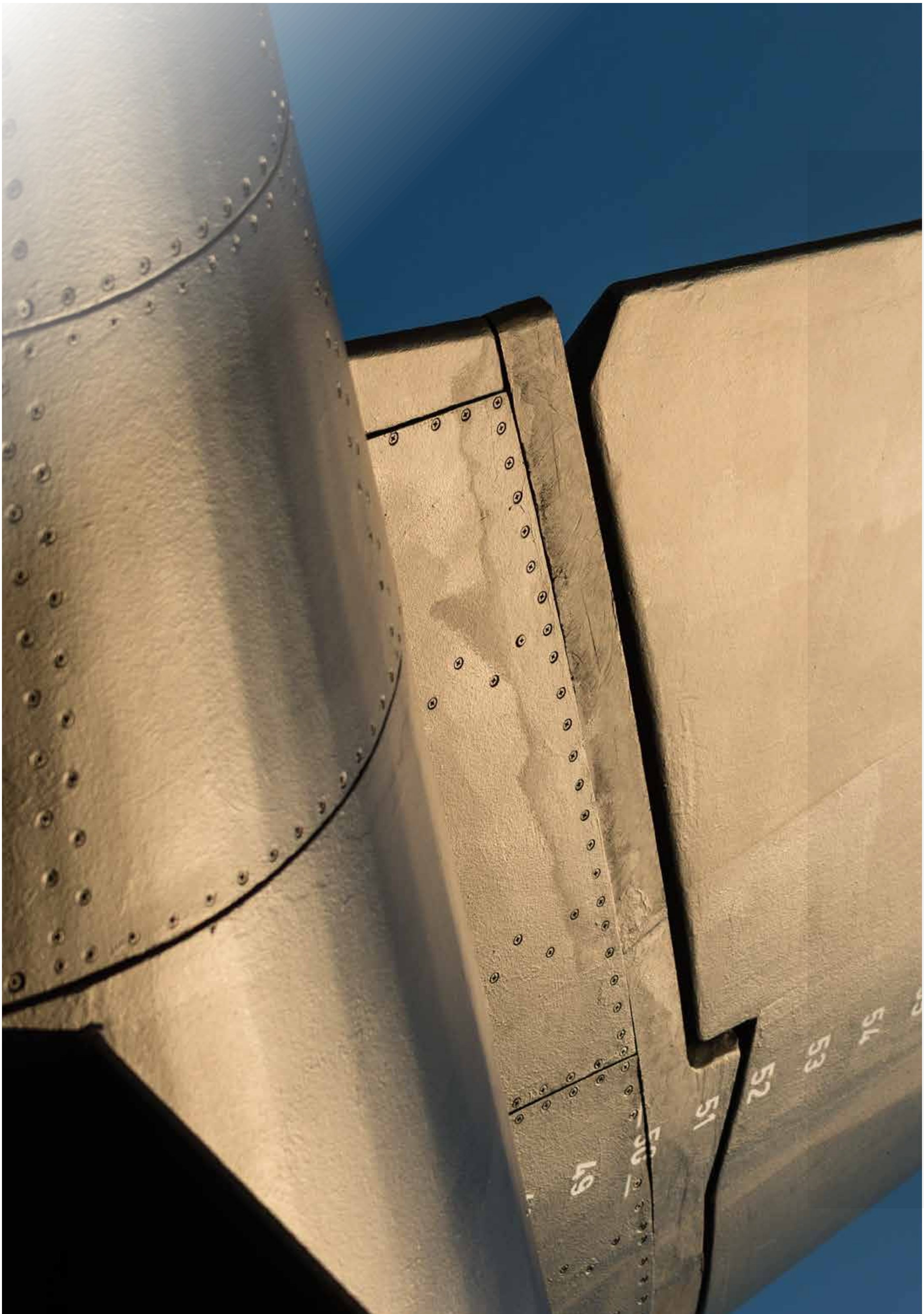
interim management report

at 31 march 2015

FINCANTIERI
The sea ahead


49
50
51
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54

parent company directors and officers

Board of directors
(2013-2015)

Vincenzo Petrone (Chairman)
Giuseppe Bono (Chief Executive Officer)
Simone Anichini
Massimiliano Cesare
Andrea Mangoni
Anna Molinotti
Leone Pattofatto
Paola Santarelli
Paolo Scudieri
Maurizio Castaldo (Secretary)

Board of statutory auditors
(2014-2016)

Gianluca Ferrero (Chairman)
Alessandro Michelotti (Standing member)
Fioranna Vittoria Negri (Standing member)
Claudia Mezzabotta (Alternate member)
Flavia Daunia Minutillo (Alternate member)

Manager responsible for preparing financial reports
Carlo Gainelli

Independent auditors
(2013-2021)

PricewaterhouseCoopers S.p.A.

Oversight board (Leg. Decree 231/01)
(2015-2017)

Guido Zanardi (Chairman)
Stefano Dentilli (Member)
Giorgio Pani (Member)

Information regarding the composition and functions of the Board Committees (the Internal Control and Risk Committee, which is also serving on an interim basis as the committee responsible for related party transactions, the Compensation Committee and the Nomination Committee) is provided in the Corporate Governance section of the Fincantieri website at www.fincantieri.it

Overview

The structure of the Fincantieri Group and overview of the companies included in its consolidation will now be presented.

SEGMENTS

BUSINESS AREAS

PRODUCT PORTFOLIO

COMPANIES AND OPERATING UNITS

SHIPBUILDING

Cruise ships

Luxury/niche

Upper premium

Premium

Contemporary

Ferries

Fast Ferries

Cruise Ferries

Ro-Pax

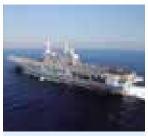
Ship repairs and conversions

Repair

Refitting

Conversion

Refurbishment



Naval Vessels

Aircraft carrier

Submarines

Destroyers

Frigates

Corvettes

Patrol vessels

Amphibious ships

Logistic support

Special vessels

Barges

Mega Yacht

Luxury Yacht >60m

Companies and operating units

FINCANTIERI S.p.A.
- Monfalcone
- Marghera
- Sestri Ponente
- Ancona
- Castellammare di Stabia
- Palermo
- Trieste
- Cantiere Integrato Riva Trigoso e Muggiano
- Genoa

Cetena S.p.A.

Bacini Palermo S.p.A.

Gestione Bacini La Spezia S.p.A.

FMG LLC
- Sturgeon Bay

Fincantieri Marine Group Holdings Inc.

Marinette Marine Corporation LLC
- Marinette

ACE Marine LLC
- Green Bay

Fincantieri USA Inc.

Fincantieri India Private Ltd.

Fincantieri do Brasil Partecipacões S.A.

Fincantieri Holding BV

Marine Interiors S.p.A.

OFFSHORE

Offshore

Offshore Support Vessels

Construction Vessels

Drilling Vessels

Companies and operating units

Fincantieri Oil&Gas S.p.A.

FINCANTIERI S.p.A.

Vard Holdings Ltd.

Vard Group A.S.
- Aukra
- Langsten
- Brattvaag
- Brevik
- Søviknes

Vard Tulcea S.A.
- Tulcea

Vard Niterói S.A.
- Niterói

Vard Promar S.A.
- Promar

Vard Vung Tau Ltd.
- Vung Tau

Vard Electro A.S.

Vard Design A.S.

Vard Piping A.S.

Vard Accommodation A.S.

Vard Braila S.A.

Vard Marine Inc.

EQUIPMENT, SYSTEMS AND SERVICES

Equipment and systems

Steam turbines

Stabilization, propulsion, dynamic positioning and power generation systems

Automation systems

After-sales

After-sales services
- Integrated logistic support
- In-service of warranty service

Product lifecycle management

Training and assistance

Companies and operating units

FINCANTIERI S.p.A.
- Riva Trigoso

Seastema S.p.A.

Delfi S.r.l.

Seaf S.p.A.

Isotta Fraschini Motori S.p.A.
- Bari

FMSNA Inc.

OTHER

Companies and operating units

FINCANTIERI S.p.A.
- Corporate

The Fincantieri Group is now the largest shipbuilder by revenue in the Western world (meaning Europe and North America) and one of the most dynamic and diversified players in the industry, with its focus on segments featuring high value-added, high-tech content and high product unit values, and a position of excellence in all these segments making it one of the most technologically complex groups internationally. In fact, the Group is a world leader in the design and construction of cruise ships, among the world leaders in the design and construction of naval combat, support and special vessels and of submarines, and one of the leading global players in the design and construction of high-end offshore support vessels (OSV). Fincantieri operates in 13 countries spanning four continents (Europe, North America, South America and Asia), with 21 shipyards located in Italy, Norway, Romania, United States of America, Brazil, and Vietnam plus a joint venture in the United Arab Emirates, and a total workforce of around 21,900.

This flexible, global production structure is able to cover all activities, from design and construction of hulls and certain critical components, to assembly and maintenance of the ships built. The creation of successful products combined with strong economic and financial performance is centered on an optimized production model, inspired by the philosophy of a single large, flexible shipyard designed to ensure uniform product quality.

Outstanding engineering and technological prowess, strong customer relationships, and access to a highly specialized and reliable local supplier network are key factors in allowing the Group to defend its leadership position. Fincantieri is able to implement technologically sophisticated and innovative projects and, thanks to its capability as a system integrator, manages to coordinate complex processes from the earliest stages of concept development through to vessel delivery to the customer.

