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Testo del comunicato

Vedi allegato.

FINCANTIERI BOARD OF DIRECTORS APPROVES Q1 2015 RESULTS WITH BACKLOG AT EURO 9 BILLION AND REVENUES FOR MORE THAN EURO 1 BILLION

Group financial highlights

- **Order intake: euro 85 million** (euro 1,707 million at 31 March 2014)
- **Backlog: euro 8,992 million** (euro 8,809 million at 31 March 2014)
- **Revenues: euro 1,110 million** (euro 923 million at 31 March 2014)
- **EBITDA: euro 59 million** (66 million at 31 March 2014) with **EBITDA margin at 5.3%** (7.1% at 31 March 2014)
- **EBIT: euro 33 million** (euro 42 million at 31 March 2014) with **EBIT margin at 2.9%** (4.5% at 31 March 2014)
- **Profit/loss from ordinary activities[1]: negative euro 21 million** (positive euro 16 million at 31 March 2014)
- **Profit/loss for the period: negative euro 27 million** (positive euro 10 million at 31 March 2014)
- **Free cash flow: positive euro 25 million** (negative euro 260 million at 31 March 2014)
- **Net financial position[2]: euro 81 million of net cash** (euro 44 million of net cash at 31 December 2014)
- **Net working capital: positive euro 10 million** (positive euro 69 million at 31 December 2014)**,** including **construction loans of euro 859 million** (euro 847 million at 31 December 2014)
- **Capital expenditure: euro 29 million** (euro 27 million at 31 March 2014)

Group business highlights

- **Intense commercial negotiations leading to increase of soft backlog[3] to euro 9.2 billion which shall result in greater revenue visibility through a further backlog increase**
- **In Shipbuilding,** with regards to **Cruise, signing of a strategic agreement with Carnival** for the construction of 5 next-generation cruise ships and additional options not yet included in order intake, while in Naval negotiations led after 31 March 2015 to the **signing of the Italian Navy's fleet renewal program** and the **continuation of FREMM and LCS programs. Small reduction of margin due to lower contribution of Naval in the quarter**
- **In Offshore, very low order intake and reduced margins** due to a persistently challenging market environment driven by oil price decline and still weak operating performance of Brazilian shipyards; in this context, VARD continues to focus on efficiency measures and increase of flexibility

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[1] *Profit/loss before extraordinary and non-recurring income and expenses*
[2] *Net financial position does not include Vard construction Loans, which are treated as part of working capital*
[3] *Soft backlog represents the value of existing contract options and letters of intent as well as contracts under negotiation for the Italian Navy's fleet renewal program, none of which yet reflected in the order backlog*

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Rome, 12 May 2015 – The Board of Directors of **FINCANTIERI S.p.A.** ("Fincantieri" or the "Company"), chaired by Vincenzo Petrone, has approved the **Interim management report at 31 March 2015**, prepared in compliance with International Financial Reporting Standards (IAS/IFRS).

During the Board meeting **Giuseppe Bono**, **Fincantieri's Chief Executive Officer**, said: *"In the first quarter of 2015, despite a weak order intake, we have successfully developed intense commercial negotiations that have led to important industrial and commercial agreements. The most notable are the one with our historical partner Carnival, the one with the Italian Navy for the fleet renewal program, along with the continuation of FREMM and LCS programs through the confirmation of the expected units. Group revenues significantly increased from last year mainly due to higher volumes in cruise business, with eleven units under construction at the Italian facilities, while marginality was mainly affected by reduced profitability of the Offshore segment and by cruise ships under construction, most of which prototypes, reflecting depressed pricing agreed during the crisis and by a still partial utilization of the Group's production capacity in Italy. Moreover, even though we registered a negative result for the period due to unrealized foreign exchange losses of our subsidiary Vard, the Group recorded positive cash flow and there are all the premises for a significant backlog increase, notably at Italian shipyards, and therefore for a long term revenue visibility."*

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<u>Group operational performance in the first quarter of 2015</u>

In the first quarter of 2015 the Group secured new **orders** totaling euro 85 billion compared to euro 1.7 billion in the corresponding period of 2014.

Of the total new orders 53% relates to the Shipbuilding segment (59% at 31 March 2014), 35% to the Offshore segment (39% at 31 March 2014), and 29% to the Equipment, Systems and Services segment (4% at 31 March 2014). New orders secured by the Parent Company FINCANTIERI S.p.A. accounted for 22% of the total (41% at 31 March 2014).

