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REGULATED INFORMATION

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated balance sheet and income statement (the “unaudited pro forma consolidated financial information”) were prepared to illustrate the possible impact on Elia System Operator SA (further referred to as “the Company”, “Elia”, “we” or “our”) of the intended acquisition of 50Hertz Transmission GmbH (further referred to as “50Hertz”). The unaudited pro forma consolidated financial information has been prepared in accordance with Annex II of the Commission Regulation (EC) No 809/2004 of April 2004 and will be used in the prospectus that Elia intends to publish, subject to its approval by the competent authority, in connection with the capital increase expected to occur before the end of June 2010 (subject to market conditions).

Because of its nature, the pro forma financial information addresses a purely hypothetical situation. The unaudited pro forma consolidated financial information has been prepared as if the acquisition had occurred on 1 January 2009 and is based on the historical financial statements of Elia, for the year ended 31 December 2009, and 50Hertz for the year ended 31 December 2009, after giving effect to our acquisition of 50Hertz (“the acquisition”) and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma consolidated financial information. The capital increase related to the Acquisition is assumed to be EUR 300 million subject to successful placement of the offering and reduced with management’s best estimate of the capital increase transaction costs for a total amount of EUR 6 million.

The consolidated financial statements of the Company include four subsidiaries, *i.e.* Elia Asset SA, Elia Engineering SA, Belpex SA and Elia Re SA. Furthermore, the associated companies HGRT S.A.S., Coreso SA. HGRT S.A.S. and Coreso SA are included in the consolidated statements on the basis of the equity method. Finally, the Company’s interest in CASC-CWE SA, a company established in 2008, is incorporated in the financial assets on the basis of the cost method investment. ‘50Hertz’ is composed of 50 Hertz Transmission GmbH, 50 Hertz Offshore GmbH and its two minority shareholdings, *i.e.* EMCC European Market Coupling Company GmbH and CAO Central Allocation Office GmbH.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and does not necessarily indicate the results of operations or the consolidated financial position that would have resulted had these acquisitions been completed at the beginning of the period presented, nor is it indicative of the results of operations in future periods or the future financial position of the combined businesses. The pro forma adjustments are based upon available information and certain assumptions that the Company believes to be reasonable. These adjustments could materially change as a result of an independent valuation of 50Hertz assets and liabilities

The unaudited pro forma consolidated financial information should be read in conjunction with the:

- Accompanying notes to the unaudited pro forma consolidated financial information;
- Audited historical consolidated financial statements of the Company presented in accordance with IFRS for the year ended 31 December 2009;
- Audited historical financial statements of the 50Hertz Transmission GmbH and 50Hertz offshore GmbH for the year ended 31 December 2009 prepared in accordance with German accounting principles (“HBI”) which have been filed to the appropriate authorities on 12 April 2010 and 8 April 2010, respectively. These financial statements are filed in the German language and can be retrieved on “<http://www.ebundesanzeiger.de>”

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro forma consolidated balance sheet 31st December 2009

	Unadjusted Financial Information			Pro Forma adjustments					Proportionate consolidation unaudited	Consolidated pro forma balance sheet
	Company - Audited	50Hertz Transmission GmbH - Audited	50Hertz - Offshore GmbH - Audited	Consolidation & Presentation consistency of 50Hertz Unaudited	Adjustments to convert German GAAP to IFRS (Elia) Unaudited	Consolidated 50Hertz (Elia accounting rules) Unaudited	Other Unaudited			
	IFRS	German GAAP	German GAAP	German GAAP	(B)	IFRS				
Reference to the notes				(A)	(B)				(H)	IFRS
	[1]	[2]	[3]	[4]	[5]	[6] = [2+3+4+5]	[7]		[8]	[1+6+7+8]
(in EUR million)	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09		31-Dec-09	31-Dec-09
Assets										
Non-current assets	3.976,6	1.238,0	49,4	-78,6	157,2	1.366,0	0,0		-546,4	4.796,2
Property, plant and equipment	2.089,6	1.183,3	49,4	-57,6	157,2	1.332,3	0,0		-532,9	2.889,0
Intangible assets	1.730,1	32,8	0,0	0,0	0,0	32,8	0,0		-13,1	1.749,8
Trade and other receivables	105,8	0,0	0,0	0,0	0,0	0,0	0,0		0,0	105,8
Investments in equity accounted investees	9,4	0,0	0,0	0,0	0,0	0,0	0,0		0,0	9,4
Other investments (including derivatives)	16,7	21,9	0,0	-21,0	0,0	0,9	0,0		-0,4	17,2
Deferred tax assets	25,0	0,0	0,0	0,0	0,0	0,0	0,0		0,0	25,0
Current assets	443,4	672,8	5,2	-36,1	88,5	730,4	11,5		-290,8	894,5
Inventories	13,7	4,2	0,0	-4,2	0,0	0,0	0,0		0,0	13,7
Trade and other receivables	218,1	660,3	5,2	-118,4	-4,2	542,9	0,0		-217,2	543,8
Income tax receivable	0,7	0,0	0,0	0,0	0,0	0,0	3,0		-1,1	2,5
Cash and cash equivalents	174,6	2,6	0,0	54,4	0,0	57,0	8,5	(C)	-20,3	219,8
Other assets	36,3	5,7	0,0	32,1	92,7	130,5	0,0		-52,2	114,6
Total assets	4.420,0	1.910,8	54,6	-114,7	245,7	2.096,4	11,5		-837,2	5.690,7