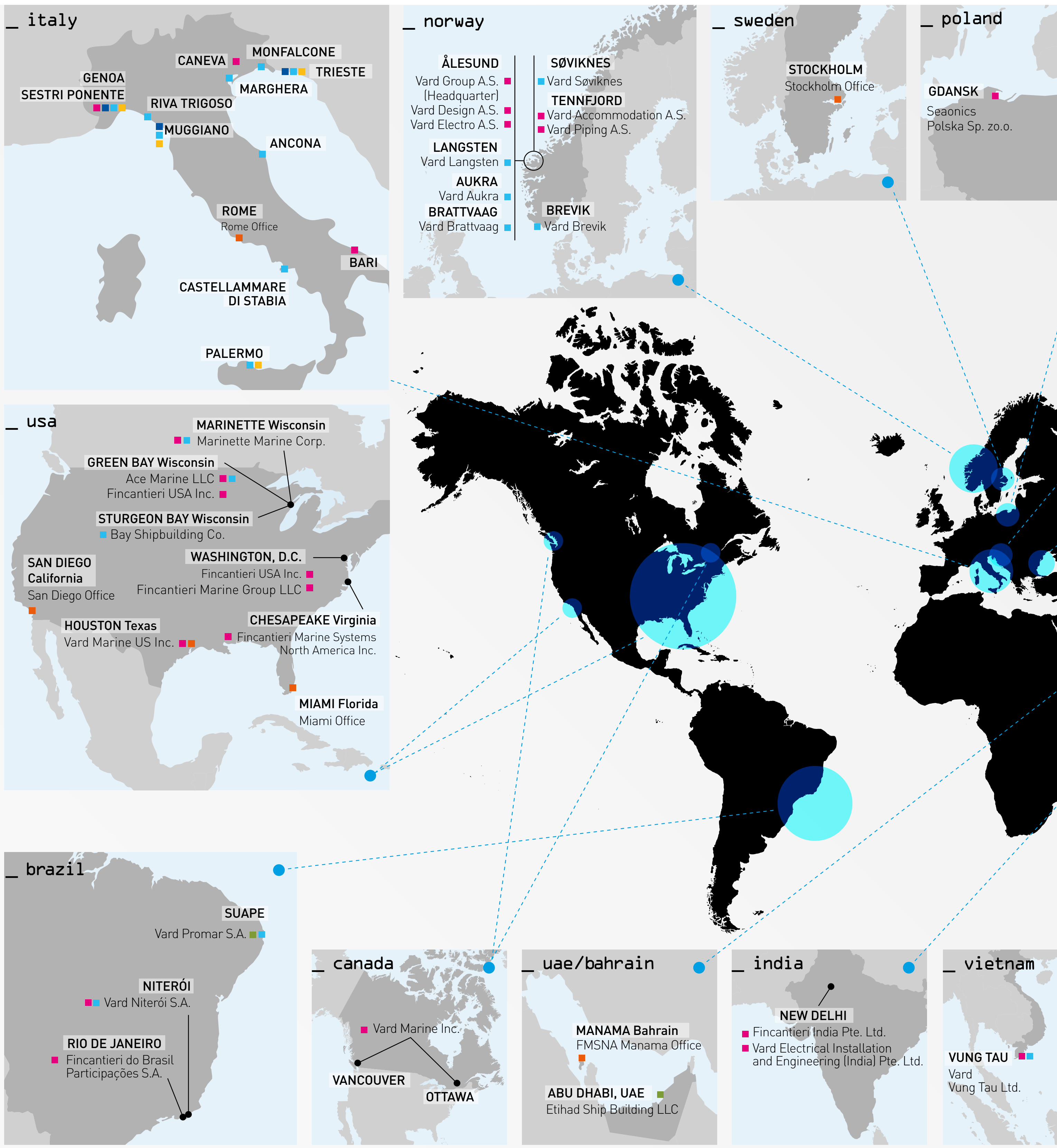
Furthermore, the Group views product and process technological innovation as key to maintaining its leadership position and so invests in research and development, drawing on a series of specialized centers created in partnership with suppliers and leading research institutions and ensuring suitable transfer of know-how and expertise between the various businesses in which it operates.

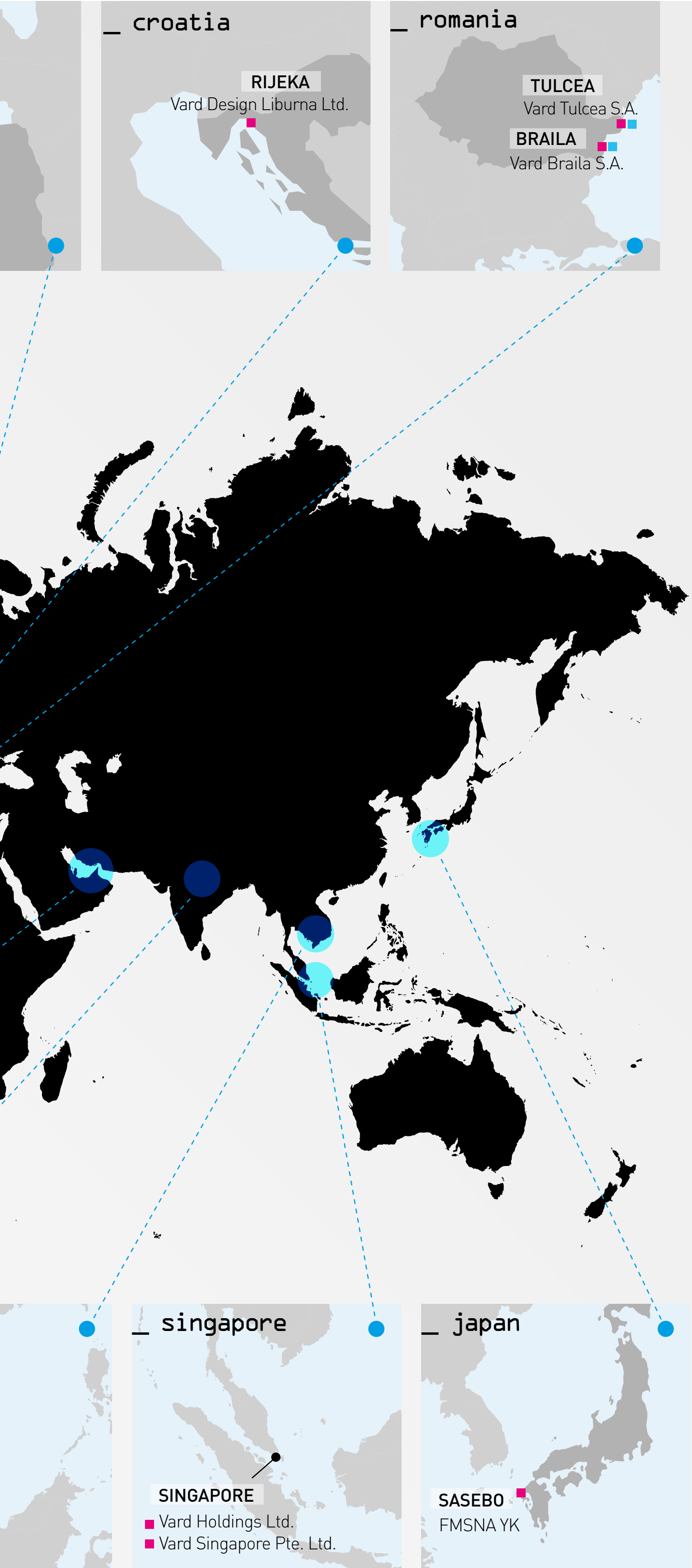
Fincantieri's business is widely diversified by end markets, geographical exposure and by customer base, with revenue evenly balanced between cruise ship, naval and offshore vessel construction, giving it an edge over less diversified players by being able to mitigate the effects of fluctuations in demand on the end markets served. In particular, the Group operates through the following three segments:

- Shipbuilding: encompassing the business units that build cruise ships and naval vessels and offer other products and services (ferries, mega-yachts and ship repairs and conversions);
- Offshore: encompassing the design and construction of high-end offshore support vessels by its subsidiary Vard Holdings and the offer of innovative products in the field of drillships and semi-submersible drilling rigs;
- Equipment, Systems and Services: encompassing the design and manufacture of high-tech equipment and systems, such as stabilization, propulsion, positioning and power generation systems, ship automation systems, steam turbines, and the provision of logistical support and after-sales services.


GIOLI

the fincantieri planet





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ITALY

TRIESTE
- HEAD OFFICE
- MERCHANT SHIPS
- SHIP REPAIR AND CONVERSION
- OFFSHORE
- ATSM SHIPYARD
- ATSM DOCK

GENOA
- NAVAL VESSELS
- MARINE SYSTEMS AND COMPONENTS
- AFTER SALES
- ORIZZONTE SISTEMI NAVALI S.p.A.
- CETENA S.p.A.
- DELFI S.r.l.
- SEASTEMA S.p.A.
- SESTRI PONENTE SHIPYARD
- GENOA DOCK

MUGGIANO
- MEGA YACHTS
- INTEGRATED NAVAL SHIPYARD RIVA TRIGOSO-MUGGIANO
- MUGGIANO DOCK

ROME
- ROME OFFICE

BARI
- ISOTTA FRASCHINI MOTORI S.p.A.

CANEVA
- MARINE INTERIORS S.p.A.