The Group nonetheless recorded a significant increase in soft backlog during the period, particularly in the **Shipbuilding segment** concerning the cruise ship business, with the signing of a historic strategic memorandum of agreement with Carnival Corporation & plc, announced on 27 March 2015, for construction of five next-generation cruise ships, to be built over the period 2019-2022. The agreement also includes options for additional ship builds in the coming years. The agreement is subject to several conditions, including satisfactory shipowner financing, and is reflected in the soft backlog. This fresh momentum for the partnership between Fincantieri and Carnival Corporation, announcing a program of this magnitude for the first time ever, is of the greatest strategic importance by clearly identifying a long-term program with a historic partner of the Group.

As regards the naval vessels business, agreements were finalized after the quarter-end which confirm the start of the Italian Navy's fleet renewal program and the continuation of existing programs, particularly FREMM and LCS.

In fact, on 7 May 2015, Fincantieri has announced the signing of the order of the contractual performance for the first 7 ships under the Italian Navy's fleet renewal program (6 multi-purpose offshore patrol vessels and 1 logistic support vessel).

On 16 April 2015, the joint venture Orizzonte Sistemi Navali S.p.A.[4] received notification of the option exercise for the construction of the ninth and tenth Multi Mission European Frigate (or FREMM), completing the supply of a series of 10 such vessels to the Italian Navy. On the same date, the Group announced that it had signed, through its subsidiary Marinette Marine Corporation, a contract modification for one fully funded Littoral Combat Ship (LCS 21) along with advance procurement funding for another ship (LCS 23) under the US Navy’s Littoral Combat Ship (LCS) program. The contract modification also includes a priced option for one additional ship, the LCS 25, to be funded in 2016.

As for the **Offshore** segment, the decline in oil prices commencing in the second half of 2014 has significantly altered the spending outlook for oil exploration & production companies, which have scaled back their investment plans and initiated cost-cutting programs. As a result, order intake in the first quarter of 2015 was very limited, amounting to euro 30 million compared with euro 662 million in the same period of 2014.

The order **backlog** amounted to euro 9 billion at 31 March 2015 (euro 8.8 billion at the end of the first three months of 2014), slightly increasing compared to the same period in 2014, with the order profile extending until 2019. The growth in backlog confirms the Group’s ability to finalize contracts under negotiation, contract options and commercial opportunities and to transform them into backlog. The backlog represents about 2 years of work in relation to the revenues generated in 2014 most of which in the Shipbuilding segment.

It is also reported that on 13 March 2015, the VARD Group terminated the contracts for the construction of two vessels after the companies that had ordered them filed for bankruptcy. The value of these orders has been excluded from the backlog at 31 March 2015, pending their assumption and associated contract formalization by new customers.

Regarding the breakdown of order backlog by operating segment 78% relates to Shipbuilding (67% at 31 March 2014), 20% to Offshore (30% at 31 March 2014), and 3% to Equipment, Systems and Services (4% at 31 March 2014).

The soft backlog, which represents the value of existing contract options and letters of intent as well as of contracts under negotiation for the Italian Navy's fleet renewal program not yet reflected in the order backlog, amounted to approximately euro 9.2 billion at 31 March 2015, compared with euro 6.2 billion at 31 March 2014 and includes the strategic agreement signed with Carnival Corporation & plc on 27 March 2015.

Capital expenditure amounted to euro 29 million in the first quarter of 2015, of which euro 6 million related to intangible assets (euro 5 million for development projects) and euro 23 million to Property, plant and

[4] *Orizzonte Sistemi Navali S.p.A. is a joint venture between Fincantieri (51%) and Finmeccanica (49%)*

equipment. The Parent Company accounted for 62% of the total capex. Capital expenditure represented 2.6% of the Group's revenues in the first quarter of 2015 compared with 3.0% in the first three months of 2014.

Capital expenditure in the first quarter of 2015 mainly relate to the completion of construction of Vard Promar shipyard in Brazil, the construction of new infrastructure, and to technological upgrades designed to improve production efficiency through greater process automation and to improve safety conditions and environmental respect within the production sites. With regards to the breakdown by operating segment, 69% of the total capital expenditure relates to Shipbuilding (48% at 31 March 2014), 24% to Offshore (33% at 31 March 2014), 3% to Equipment, Systems and Services (8% at 31 March 2014) and 4% to Other activities (11% at 31 March 2014).

Employees at the end of the period has increased from 21,689 in 2014 (of which 7,706 in Italy) to 21,905 at 31 March 2015 (of which 7,754 in Italy). This variation is mainly related to increased staff deployment in foreign Group's shipyards (i.e. Brazilian and US)

Consolidated financial results for the first quarter of 2015

Revenue and income amounted to euro 1,110 million in the first quarter of 2015, reporting an increase of 20.2% compared to 923 million in the same period of 2014, mainly due to higher volumes in the cruise business which accounted for 39% of the Group's total revenues for the period (30% in the same period of 2014).