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

	Unadjusted Financial Information			Pro Forma adjustments					Proportionate consolidation unaudited	Consolidated pro forma balance sheet
	Company Audited	50Hertz Transmission GmbH - Audited	50Hertz Offshore GmbH - Audited	Consolidation & Presentation consistency of 50Hertz Unaudited	Adjustments to convert German GAAP to IFRS (Elia) Unaudited	Consolidated 50Hertz (Elia) accounting rules) Unaudited	Other Unaudited			
	IFRS	German GAAP	German GAAP	German GAAP		IFRS				
Reference to the notes				(A)	(B)				(H)	IFRS
	[1]	[2]	[3]	[4]	[5]	[6] = [2+3+4+5]	[7]		[8]	[1+6+7+8]
(in EUR million)	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09		31-Dec-09	31-Dec-09
Equity and liabilities										
Equity	1.367,1	662,3	21,0	-21,0	228,2	890,5	10,5		-354,4	1.913,7
Equity attributable to equity holders of the Company	1.365,4	662,3	21,0	-21,0	228,2	890,5	-343,9	(D)	0,0	1.912,0
Share capital	1.207,3	200,0	1,0	-1,0	0,0	200,0	94,0		0,0	1.501,3
Share premium	8,5	0,0	0,0	0,0	0,0	0,0	0,0		0,0	8,5
Capital reserves	0,0	455,8	20,0	-20,0	0,0	455,8	-455,8		0,0	0,0
Reserves	36,0	0,0	0,0	0,0	0,0	0,0	0,0		0,0	36,0
Hedging reserve	-18,7	0,0	0,0	0,0	0,0	0,0	0,0		0,0	-18,7
Retained earnings	132,2	6,5	0,0	0,0	228,2	234,7	17,9		0,0	384,8
Operating activities	132,2	6,5	0,0	0,0	228,2	234,7	-237,6	(D1)	0,0	129,3
Bargain on purchase price	0,0	0,0	0,0	0,0	0,0	0,0	255,5		0,0	255,5
Non-controlling interest	1,7	0,0	0,0	0,0	0,0	0,0	354,4		-354,4	1,7
Non-controlling interest	1,7	0,0	0,0	0,0	0,0	0,0	354,4		-354,4	1,7
Non-current liabilities	2.804,7	384,4	0,0	100,0	96,0	580,4	0,9		-232,5	3.153,5
Loans and borrowings	2.618,9	220,0	0,0	100,0	0,0	320,0	0,0	(E)	-128,0	2.810,9
Employee benefits	142,9	0,0	0,0	0,0	1,2	1,2	0,0		-0,5	143,6
Derivatives	28,2	0,0	0,0	0,0	0,0	0,0	0,0		0,0	28,2
Provisions	4,8	146,4	0,0	0,0	0,0	146,4	0,0		-58,6	92,6
Deferred tax liabilities	6,8	18,0	0,0	0,0	94,8	112,8	0,9	(F)	-45,5	75,0
Other liabilities	3,1	0,0	0,0	0,0	0,0	0,0	0,0		0,0	3,1
Current liabilities	248,2	864,1	33,6	-193,7	-78,5	625,5	0,0		-250,2	623,5
Loans and borrowings	0,1	100,0	0,0	-100,0	0,0	0,0	0,0		0,0	0,1
Provisions	13,9	0,0	0,2	0,0	0,0	0,2	0,0		-0,1	14,0
Trade and other payables	233,9	235,8	33,4	-93,7	187,2	362,7	0,0		-145,1	451,5
Income tax payables	0,2	0,0	0,0	0,0	0,0	0,0	0,0		0,0	0,2
Other liabilities	0,0	528,3	0,0	0,0	-265,7	262,6	0,0		-105,0	157,6
Total equity and liabilities	4.420,0	1.910,8	54,6	-114,7	245,7	2.096,4	11,5		-837,2	5.690,7