MONFALCONE
- MONFALCONE SHIPYARD

MARGHERA
- MARGHERA SHIPYARD

ANCONA
- ANCONA SHIPYARD

CASTELLAMMARE DI STABIA
- CASTELLAMMARE DI STABIA SHIPYARD

PALERMO
- PALERMO SHIPYARD
- PALERMO DOCK

NORWAY
- VARD GROUP A.S. (Headquarter)
- VARD DESIGN A.S.
- VARD PIPING A.S.
- VARD ELECTRO A.S.
- VARD ACCOMMODATION A.S.
- VARD LANGSTEN
- VARD AUKRA
- VARD BRATTVAAG
- VARD BREVIK
- VARD SØVIKNES

SWEDEN
- STOCKHOLM OFFICE

POLAND
- SEAONICS POLSKA Sp. zo.o.

CROATIA
- VARD DESIGN LIBURNA Ltd.

ROMANIA
- VARD BRAILA S.A.
- VARD TULCEA S.A.

_ asia

INDIA
- FINCANTIERI INDIA Pte. Ltd.
- VARD ELECTRICAL INSTALLATION AND ENGINEERING (INDIA) Pte. Ltd.

BAHRAIN
- FMSNA MANAMA OFFICE

UAE
- ETIHAD SHIP BUILDING LLC

VIETNAM
- VARD VUNG TAU Ltd.

SINGAPORE
- VARD HOLDINGS Ltd.
- VARD SINGAPORE Pte. Ltd.

JAPAN
- FMSNA YK

_ americas

USA
- FINCANTIERI USA Inc.
- FINCANTIERI MARINE SYSTEMS NORTH AMERICA Inc.
- FINCANTIERI MARINE GROUP LLC
- VARD MARINE US Inc.
- MARINETTE MARINE Corp.
- ACE MARINE LLC
- BAY SHIPBUILDING Co.
- MIAMI OFFICE
- SAN DIEGO OFFICE

CANADA
- VARD MARINE Inc.

BRAZIL
- FINCANTIERI DO BRASIL PARTICIPAÇÕES S.A.
- VARD NITERÓI S.A.
- VARD PROMAR S.A.

- subsidiary
- shipyard
- business unit
- dock
- joint venture
- representative office


VIKING STAR

interim report on operations at 31 march 2015

Introduction

In 2014 FINCANTIERI S.p.A. achieved the goal of listing on the Italian stock market (Mercato Telematico Azionario or MTA), marking a fundamental step in driving forward the process of growth in both volumes and efficiency that has profoundly transformed the Fincantieri Group over the past ten years, making it a global player, the leader by diversification and the Western world's number one shipbuilder.

Over these years, despite a particularly difficult and challenging market environment, the Group has pursued a strategy of diversifying its product and customer portfolio both for cruise ships and naval vessels; at the same time, it has expanded into new areas of business, such as the design and construction of mega-yachts, the design and construction of marine systems and equipment, ship repairs and conversions and above all the offshore market, while strengthening its relationships with customers with whom the Group has established solid partnerships over time.

In this context, foundations were laid in the first quarter of 2015 for the conclusion of major agreements which will ensure ever increasing visibility for the Group's prospective revenue through further significant additions to the order backlog. In particular, in the cruise area, it signed a historic strategic memorandum of agreement with Carnival Corporation & plc for the 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, which is why it was not included in new order intake for the quarter, but treated instead as part of 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 not only for the shipbuilding industry but for the entire domestic economy by clearly identifying a long-term program with a historic partner of the Group.

With reference to the naval vessels business, the technical configurations of all the vessels included in the Italian Navy's fleet renewal program were finalized during the first quarter. In the weeks following the quarter-end, Fincantieri has finalized the contractual performance for the first 7 ships (6 multi-purpose offshore patrol vessels and 1 logistics support vessel). In April, the go-ahead was received for the construction of the last two vessels under the Italian Navy's FREMM program, while the LCS program for the US Navy continued with the exercise of two more options, plus an option for another ship, to be built at the Group's American shipyards.

As at 31 March 2015, the Group could count on an order backlog of euro 9 billion and a soft backlog (representing 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, none of which yet reflected in the order backlog) that had reached the considerable sum of around euro 9.2 billion.

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.

In terms of profitability, the first quarter of 2015 basically confirmed the performance of the Shipbuilding and Equipment, Systems and Services segments compared with the first three months of 2014, while the Offshore segment was affected by the contraction in VARD's margins mainly reflecting continued problems with its operations in Brazil. The slight reduction in Shipbuilding margin mainly reflects the higher proportion of cruise ship revenue in the segment's total (57% versus 48% in the same period of 2014), particularly compared with that for naval vessels. In fact, it is worth emphasizing that the margins of cruise ships currently under construction, most of which prototypes, reflect not only highly depressed pricing agreed during the crisis, but still partial utilisation of the Group's production capacity in Italy. In this context, Fincantieri is focused on achieving a significant growth in volumes, including by reviving the network of allied businesses severely affected by the years of crisis, with 2 cruise ship prototypes delivered in 2015 and another 4 due for delivery in 2016.

Net financial position reported a positive balance of euro 81 million. Like in the previous year, net financial position excludes construction loans relating to the subsidiary VARD and which amounted to euro 859 million at 31 March 2015.

Period-end headcount increased from 21,689 employees at 31 December 2014 (of whom 7,706 in Italy) to 21,905 at 31 March 2015 (of whom 7,754 in Italy). This increase is mainly due to the growth in resources employed in the Group's foreign shipyards, specifically in Brazil and the United States.

Financial highlights

The first three months of 2015 have reported the following results:

- Revenue and income of euro 1,110 million (euro 923 million in the first three months of 2014), up 20.2% on the prior year equivalent period;
- EBITDA of euro 59 million (euro 66 million in the first three months of 2014), with a margin on revenue of 5.3% versus 7.1% in the first three months of 2014. This reduction in margin is due to the Offshore operating segment (4.8% in the first quarter of 2015 versus 9.8% in the first quarter of 2014) and particularly to the results of VARD;
- Profit/(loss) before extraordinary and non-recurring income and expenses of euro 21 million in loss (profit of euro 16 million in the same period last year). This result included the recognition of euro 20 million in unrealized potential foreign exchange losses (and so without a corresponding monetary impact) on certain currency balances recorded by companies within the VARD Group. 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);
- Loss for the period of euro 27 million (profit of euro 10 million in the first three months of 2014). 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 of positive euro 81 million at 31 March 2015, an improvement of euro 37 million since 31 December 2014; consistent with the presentation at 31 December 2014, this figure excludes VARD's construction loans, which are treated as part of working capital;
- Capital expenditure in the first three months of 2015 of euro 29 million (euro 27 million in the same period of 2014);
- Free cash flow of positive euro 25 million (negative euro 260 million in the first three months of 2014). Investing activities absorbed euro 29 million in funds, while operating activities, generated euro 54 million in cash flows;
- Construction loans of euro 859 million at 31 March 2015 (euro 847 million at 31 December 2014);
- Order backlog at 31 March 2015 of euro 9 billion, with a soft backlog of euro 9.2 billion.

31.12.2014	**Economic data**		**31.03.2015**	**31.03.2014**
4,399	Revenue and income	Euro/million	1,110	923
297	EBITDA	Euro/million	59	66
6.8%	*EBITDA margin (*)*	*%*	*5.3%*	*7.1%*
198	EBIT	Euro/million	33	42
4.5%	*EBIT margin (**)*	*%*	*2.9%*	*4.5%*
87	Profit/(loss) before extraordinary and non-recurring income and expenses	Euro/million	(21)	16
(44)	Extraordinary and non-recurring income and (expenses)	Euro/million	(8)	(8)
55	Profit/(loss) for the period	Euro/million	(27)	10

31.12.2014	**Financial data**		**31.03.2015**	**31.03.2014**
1,486	Net invested capital	Euro/million	1,473	1,642
1,530	Equity	Euro/million	1,554	1,225
44	Net financial position	Euro/million	81	(417)

31.12.2014	**Other indicators**		**31.03.2015**	**31.03.2014**
5,639	Order intake (***)	Euro/million	85	1,707
15,019	Order book (***)	Euro/million	14,062	13,760
9,814	Order backlog (***)	Euro/million	8,992	8,809
5.0	*Soft backlog*	Euro/billion	9.2	6.2
162	Capital expenditure	Euro/million	29	27
(124)	Free cash flow	Euro/million	25	(260)
101	Research and Development costs	Euro/million	24	25
21,689	Employees at the end of the period	Number	21,905	20,686
25	Vessels delivered (****)	Number	7	6

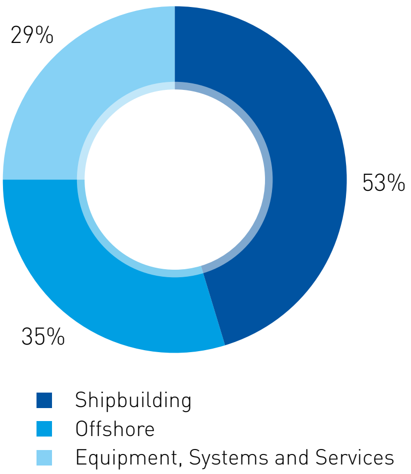
31.12.2014	***Ratios***		**31.03.2015**	**31.03.2014**
13.9%	ROI	Percentage	12.1%	13.1%
4.0%	ROE	Percentage	1.3%	5.9%
0.4	Total debt/ Total equity	Number	0.5	0.6
n.a.	Net financial position /EBITDA	Number	n.a.	1.4
n.a.	Net financial position /Total equity	Number	n.a.	0.3

(*) Ratio between EBITDA and Revenue and income
(**) Ratio between EBIT and Revenue and income
(***) Net of eliminations and consolidation adjustments
(****) Number of vessels over 40 meters long
n.a. Not applicable
The percentages contained in this report have been calculated with reference to amounts expressed in thousands of euros.

