair value of the acquired assets and liabilities is in progress. Therefore, for the purpose of the Pro-Forma Financial Information, the difference between the i) fair value of the consideration transferred (Euro 108,892 thousand) and ii) fair value of the acquired assets and liabilities (assumed equal to the net equity of Sel Edison at 31 December 2015), results in a provisional goodwill of Euro 66,270 thousand. Please note that such amount does not include the impact of IFRS transition. See note G below for further details. Please also note that the actual amount of goodwill will be determined on the basis of the fair value of the acquired assets and liabilities at the acquisition date.

Furthermore, this column includes the elimination of existing relations between SEL Edison and the other Group's entities.

Note E – Demerger of Selgas

This column includes the effects of the derecognition of the demerged assets and liabilities of Selgas.

Note F – Disposal of Selgas Net

This column includes the effects of the Disposal of Selgas Net. More in details, the pro-forma adjustments include:

- the net impact on equity attributable to owners of the parent of Euro 7,268 resulting from i) the derecognition of assets and liabilities associated with Selgas Net less ii) the cash receipt from the disposal (Euro 16,500 thousand),
- the derecognition of equity attributable to non-controlling interest (49%) for Euro 20,542 thousand as result of the deconsolidation of the entity.

Please note that the Disposal of Selgas Net could lead to a non-recurring gain or loss that, in accordance with the methodology for preparation of pro-forma financial information, is not reflected in the Pro Forma Consolidated Income Statement. Such gain or loss will be determined on the basis of the actual value of the transferred assets and liabilities at the sell date. On the basis of the value as of 31 December 2015, the Disposal of Selgas would lead to a non-recurring loss of Euro 7,268 thousand.

Note G - IFRS adjustments and intercompany elimination

This column includes the IFRS adjustments and intercompany elimination, as shown in the following table.

<i>(In thousands of Euro)</i>	SF Energy - Equity method consolidation	Consolidation adjustments - Hydros	Consolidation adjustments - SEL Edison	Reclassification of other intangible assets	Reclassification of deferred income for grants	Other adjustments and intercompany eliminations	IFRS adjustments and intercompany eliminations
	(G.1)	(G.2)	(G.3)	(G.4)	(G.5)	(G.6)	
ASSETS							
Non-current assets							
Property, plant and equipment	(4,258)	-	-	12,421	(17,257)	-	(9,094)
Intangible assets	(28,610)	74,310	53,201	(12,421)	-	(13,395)	73,085
Net deferred taxes	(1)	-	-	-	-	1,562	1,561
Investments in joint ventures and associates	35,482	-	-	-	-	(5,317)	30,165
Other non-current assets	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	2,613	74,310	53,201	-	(17,257)	(17,150)	95,717
Current assets							
Inventory	-	-	-	-	-	-	-
Trade receivables	(685)	-	-	-	-	(5,059)	(5,744)
Other current assets	(985)	-	-	-	-	-	(985)
Cash and cash equivalents	(19,687)	-	-	-	-	-	(19,687)
TOTAL CURRENT ASSETS	(21,357)	-	-	-	-	(5,059)	(26,416)
TOTAL ASSETS	(18,744)	74,310	53,201	-	(17,257)	(22,209)	69,301
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent	-	74,310	53,201	-	-	(3,859)	123,652
Equity attributable to non-controlling interests	-	-	-	-	-	-	-
TOTAL EQUITY	-	74,310	53,201	-	-	(3,859)	123,652
Non-current liabilities							
Financial liabilities	-	-	-	-	-	741	741
Net deferred taxes	(8,098)	-	-	-	-	44	(8,054)
Employee benefit obligations and other non-current liabilities	(429)	-	-	-	-	-	(429)
TOTAL NON-CURRENT LIABILITIES	(8,527)	-	-	-	-	785	(7,742)
Current liabilities							
Trade payables	(411)	-	-	-	-	(5,059)	(5,470)
Current tax liabilities	1,641	-	-	-	-	-	1,641
Financial liabilities	-	-	-	-	-	-	-
Other current liabilities	(11,447)	-	-	-	(17,257)	(14,076)	(42,780)
TOTAL CURRENT LIABILITIES	(10,217)	-	-	-	(17,257)	(19,135)	(46,609)
TOTAL EQUITY AND LIABILITIES	(18,744)	74,310	53,201	-	(17,257)	(22,209)	69,301

G.1 - SF Energy - Equity method consolidation

SF Energy is a joint venture which, under Italian Gaap, was consolidated in the SEL Financial Statements using the proportionate consolidation method. This column shows the effects of the consolidation of SF Energy using the equity method, as required by IFRS.