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro forma consolidated income statement 2009

	Unadjusted Financial Information			Pro Forma adjustments					Proportionate consolidation on unaudited	Consolidated pro forma income statement		
	Company - Audited	50Hertz Transmission GmbH - Audited	50Hertz - Offshore GmbH - Audited	Consolidation & Presentation consistency of 50Hertz Unaudited	Adjustments to convert German GAAP to IFRS (Elia) Unaudited	Consolidated 50Hertz - Unaudited IFRS	Other Unaudited					
	[1]	[2]	[3]	[4]	[5]	[6]= [2+3+4+5]	[7]				[8]	[1+6+7+8]
	IFRS	German GAAP	German GAAP	German GAAP								IFRS
(in EUR million)	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09	31-Dec-09		31-Dec-09	31-Dec-09	31-Dec-09			
Reference to the notes				(A)	(B)			(G)				
Continuing operations												
Revenue	733,7	4.171,8	1,1	-3.482,0	-17,7	673,2	0,0	-269,3	1.137,6			
Cost of sales	-5,6	-3.987,4	0,0	3.987,4	0,0	0,0	0,0	0,0	-5,6			
Gross profit	728,1	184,4	1,1	505,4	-17,7	673,2	0,0	-269,3	1.132,0			
Other income	37,6	248,0	2,0	-178,4	-13,3	58,3	0,0	-23,3	72,6			
Services and other goods	-303,5	0,0	0,0	-593,3	0,0	-593,3	-9,4	241,1	-665,1			
Personnel expenses	-124,4	-50,0	-0,5	1,8	-1,1	-49,8	0,0	19,9	-154,3			
Depreciation, amortization, impairment and changes in provisions	-102,1	-85,3	0,0	6,0	9,1	-70,2	0,0	28,1	-144,2			
Other expenses	-9,9	-241,1	-1,0	248,4	0,0	6,3	0,0	-2,5	-6,1			
Revenue from acquisitions (Bargain price from acquisition)		0,0	0,0	0,0	0,0	0,0	425,9	(D) -170,4	255,5			
				0,0								
Results from operating activities	225,8	56,0	1,6	-10,1	-23,0	24,5	416,5	-176,4	490,4			
Net finance costs	-120,4	-16,8	-0,5	0,0	0,0	-17,3	2,8	(E) 5,7	-129,3			
Finance income	12,8	1,1	0,0	0,0	0,0	1,1	0,0	-0,4	13,5			
Finance costs	-133,2	-17,9	-0,5	0,0	0,0	-18,4	2,8	6,1	-142,7			
Share of profit of equity accounted investees (net income tax)	-1,0			0,0		0,0	0,0	0,0	-1,0			
Profit before income tax	104,3	39,2	1,1	-10,1	-23,0	7,2	419,2	-170,7	360,1			
Income tax expense	-20,0	-32,8	0,0	0,0	27,4	-5,4	2,0	(F) 1,4	-22,0			
Profit from continuing operations	84,3	6,4	1,1	-10,1	4,4	1,8	421,2	-169,3	338,1			
Profit transfer		0,0	-1,1	10,1	0,0	9,0	0,0	-3,6	5,4			
Profit for the period	84,3	6,4	0,0	0,0	4,4	10,8	421,2	-172,9	343,4			
Profit attributable to:												
Owners of the Company	84,0	6,4	0,0	0,0	4,4	10,8	421,2	-172,9	343,1			
Non-controlling interest	0,3			0,0		0,0			0,3			
Profit for the period	84,3	6,4	0,0	0,0	4,4	10,80	421,2	-172,9	343,4			
Profit for the period (exclusif gain on bargain price)									87,9			
Profit attributable to:												
Owners of the Company	84,0								87,6			
Non-controlling interest	0,3								0,3			

(1) BASIS OF PRO-FORMA PRESENTATION

The unaudited pro forma consolidated financial information as of 31 December 2009 are based on the historical financial statements of the Company for the year ended 31 December 2009 after giving effect to the intended acquisition of 50Hertz and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma consolidated financial information.

The unaudited pro forma condensed financial information for the Company and 50Hertz as of 31 December 2009 is presented as if the acquisition occurred on 1 January, 2009, except as described elsewhere.

The capital increase related to the Acquisition is expected to be EUR 300 million subject to successful placement of the offering and reduced with the Company's best estimate of the capital increase transaction costs for a total amount of EUR 6 million.

