

ANSALDO STS S.P.A.
REGISTERED OFFICE IN GENOA, VIA PAOLO MANTOVANI 3 - 5
SHARE CAPITAL EURO 80,000,000.00 FULLY SUBSCRIBED AND PAID UP
NUMBER OF REGISTRATION IN THE BUSINESS REGISTER OF GENOA AND TAX CODE 01371160662
SUBJECT TO DIRECTION AND COORDINATION BY FINMECCANICA S.P.A.

REPORT OF THE BOARD OF STATUTORY AUDITORS

To the Shareholders' Meeting of Ansaldo STS SpA

Dear Shareholders,

pursuant to art. 2429 of the Italian Civil Code and art. 153, subsection 1, of Legislative Decree no. 58 of 24 February 1998, we hereby inform you that during the financial year ended on 31 December 2012, we performed administrative supervision and control activities according to the Italian Civil Code, to articles 148 *et seq.* of the above Legislative Decree, to Legislative Decree no. 39 of 27 January 2010, and to CONSOB memorandums, also taking into account the standards of conduct recommended by the Italian National Council of Accountants and Tax Advisers.

This report was drawn up pursuant to and in conformity with applicable laws governing listed companies, in consideration of the fact that the shares of ANSALDO STS S.p.A. have been traded on the STAR segment of the markets managed by Borsa Italiana S.p.A. since 29 March 2006, and inserted in the FTSE MIB index since 23 March 2009.

In view of the above, we refer to the administrative supervision and control activities, as required by applicable laws and regulations, which we performed during the financial year ended on 31 December 2012.

In particular:

- we took part in all twelve Board of Directors' meetings, during which we obtained information concerning the activities and the most significant operations performed by the company and its subsidiaries. In this context, we received quarterly information from the Chief Executive Officer

concerning the exercise of powers;

- we held eleven meetings of the Board of Statutory Auditors, during which we also shared information with the independent auditor and with the Chief Executive Officer for the purpose of ensuring that no operations were performed that could be considered imprudent, risky or likely to give rise to a conflict of interest, in conflict with the law, the company's by-laws or the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the corporate assets;
- we constantly obtained information about the company's organisational structure and any changes to it, and we held meetings with the relevant company managers;
- we attended seven meetings of the Nomination and Remuneration Committee (formerly Remuneration Committee), and became familiar with the work it performed during the year;
- we received information from the Control and Risk Committee (formerly Internal Control Committee) concerning current activities, audit programmes and projects for implementing the internal control system, and also attended seven meetings of the Committee during which we became perfectly familiar with the activities performed by the Committee;
- as part of the supervision of the effectiveness of the internal control and risk management system adopted by the company, we periodically examined the updated map of risks relevant to the company and to its subsidiaries, which was prepared by the Director in charge of the internal control and risk management system and submitted to the Board of Directors for examination;
- we examined the periodic report prepared by the Internal Audit Manager (formerly Internal Control Manager), containing information on his activities, on the procedures used to conduct risk management in the company and on compliance with the risk reduction plans, as well as the favourable opinion given by the same Internal Audit Manager on the suitability of the internal control and risk management system in relation to the business characteristics and the risk profile undertaken;

- we verified the activities performed under the coordination of the Manager in charge of drafting the corporate accounts and documents, in order to fulfil the requirements of Italian Law 262/2005 “Provisions for the protection of savings and the regulation of financial markets”, as amended. During 2012, the internal fraud component was added to the activities in question, and we assessed and identified the consequent controls to reduce fraud risk;
- we verified that the company is endowed with an Organisation, Management and Control Model (“Model”), consistent with the principles contained in Legislative Decree 231/01 and in keeping with the guidelines prepared by the association representing this sector. In its meeting on 28 June 2012, the Board of Directors approved the current Model in relation to the legislative evolutions that took place for environmental crime and for some special sections of the Model. The company’s Supervisory Board reported the activities it performed during 2012 and confirmed functioning of the Model and compliance with it;
- we verified that the Company adopted the Code of Self-Discipline for listed companies, approved in March 2006 and most recently amended in December 2011. The annual Corporate Governance report adequately explains the corporate governance system and the choices adopted;
- we expressed our favourable opinion on the confirmation of the former internal control manager as the Internal Audit Manager;
- we expressed our favourable opinion on approval of the audit plan prepared by the Internal Audit Manager and approved by the Board of Directors;
- we supervised the methods used to implement the rules of corporate governance prescribed by the Code of Self-Discipline, therein including the assessment by the Board of Directors and the internal Committees;

- on the basis of the statements made by the Directors and taking into account the evaluations expressed by the Board of Directors, we certified that the assessment criteria and procedures adopted by that Board to evaluate the independence of its own members were correctly applied;
- we successfully performed the annual control of observance of the independence criteria with reference to each of its members, as required by the Code of Self-Discipline;
- we examined the annual report prepared by the Control and Risk Committee as well as the Corporate Governance and the Remuneration reports prepared by the Company;
- we verified that in both the Corporate Governance report and the Remuneration report, the company provided the information required by articles 123-*bis* and 123-*ter* of Legislative Decree 58/98 and by article 84-*quater* of the Issuers' Regulation;
- we verified that information between the Holding and the other companies in the ASTS group flowed, and flows, promptly and that suitable instructions were issued to the subsidiaries pursuant to article 114, subsection 2 of Legislative Decree 58/98;
- on the basis of our audits and of the information we received from the company, we verified the existence of an adequate administrative and accounting system as well as the additional conditions required by articles 36 and 37 of CONSOB resolution no. 16191/2007, relative to strategically important subsidiaries established and operating under laws of non-member countries of the European Union;
- we examined the documents governing the intra-group transactions of a financial, industrial and support nature which can be reasonably considered as compliant with the principles of sound administration, compatible with the company's by-laws and consistent with the spirit of applicable laws;
- we verified that no irregular and/or unusual transactions, as defined by CONSOB memorandum DEM/6064293 of 28 July 2006 were carried out between the companies within the Group or with related or third parties; this is confirmed in the information provided by the Board of