The segment breakdown shows that 67.0% of revenues relates to the Shipbuilding segment, (61.4% at 31 March 2014), 29.3% to the Offshore segment, (34.6% at 31 March 2014) and 3.7% to the Equipment, Systems and Services segment (4.0% at 31 March 2014). During the three months ended 31 March 2015, the Group's export revenues represented 85% of the total, increasing from the corresponding period of 2014 (equal to 80%).

EBITDA came to euro 59 million, compared to 66 million at 31 March 2014. The **EBITDA margin**, was 5.3% compared with 7.1% in the corresponding period of 2014. The change in margin was mainly attributable to the Offshore segment, whose margin was 4.8% compared with 9.8% in the first quarter of 2014 mainly due to weak operating performance by some of Vard's shipyards, particularly in Brazil. In addition, the Offshore segment during the first three months of 2014 had benefited from euro 7 million in utilizations from the provision for risks on contracts recognized at the time of the VARD Group's acquisition, all of which utilized by 31 December 2014.

EBIT amounted to euro 33 million in the first quarter of 2015, compared with euro 42 million in the first three months of 2014. The decrease is due not only to the factors discussed earlier, but also to an increase of euro 2 million in depreciation and amortization charges in the first quarter of 2015. As a result, the **EBIT margin** was 2.9% compared to 4.5% in the same period of 2014.

Net financial charges[5] reported a net expense of euro 42 million (euro 17 million at 31 March 2014). This amount includes euro 19 million in net foreign exchange losses, euro 5 million in expenses for derivatives and euro 18 million in other net finance costs (euro 14 million at 31 March 2014), of which euro 9 million in interest expense on the VARD Group's construction loans (euro 5 million at 31 March 2014). The deterioration compared with the same period last year is mainly attributable to the recognition of euro 20 million in unrealized foreign exchange losses (without a corresponding monetary impact) on certain currency balances recorded by companies within the VARD Group.

Income taxes reported a negative balance of euro 12 million in the first quarter of 2015 (a negative euro 9 million in the same period of 2014); the current quarter's figure was affected by the non-recognition of deferred tax assets for losses at the VARD Group's Brazilian subsidiaries.

Profit/loss before extraordinary and non-recurring income and expenses reported a loss of euro 21 million at 31 March 2015 (profit of euro 16 million in the same period of last year) which included euro 20 million in unrealized foreign exchange losses arising on the conversion of the VARD Group's foreign currency balances, as mentioned above. The Group's share of this result, after attributing losses to non-controlling interests, was a breakeven (profit of euro 11 million in the first quarter of 2014).

Extraordinary and non-recurring income and expenses amounted to euro 8 million for the first three months of 2015, and include costs for the "Extraordinary Wage Guarantee Fund" (euro 1 million), costs related to business reorganization plans (euro 1 million), provisions for costs and legal expenses associated with asbestos-related lawsuits (euro 5 million) and other extraordinary income and expenses (euro 1 million). At 31 March 2014, extraordinary and non-recurring income and expenses also amounted to euro 8 million.

Tax effect of extraordinary and non-recurring income and expenses was a positive euro 2 million at 31 March 2015 (a positive euro 2 million at 31 March 2014).

Profit/loss for the period amounted to a negative euro 27 million for the first quarter of 2015 (euro 10 million at 31 March 2014), for the reasons described above. The Group's share of this result is a loss of euro 6 million at 31 March 2015, compared with a profit of euro 5 million in the first quarter of 2014.

Net financial position, which does not include construction loans, reports net cash of euro 81 million at 31 March 2015 (net cash of euro 44 million at 31 December 2014). The improvement in Net financial position is mainly attributable to the growth in cash and cash equivalents.

Net working capital reports a positive balance of euro 10 million (positive for euro 69 million at 31 December 2014). The growth in production volumes led to increases in both Inventories and advances (by euro 51 million) and Construction contracts (by euro 105 million). Trade receivables decreased by euro 71 million, while Trade payables declined by euro 25 million; lastly, Other current assets and liabilities reported a negative change of euro 168 million mainly because of the fair value of currency derivatives. Construction

[5] *Finance income and costs*

loans, treated as part of working capital, amount to euro 859 million at 31 March 2015, largely unchanged compared to euro 847 million at 31 December 2014.

Equity amounted to euro 1,554 million at 31 March 2015 (euro 1,530 million at 31 December 2014).

Net cash flow for the period is a positive euro 81 million (a negative euro 105 million at 31 March 2014), reflecting positive **Free cash flow** (the sum of cash flow from operating activities and cash flow from investing activities) of euro 25 million (a negative euro 260 million at 31 March 2014) and by euro 56 million in cash flows provided by financing activities (euro 155 million at 31 March 2014).

Among the **profitability indicators**, ROI stood at 12.1% and ROE at 1.3%. The change in ROI compared with 31 December 2014 and 31 March 2014 mainly reflects the EBIT decrease, while ROE at 31 March 2015 has been influenced by the growth in equity and lower profits compared with 31 March 2014.