At the time of the unaudited pro forma consolidated financial information, the intended acquisition of 50Hertz is not yet completed. Due to certain terms & conditions in the Investor and Shareholder agreement between the Company and IFM, the acquisition will be qualified as a joint control between the Company and IFM. As such, the Company has applied IAS 31 "Interest in Joint Venture" and applied the proportionate consolidation method. The pro-forma adjustments below represent the adjustments at 100% whereas the impact of the proportionate consolidation method (40%) is presented in the last pro-forma column. No purchase price allocation is being performed as IFRS 3 "Business Combinations" does not apply to the formation of joint ventures.

The unadjusted financial information for 50 Hertz Transmission GmbH and 50Hertz Offshore GmbH has been presented with different captions than in the audited historical financial statements in order to be comparable with the balance sheet and income statement presentation of the Company.

The unaudited pro forma consolidated financial information does not reflect any operating efficiencies and cost savings that we may achieve with respect to the acquisition of the 50Hertz Companies.

(2) 50HERTZ ACQUISITION AND RELATED ASSUMPTIONS

The Company and Industry Funds Management ("IFM") announced the acquisition of 50Hertz from Vattenfall Europe AG ("Vattenfall Europe") on 12 March 2010. On the date of the unaudited pro forma consolidated financial information, the acquisition was not yet closed although, for pro forma purposes, it has been assumed that the acquisition is closed as of 1 January 2009, except as described elsewhere.

The acquisition includes all of the shares of 50Hertz Transmission GmbH, including its 100% subsidiary 50Hertz Offshore GmbH and its two minority shareholdings, i.e. EMCC European Market Coupling Company GmbH (12.5%) and CAO Central Allocation Office GmbH (20%) (further referred to as "the acquisition").

In view of the acquisition, the Company and IFM have set up a holding company, Eurogrid International CVBA/SCRL. The shares of Eurogrid International CVBA/SCRL are owned for 60% by the Company (Elia Asset holds 1 share) and for 40% by IFM Luxembourg No. 2 S.à.r.l. IFM Luxembourg No. 2 S.à.r.l. is a private limited liability company incorporated under the laws of the Grand Duchy of Luxembourg and is controlled by IFM.

The shares of 50Hertz will be acquired through Eurogrid GmbH, a German limited company ("GmbH"), which was incorporated on 2 March 2010. Eurogrid GmbH is a 100% subsidiary of Eurogrid International CVBA/SCRL, a cooperative company with limited liability (société cooperative à responsabilité limitée / cooperatieve vennootschap met beperkte aansprakelijkheid) incorporated under Belgian law.

The acquisition price for all the shares of 50Hertz is EUR 464,6 million. Subject to closing, the Company will pay for its 60% interest, through Eurogrid GmbH, EUR 278,8 million (EUR 464,6

million * 60%) to Vattenfall Europe. The EUR 278.8 million will be paid out of the total proceeds of the capital increase of maximum EUR 300 million. The Company has secured bridge financing between the closing date of the acquisition and the closing date of the capital increase (“bridge to equity”). For the purpose of these unaudited pro forma consolidated financial information, the closing date of the acquisition and the closing date of the capital increase is 1 January 2009 and as such the “bridge to equity” financing does not have any impact on the unaudited pro forma consolidated financial information except for the up-front fee (EUR 0,4 million) of 0,25% of the facility. Commitment fees on the “bridge to equity” are excluded from the pro forma adjustments, as the Company assumed a successful placement of the offering, resulting in a repayment of the loan and early termination of the facility. The financial impact of the use of the “bridge to equity” has been estimated by the Company and can be considered as not material. The cash consideration payable by IFM has been paid by IFM in full on the closing date of the acquisition.

Eurogrid GmbH has secured long term bank financing (up to 3 year facilities) of EUR 850 million with four banks (Royal Bank of Scotland, BNP Paribas Fortis, ING and Dexia). About EUR 320 million will be used immediately to repay an existing shareholder loan between 50Hertz and Vattenfall Europe. The remaining part of the financing will be used to finance future investments and working capital needs of Eurogrid GmbH and its subsidiaries (“bridge to bonds”). Eurogrid GmbH is considering replacing the bank financing with long term Eurobonds. For the purpose of these unaudited pro forma consolidated financial information, it has been assumed that

- the “bridge to bonds” facility has been used for an amount of EUR 320 million and the remaining of EUR 530 million remains unused over the period January 1 to 31 December 2009;
- the transactions costs amount to EUR 6,3 million consists of arrangement & structure fees (EUR 5,5 million) and an up-front fee of EUR 0,8 million. For the purpose of the pro forma consolidated financial information, it is assumed that these transaction costs are fully paid by Eurogrid GmbH.

