

ELICA S.p.A.

Registered office in Fabriano (AN), Via Dante No. 288

Share capital Euro 12,664,560.00 fully paid-in

Registered at the Ancona Company's Registration Office

Tax and VAT No.: 00096570429

**REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE
SHAREHOLDERS' MEETING**

**(in accordance with Article 153 of Legislative Decree 58/1998 and Article
2429 of the Civil Code)**

Dear Shareholders,

during the year ended 31/12/2012, we performed the supervisory activities required by law, in accordance with the "Conduct principles for the Board of Statutory Auditors" and recommended by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

In particular, also in accordance with the instructions issued by Consob, we performed the following:

- we verified compliance with law, the By-Laws and Regulations;
- we met 9 times and we attended 1 Ordinary Shareholders' Meeting, 8 Board of Directors' meetings, 5 Appointments and Remuneration Committee meetings and 4 Internal Control and Risk Management Committee meetings, which were carried out in accordance with the legislative, statutory and regulatory provisions which govern their functioning. The resolutions passed were in compliance with law and the company by-laws and were not imprudent, reckless or such as to compromise the integrity of the company's assets;
- periodically, we received information from the Directors on the general performance and on the outlook, as well as on the most significant operations, in terms of size or nature, carried out by the Company and its subsidiaries.

In relation to such, we can reasonably assure that the actions taken are in conformity with law and the Company By-laws and were not imprudent, risk related, in potential conflict of interest or contrary to the motions passed, or such as to compromise the integrity of the company assets;

The most important economic, financial and equity operations carried out in 2012 were as follows:

- a) the purchase on 9/02/2012 of 64,000 ordinary shares of the Company by Mr. Francesco Casoli;
 - b) the sale on 25/06/2012 of 3.24% of the share capital of the Chinese subsidiary Zhejiang Putian Electric Co. Ltd. to Fuji Industrial Co. Ltd. for Euro 1,997,802.78. Following the sale, the Elica holding in the Chinese company Putian reduced from 70% to 66.76%;
 - c) the acquisition on 28/11/2012 of 30% of the Russian subsidiary Elica Trading LLC for consideration of Euro 132,968.74. Following this operation, Elica attained full ownership of the overseas subsidiary;
- the following assignments were awarded to the Audit Firm and its network and other companies:

Type of service	Party providing the service	Company	Fees (Euro thousands)
Auditing	Deloitte & Touche SpA	Elica SpA	269
Auditing	Deloitte & Touche SpA	Air Force SpA	30
Auditing	Deloitte & Touche S.C.	ELICAMEX S.A. de C.V.	22
Auditing	Deloitte & Touche Sp.z.o.o.	Elica Group Polska S.p.z.o.o.	19
Auditing	Deloitte & Touche GmbH	Exklusiv Hauben Gutmann GmbH	36
Auditing	ZAO Deloitte & Touch CIS	Elica Trading LLC	16
Auditing	Deloitte Touche Tohmatsu Limited	Ariafina CO. LTD	29
Other services	Deloitte & Touche SpA	Elica SpA	6
Other services	Deloitte Doradztwo Podatkowe Sp. Z o.o.	Elica Group Polska S.p.z.o.o.	26
Other services	Deloitte & Touche S.C.	Elicamex S.A. de C.V.	9
Auditing	B S R and Co. (KPMG affiliate)	Elica PB India Private Ltd	11

Auditing	Price Waterhouse Coopers	Zhejiang Putian Electric Co. Ltd	42
Total			515

- we constantly monitored the independence of the Independent Audit Company, noting the absence of any critical aspects;
- we held meetings with the head of the independent audit firm, in accordance with Article 150, paragraph 3 of Legislative Decree 58/1998, and with the Boards of the subsidiary Air Force S.p.A.. During the meetings, no significant information warranting disclosure became evident;
- we reviewed the adequacy of the organisational structure of the company, also through the information received from departmental managers and in relation to this there are no matters to report upon;
- we assessed the adequacy of the internal control system and the administration and accounting system and on its reliability to correctly represent operations, through the obtaining of information from managers and the review of company documents.

In particular, we received adequate updates on the projects in progress concerning the Accounting – Administrative IT system and the Internal Control System which, through the Internal Audit Manager, during the year carried out a number of specific audits at the principal overseas subsidiaries;

- we did not note the existence of atypical or unusual transactions with Group companies, related parties or with third parties;

We note the following significant non-recurring operation: the realisation of income of Euro 2,342 thousand, recognised to income taxes in the year, following the deductibility from IRES of IRAP concerning labour costs for the years 2007-2011, following the amendments introduced by Article 4, paragraph 12 of Legislative Decree No. 16/2002;

- in relation to inter-company and related party transactions of an ordinary nature, these were adequately described in the Notes to the financial statements to which reference should be made. These transactions are appropriate and are in line with the corporate objectives of the Company;
- no petitions were received pursuant to art. 2408 of the Civil Code;
- During the year we issued the following opinions:
 - a) On 9/1/2012 in relation to the appointment by the Board of Directors on the same date of Mr. Alberto Romagnoli, already Treasury and Risk Manager of the Company, to the role

of “Executive responsible for the preparation of corporate accounting documents” in replacement of the resigning Mr. Vincenzo Maragliano;