The **indicators of the strength and efficiency of the capital structure** are in part not applicable at 31 March 2015, like at 31 December 2014, because of the positive Net financial position, while the Total debt/Total equity ratio, at 0.5, is basically in line with values reported at 31 December 2014 and 31 March 2014.

Operational review by segment

SHIPBUILDING

The Shipbuilding segment is engaged in the design and construction of cruise ships, ferries, naval vessels and mega-yachts, as well as in ship repair and conversion activities.

Revenues from the Shipbuilding segment amounted to euro 754 million at 31 March 2015 (up from euro 571 million at 31 March 2014), of which euro 430 million from the cruise business (euro 275 million at 31 March 2014) and euro 283 million from the naval business (euro 233 million at 31 March 2014). Compared with the first three months of 2014 cruise revenues increased by euro 155 million, with 11 ships under construction at the Group's Italian shipyards (of which 2 delivered in the quarter) versus 7 ships at 31 March 2014; revenues from the naval business also increased, mainly thanks to a larger contribution by the FMG[6] Group, which benefited from the positive trend in the USD/Euro rate, helping offset the reduction in activity in Italy pending the start of the Italian Navy's fleet renewal program. Revenues from other activities amounted to euro 41 million compared to euro 63 million at 31 March 2014.

The segment's **EBITDA** came to euro 46 million in the first quarter of 2015, up from euro 36 million in the first three months of 2014. The improvement on the same period in 2014 is largely attributable to increased volumes for the cruise business. The **EBITDA margin** was 6.1% for the first quarter of 2015 compared to 6.3% in the first quarter of 2014 and reflects the higher proportion of cruise revenues in the segment's total (57% versus 48% in the same period of 2014), particularly compared with that for naval vessels. Moreover, it is worth emphasizing that margins of cruise ships currently under construction, most of which prototypes,

[6] *Fincantieri Marine Group*

reflect not only highly depressed pricing agreed during the crisis, but also still partial utilization of the Group's production capacity in Italy. In this context, Fincantieri is focused on achieving a significant growth in volumes, also through rebuilding the subcontractor network severely affected by the years of crisis, with 2 cruise ship prototypes delivered in 2015 and another 4 due for delivery in 2016.

During the first three months of 2015 the Shipbuilding segment was awarded **orders** totaling euro 45 million, mainly for ship repairs, in comparison with order intake of more than euro 1 billion in the corresponding period of 2014. However, the cruise business saw the signing during the period of a strategic agreement with Carnival Corporation & plc for the construction of five next-generation cruise ships, to be built in the period 2019-2022, the value of which is currently reflected in the soft backlog. The order backlog for the segment stood at euro 6,982 million at 31 March 2015 (5,935 million at 31 March 2014).

Main deliveries:

- "Britannia" the new flagship of the P&O Cruises fleet, a Carnival Corporation brand, delivered by the Monfalcone shipyard;
- "Viking star", the prototype ship for the Viking Ocean Cruises fleet, delivered by the Marghera shipyard.

OFFSHORE

The Offshore operating segment is engaged in the design and construction of support vessels for the oil&gas exploration and production market. Fincantieri operates in this market through the VARD Group, FINCANTIERI S.p.A. and Fincantieri Oil&Gas S.p.A.

The VARD Group also provides its customers with turnkey electrical systems, inclusive of engineering, manufacturing, installation, integration testing and commissioning.

Revenues from the Offshore segment amounted to euro 330 million at 31 March 2015, up 2.5% from euro 322 million in the first three months of 2014 despite the negative effect of changes in the Norwegian krone/Euro exchange rate (euro 15 million). It should also be noted that the Offshore segment's operating revenues in the first quarter of 2014 included euro 7 million in utilizations of the provision recognized at the time of allocating the VARD Group's purchase price in respect of delays and higher expected costs at its Brazilian shipyards.

The Offshore segment reported **EBITDA** of euro 16 million at 31 March 2015 compared with euro 32 million at 31 March 2014, with **EBITDA margin** at 4.8% (9.8% at 31 March 2014). This deterioration was the result of weak operating performance by some of the subsidiary's shipyards. In particular, in Brazil, (i) the Niterói shipyard, currently undergoing a downsizing, incurred in cost overruns for one of the 4 vessels under construction (subsequently delivered on 4 May 2015) and (ii) margins at the new Promar shipyard were affected by costs overruns to complete the outfitting of first LPG carriers, despite efficiency improvements in the hull production phases (from which subsequent builds will be able to benefit).