(3) PRO-FORMA ADJUSTMENTS

The following pro forma adjustments are included in the unaudited pro forma consolidated balance sheet:

- A. (Consolidation & presentation column) To consolidate 50Hertz Transmission and 50Hertz Offshore under German GAAP (since there is no obligation for 50Hertz to consolidate under German law) and to reclassify certain assets and liabilities in order to be consistent with the balance sheet presentation of the Company.
- B. (IFRS column) As required in the prospectus directive, the Company has adjusted the statutory financial statements of 50Hertz prepared in accordance with HBI to IFRS. The Company has identified the possible adjustments and has estimated the impact on equity based on information available. Certain of these adjustments (assets and liabilities – see 3,7,9) are particularly difficult to estimate at this point due to both a relative new regulatory framework in Germany as well as diverse practices under IFRS. For the purpose of the unaudited pro forma consolidation, the Company has, after careful consideration of all available information, concluded that, in accordance with its own accounting methods, the regulatory principles applicable to 50Hertz are intended, by law or standing practice, to adjust revenues in future periods based on accepted expenses in past and current periods. As a result, and subject to changes that may occur, the Company concluded that accounting for a surplus or deficit, subject to the control of the regulator, arising from the settlement mechanism is an appropriate and supportable pro-forma adjustment. Due to the timing of the transaction, the Company has not yet been able to access neither accounting records nor underlying documents but believes its IFRS identification and estimation process reflects the financial information on a consistent basis comparing to the Company’s accounting policy which are compliant to IFRS, and therefore the approach meets the requirements of the prospectus directive.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

These adjustments record the adjustments needed to convert the historical unadjusted balance sheet of 50Hertz Transmission GmbH and to the historical unadjusted balance sheet of 50Hertz Offshore GmbH, both were prepared in accordance with HBI to International Financial Reporting Standards “IFRS” as applied by the Company in its consolidated financial statements as of 31 December 2009.

The following IFRS adjustments have been recorded (in EUR million)

(1) Different useful lives on property, plant and equipment and intangible assets between HBI and IFRS	200,5
(2) Reversal of the special loss account classified in current assets (“Sonderverlustkonto”) required under HBI	-4,2
(3) Timing difference resulting from deferral under HBI from auction revenues as well as revenue in excess of revenue cap	74,3
(4) Reversal of an accrual for loss contract recorded under HBI	7,8
(5) Different methodology and assumptions related to pension accounting	-1,6
(6) Reversal of various smaller provisions for employees as well as environmental risk provisions	0,4
(7) Reversals of deferred revenues relating to auctioning revenue resulting from cross-border network capacity	135,7
(8) The impact of IFRIC 18 with respect to transfer of assets from customers	4,6
(9) The impact of assets and liabilities reflecting the difference between tariffs charged and tariffs that should have been charged based on reasonable regulatory costs.	-94,5
(10) Deferred tax on the above adjustments	-94,8
Total adjustments to equity	<u><u>228,2</u></u>

Point (3), (7) and (9) above reflect certain adjustments relating to the regulatory framework. Under the regulatory framework, certain surpluses should be restituted in future tariffs (these are recognised as a liability) and certain deficits could be recovered in future tariffs (these are recognised as an asset). The liabilities mainly relate to auctioning revenue (resulting from auction sales of cross-border network capacity) for which the regulator has decided that these amounts should be used for future tariff reductions. The amounts qualified as assets result from the fact that tariffs were based on historical information and did not reflect the actual costs, as a result of which these amounts should be recoverable in future tariffs.

Point (4) is related to an energy procurement contract for which the price at year end was above the forward price and for which as a result the corresponding electricity price swap was out of the money.

C. (Cash) To record the following adjustments to cash & cash equivalents: (EUR million)

(1) Proceeds of the capital increase, less directly attributable costs incurred from the capital increase.....	294,0
(2) Cash consideration paid for the acquisition.....	-278,8
(3) Net cash impact of “bridge to bond” facility (refer to point E).....	5,5
(4) Net cash impact of commitment fees on bridge to bond facility.....	-2,3
(5) Net cash impact of “bridge to equity” facility.....	-0,4
(6) Direct attributable costs related to the acquisition	-9,5
Total adjustments to equity attributable to equity holders	<u><u>8,5</u></u>

Point (1) and (2) above reflect the difference between the total purchase price of EUR 278,8 million paid by the Company for the acquisition and the total proceeds of the

capital increase for a total amount of EUR 300 million, deducted with the Company's best estimate of the capital increase transaction costs of EUR 6,0 million.