- b) On 27/4/2012 in relation to the confirmation of Mr. Alberto Romagnoli as “Executive responsible for the preparation of corporate accounting documents”, appointed by the Board of Directors on the same date;
 - c) On 27/4/2012 in relation to the remuneration of the Executive Directors and Members of the Internal Control and Risk Management Committee and the Appointments and Remuneration Committee appointed by the Board of Directors on the same date;
 - d) On 13/9/2012 in relation to the remuneration of the new Chief Executive Officer Mr. Giuseppe Perucchetti, appointed by the Board of Directors on the same date in replacement of the resigning Mr. Andrea Sasso;
- we reviewed the adequacy of the instructions given by the Parent Company to its subsidiaries in order that they could provide all necessary information to comply with the obligations required by law;
 - the company adhered to the Self-Governance Code of the Corporate Governance Committee for listed companies of the Italian Stock Exchange, as reported in the Board of Directors’ supplementary report of 15/03/2013;
 - we verified, in the meetings of 27/4/2012 and 13/9/2012 in accordance with point 3.C.5 of the Self-Governance Code, the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. In our verifications we did not note irregularities;
 - during the meeting of 27/4/2012 we evaluated our independence in accordance with point 8.C.1 of the Self-Governance Code of listed Companies;
 - we examined the declarations of the Chief Executive Officer and the Executive Responsible for the preparation of the corporate accounting documents, pursuant to Article 154-*bis* of the Consolidated Finance Act;
 - we examined documents and obtained from the Supervisory Board, appointed in accordance with Legislative Decree 231/2001, information on the activities carried out.

In relation to the separate financial statements, we confirm that:

- they were prepared in accordance with International Accounting Standards (IAS/IFRS), as presented by the Board of Directors in the notes to the financial statements. In particular, in the Directors’ Report and in the Notes to the financial statements, the Directors have complied with that established by the regulatory provisions concerning disclosure on the risk

management system and the internal control system in relation to the financial disclosure process;

- the impairment test carried out under IAS 36 did not result in any write-down of the goodwill and investments accounts;
- the notes to the financial statements, in addition to being in compliance with the norms for the preparation of the separate financial statements, also provide all information considered appropriate to represent the balance sheet, financial position and result of the Company;
- the information provided in the Directors' Report is complete and exhaustive, including that relating to the principal events after year-end.

Specifically, the Directors dedicated a section to describe the actions planned for 2013 in order to develop the business and strengthen the competitive position.

The Independent Audit Firm reported to us upon the parent company and consolidated financial statements without any issues noted.

In the course of the supervisory activity carried out and based on the information obtained, no significant omissions and/or significant matters or irregularities that would require reporting to the Supervisory Authority or mention in the present report were noted.

In conclusion and taking into account the above matters, in relation to our responsibility, and not having proposals to present to the Shareholders' Meeting pursuant to Article 153, paragraph 2 of Legislative Decree 58/1998, we have no reason to impede the approval of the financial statements for the year ended 31/12/2012 and in relation to the net profit we do not report any observations on the proposal for the distribution of the dividend as presented by the Board of Directors, in addition to the proposal to allocate the residual profit to the Extraordinary Reserve.

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In relation to the Group consolidated financial statements, we have reviewed them and have no further comments to make.

Jesi, March 28, 2013

THE BOARD OF STATUTORY AUDITORS

MARIOTTI CORRADO - Chairman

MARASCA STEFANO - Statutory Auditor

CASALI GILBERTO - Statutory Auditor

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-*QUINQUIESDECIES*
OF THE ISSUERS' REGULATIONS**

Name	CORRADO	Surname	MARIOTTI
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Chairman B.Stat.Auds.	App. FS 31/12/2014
	Finance and Banks:		
2	BANCA POPOLARE DI ANCONA SpA	Chairman BoD	App. FS 31/12/2013
	Of significant size:		
3	NAZARENO GABRIELLI DIARIES SpA	Statutory Auditor	App. FS 31/12/2014
4	SOMACIS SpA	Chairman B.Stat.Auds.	App. FS 31/12/2014
5	SOMIPRESS SpA	Chairman B.Stat.Auds.	App. FS 31/12/2013
6	ZETABI S.p.A.	Statutory Auditor	App. FS 31/12/2012

Jesi, March 28, 2013

Mr. CORRADO MARIOTTI

Chairman of the Board of Statutory Auditors of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES
OF THE ISSUERS' REGULATIONS**

Name	STEFANO	Surname	MARASCA
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Statutory Auditor	App. FS 31/12/2014

Jesi, March 28, 2013

Mr. STEFANO MARASCA

Statutory Auditor of ELICA S.p.A.

**LIST OF OFFICES HELD IN OTHER COMPANIES
IN ACCORDANCE WITH ARTICLE 144-QUINQUIESDECIES
OF THE ISSUERS' REGULATIONS**

Name	GILBERTO	Surname	CASALI
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	Name of Company	Office held	Duration of office
	Listed:		
1	ELICA SpA	Statutory Auditor	App. FS 31/12/2014
	Of significant size:		
2	MAIT SpA	Chairman B.Stat.Auds.	App. FS 31/12/2013
3	GOLDEN LADY COMPANY SpA	Statutory Auditor	App. FS 31/12/2012

Jesi, March 28, 2013

Mr. GILBERTO CASALI

Statutory Auditor of ELICA S.p.A.