During the first quarter of 2015 the Offshore segment was awarded **orders** totaling euro 30 million (euro 662 million in the same period of 2014). It should be noted that since the second half of last year the decline in oil prices has significantly altered the spending outlook for oil exploration & production companies, involving a general downsizing of investment plans and introduction of cost-cutting programs. The order backlog stood at euro 1,790 million at 31 March 2015 (2,616 million at 31 March 2014), relating to 32 vessels, of which 18 of VARD's own design, ensuring activity until 2017.

It is also reported that on 13 March 2015, the VARD Group terminated the contracts for the construction of two vessels after the companies that had ordered them filed for bankruptcy. The value of these orders has been excluded from the backlog at 31 March 2015, pending their assumption and associated contract formalization by new customers, with no impact on first-quarter profitability. In fact, the subsidiary intends to complete the construction of the 2 vessels currently in production at Vard's Vietnamese yard and to resell them to a new customer.

Main deliveries:

- two PSV (Platform Supply Vessel), in particular “Troms Mira” delivered to Tidewater by the Vard Vung Tau (Vietnam) and “Stril Barents” delivered to Simon Møkster Shipping by the Vard Aukra (Norway);
- two OSCV (Offshore Subsea Construction Vessel), in particular “Skandi Africa” delivered to DOF by the Vard Søviknes (Norway) and “Far Sleipner” delivered to Farstad Shipping by the Vard Langsten (Norway);
- unit “Marjata” delivered to the Royal Norwegian Navy by the Vard Langsten (Norway).

EQUIPMENT, SYSTEMS AND SERVICES

The Equipment, Systems and Services segment is engaged in the design and manufacture of systems and components as well as in the provision of after-sales services. These activities are carried out by FINCANTIERI S.p.A. and its subsidiaries Isotta Fraschini Motori S.p.A., Delfi S.r.l., Seastema S.p.A. and FMSNA Inc.

Revenues from the Equipment, Systems and Services segment increased by 10.7% to euro 41 million at 31 March 2015 (euro 37 million at 31 March 2014). This increase was primarily due to higher volumes of after-sales service for naval vessels, in line with the development prospects for this business.

The segment's **EBITDA** came to euro 4 million at 31 March 2015, with an improvement in **EBITDA margin** to 10.3% from 9.5% in the first quarter of 2014 mainly reflecting the change in mix of products and services sold in the quarter compared with the corresponding prior year period.

The Equipment, Systems and Services segment secured euro 25 million in new **orders** during the first quarter of 2015 (euro 79 million in the same period of 2014), taking the segment’s backlog to euro 284 million (euro 315 million in the same period of 2014).

Other significant events in the period

- Set up of Fincantieri SI, a company based in Trieste, to design, manufacture and supply integrated innovative systems in the field of electric, electronic and electromechanical industrial solutions.

- Launch in February of the association known as "Vessels for the Future". The initiative, of which Fincantieri is a founding member along with Rolls Royce, aims to promote research, development and innovation in the maritime field, with a particular focus on vessels for the future and their operational requirements.

- Announcement in February of the three winning project ideas for Innovation Challenge, the Open Innovation initiative developed by Fincantieri with the Chemical, Management, Computer and Mechanical Engineering Department of the University of Palermo.

- Unification of the Corporate General Management unit, headed by Mr. Vitaliano Pappaianni, and the Operations General Management unit, headed by Mr. Enrico Buschi, into a single General Management unit and appointment as General Manager of Mr. Andrea Mangoni, already member of the company’s Board of Directors since June 2013, who took office with effect from 13 March 2015.

- Signing of a historic strategic memorandum of agreement with Carnival Corporation & plc during March 2015 for five next-generation ships, to be built over the period 2019-2022. The agreement between the two companies also includes options for additional ship builds in the coming years. The agreement is subject to several conditions, including satisfactory shipowner financing.

- Notification in March to the VARD Group that Nordmoon Schiffahrts GmbH & Co. KG and Nordlight Schiffahrts GmbH & Co. had filed for bankruptcy in the court of Neumünster in Germany. The VARD Group is building a PSV for each of these two companies at its shipyard in Vietnam. The VARD Group has received a 10% advance payment in respect of one of these two vessels. On 13 March 2015, the VARD Group terminated the contracts for the construction of the two vessels. The VARD Group does not expect to have to return the advance payment and expects to be able to sell the two vessels at a price that will allow it to recover their construction costs, net of the advance received.

Key events after 31 March 2015

On 11 April "Le Lyrial", the fourth super-luxury small cruise ship ordered from Fincantieri by the French cruise line Ponant, was delivered at the Ancona shipyard. Like its sister ships, "Le Lyrial" is comparable in every respect to a mega-yacht.

On 13 April Vard Group AS (55.63% controlled by Fincantieri) announced the incorporation of Vard Contracting AS, a Norwegian-registered company in which it owns 100% of the shares. The new company's mission is to improve control over services provided by subcontractors at Norwegian shipyards, to strengthen the competitiveness of these yards and to defend the Group's know-how.