Point (4) reflects the adjustment of the Company's best estimate of the commitment fees on the unused portion of the "bridge to bond" facility for an amount of EUR 2,3 million, fully paid at 31 December 2009. For the purpose of the pro forma consolidated financial information, the Company assumed no other fees than the commitment fee are payable.

Point (5) reflects the up-front fees paid on the "bridge to equity" facility.

Point (6) reflects the adjustment of the Company's best estimate of the costs incurred in relation to the acquisition of 50Hertz for a total amount of EUR 9,5 million. The costs are assumed to be fully paid at the end of the year and are as such adjusted through the cash & cash equivalent line item in the pro forma consolidated financial information.

D. (Equity) To record the following adjustments to equity attributable to equity holders of the Company (EUR in million):

Elimination of the net equity of 50 Hertz Transmission GmbH and 50Hertz Offshore GmbH.....	890,5
Net impact of the "other" pro forma adjustments in the income statement.....	-252,6
Capital increase, less direct attributable costs incurred for the capital increase.....	-294,0
Total adjustments to equity attributable to equity holders	<u><u>343,9</u></u>

The amount of EUR -237,6 million (D1 reference) consists of the elimination of the retained earnings of 50Hertz under IFRS for EUR -234,7 million and the impact of the pro forma adjustments (net of income tax and after proportionate consolidation for 60%) related to:

- (1) the "bridge to bond" in the amount of EUR 1,3 million,
- (2) acquisition costs in the amount of EUR -3,9 million
- (3) the costs of "Bridge to equity" of in the amount of EUR -0,26 million.

As described elsewhere, in view of the acquisition, Elia and IFM have set up a holding company, Eurogrid International CVBA/SCRL. The shares of Eurogrid International CVBA/SCRL are owned for 60% by Elia and Elia Asset and for 40% by IFM (through Luxembourg No. 2 S.à.r.l.). The shares of 50Hertz will be acquired through Eurogrid GmbH, a German limited company ("GmbH"), which was incorporated on 2 March 2010 and which is a 100% subsidiary of Eurogrid International CVBA/SCRL. Pursuant to an investment and shareholders agreement entered into between Elia and IFM, all important decisions relating to Eurogrid International, Eurogrid GmbH and 50Hertz and its subsidiaries require the consent of Elia and IFM.

For the purpose of the pro forma consolidated financial information, no adjustments have been reflected as the investment and related equity would be eliminated in the consolidation process and therefore not resulting in any impact on the pro forma consolidated balance sheet.

E. (Loans and borrowings) To record the measurement of the "bridge to bond" facility using the effective interest rate method. For the purpose of the pro forma consolidated financial information, the Company has estimated that the transaction costs incurred in relation to the bridge to bond facility will be amortized over a period of 1 year, considering the assumption that the "bridge to bond" facility will be refinanced by the a bond by the end of the year. As such, the amortized cost equals the nominal value as of 31 December 2009, of EUR 320 million. The costs of this facility amount to EUR 8,6 million and are recognized directly in to the income statement (see *Income statement* section E)

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

- F. (Deferred tax) To record the deferred tax on the balance sheet for the pro forma adjustments at a statutory rate of approximately 30% (rate applicable to the tax group 50Hertz).
- G. (Proportionate consolidation) To record the impact of the proportionate consolidation method. The Company has presented the elimination of the 40% interest held by IFM in the column except for certain adjustments that are 100% related to the Company (such as the impact of the “bridge to equity” and the direct attributable costs incurred from the capital increase).

The following pro forma adjustments are included in the unaudited pro forma consolidated income statement.

- A. (Consolidation & presentation column) To consolidate 50Hertz Transmission and 50Hertz Offshore under German GAAP (since there is no obligation for 50Hertz to consolidate under German law) and to reclassify certain income and expenses in order to be consistent with the income statement presentation of the Company. As part of this adjustment, a significant amount of revenues is eliminated. This relates to the fact that 50Hertz has an obligation to purchase renewable energy generated by power plants located next to their network and pay such fixed tariffs to the plant operators. These costs are shared between the TSO’s in Germany, the post-sharing costs are passed on to the electricity retailers and ultimately to the consumers. As a result the final impact on the income statement is nil, for presentation purposes these ‘revenues’ and ‘costs of sales’ has been compensated. As a result, the final impact on the income statement is nil, and for presentation purposes the corresponding “revenues” and “costs of sales” has been compensated.
- B. We refer to the first paragraph in point B above with respect to the estimation process to determine the IFRS adjustments.