G.2 – Consolidation adjustments - Hydros

The acquisition of 40% Hydros is a business combination by which Alperia gained control of an interest that was previously accounted for as a joint venture. Under IFRS, the previously held interest is remeasured to fair value at the acquisition date and a gain or loss is recognized in the income statement. The fair value of the previously held interest then forms one of the components that is used to calculate goodwill, along with consideration and non-controlling interest less the fair value of identifiable net assets.

This column includes the effects of the remeasurement of previously held interest in Hydros on goodwill and total equity.

As a result of such adjustment, the goodwill allocated to Hydros amounts totally to Euro 149,461 thousand (see also previous note D).

Please note that the remeasurement of previously held interest in Hydros represents a non-recurring gain of Euro 74,310 thousand that, in accordance with the methodology for preparation of pro-forma financial information, is not reflected in the Pro Forma Consolidated Income Statement.

G.3 – Consolidation adjustments - SEL Edison

This column includes the effects of the remeasurement of previously held interest in SEL Edison on goodwill and total equity. See previous note G.2. for further details.

As a result of such adjustment, the goodwill allocated to SEL Edison amounts totally to Euro 119,471 thousand (see also previous note D).

Please note that the remeasurement of previously held interest in SEL Edison represents a non-recurring gain of Euro 53,200 thousand that, in accordance with the methodology for preparation of pro-forma financial information, is not reflected in the Pro Forma Consolidated Income Statement.

G.4 – Reclassification of other intangible assets

Under Italian Gaap, the costs incurred on tangible assets located on plant or land under lease agreements are accounted for as leasehold improvements (and capitalized as intangible assets). IFRS requires such costs to be capitalized as tangible assets.

G.5 Reclassification of deferred income for grants

For IFRS purpose, grants related to tangible assets are presented in the statement of financial position by deducting the grant from the carrying amount of the asset. In SEL Financial Statements such grants were presented as deferred income, under Italian Gaap.

G.6 Other adjustments and intercompany eliminations

Other adjustments mainly include:

- deferred revenue for the gas network connections which are accounted for over the life of the network under Italian Gaap while are recognized as incurred for IFRS purposes. This adjustment results in a positive net impact of Euro 11,724 thousand on the net equity;

- transaction costs incurred in connection with the Merger. Such costs (equal to Euro 5,678 thousand) are accounted for as an intangible assets under Italian Gaap while they are deducted from equity, net of any related income tax benefit, under IFRS with a negative net impact on equity of Euro 4,076 thousands;
- recognition of liabilities for derivative financial instruments for Euro 5,550 thousands with a negative net impact on equity of Euro 4,218 thousands;
- the elimination of existing commercial and financial transactions between SEL and AE.

PRO-FORMA CONSOLIDATED INCOME STATEMENT

Note A – Income statement of Alperia (IFRS)

This column includes the stand-alone income statement of Alperia S.p.A. for the year ended 31 December 2015, derived from the Alperia Financial Statements, prepared in accordance with IFRS.

Note B - Consolidated income statement of SEL

This column includes the consolidated income statement of SEL for the year ended of 31 December 2015, derived from the SEL Financial Statements prepared in accordance with Italian Gaap and reclassified to take into account the IFRS classification criteria adopted by the Group.

Note C - Consolidated income statement of AE Group

This column includes the consolidated income statement of AE for the year ended of 31 December 2015, derived from the AE Financial Statements prepared in accordance with Italian Gaap and reclassified to take into account the IFRS classification criteria adopted by the Group.

Note D –100% of SE Hydropower Srl

Until 15 April 2015, Alperia owned 60% shareholding in SE Hydropower which was accounted for as a joint venture using the proportionate consolidation method. The remaining 40% was acquired on 15 April 2015. This column includes the consolidation line by line of the additional 40% of SE Hydropower.

Note E – Alleluia Transaction

This column includes the effects of the Alleluia Transaction determined as shown in the following table.