On 15 April Fincantieri signed an agreement with Banca Mediocredito FVG, allowing the naval engineering group's suppliers to access factoring services and to benefit from specific banking products giving them easier and cheaper access to credit. The agreement will enable Fincantieri's suppliers, particularly those in the Italian region of Friuli Venezia Giulia.

On 16 April Orizzonte Sistemi Navali S.p.A., a joint venture between Fincantieri (51%) and Finmeccanica (49%), announced that it had been notified by OCCAR (Organization for Joint Armament Cooperation) of the exercise of the option for construction of the ninth and tenth Multi Mission European Frigate (or FREMM), completing the supply of a series of 10 such vessels to the Italian Navy.

On the same date Fincantieri, in partnership with Lockheed Martin Corporation, announced the signing, through its subsidiary Marinette Marine Corporation, of a contract modification for one fully funded Littoral Combat Ship (LCS 21) along with advance procurement funding for another ship (LCS 23) under the US Navy's Littoral Combat Ship (LCS) program. The contract modification also includes a priced option for one additional ship, the LCS 25, to be funded in 2016.

On 28 April the fourth frigate in the Italian Navy's FREMM program was delivered at the Muggiano shipyard. The ship has been named "Carabiniere" in 2014, year of launching, to celebrate the 200th anniversary of the foundation of Italian Carabinieri Force.

In April the "F.-A.-Gauthier", a ferry built at the shipyard in Castellammare di Stabia (Naples), was delivered in Matane, Québec (Canada). The ferry built for the Canadian shipowner, Société des traversiers du Québec represents a real technological revolution; it is the first LNG powered ferry ever built in Italy and the first of its kind to enter into service in North America.

During April Fincantieri signed agreements with the University of Palermo and the University of Rijeka aimed at working and cooperating together for mutual benefit.

On 4 May "Skandi Angra", an AHTS vessel, was formally handed over to Norskan Offshore, a DOF Group company, at the Vard shipyard in Niterói, Brazil.

On 5 May the subsidiary Marine Interiors S.p.A. finalized the acquisition of Santarossa Contract, a company in a state of voluntary arrangement and a traditional supplier of Fincantieri for the design and creation of turnkey cabin solutions and refitting for the cruise industry. This acquisition confirms Fincantieri's strategy of extending direct control over higher value-added business segments, with the aim of expanding its areas of business and, at the same time, of reducing its procurement costs.

Finally on 7 May Fincantieri and Finmeccanica announced that they had signed the order of the contractual performance with OCCAR for the construction and equipping of seven vessels in the Italian Navy's fleet renewal program.

Business outlook

In general terms, the Group forecasts a sustained order intake for the rest of 2015, particularly in the Shipbuilding segment, related to the formalization of contracts for naval vessels under the Italian Navy's fleet renewal program and the continued FREMM and LCS programs, and the finalization of orders under the strategic memorandum of agreement with Carnival Corporation & plc for five next-generation cruise ships.

In the Shipbuilding segment, the Group will be engaged in managing a plan for a major increase in design and production volumes, also through rebuilding the subcontractor network in Italy jeopardized by the years of crisis, with 5 ships due for delivery in 2016, of which 4 prototypes. In this context, it is confirmed that margins will continue to be affected by prices on cruise orders acquired during the crisis and currently under construction as well as by still partial utilization of the Group's production capacity in Italy. As for the naval business, the period will see reduced production volumes, with activities related to the Italian Navy's fleet renewal program expected to start in the second half of the year.

In this context, the Company is currently engaged in negotiations with trade unions for the renewal of the supplementary agreement in Italy which, after being extended for two years after its original expiry and after long discussions since the start of this year, was terminated on 30 March 2015. Fincantieri hopes that it will be possible to achieve labor relations better suited to a global market, having raised as a central point of the negotiations the need for a significant improvement in the standards of efficiency, productivity and flexibility of the workforce in Italy. Despite the significant competitive challenges faced, as described earlier, Fincantieri is in a position to ensure a considerable workload for the years to come but only if it can guarantee a standard of performance and quality that matches customer expectations.

Regarding the Offshore segment, the rest of 2015 will be characterized by a still very difficult market environment with increased counterparty risk and fierce competition for a limited number of projects currently under development. Consequently, the subsidiary VARD is forecasting lower order intake in the short and medium term accompanied by a steady reduction in backlog. VARD's European yards will therefore see a transition in coming months from still high workload for the large very complex projects currently under construction to a lower yard utilization. In addition, the operating environment remains challenging in Brazil, with pending delivery of the remaining vessels in Niterói yard and continued need for further development and improvements at the new Promar yard.