To record the adjustments to convert the historical unadjusted income statement of 50Hertz Transmission GmbH and to the historical unadjusted income statement of 50Hertz Offshore GmbH, both prepared in accordance with HBI to International Financial Reporting Standards “IFRS” as applied by the Company in its consolidated financial statements as of 31 December 2009.

The following IFRS adjustments have been recorded (in EUR million)

(1) Different useful lives on property, plant and equipment and intangible assets between HBI and IFRS	9,1
(2) Reversal of the special loss account classified in current assets (“Sonderverlustkonto”) required under HBI	-
(3) Timing difference resulting from deferral under HBI from auction revenues as well as revenue in excess of revenue cap	6,9
(4) Reversal of an accrual for loss contract recorded under HBI	-17,9
(5) Different methodology and assumptions related to pension accounting	0,1
(6) Reversal of various smaller employee related provisions as well as environmental risk provisions	-1,2
(7) Reversals of deferred revenues relating to auctioning revenue resulting from cross-border network capacity	-6,7
(8) The impact of IFRIC 18 with respect to transfer of assets from customers	4,6
(9) The impact of assets and liabilities reflecting the difference between tariffs charged and tariffs that should have been charged based on reasonable regulatory costs.	-17,9
(10) Deferred tax on the above adjustments	27,4

Total adjustments to the income statement	<u>4,4</u>
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- C. (Services and other goods) To record the adjustment of direct attributable costs incurred in relation to the acquisition.
- D. (Gain on bargain purchase) To record the estimated gain on the bargain purchase of EUR 425,9 million determined by the Company resulting from the difference between the cash consideration owed to Vattenfall for an amount of EUR 464,6 million and the net assets of 50Hertz (after IFRS adjustments mentioned in column B) as of 31 December 2009 for an amount of EUR 890,5 million. For the purpose of the unaudited pro forma consolidated financial information, the gain on the bargain purchase has been determined at 31 December 2009, as opposed to 1 January 2009, which is used elsewhere as the point in time to reflect the date of the acquisition. The Company believes that, by considering the net assets of 50Hertz as of 31 December 2009, the gain in the pro forma will better reflect the expected gain on the bargain purchase that will be recognized at the time of the closing of the acquisition of 50Hertz.

The recognition of a gain on bargain purchase takes into account the underlying fair value of 50Hertz that has been determined following appropriate procedures after due diligence conducted by Elia and its advisors in view of the acquisition of 50Hertz.

The purchase price to be paid for the acquisition of 50Hertz results from negotiations between the parties following a competitive sale process. Vattenfall has released no information as to the reasons why 50Hertz has been sold with a certain badwill. However, as stated in its annual report 2009, Vattenfall's debt position has increased over the past few years, while its cash flow decreased, and Vattenfall AB announced in that context that it intended to improve profitability through concrete measures, amongst other things by reprioritizing and reducing its investments and divesting non-core assets. In addition, Vattenfall is subject to certain unbundling requirements under the Third EU Energy Package.

- E. (Financial cost) As a result of the planned acquisition, the Company expect to have to refinance certain shareholder loans between 50Hertz and the affiliates of 50Hertz prior to the Acquisition. The Company has adjusted (as described below) the net interest impact by reversing the interest expense of the shareholder loans with the estimated interest charge it expects to incur on the "bridge to bond" facility. The estimated interest rate has been applied on EUR 320 million which is the total amount of the debt that 50Hertz had outstanding towards its shareholders as of 31 December 2009. In addition, the Company estimated the interest rate applied based an expected rating between BBB and BBB+ using all available information to date.

The adjustment records the following adjustments in the financial costs (in EUR million):

(1) Elimination of the interest expense on the shareholder loan between 50Hertz and Vattenfall.....	17,9
(2) Interest expense on the new bridge to bond facility.....	-6,1
(3) Impact up-front fees from the "bridge to bond" facility.....	-6,3
(4) Commitment fees paid on the "bridge to bond" facility	-2,3
(5) Up-front fees paid on "bridge to equity" facility, fully charged to the income statement.....	-0,4
Total adjustments to financial cost	<u>2,8</u>

Point (1) reflects the adjustment to eliminated the interest expense paid by 50Hertz on the shareholders loan and which is replaced by point (2) which reflect the interest expense payable on the "bridge to bond" facility. The interest payable is determined based on the credit rating to be obtained by the Company. The Company has assumed an expected rating between BBB and BBB+ using all available information to date.

Point (3) reflects the adjustment of the application of the effective interest rate method on the “bridge to bond” facility with an expected refinance of the facility by the end of the year (refer to point G in the balance sheet).

