

SARAS S.p.A.

Registered office: S.S. 195 "SULCITANA" KM 19 - SARROCH (CA)

Share capital: EUR 54,629,666.67 (fully paid up)

Report of the Board of Statutory Auditors to the Shareholders' Meeting pursuant to Article 153 of Legislative Decree 58/98

To the shareholders' meeting of Saras S.p.A.

During the year ended 31 December 2012, we carried out the supervisory activities required by law, updated by Legislative Decree 39/2010, in accordance with the Code of Conduct for Internal Auditors recommended by the National Accounting Board.

SUPERVISORY ACTIVITIES

Specifically, in compliance with the instructions provided in Consob Communications 1025564 of 6 April 2001, 3021582 of 4 April 2003 and 6031329 of 7 April 2006, we wish to report the following.

We monitored compliance with legislation, the articles of association and the principles of correct practice in administering corporate activities.

We attended shareholders' meetings and meetings of the Board of Directors and the board committees, and obtained from the directors, on at least a quarterly basis and pursuant to art. 150 of Legislative Decree 58/1998, information on general operating performance and the outlook for this performance, and on significant transactions affecting the Company's business and financial position, ensuring that the resolutions approved and implemented were not imprudent or risky, did not represent a potential conflict of interest, did not run counter to resolutions adopted by shareholders and did not jeopardise the Company's assets.

We examined and monitored, within the parameters of our remit, the effectiveness of the company's organisational structure in compliance with good administrative practice, by collating information received from the heads of the various functions and meeting with the external auditors in order to share relevant information, and we have no particular observations to make in this regard.

The Board of Statutory Auditors examined and monitored the adequacy of the instructions given by the Company to its subsidiaries, pursuant to art. 114, para. 2 of Legislative Decree 58/98, and obtained information on the organisational structure and the management control system,

and has no particular observations to make in this regard.

We have assessed and monitored the effectiveness of the internal control, administration and accounting systems, and the reliability of the accounting system in terms of accurately representing the results of operations, by:

- (i) examining the report by the Internal Control Manager on the internal control system at Saras
- (ii) examining the reports from Internal Audit and information on the results of activities to monitor the implementation of corrective measures identified as a result of audit activities
- (iii) obtaining information from the heads of the various functions
- (iv) examining Company documents
- (v) analysing the results of the work carried out by the external auditors
- (vi) sharing information with the control bodies of subsidiaries, pursuant to paras. 1 and 2 of art. 151 of Legislative Decree 58/98.

We have no particular observations to make in this regard.

The Internal Control Committee, the Remuneration Committee and the Risk Control Committee were created within the Board of Directors. The Board of Statutory Auditors, having examined the new corporate standards and regulations, has verified the Company's compliance activities in this regard and notes that it has reviewed the remuneration policy for Directors and senior managers with strategic responsibilities approved by the Board of Directors, in line with the Corporate Governance Code for Listed Companies and on the recommendation of the Remuneration Committee, in the work of which the Board of Statutory Auditors took part.

We held meetings with representatives of the external auditors, pursuant to art. 150, para. 3 of Legislative Decree 58/98, and no significant information or issues emerged that ought to be included in this report.

We have not discovered any atypical or unusual transactions carried out with third parties, Group companies or related parties.

In the notes to the accounts, the Directors indicate and explain numerous exchanges of goods and services between the Company, other Group companies and related parties, and specify that these were governed by appropriate conditions as indicated in the notes to the accounts in light of the nature of the goods and services provided.

We have obtained and reviewed information from the Supervisory Body regarding organisational and procedural activities implemented pursuant to Legislative Decree 231/01, as subsequently amended, relating to the administrative responsibility of entities for offences covered by the decree. The report by the Supervisory Body on the activities carried out during 2012 and the meetings between the Supervisory Body and the Board of Statutory Auditors did not reveal any significant issues that ought to be mentioned in this report.

The Board of Statutory Auditors received an analysis of the impairment testing carried out by the Company to confirm the value of goodwill and some significant fixed assets included in the financial statements. The Directors have provided the relative details in the notes to the financial statements, in line with the recommendations of the International Accounting Standards and Consob.

The Board of Statutory Auditors has received no complaints or accusations pursuant to art. 2408 of the Italian Civil Code.

Based on the express declaration of the directors, we can report that the external auditors have also been assigned the following additional duties:

- > checking the separate and consolidated financial statements relating to activities in the electricity sector for remuneration of EUR 6,960
- > signing tax declarations for remuneration of EUR 5,680.

We issued favourable opinions on the following during the year:

- the existence of the requirements for independent directors
- the annual remuneration of directors sitting on board committees, pursuant to art. 2389, para. 3 of the Italian Civil Code.

By means of direct checks and information obtained from the external auditors, we have verified compliance with legal requirements regarding the preparation and presentation of the Company's annual financial statements and the report on operations that accompanies them. The Board of Statutory Auditors has also examined the valuation criteria used to prepare the financial statements to ensure that they meet legal requirements and are appropriate for the Company's financial situation, with a particular focus on the criteria and assumptions used to plan impairment testing.

In the risk analysis section, the directors describe the main risks and uncertainties to which the Company and the Group are exposed, including operational, financial (price volatility, credit, liquidity, exchange rate, interest rate) and general risks.

The Board of Statutory Auditors notes the Company's commitment to continuously improving its environmental and safety systems.

The Board of Statutory Auditors held ten meetings, also with the bodies of the subsidiaries, and

attended six meetings of the Board of Directors, one shareholders' meeting, two meetings of the Internal Control Committee, three meetings of the Remuneration Committee and three meetings of the Risk Control Committee.

The report on operations provides sufficient information on the Company's operations and is appropriate for the scope and complexity of the Company's affairs.

In February 2013, the Board of Directors launched a major corporate reorganisation programme that includes, inter alia, a restructuring of the delegation of operational authority within the Company, appointing and conferring wide-ranging powers upon the new Executive Vice President. The directors provided the appropriate information on this programme in the notes to the financial statements.

ANNUAL FINANCIAL STATEMENTS

We have reviewed the draft financial statements for the year ended 31 December 2012, which have been provided to you pursuant to art. 2429 of the Italian Civil Code, with regard to which we note the following:

Since we have not been engaged to audit the financial statements, we have monitored their presentation and the general legal compliance of their preparation and structure, and we have no specific observations to make in this regard.

In preparing these financial statements, the directors have not deviated from the law pursuant to art. 2423, para. 4 of the Italian Civil Code.

The annual financial statements to 31/12/2012 closed on a loss of EUR 154,009,279.

CONCLUSIONS

The external auditors have issued their report today with an unqualified opinion.

The Board of Statutory Auditors has raised no objection to the approval of the financial statements and the earnings allocation proposed by the Board of Directors.

Milan, 2 April 2013

The Board of Statutory Auditors

Ferdinando Superti Furga

Giovanni Luigi Camera

Michele Di Martino.