Directors, the Independent auditor and the internal control manager;

- we performed the duties attributed to the Board of Statutory Auditors in light of the changes made by article 19, subsection 1 of Legislative Decree no. 39/2010, in which this Board is required to supervise, among other things, the statutory audit of the annual accounts and the consolidated accounts and the independence of the statutory auditor or the Independent auditor, particularly as concerns the provision of services other than audit to the company subject to the statutory audit;
- we periodically met the Independent auditor to share information concerning the audits performed by the latter pursuant to article 16 of Italian Legislative Decree no. 39/2010 and CONSOB Memorandum DAC/99023932 of 29 March 1999 to make sure the company accounts were regularly kept and that management events were correctly entered in the accounting records; No critical situations or anomalies were identified during those meetings;
- pursuant to article 17, subsection 9, letter a) of Italian Legislative Decree no. 39/2010, we received from the Independent auditor confirmation of its independence and communication of other non-audit services provided to the Company by the Independent auditor or its related parties;
- pursuant to article 17, subsection 9, letter b) of Italian Legislative Decree no. 39/2010, we discussed with the Independent auditor the risks relative to its independence as well as the measures that it adopted to limit such risks.

As regards this, during 2012 we saw no evidence that assignments other than the statutory auditing of the annual accounts and the consolidated accounts were awarded to PricewaterhouseCoopers S.p.A. (or any of its related parties) – entrusted with the company's statutory audit until 7 May 2012 – or to KPMG S.p.A. (or any of its related parties), entrusted with the company's statutory audit at the Shareholders' Meeting held on 7 May 2012, with the sole exception of the following assignments to KPMG S.p.A. which were duly authorised by the

company's Board of Directors:

- a) on 26 July 2012, the Board approved the assignment concerning the translations of the consolidated financial statements for 2012 (annual, half-yearly and for the first and third quarters) of the ASTS Group, for a total fee of Euro 5,190.00;
- b) on 15 October 2012, the Board approved the assignment to perform some limited audits and to review the translation of the Sustainability Report of the ASTS group for the financial years closing at 31 December 2012 through to 31 December 2020. The total fee for the 2012-2020 period amounts to Euro 667,145.00.

The Board of Statutory Auditors verified that all the above assignments involve the provision of services other than those listed in articles 10 and 17 of Italian Legislative Decree no. 39/2010;

- pursuant to article 19, subsection 1 of Legislative Decree 39/2010, we supervised the effectiveness of the internal control, internal audit and risk management systems;
- we obtained from the Board of Directors the draft financial statements for 2012 and relevant report on operations for Ansaldo STS S.p.A., as well as the consolidated financial statements of Ansaldo STS for 2012, within the agreed terms;
- we ascertained that in compliance with CONSOB recommendations, the Directors indicated the transactions performed with Group companies and with related parties in the report on operations. For our part, with the assistance of the company's Internal Audit Manager (formerly internal control manager), we verified compliance with the procedures established to ensure that the above transactions were performed under fair conditions that satisfy the Company's interest;
- pursuant to article 19, subsection 3 of Legislative Decree no. 39/2010, we received the report of the Independent auditor, explaining the main issues that emerged during the statutory audit and any significant shortcomings found in the internal control system in relation to the financial information process, in which no significant shortcomings were found.

There are no claims or disputes pursuant to art. 2408 of the Italian Civil Code, or other third party

claims.

During the course of the supervision activities, no omissions, reprehensible facts or irregularities of any kind were found.

In consideration of the above and within our sphere of competence, we verified the following:

- compliance with the provisions of law, with the by-laws and with the principles of sound administration;
- the suitability and effectiveness of the corporate organisational structure, the internal control system and the administrative and accounting system;
- observance of the provisions of law concerning the formation and arrangement of the Company's Statutory Financial Statements, of the Group's Consolidated Financial Statements and of the reports on operations, also by means of direct verification and information obtained from the Independent auditor;
- that, in conformity with European Commission Regulation (EC) no. 1606/2002 and with Legislative Decree no. 38/2005, the financial statements of Ansaldo STS SpA and the consolidated financial statements of the Ansaldo STS Group at 31 December 2012 were prepared in conformity with the international accounting standards (IAS/IFRS) endorsed by the European Commission, and incorporating the relevant interpretations issued by the International Accounting Standard Board (IASB);
- observance of conformity of the Related-Party Transactions Procedure drawn up by the Company pursuant to the CONSOB Regulation 17221 of 12 March 2010, with the principles contained in the aforesaid Regulation as well as the actual observance of the Procedure by the Company;
- the suitability of the instructions given by the Company to its subsidiaries.

The Independent auditor also sent the Board of Statutory Auditors its reports on the Company's Statutory Financial Statements and on the Group's Consolidated Financial Statements, issued

pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January 2010, in which an opinion is expressed without findings on the individual company financial statements and on the group's consolidated financial statements.

In view of the above, we invite you to approve the financial statements for the year ended on 31 December 2012, presented by the Board of Directors, together with the report on operations, and the proposal regarding the allocation of the profit for the year.

Rome, 25 March 2013

THE BOARD OF STATUTORY AUDITORS

(Mr. Giacinto Sarubbi)

(Mr. Renato Righetti)

(Mr. Massimo Scotton)