



# WHY EOLO ENERGIA

This document, containing promotional messages pursuant to art. 41, paragraph 5, of Regolamento Emittenti on the public tender offer launched by Eolo Energy Srl on Alerion Clean Power, must be read together with the Offer Document, available at [www.edison.it](http://www.edison.it) and [www.sodali-transaction.com](http://www.sodali-transaction.com)

At the date of publication of this document (November 24, 2016), Eolo Energia Srl holds 5,206,228 Alerion shares, equal to 11.947% of the share capital

November 2016



# WHY EOLO ENERGIA

- **The public tender offer of Eolo Energia is the only one that targets 100% of the capital and thus the only one that maximizes the total investment in Alerion.** Fri-EI has already reached 27.65% of the capital and now its tender offer targets only 2.25% of the capital (for shares tendered in excess of this percentage, the allotment mechanism will be apply, with the risk of a purchase of only 4 shares for every 100).
- Eolo Energia currently holds 11,947% of shares. F2i has a shareholding of 16,03%. On the basis of the agreements signed, **the consortium formed by Eolo Energia and F2i is potentially the biggest shareholder of Alerion with a stake of 27.977%**, close to the blocking minority of the shareholders meeting.
- **The price of the tender offer of Eolo Energia is at the high end of the valuation range of the fairness opinions expressed by Unicredit and Intermonte, advisors of Alerion.** The price of the tender offer of Fri-EI, even if 5% higher than the one of Eolo Energia, in fact is not comparable given the marginal stake to buy (2.25%).
- After the successful outcome of the two tenders and in any case as the result of the purchases already performed as of today, the level of trade and the free float is expected to be even more limited than the historically ones in the period previous the launch of Fri-EI offer, **limiting greatly the liquidity of the share.**
- **The tender of Eolo Energia is offering a "full" price, including all financial and business synergies in the medium term,** to be exploited by leveraging on both the expertise of Edison as an operator with a diversified generation portfolio and integrated over the entire electrical industry, and on the wind power capacity of 600 MW of F2i-Edison JV. This capacity will further increase as a result of the development plan that Edison and F2i intend to implement.

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The value creation announced by Fri-EI:

- appears **unrealistic if considering both the current perimeter of Alerion and the hypothesis of an increase in installed capacity**. From an operational point of view, maintaining Alerion listed with key activities (i.e. the operation of the plants) transferred to a minority shareholder (which has the right to appoint only one director in the BoD) is not feasible without the consent of the majority of the directors. The feasibility of the potential financial synergies is closely linked to the improvement of Alerion's credit merit that, without the presence of a controlling shareholder with a high financial strength, is unlikely (the company should fully refinance a public bond of € 130 million which now pays a 6% interest rate)
- is based on purely hypothetical assumptions, including those relating to contributions of asset not yet defined, for which the valuation is not known and whose approvals is subject to majorities of shareholders meeting not under the control of Fri-EI that holds a maximum of 29.9% (**for the contribution of an asset it is mandatory to have the approval of two thirds of the shareholders meeting, while Fri-EI, with its 29.9%, has less than a third**)
- exposes shareholders to the risk of losing the only realistic opportunity to sell a title which would be without liquidity (given current trading volumes, it takes about **seven months to sell a 1% stake**)
- does not take into account the **conflict of interest that will be created between Alerion and Fri-EI** related to business growth: the two companies compete in the same sector

# THE TWO COMPETING OFFERS

## Fri-EI

## Eolo Energia

Shares tendered at the launch of the PTO	Max 29.90%	Max 100%
Residual stake to be tendered after the raise and 2nd acquisition by Fri-EI	2.25% 	72.35%
Price offered	€ 2.60	€ 2.46
Last day of tender offer <sup>1</sup>	December 2, 2016	December 2, 2016
Risk of allotment	YES	NO
Possibility to fully monetize the investment	LOW	100% (subject to reaching the minimum threshold, renounceable by Eolo Energia) 

The offers are not comparable due to the limited number of shares tendered by Fri-EI

# THE ALLOTMENT MECHANISM OF FRI-EL PTO

Alerion total shares	43,579,004				
Shares tendered by Fri-EI	13,030,123				
<i>% of total shares</i>	29.90%				
Shares bought by Fri-EI OTC	12,050,728				
<i>% of total shares</i>	27.65%				
Residual stake to be tendered	979,395				
<i>% of total shares</i>	2.25%				
Shares offered to Fri-EI <sup>2</sup>		4,357,900	13,073,701	21,789,502	24,542,420
<b><i>% of total shares</i></b>		<b>10.00%</b>	<b>30.00%</b>	<b>50.00%</b>	<b>56.32%<sup>2</sup></b>
<i>% of shares tendered by Fri-EI</i>		33.44%	100.33%	167.22%	188.35%
Shares accepted by Fri-EI		979,395	979,395	979,395	979,395
<b>Allotment coefficient</b>		<b>22.47%</b>	<b>7.49%</b>	<b>4.49%</b>	<b>3.99%</b>
Shares in surplus		3,378,505	12,094,306	20,810,107	23,563,025
<i>% of total shares</i>		7.75%	27.75%	47.75%	54.07%

- ◆ Fri-EI has bought OTC 27.65% of the capital (vs 29.9% of tendered shares); **only few shareholders fully benefitted from the offer price, to the detriment of the market**
- ◆ As a result, the remaining shares to be tendered are less than 2.25% of the capital
- ◆ The shares purchased by Eolo Energia does not prevent other shareholders from subscribe the PTO under the same conditions



**Fri-EI PTO is virtually nonexistent due to the high allotment**