GROUP OPERATIONAL PERFORMANCE

Order intake

% order intake by operating segment in 1st quarter 2015



The first quarter saw the finalization of euro 85 million in orders, down from euro 1.7 billion in the first quarter of 2014, of which 53% for Shipbuilding, 35% for Offshore and 29% for Equipment, Systems and Services.

The Group nonetheless recorded a significant increase in soft backlog during the period, particularly in 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 logistics support vessel).

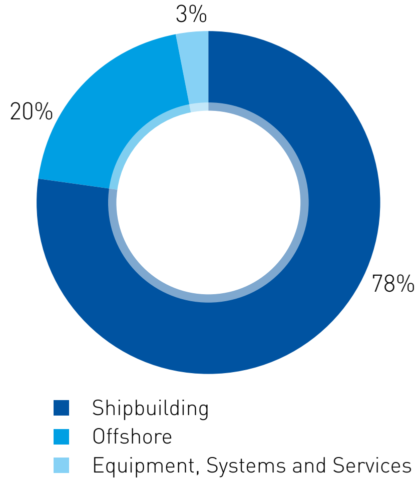
On 16 April 2015, the joint venture Orizzonte Sistemi Navali S.p.A. announced that it had received notification of the option exercise for the construction of the ninth and tenth Multi Mission European Frigates (or FREMMs), completing the supply of a series of 10 such vessels to the Italian Navy. On 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.

Despite this modest volume of new orders, foundations were laid in this period for the conclusion of major agreements which will ensure ever increasing visibility for the Group's prospective revenues and have helped take the soft backlog to the considerable sum of euro 9.2 billion.

31.12.2014		**Order intake analysis** *(Euro/million)*	**31.03.2015**		**31.03.2014**	
Amounts	%		Amounts	%	Amounts	%
3,936	70	FINCANTIERI S.p.A.	19	22	706	41
1,703	30	Rest of Group	66	78	1,001	59
5,639	**100**	**Total**	**85**	**100**	**1,707**	**100**
4,400	78	Shipbuilding	45	53	1,004	59
1,131	20	Offshore	30	35	662	39
204	4	Equipment, Systems and Services	25	29	79	4
(96)	(2)	Consolidation adjustments	(15)	(17)	(38)	(2)
5,639	**100**	**Total**	**85**	**100**	**1,707**	**100**

% order backlog by segment
at 31 March 2015



Order backlog

The order backlog, representing the residual value of orders not yet completed, amounted to euro 8,992 million at 31 March 2015 (euro 8,809 million at the end of March 2014), with the order profile extending until 2019.

The growth in backlog on a year earlier confirms the Group's ability to finalize contracts under negotiation, contract options and commercial opportunities and to transform them into order backlog. The backlog represents about 2 years of work in relation to revenues generated in 2014, most of which in the Shipbuilding segment, which accounted for 78% of total order backlog.

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.

The composition of the backlog by operating segment is shown in the following table.

31.12.2014		Backlog analysis *(Euro/million)*	31.03.2015		31.03.2014	
Amounts	%		Amounts	%	Amounts	%
6,877	70	FINCANTIERI S.p.A.	6,338	70	5,286	60
2,937	30	Rest of Group	2,654	30	3,523	40
9,814	**100**	**Total**	**8,992**	**100**	**8,809**	**100**
7,465	76	Shipbuilding	6,982	78	5,935	67
2,124	22	Offshore	1,790	20	2,616	30
300	3	Equipment, Systems and Services	284	3	315	4
(75)	(1)	Consolidation adjustments	(64)	(1)	(57)	(1)
9,814	**100**	**Total**	**8,992**	**100**	**8,809**	**100**

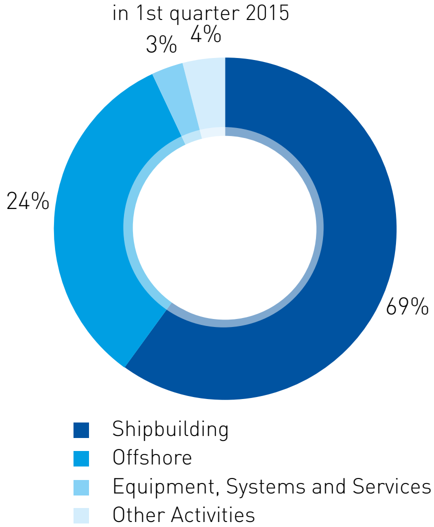
The soft backlog, not yet reflected in the order backlog, amounted to approximately euro 9.2 billion at 31 March 2015, compared with euro 6.2 billion at 31 March 2014; this measure represents the value of existing contract options and letters of intent as well as of contracts under negotiation for the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

31.12.2014	Soft backlog *(Euro/billion)*	31.03.2015	31.03.2014
Amounts		Amounts	Amounts
5.0	**Group total**	**9.2**	**6.2**

The following table shows the deliveries scheduled each year for vessels currently in the order book, analyzed by the main business units. With reference to the current year, the table presents deliveries completed as at 31 March 2015 in addition to the total number of deliveries scheduled for the full year 2015. Compared with the situation presented at 31 December 2014, the delivery of two cruise ships has been postponed, in agreement with the cruise line customers, from 2016 to the first half of 2017, in order to ensure a better distribution of the workload. 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.

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

% capital expenditure by operating segment in 1st quarter 2015



Capital expenditure

Capital expenditure totaled euro 29 million in the first three months of 2015, of which euro 6 million for Intangible assets (including euro 5 million for development projects) and euro 23 million for Property, plant and equipment.

The Parent Company accounted for 62% of this total expenditure.

Capital expenditure represented 2.6% of the Group's revenues in the first three months of 2015 compared with 3.0% in the first three months of 2014.

Capital expenditure in the first three months of 2015 mainly related to 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.

There was also continued investment in developing new technologies, particularly with regard to cruise ships.

31.12.2014		**Capital expenditure analysis** *(Euro/million)*	**31.03.2015**		**31.03.2014**	
Amounts	%		Amounts	%	Amounts	%
98	60	FINCANTIERI S.p.A.	18	62	17	63
64	40	Rest of Group	11	38	10	37
162	**100**	**Total**	**29**	**100**	**27**	**100**
98	61	Shipbuilding	20	69	13	48
47	29	Offshore	7	24	9	33
5	3	Equipment, Systems and Services	1	3	2	8
12	7	Other activities	1	4	3	11
162	**100**	**Total**	**29**	**100**	**27**	**100**
38	23	Intangible assets	6	21	4	15
124	77	Property, plant and equipment	23	79	23	85
162	**100**	**Total**	**29**	**100**	**27**	**100**

GROUP FINANCIAL RESULTS

Presented below are the reclassified consolidated versions of the income statement, statement of financial position and statement of cash flows and the breakdown of consolidated net financial position, used by management to monitor business performance.

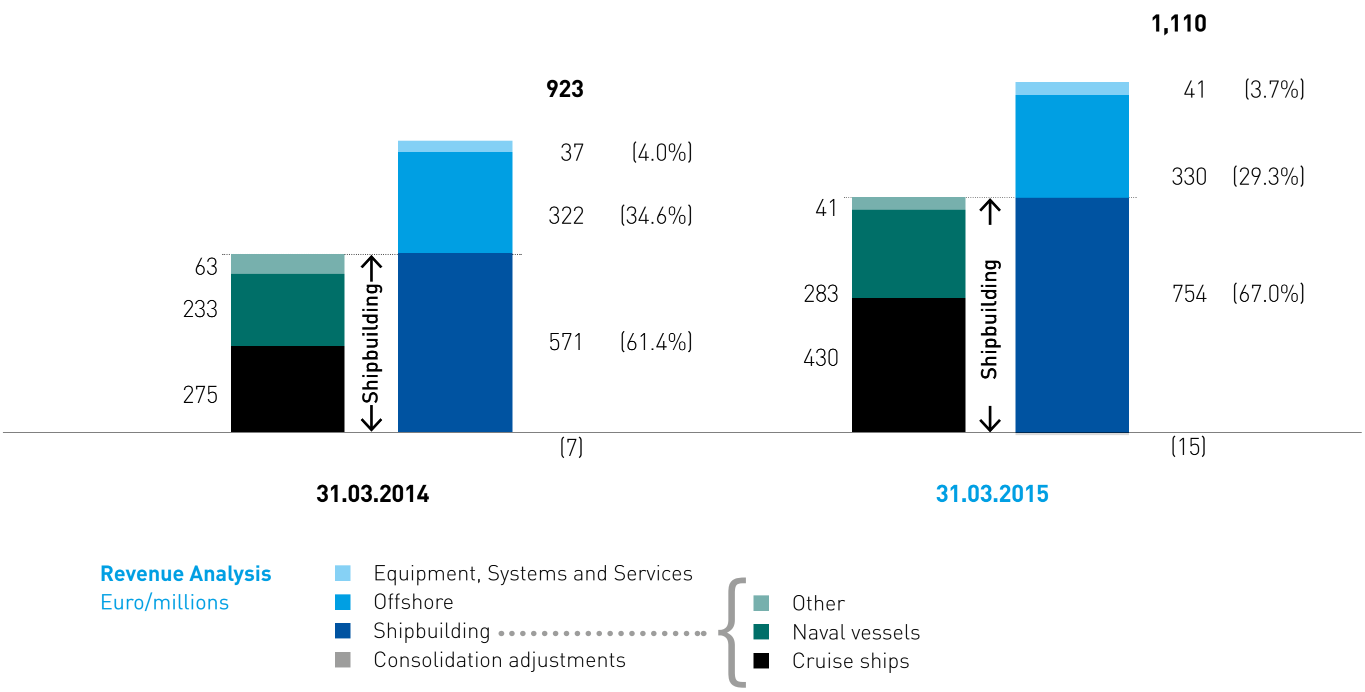
A reconciliation of these reclassified statements to the IFRS statements can be found later on in this report.