Point (4) reflects the adjustment to account for the quarterly commitment fees payable on the unused portion of the “bridge to bond” facility. For the purpose of the unaudited pro forma consolidated financial information, the Company has assumed that unused portion outstanding during the year at EUR 530 million.

Point (5) reflects the adjustment to record Company’s best estimate of the upfront fees related on the “bridge to equity” for an amount of EUR 0,4 million, totally recognized in the income statement. The Company assumed that the “bridge to equity” facility will be terminated upon closing of the capital increase and as such has expensed the transaction costs in the income statement as incurred.

The depreciation on the Property, Plant and Equipment and the intangible assets has been calculated based on the useful lives as historically applied by 50Hertz. Differences between the useful lives as historically applied by 50Hertz and the useful lives as applied by the Company may exist, although are expected to be limited. However, the Company has not been able yet to quantify the impact on the unaudited pro forma consolidated financial information.

- F. (Income tax) To record the income tax benefit / (expense) on pro forma adjustments at the statutory approximate tax rate of 30%. For the purpose of the pro forma financial information, the Company has calculated the tax impact as if Company 50Hertz Transmission GmbH, 50Hertz Offshore GmbH and Eurogrid GmbH are stand-alone tax units and as such has omitted to estimate the impact of the consolidated German tax return it expects to file in the future.
- G. (Non-controlling interest) To record the non-controlling interest on the above pro forma adjustments
- H. (Proportionate consolidation method) To record the impact of the proportionate consolidation method. The Company has presented the elimination of the 40% interest held by IFM in the column except for certain adjustments that are 100% related to the Company (such as the impact of the “bridge to equity”).

(4) SUMMARY PRO FORMA FINANCIAL INFORMATION AND IMPACT PER SHARE

The Key figures here below are a summary of the unaudited pro forma consolidated financial information as presented here above¹.

	Elia ⁽¹⁾	50Hertz consolidated ⁽²⁾ proportionate consolidation 60%	Indicative consolidated figures (Elia+60% of 50Hertz) ⁽³⁾		
	[A]	[B]	[C]		[(C)-[A])/[A]
	IFRS	IFRS	IFRS		
Income statement (€ million)	2009	2009	2009		Estimated Change in %
Consolidated turnover	771,3	438,9	1.210,2		56,9%
EBITDA	327,9	56,8	634,6	(4)	93,5%
Operating result (EBIT)	225,8	14,7	490,4		117,2%
Gain from bargain price	-	-	255,5		
<i>Operating result before gain on bargain purchase</i>	225,8	14,7	234,9		4,0%
Financial result	-120,4	-10,4	-129,3		7,4%
Taxes	-20,0	-3,2	-22,0		10,0%
Consolidated net profit attributable to the equity holders of the company	84,0	6,5	343,1	(5)	308,5%
Balance sheet (€ million)	31/12/2009	31/12/2009	31/12/2009		
Total assets	4.420,0	1.257,8	5.690,7		28,7%
Equity attributable to the equity holders of the company	1.365,4	534,3	1.912,0	(6)	40,0%
Net financial debt	2.444,4	157,8	2.591,2		6,0%

Profit per share

(EUR)

Profit per share (before acquisition and capital increase)	1,74		
Profit per share (after acquisition and capital increase, excluding bargain price) (7)			1,47
Profit per share (after acquisition and capital increase (7))			5,76

- (1) Based on Elia's 2009 consolidated financial statements under IFRS.
- (2) 50Hertz 2009 unaudited IFRS accounts compliant to Elia accounting rules
- (3) 2009 Consolidated pro forma income statement & balance sheet of Elia - 50Hertz combined (50Hertz proportionally consolidated for 60 %).
- (4) EBITDA = EBIT + depreciation + changes in provisions.
- (5) Estimated bargain on purchase price of EUR 255,5 million is included as a one-off net profit.
- (6) Taking into account the capital increase of January 2010 and assuming a capital increase of EUR 300 million.
- (7) The table is based on the assumption that an amount of EUR 300 million would be raised by means of the capital increase (to be reduced with management's best estimate of the capital increase transaction costs for a total amount of EUR 6 million) at a hypothetical price per share of 26,5 EUR, resulting in 11.320.754 shares to be issued. This hypothesis is made only for illustrative purposes and should under no condition be considered as an indication of the potential issue price of the new shares to be issued in the context of the contemplated capital increase, which has not been determined yet and which may be impacted by various factors beyond the control of Elia, such as the offering structure, market conditions and market appetite for Elia shares.

¹ This table is not to be considered as the unaudited pro forma consolidated financial information