(In thousands of Euro)	Disposal of 20% of Edipower	40% of Hydros	Consolidation of SEL Edison	Intercompany eliminations	Net impact on interest expenses	Total Alleluia Transaction
	(E.1)	(E.2)	(E.3)	(E.4)	(E.5)	
Revenue and other operating income	-	23,949	36,605	(29,849)	-	30,705
Operating costs	-	(9,584)	(14,775)	29,849	-	5,490
Personnel expenses	-	(2,214)	(738)	-	-	(2,952)
Depreciation, amortization and impairment losses	-	(5,784)	(6,800)	-	-	(12,584)
NET OPERATING INCOME	-	6,367	14,292	-	-	20,659
Net Financial expenses	-	122	(147)	-	65	40
Share of net result from joint ventures	-	-	(3,178)	-	-	(3,178)
Income/(expenses) from other investments	2,100	-	-	-	-	2,100
PROFIT BEFORE TAX	2,100	6,489	10,967	-	65	19,621
Income tax expenses	-	(2,249)	(4,354)	-	(18)	(6,621)
PROFIT FOR THE YEAR	2,100	4,240	6,613	-	47	13,000
Profit (loss) attributable to non-controlling interests	-	-	2,215	-	-	2,215

Profit (loss) attributable to owners of the parent	2,100	4,240	4,398	-	47	10,785
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E.1. - Disposal of Edipower (i.e. 100% Cellina)

This column includes the reversal of an impairment of Euro 2,100 thousand recorded in 2015 in relation to the Edipower.

E.2.- 40% of Hydros

The previous held 60% shareholding in Hydros was accounted for as a joint venture and consolidated in the SEL Financial Statements using the proportionate consolidation method. As a result of the Alleluia Transaction, Alperia owns 100% and controls Hydros. Therefore, this column includes the effects of the consolidation line by line of Hydros following the acquisition of control acquired by means of the Alleluia Transaction.

E.3.- Consolidation of SEL Edison

The previous held 35% shareholding in SEL Edison was accounted for using the equity method. As a result of the Alleluia Transaction, Alperia owns 77% and controls SEL Edison. Therefore, this column includes the reversal of the effects of consolidation using the equity method and the consolidation line by line of SEL following the acquisition of control by means of the Alleluia Transaction.

E.4 - Intercompany elimination

This column includes the elimination of commercial and financial relations between SEL Edison, Hydros and the other Group's entities.

E.5 - Net impact on interest expenses from Alleluia Transaction

This column refers to the effect on financial expenses and taxes of the consideration of Euro 3,210 thousand received from Edison in the context of Alleluia Transaction.

Note F – Demerger of Selgas

This column includes the effects of the Demerger of Selgas on the consolidated results. See also note E above for further details.

Note G – Disposal of Selgas Net

This column includes the effects of the Disposal of Selgas Net on consolidated results. See also note F above for further details.

Note H - IFRS adjustments and intercompany elimination

This column includes IFRS adjustments and intercompany elimination. The main effect are shown in the following table.

<i>(In thousands of Euro)</i>	SF Energy - Equity method consolidation	Reversal of goodwill amortization	Reclassification for grants	Other adjustments and intercompany eliminations (AE - SEL)	IFRS adjustment and intercompany eliminations
	(H.1)	(H.2)	(H.3)	(H.4)	
Revenue and other operating income	(7,777)	-	(1,387)	(11,530)	(20,694)
Operating costs	7,970	-	-	14,079	22,049
Personnel expenses	-	-	-	-	-
Depreciation, amortization and impairment losses	243	3,008	1,387	2,243	6,881
NET OPERATING INCOME	436	3,008	-	4,792	8,236
Net Financial expenses	(65)	-	-	(3,430)	(3,495)
Share of net result from joint ventures	621	-	-	-	621
Income/(expenses) from other investments	-	-	-	2,028	2,028
PROFIT BEFORE TAX	992	3,008	-	3,390	7,390
Income tax expenses	(212)	(954)	-	(527)	(1,693)
PROFIT FOR THE YEAR	780	2,054	-	2,863	5,697
Profit (loss) attributable to non-controlling interests	-	-	-	-	-
Profit (loss) attributable to owners of the parent	780	2,054	-	2,863	5,697

H.1 - SF Energy - Equity method consolidation

SF Energy is a joint venture which, under Italian Gaap, is consolidated in the SEL Financial Statements using the proportionate consolidation method. This columns shows the effects of the consolidation of SF Energy using the equity method, as required by IFRS.

H.2 – Reversal of goodwill amortization

Under IFRS, goodwill is not amortized but tested annually for impairment with regard to the cash-generating units (CGU) to which it has been allocated. Goodwill is written-down if its recoverable amount is less than its carrying amount. Therefore, this column includes the reversal of goodwill amortization accounted for under Italian Gaap and the related tax impact.

H.3 Reclassification of grants

For IFRS purpose, grants related to assets are recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense. In the SEL Financial Statements such grants were presented as other income.

H.4 Other adjustments and intercompany eliminations

Other adjustments mainly include the elimination of existing relations between SEL and AE by which Revenue and other operating income and Operating costs are reduced by Euro 12,585 thousand.