In this context, VARD has implemented a series of organizational changes to ensure effective impact of the measures taken to improve efficiency and increase flexibility, which, as already announced by the company, indicate that the margin for 2015 will be broadly in line with that in 2014.

The Equipment, Systems and Services segment can expect to see further growth in the rest of 2015 both in terms of order intake, driven by new orders for systems and services related to the Italian Navy's fleet renewal program, and in terms of revenues, confirming the expected volume growth arising from the Group's diversification strategy, with confirmation of the positive margins achieved in previous periods.

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Fincantieri *is one of the world's largest shipbuilding groups and number one by diversification and presence in all high value-added market sectors, having built more than 7,000 vessels in over 230 years of its maritime history. It is world leader in cruise ship construction and a reference player in other sectors, from naval vessels to cruise ferries, from mega-yachts to special high value-added vessels, from ship repairs and conversions to offshore vessels. Headquartered in Trieste (Italy), the Group has approximately 21,900 employees, of whom more than 7,700 in Italy, and 21 shipyards in 4 continents. In 2013 the Group acquired VARD, a company listed on the Singapore Stock Exchange that builds offshore support vessels for oil & gas exploration and production. Fincantieri has doubled in size to become the West's leading shipbuilder. Fincantieri operates in the United States through its subsidiary Fincantieri Marine Group (FMG). This company, which serves important government customers, including the U.S. Navy and Coast Guard, has three shipyards (Marinette Marine, Bay Shipbuilding, Ace Marine), all located in the Great Lakes region. Fincantieri is present in the UAE with Etihad Ship Building, a joint venture set up with Al Fattan Ship Industries and Melara Middle East, to design, produce and sell different types of civilian and military ships as well as perform maintenance and refitting activities.*

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The Manager Responsible for Preparing Financial Reports, Carlo Gainelli, declares, pursuant to paragraph 2 of article 154-bis of Italian Legislative Decree no. 58 dated 24 February 1998, that the accounting information contained in this press release corresponds to the underlying accounting books and records.

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DISCLAIMER

Forecast data and information must be regarded as forward-looking statements and therefore, not being based on simple historical facts, contain, by their nature, an element of risk and uncertainty because they also depend on the occurrence of future events and developments outside the Company's control. Actual results could therefore be materially different from those expressed in forward-looking statements. Forward-looking statements refer to the information available at the date of their publication; FINCANTIERI S.p.A undertakes no obligation to revise, update or correct its forward-looking statements after such date, other than in the circumstances strictly required by applicable regulations. The forward-looking statements provided do not constitute and shall not be considered by users of the financial statements as advice for legal, accounting, tax or investment purposes nor it is the intention for such statements to create any type of reliance and/or induce such users to invest in the Company.

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The first quarter of 2015 results will be presented to the financial community during a conference call scheduled for 13 May 2015 at 9:00 CET.

To attend the conference please dial the following telephone numbers:

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*Hong Kong +852 58080984 then press *0*

The slide presentation will be available in the Investor Relations section of the web page www.fincantieri.com 10 minutes before the start of the conference.

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
4,399	**Revenue and income**	**1,110**	923
(3,234)	Materials, services and other costs	(818)	(656)
(843)	Personnel costs	(237)	(197)
(25)	Provisions and impairment	4	(4)
297	**EBITDA**	**59**	**66**
6.8%	***EBITDA margin***	***5.3%***	***7.1%***
(99)	Depreciation and amortization	(26)	(24)
198	**EBIT**	**33**	**42**
4.5%	***EBIT margin***	***2.9%***	***4.5%***
(66)	Finance income/costs (+/-)	(42)	(17)
6	Income/expense (+/-) from investments		
(51)	Income taxes	(12)	(9)
87	**Profit/loss (+/-) before extraordinary and non-recurring income and expenses**	**(21)**	**16**
99	*of which Group*	-	*11*
(44)	Extraordinary and non-recurring income and expenses (+/-)	(8)	(8)
12	Tax effect of extraordinary and non-recurring income and expenses	2	2
55	**Profit for the period**	**(27)**	**10**
67	*of which Group*	*(6)*	*5*

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31.03.2014	(Euro/ million)	31.03.2015	31.12.2014
540	Intangible assets	533	508
907	Property, plant and equipment	970	959
73	Investments	63	60
(12)	Other non-current assets and liabilities	(42)	(48)
(60)	Employee benefits	(61)	(62)
1,448	**Net fixed capital**	**1,463**	**1,417**
444	Inventories and advances	439	388
1,060	Construction contracts and advances from customers	1,217	1,112
(701)	Construction loans	(859)	(847)
374	Trade receivables	539	610
(907)	Trade payables	(1,022)	(1,047)
(132)	Provisions for risks and charges	(118)	(129)
56	Other current assets and liabilities	(186)	(18)
194	**Net working capital**	**10**	**69**
1,642	**Net invested capital**	**1,473**	**1,486**
1,225	**Equity**	**1,554**	**1,530**
417	**Net financial position**	**(81)**	**(44)**
1,642	**Sources of funding**	**1,473**	**1,486**