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 attributable to 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/(loss) for the period**	**(27)**	**10**
67	*of which attributable to Group*	*(6)*	*5*

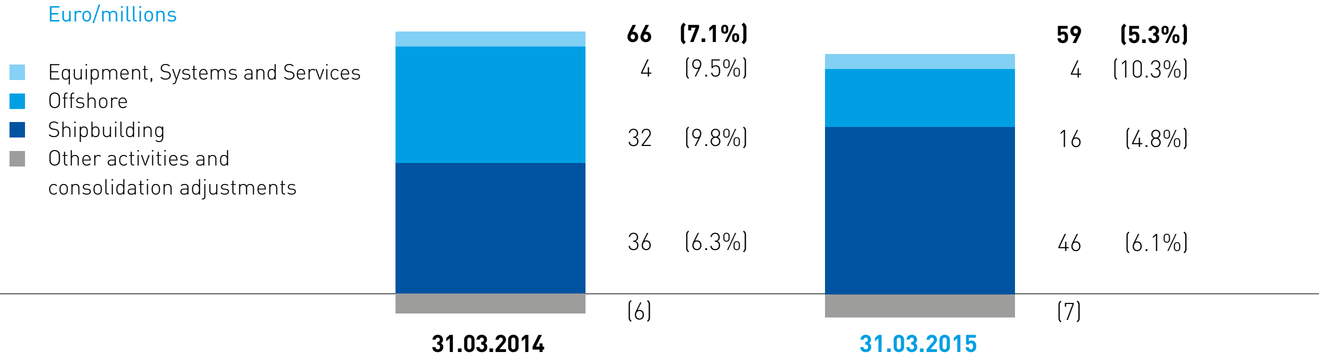
Revenue and income in the first three months of 2015 amounted to euro 1,110 million, reporting an increase of euro 187 million (or 20.2%) on the same period of 2014 mainly due to higher volumes for the cruise ship business, which accounted for 39% of the Group's total revenues for the period (30% in the same period of 2014).

The Group's export revenues accounted for 85% of the total in the first quarter of 2015, up from 80% in the corresponding period of 2014.



EBITDA came to euro 59 million, representing a decline on the amount reported in the first three months of 2014. The **EBITDA margin**, calculated as the ratio of EBITDA to Revenue and income, was 5.3% compared with 7.1% in the corresponding period of 2014. The fall in margin was mainly attributable to the Offshore segment, whose margin was 4.8% compared with 9.8% in the first quarter of 2014. This loss of margin is due to weak operating performance by some of Vard's shipyards, particularly in Brazil. In addition, the Offshore segment's three-month profitability in 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.

EBITDA Analysis
Euro/millions



EBIT amounted to euro 33 million in the first three months 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** (EBIT expressed as a percentage of Revenue and income) decreased on the same period of 2014, from 4.5% to 2.9%.

Finance income and costs 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 three months of 2015 (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, which included euro 20 million in unrealized foreign exchange losses arising on the conversion of the VARD Group's foreign currency balances.

Extraordinary and non-recurring income and expenses reported euro 8 million in net expenses at 31 March 2015 and included company costs for the Extraordinary Wage Guarantee Fund (euro 1 million), charges connected with business reorganization plans (euro 1 million), costs relating to claims under asbestos-related lawsuits (euro 5 million) and other extraordinary income and expenses (euro 1 million).

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

Profit/(loss) for the period was a loss of euro 27 million for the first three months of 2015, for the reasons described above.

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**
633	Share capital	863	863
343	Reserves and retained earnings attributable to the Group	465	447
249	Non-controlling interests in equity	226	220
1,225	**Equity**	**1,554**	**1,530**
417	**Net financial position**	**(81)**	**(44)**
1,642	**Sources of funding**	**1,473**	**1,486**

The **Reclassified consolidated statement of financial position** reports a reduction in Net invested capital at 31 March 2015 of euro 13 million since the end of the previous year, mainly due to the following factors:

- **Net fixed capital** presents an overall increase of euro 46 million since 31 December 2014. With reference to the individual items included in this balance, Intangible assets increased by euro 25 million (mainly due to exchange rate differences on converting balances of the VARD and FMG Group), Property, plant and equipment increased by euro 11 million (for capital expenditure in the first quarter of 2015, net of depreciation and partially for exchange rate differences relating to the VARD Group) and Other non-current assets and liabilities increased by euro 6 million (mainly due to a smaller net liability arising from the fair value measurement of currency derivatives);
- **Net working capital** reports a positive balance of euro 10 million (euro 69 million at 31 December 2014). In detail: 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 measurement of currency derivatives. It is recalled that in view of the operational nature of Construction loans and particularly the fact that these types of loan are obtained and can be used exclusively to finance the contracts to which they refer, management treats them in the same way as advances received from customers and so classifies them as part of Net working capital. The amount of these loans remained largely unchanged in the first quarter of 2015 compared with 31 December 2014.

Equity reports an increase of euro 24 million, comprising the loss for the period (euro 27 million), the positive effects on the currency translation reserve arising from changes in the Norwegian krone and US dollar exchange rates against the Euro (euro 64 million) and the negative effects of currency hedges on the cash flow hedge reserve (euro 13 million).

The strength of the capital structure is confirmed by the positive trend in the ratios between debt (gross and net) and equity and in the ability of equity to fund Net fixed capital.

Net financial position reports euro 81 million in net cash at 31 March 2015 (euro 44 million in net cash at 31 December 2014). This amount does not include Construction loans.

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**

The above **Consolidated net financial position**, which excludes VARD construction loans, presents a net cash balance of euro 81 million (euro 44 million at 31 December 2014). The improvement in Net financial position is mainly attributable to the growth in cash and cash equivalents.

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)**

The **Reclassified consolidated statement of cash flows** reports positive Net cash flows for the period of euro 81 million (versus a net negative euro 105 million in the same period of 2014), reflecting positive **Free cash flow** (the sum of cash flow from operating activities and cash flow from investing activities) of euro 25 million and euro 56 million in net positive cash flows from financing activities.
It is recalled that cash flows from operating activities include the change in construction loans.

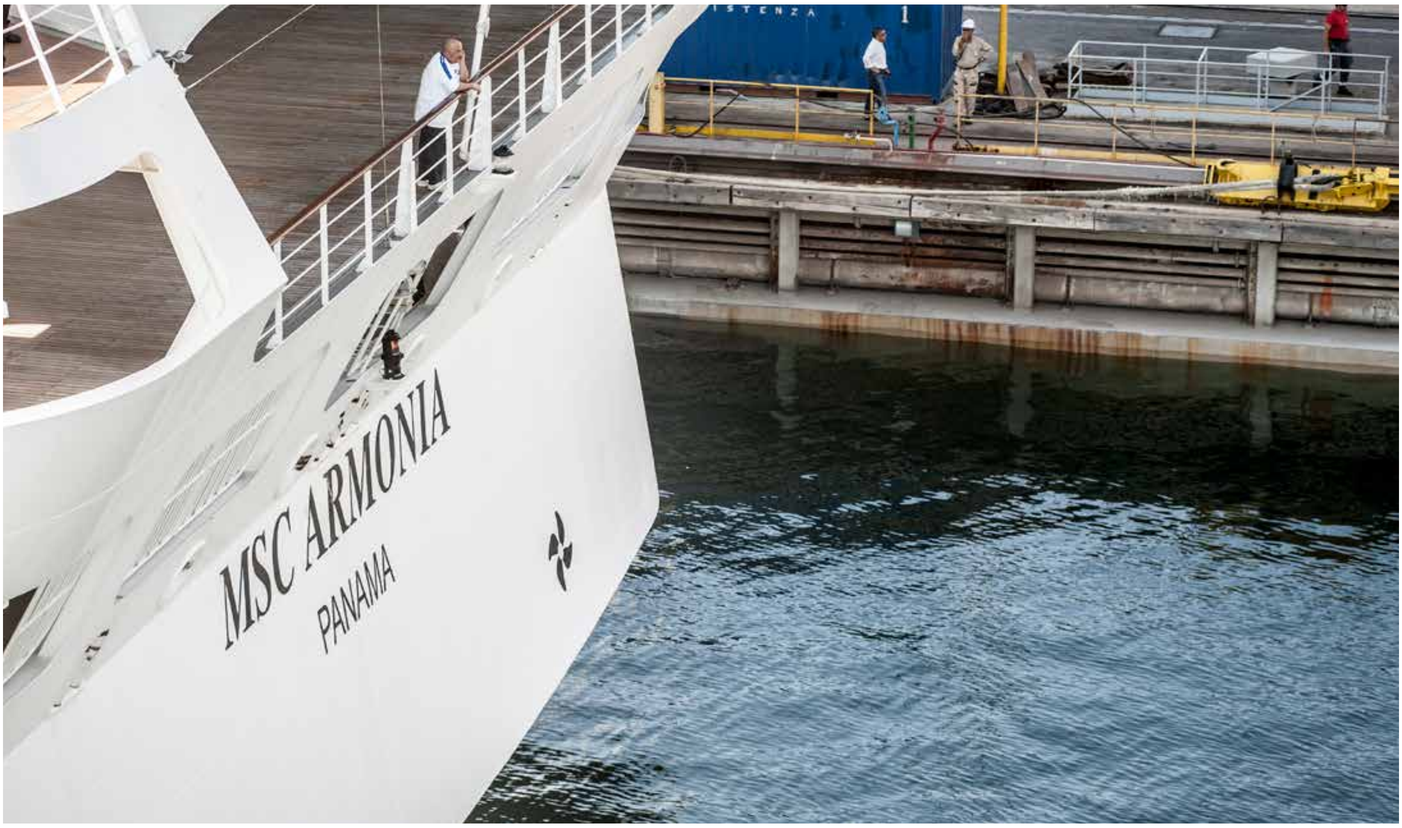
ECONOMIC AND FINANCIAL INDICATORS

The following table presents additional economic and financial measures used by the Group's management to monitor the performance of its main business indicators in the periods considered. The following table shows the trend in the main profitability ratios and the strength and efficiency of the capital structure in terms of the relative importance of sources of finance between net debt and equity for the periods ended 31 March 2015 and 2014.
The ratios presented in the table have been calculated on the basis of economic parameters referring to a 12-month period, namely from 1 April 2014 to 31 March 2015 and from 1 April 2013 to 31 March 2014.

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

n.a. not applicabile

The change in ROI at 31 March 2015 compared with 31 December 2014 and 31 March 2014 mainly reflects the reduction in EBIT, while ROE at 31 March 2015 has been influenced by the lower result for the period and the growth in equity compared with 31 March 2014.
Some of the indicators of the strength and efficiency of the capital structure are not applicable at 31 March 2015, like at 31 December 2014, because of the positive Net financial position at those dates, while the Total debt/Total equity ratio is basically in line with values reported at 31 December 2014 and 31 March 2014.



Operational review by segment

SHIPBUILDING

The Shipbuilding operating 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. Production is carried out at the Italian shipyards and, in the case of vessels intended for the American market, at the Group's American shipyards.

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	Order 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 Revenue and income

(***) Vessels over 40 meters long

Revenue and income

Revenues from the Shipbuilding operating segment amounted to euro 754 million at 31 March 2015 (euro 571 million at 31 March 2014), of which euro 430 million from the cruise ships business unit (euro 275 million at 31 March 2014) and euro 283 million from the naval vessels business unit (euro 233 million at 31 March 2014). Compared with the first three months of 2014, cruise ship revenues increased by euro 155 million, with 11 ships under construction at the Group's Italian yards (of which 2 delivered in the quarter) versus 7 ships at 31 March 2014; revenues from the naval vessels business also increased, mainly thanks to a larger contribution by the FMG 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 decreased to euro 41 million from euro 63 million at 31 March 2014.

EBITDA

The segment's EBITDA came to euro 46 million at 31 March 2015. 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 (6.3% in the first quarter of 2014). The reduction in margin mainly reflects the higher proportion of cruise ship revenues in the segment's total (57% versus 48% in the same period of 2014), particularly compared with that for naval vessels. In fact, it is worth emphasizing that the margins of cruise ships currently under construction, most of which prototypes, reflect not only highly depressed pricing agreed during the crisis, but still partial utilization of the Group's production capacity in Italy. In this context, Fincantieri is focused on achieving a significant growth in volumes, including by reviving the network of allied businesses severely affected by the years of crisis, with 2 cruise ship prototypes delivered in 2015 and another 4 due for delivery in 2016.

Order intake

New order intake amounted to euro 45 million in the first three months of 2015, 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 over the period 2019-2022, the value of which is currently reflected in the soft backlog.

Capital expenditure

Capital expenditure on Property, plant and equipment in the first three months of 2015 mostly involved continuation of projects initiated in 2014 at the Marghera shipyard in Italy and at the Marinette and Sturgeon Bay shipyards in the United States, as well as the start of work on modernizing hull-building technology and logistical support at the Sestri yard in Italy in order to support the recovery in production volumes. As far as intangible assets were concerned, there was continued expenditure on developing new technologies that comply with new international rules on cruise ship safety and noise reduction, and which will be applied to the large number of new prototypes currently in the order book.

Production

The number of ships delivered in the first three months of 2015 is analyzed as follows:

(number)	**Deliveries**
Cruise ships	2
Cruise ferries	
Naval vessels > 40 m long	
Mega-yachts	
Naval vessels < 40 m long	3

In particular, the main deliveries were:

- "Britannia", the new flagship of P&O Cruises, a brand of the Carnival Group, delivered by the Monfalcone shipyard;
- "Viking Star", a prototype, delivered to Viking Ocean Cruises 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.

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	Order 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 Revenue and income

Revenue and income

Revenues from the Offshore operating 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 impact 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 three months 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.

EBITDA

The Offshore segment reported EBITDA of euro 16 million at 31 March 2015 compared with euro 32 million in the first three months of 2014, with a drop in margin from 9.8% to 4.8% in the first quarter of 2015. This deterioration was the result of poor operating performance by some of the subsidiary's shipyards. In particular, in Brazil, (i) the Niterói shipyard, currently undergoing a downsizing, posted a rise in costs 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 extra costs to complete the outfitting of the initial LPG carriers, despite efficiency improvements in the hull production phases (from which subsequent builds will be able to benefit).

Order intake

New order intake continued to decline in the first quarter of 2015, with contracts formalized for just euro 30 million. In fact, 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, relating to 32 vessels, of which 18 of VARD's own design, ensuring a high volume of 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.

Capital expenditure

Capital expenditure in the first three months of 2015 mainly related to the final stages of completion of the Vard Promar shipyard in Brazil, as well as to projects for technological upgrades at the yards in Romania and Vietnam, designed to improve production efficiency through greater process automation.

Production

A total of 5 vessels were delivered:

(number)	Deliveries
AHTS	
PSV (including MRV)	2
OSCV	2
Other	1

2 PSV (Platform Supply Vessel)

- "Troms Mira" was delivered to Tidewater by the Vard Vung Tau shipyard (Vietnam);
- "Stril Barents" was delivered to Simon Møkster Shipping by the Vard Aukra shipyard (Norway).

2 OSCV (Offshore Subsea Construction Vessel)

- "Skandi Africa" was delivered to DOF by the Vard Søviknes shipyard (Norway);
- "Far Sleipner" was delivered to Farstad Shipping by the Vard Langsten shipyard (Norway).

1 Other

- "Marjata", a special ship for the Royal Norwegian Navy, was delivered by the Vard Langsten (Norway).

EQUIPMENT, SYSTEMS AND SERVICES

The Equipment, Systems and Services operating segment is engaged in the design and manufacture of systems and equipment and 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..

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	Order 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 Revenue and income

Revenue and income

Revenues from the Equipment, Systems and Services operating segment increased by 10.7% year-on-year to euro 41 million at 31 March 2015. This improvement was primarily due to higher volumes of after-sales services for naval vessels, in line with the development prospects for this business.

EBITDA

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.

Order intake

New order intake for Equipment, Systems and Services amounted to euro 25 million during the first three months of 2015, mostly comprising:

- complete revamping of a steam power generation plant and supply of a steam turbine for the Italian customer A2A;
- 3 generating sets, of which 2 for the US Navy's LCS program and 1 for the Carnival Vista cruise order;
- 1 entertainment management system for the Silversea cruise order;
- 1 automation and control system for a ferry built at a third-party shipyard;
- design of a package for the salinization of gas turbines for ship propulsion;
- after-sale services and spare parts for the US Navy's LCS and JHSV programs and for ships of the US Coast Guard.

OTHER ACTIVITIES

Other activities primarily refer to the costs incurred by corporate headquarters for directing, controlling and coordinating the business, that are not allocated to other operating segments.

31.12.2014	(Euro/million)	31.03.2015	31.03.2014
-	Revenue and income	-	-
(27)	EBITDA	(7)	(6)
n.a.	*EBITDA margin*	*n.a.*	*n.a.*
12	Capital expenditure	1	3

n.a. not applicabile

Capital expenditure

The most significant items of expenditure included development of the information systems in support of the Group's business, particularly the updating of technical design systems, the improvement of supply chain management systems and the updating of the Group's management software.

Other information

OTHER SIGNIFICANT EVENTS IN THE PERIOD

On 29 January 2015, Fincantieri announced the 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.

On 4 February 2015, SEA Europe, the association representing the European maritime industry and to which all the continent's major shipbuilding countries belong, officially launched 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.

On 9 February 2015, the three winning project ideas were announced for Innovation Challenge, the Open Innovation initiative developed by Fincantieri with the Chemical, Management, Computer and Mechanical Engineering Department of the University of Palermo. The ideas selected will become joint research projects between Fincantieri and the University of Palermo.

On 13 February 2015, the Board of Directors of FINCANTIERI S.p.A. approved, as part of a company reorganization process, the 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. At the recommendation of Giuseppe Bono, the Chief Executive Officer, the Board also voted to appoint as General Manager Mr. Andrea Mangoni, already member of the company's Board of Directors since June 2013, who took office with effect from 13 March 2015.

During March 2015, FINCANTIERI S.p.A. signed a historic strategic memorandum of agreement with Carnival Corporation & plc 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.