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
33	Net cash flows from operating activities	54	(231)
(157)	Net cash flows from investing activities	(29)	(29)
303	Net cash flows from financing activities	56	155
179	**Net cash flows for the period**	**81**	**(105)**
385	**Cash and cash equivalents at beginning of period**	**552**	**385**
(12)	Effects of currency translation difference on opening cash and cash equivalents	10	2
552	**Cash and cash equivalents at end of period**	**643**	**282**

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
(124)	Free cash flow	**25**	**(260)**

CONSOLIDATED NET FINANCIAL POSITION

31.03.2014	(Euro/million)	31.03.2015	31.12.2014
282	**Cash and cash equivalents**	**643**	**552**
69	**Current financial receivables**	**62**	**82**
(111)	Current bank debt	(51)	(32)
(35)	Current portion of bank loans and credit facilities	(50)	(47)
(84)	Other current financial liabilities	(2)	(1)
(230)	**Current debt (-)**	**(103)**	**(80)**
121	**Net current cash/debt (+/-)**	**602**	**554**
17	**Non-current financial receivables**	**92**	**90**
(246)	Non-current bank debt	(303)	(290)
(296)	Bond	(297)	(297)
(13)	Other non-current financial liabilities	(13)	(13)
(555)	**Non-current debt (-)**	**(613)**	**(600)**
(417)	**Net financial position**	**81**	**44**

ECONOMIC AND FINANCIAL INDICATORS

31.12.2014		31.03.2015	31.03.2014
13.9%	ROI	12.1%	13.1%
4.0%	ROE	1.3%	5.9%
0,4	Total debt/Total equity	0.5	0.6
n.a.	Net financial position/EBITDA	n.a.	1.4
n.a.	Net financial position /Total equity	n.a.	0.3

SCHEDULED DELIVERIES[7]

(number)	*31.03.15 completed*	*2015*	*2016*	*2017*	*2018*	*2019*
Cruise ships	2	3	5	5	4	
Naval vessels (>40 m)		7	9	6	3	1
Offshore	5	17	17	3		

[7] *It should be noted that compared to the situation at 31 December 2014, the delivery of two cruise ships was postponed in agreement with the cruise line companies from 2016 to the first half of 2017, in order to ensure a better workload balance. Furthermore, in the Offshore segment Vard has adjusted production schedules as a consequence of variation orders for several projects leading to extended delivery dates, resulting in an improved workload balance at the yards.*

OTHER INDICATORS

31.12.2014			31.03.2015	31.03.2014
5,639	Order intake (*)	Euro/million	85	1,707
15,019	Oder book (*)	Euro/million	14,062	13,760
9,814	Backlog (*)	Euro/million	8,992	8,809
5.0	Soft backlog	Euro/billion	9.2	6.2
162	Capital expenditure	Euro/million	29	27
21,689	Employees at the end of the period	Number	21,905	20,686

(*)Net of eliminations and consolidation adjustments

OPERATIONAL REVIEW BY SEGMENT

SHIPBUILDING

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
2,704	Revenue and income (*)	754	571
195	EBITDA (*)	46	36
7.2%	*EBITDA margin (*) (**)*	*6.1%*	*6.3%*
4,400	Order intake (*)	45	1,004
10,945	Order book (*)	10,363	9,394
7,465	Backlog (*)	6,982	5,935
98	Capital expenditure	20	13
7	Vessels delivered (number) (***)	2	2

(*) Before eliminations between operating segments
(**) Ratio between segment EBITDA and Revenues and income
(***) Vessels over 40 meters long

OFFSHORE

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
1,580	Revenue and income (*)	330	322
108	EBITDA (*)	16	32
6.8%	*EBITDA margin (*) (**)*	*4.8%*	*9.8%*
1,131	Order intake (*)	30	662
3,623	Order book (*)	3,243	3,902
2,124	Backlog (*)	1,790	2,616
47	Capital expenditure	7	9
18	Vessels delivered (number)	5	4

(*)Before eliminations between operating segments
(**) Ratio between segment EBITDA and Revenues and income

EQUIPMENT, SYSTEMS AND SERVICES

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
192	Revenue and income (*)	41	37
21	EBITDA (*)	4	4
11.1%	*EBITDA margin (*) (**)*	*10.3%*	*9.5%*
204	Order intake (*)	25	79
663	Order book (*)	674	663
300	Backlog (*)	284	315
5	Capital expenditure	1	2
53	Engines produced in workshops (number)	9	5

(*)Before eliminations between operating segments
(**) Ratio between segment EBITDA and Revenues and income

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