On 12 March 2015, the VARD Group was informed 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 THE REPORTING PERIOD ENDED 31.03.2015

On 11 April 2015, "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 2015, 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 16 April 2015, 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 option exercise for the construction of the ninth and tenth Multi Mission European Frigates (or FREMMs), 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, 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.
In 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, many of whom already customers of Banca Mediocredito, to receive earlier payment for receivables owed by Fincantieri and to be eligible for banking services only available to supplier arrangements between the parties, thereby providing suppliers with better financial support.
On 28 April 2015, the fourth frigate in the Italian Navy's FREMM program was delivered over at the Muggiano shipyard. The ship has been named "Carabiniere" in 2014, year of launching, to celebrate the 200th anniversary of the 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 2015, 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 2015, "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 2015, 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.
On 5 May 2015, an employee of a subcontractor was hit violently in the face and on the head, for causes still being ascertained, by a metal pipe during end-of-warranty work aboard at Italian Navy vessel at the Fincantieri yard in Muggiano, involving the removal of pipes in the emergency compressor room on deck 2 of the vessel. The worker was immediately attended to by the ship's doctor and then by a hospital emergency team and members of the Fire Department, duly alerted by Fincantieri, and then transported by helicopter to St. Martin's Hospital in Genoa where unfortunately, because of the serious injuries suffered, he died. Fincantieri has already started an investigation to shed full light on how this accident occurred.
On 7 May 2015, 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, nevertheless 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.

TRANSACTIONS WITH THE CONTROLLING COMPANY AND OTHER GROUP COMPANIES

Direction and coordination by Fintecna S.p.A., the main shareholder of FINCANTIERI S.p.A., ceased as from 3 July 2014.
In compliance with the provisions of the Regulations concerning related party transactions adopted under Consob Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions, FINCANTIERI S.p.A. has adopted a "Procedure for Related Party Transactions" with effect from 3 July 2014.
As far as related party transactions are concerned, these do not qualify as either atypical or unusual, since they fall within the normal course of business by the Group's companies. Such transactions are conducted under market conditions, taking into account the characteristics of the goods and services involved.

PURCHASE OF OWN SHARES

No purchases of the Parent Company's own shares have been made on the market in 2015.

INFORMATION REGARDING CORPORATE GOVERNANCE

The "Report on Corporate Governance and Ownership Structure" (the "Report") required by art. 123-bis of Italy's Consolidated Law on Finance is a stand-alone document approved by the Board of Directors on 13 March 2015, and published in the "Corporate Governance" section of the Company's website at www.Fincantieri.it.
The Report has been prepared in accordance with the recommendations of the Corporate Governance Code and modeled on the "Format for the report on corporate governance and ownership structure - V Edition (January 2015)" drawn up by Borsa Italiana S.p.A..
The Report contains a general and complete overview of the corporate governance system adopted by FINCANTIERI S.p.A.. It illustrates the Company's profile and the principles underlying the way it conducts its business; it provides information about the ownership structure and adoption of the Corporate Governance Code, including the main governance practices applied and the main characteristics of the system of internal control and risk management; it contains a description of the operation and composition of the governing and supervisory bodies and their committees, roles, duties and responsibilities.
The criteria for determining the compensation of the directors are set out in the "Remuneration Report", prepared in compliance with the requirements of art. 123-ter of Italy's Consolidated Law on Finance and art. 84-quater of the Consob Issuer Regulations, and published in the "Corporate Governance" section of the Company's website.

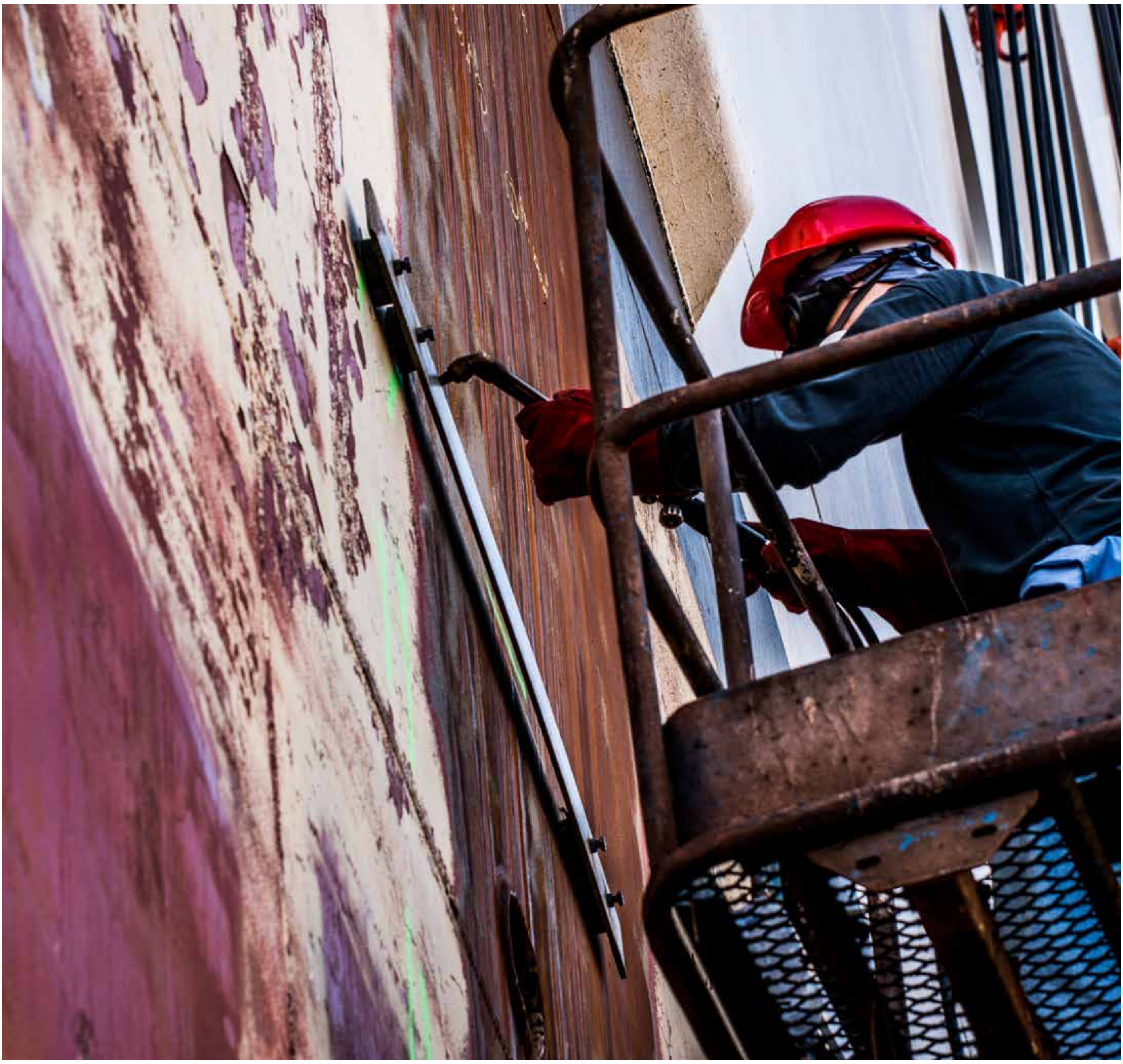
Alternative non-gaap performance measures

Fincantieri's management reviews the performance of the Group and its business segments using certain non-GAAP measures not defined under IFRS. In particular, EBITDA is used as the main earnings indicator, as it enables the Group's underlying profitability to be assessed, by eliminating the impact of volatility associated with non-recurring items or extraordinary items outside the ordinary course of business.

As required by Recommendation no. 05-178b of the Committee of European Securities Regulators, the components of each of these measures are described below:

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation and amortization, as reported in the financial statements, adjusted by the following items:
  - company costs for the Extraordinary Wage Guarantee Fund;
  - costs relating to the reorganization plan;
  - provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages;
  - other expenses or income outside the ordinary course of business due to particularly significant non-recurring events.
- EBIT: this is equal to EBITDA after deducting depreciation and amortization, as reported in the financial statements.
- Profit/(loss) before extraordinary and non-recurring income and expenses: this is equal to profit/(loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
- Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Property, plant and equipment, Investments and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets and non-current Financial liabilities) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations which includes Inventories and advances, Construction contracts and advances from customers, Construction loans, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets and current Financial liabilities).
- Net invested capital: this is equal to the total of Net fixed capital and Net working capital.
- Free cash flow: this is equal to the sum of (i) net cash flows from operating activities, (ii) net cash flows from investing activities and (iii) cash flows arising from the change in construction loans.
- ROI: the Group calculates ROI (Return on investment) as the ratio between EBIT (calculated on a 12-month basis for 1 April - 31 March) and the arithmetic mean of Net invested capital at the beginning and end of the reporting period.
- ROE: the Group calculates ROE (Return on equity) as the ratio between Profit/(Loss) for the period (calculated on a 12-month basis for 1 April - 31 March) and the arithmetic mean of total Equity at the beginning and end of the reporting period.
- Total debt/Total equity: this is calculated as the ratio between the Group's Total debt and Total equity.
- Net financial position/EBITDA: this is calculated as the ratio between the Net financial position, as monitored by the Group, and EBITDA (calculated on a 12-month basis for 1 April - 31 March).

- Net financial position/Total equity: this is calculated as the ratio between the Net financial position, as monitored by the Group, and Total equity.
- Provisions and impairment: these refer to increases in the Provisions for risks and charges, impairment of Trade receivables and Other non-current and current assets.



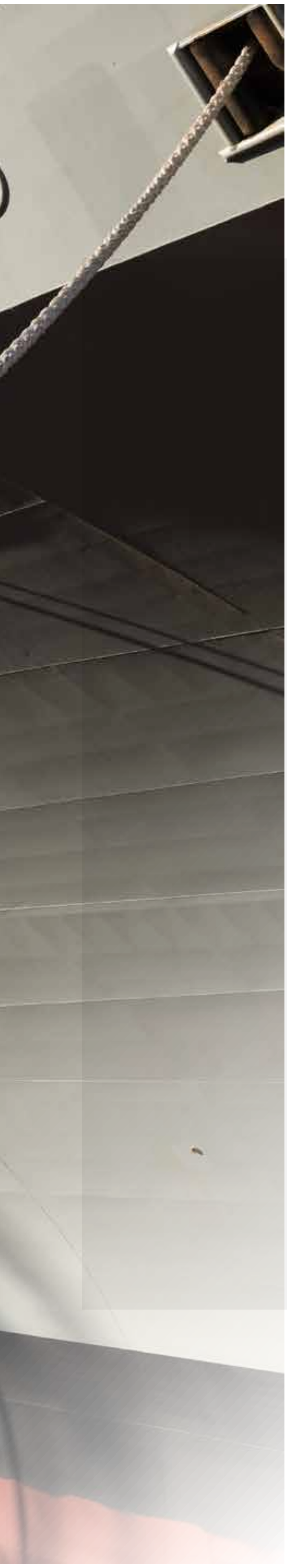
Reconciliation of the reclassified financial statements used in the report on operations with the mandatory IFRS statements

CONSOLIDATED INCOME STATEMENT

	31.03.2015		31.03.2014	
(Euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A – Revenue		**1,110**		**923**
Operating revenue	1,101		911	
Other revenue and income	9		12	
B - Materials, services and other costs		**(818)**		**(656)**
Materials, services and other costs	(820)		(657)	
Recl. to I – Extraordinary and non-recurring income and expenses	2		1	
C - Personnel costs		**(237)**		**(197)**
Personnel costs	(238)		(201)	
Recl. to I – Extraordinary and non-recurring income and expenses	1		4	
D - Provisions and impairment		**4**		**(4)**
Provisions and impairment	(1)		(7)	
Recl. to I – Extraordinary and non-recurring income and expenses	5		3	
E - Depreciation and amortization		**(26)**		**(24)**
Depreciation and amortization	(26)		(24)	
F – Finance income and (costs)		**(42)**		**(17)**
Finance income and costs	(42)		(17)	
G - Income/(expense) from investments				
Income/(expense) from investments				
H - Income taxes		**(12)**		**(9)**
Income taxes	(10)		(7)	
Recl. to L – Tax effect of extraordinary and non-recurring income and expenses	(2)		(2)	
I - Extraordinary and non-recurring income and expenses		**(8)**		**(8)**
Recl. from B - Materials, services and other costs	(2)		(1)	
Recl. from C - Personnel costs	(1)		(4)	
Recl. from D - Provisions and impairment	(5)		(3)	
L- Tax effect of extraordinary and non-recurring income and expenses		**2**		**2**
Recl. from H – Income taxes	2		2	
Profit/(loss) for the period		**(27)**		**10**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.03.2015		31.12.2014	
(Euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A) Intangible assets		**533**		**508**
Intangible assets	533		508	
B) Property, plant and equipment		**970**		**959**
Property, plant and equipment	970		959	
C) Investments		**63**		**60**
Investments	63		60	
D) Other non-current assets and liabilities		**(42)**		**(48)**
Derivative assets	10		1	
Other non-current assets	14		15	
Other liabilities	(48)		(46)	
Derivative liabilities	(18)		(18)	
E) Employee benefits		**(61)**		**(62)**
Employee benefits	(61)		(62)	
F) Inventories and advances		**439**		**388**
Inventories and advances	439		388	
G) Construction contracts and advances from customers		**1,217**		**1,112**
Construction contracts - assets	1,689		1,649	
Construction contracts - liabilities and advances from customers	(472)		(537)	
H) Construction loans		**(859)**		**(847)**
Construction loans	(859)		(847)	
I) Trade receivables		**539**		**610**
Trade receivables and other current assets	927		975	
Recl. to N) Other assets	(388)		(365)	
L) Trade payables		**(1,022)**		**(1,047)**
Trade payables and other current liabilities	(1,262)		(1,277)	
Recl. to N) Other liabilities	240		230	
M) Provisions for risks and charges		**(118)**		**(129)**
Provisions for risks and charges	(118)		(129)	
N) Other current assets and liabilities		**(186)**		**(18)**
Deferred tax assets	134		141	
Income tax assets	52		55	
Derivative assets	32		47	
Recl. from I) Other current assets	388		365	
Deferred tax liabilities	(88)		(84)	
Income tax liabilities	(18)		(25)	
Derivative liabilities and option fair value	(446)		(287)	
Recl. from L) Other current liabilities	(240)		(230)	
NET INVESTED CAPITAL		**1,473**		**1,486**
O) Equity		**1,554**		**1,530**
P) Net financial position		**(81)**		**(44)**
SOURCES OF FUNDING		**1,473**		**1,486**
Q) Net (assets)/liabilities held for sale				



condensed consolidated interim financial statements as at and for the three months ended 31 march 2015

Consolidated statement of financial position

(Euro/000)	Note	31.03.2015	*of which related parties Note 28*	31.12.2014	*of which related parties Note 28*
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	5	533,479		508,643	
Property, plant and equipment	6	970,018		958,517	
Investments accounted for using the equity method	7	54,509		52,796	
Other investments	7	8,075		7,683	
Financial assets	8	133,116	*7,383*	124,480	*7,147*
Other assets	9	13,698	*587*	14,705	*972*
Deferred tax assets	10	133,670		140,914	
Total non-current assets		**1,846,565**		**1,807,738**	
CURRENT ASSETS					
Inventories and advances	11	438,672	*841*	388,467	*842*
Construction contracts – assets	12	1,688,957		1,649,278	
Trade receivables and other current assets	13	927,424	*150,122*	975,051	*104,992*
Income tax assets	14	51,454		54,532	
Financial assets	15	100,541	*1,432*	136,693	*1,396*
Cash and cash equivalents	16	643,362		552,285	
Total current assets		**3,850,410**		**3,756,306**	
TOTAL ASSETS		**5,696,975**		**5,564,044**	
EQUITY AND LIABILITIES					
EQUITY	17				
Equity attributable to owners of the parent					
Share capital		862,981		862,981	
Reserves and retained earnings		464,782		447,036	
Total Equity attributable to owners of the parent		**1,327,763**		**1,310,017**	
Non-controlling interests		225,880		219,875	
Total Equity		**1,553,643**		**1,529,892**	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	18	97,812		108,621	
Employee benefits	19	61,237		62,141	
Financial liabilities	20	661,769	*22,044*	652,918	*17,625*
Other liabilities	21	48,124		45,506	
Deferred tax liabilities	10	88,406		84,277	
Total non-current liabilities		**957,348**		**953,463**	
CURRENT LIABILITIES					
Provisions for risks and charges	18	19,915		19,864	
Construction contracts – liabilities	12	471,870		536,601	
Trade payables and other current liabilities	22	1,261,970	*13,980*	1,277,425	*14,981*
Income tax liabilities		17,940		25,178	
Financial liabilities	23	1,414,289	*2,706*	1,221,621	*1,762*
Total current liabilities		**3,185,984**		**3,080,689**	
TOTAL EQUITY AND LIABILITIES		**5,696,975**		**5,564,044**	

Consolidated statement of comprehensive income

(Euro/000)	Note	31.03.2015	*of which related parties Note 28*	31.03.2014	*of which related parties Note 28*
Operating revenue	24	1,100,400	*68,805*	911,134	*78,853*
Other revenue and income	24	9,292	*1,521*	12,280	*638*
Materials, services and other costs *of which non-recurring*	25 *28*	(820,069) *(1,782)*	*(6,194)*	(657,552) *(1,013)*	*(4,489)*
Personnel costs *of which non-recurring*	25 *28*	(237,918) *(1,029)*		(201,922) *(4,256)*	
Depreciation and amortization	25	(26,071)		(23,780)	
Provisions and impairment *of which non-recurring*	25 *28*	(790) *(4,779)*		(6,753) *(3,069)*	
Finance income	26	17,696	*78*	5,574	*63*
Finance costs	26	(59,391)	*(268)*	(22,204)	*(1,175)*
Income/(expense) from investments		(234)		(291)	
Share of profit/(loss) of investments accounted for using the equity method		234		408	
Income taxes	27	(9,859)		(6,596)	
PROFIT/(LOSS) FOR THE PERIOD (A)		**(26,710)**		**10,298**	
Attributable to owners of the parent		*(5,988)*		*5,440*	
Attributable to non-controlling interests		*(20,722)*		*4,858*	
Basic earnings/(loss) per share (Euro)	28	(0.00354)		0.00438	
Diluted earnings/(loss) per share (Euro)	28	(0.00354)		0.00438	

Other comprehensive income/(losses), net of tax (OCI)					
Gains/(losses) from remeasurement of employee defined benefit plans	17 - 19			(379)	
Total gains/(losses) that will not be reclassified to profit or loss, net of tax ***attributable to non-controlling interests***	17			**(379)**	
Effective portion of gains/(losses) on cash flow hedging instruments	17	(12,611)		82	
Gains/(losses) arising from changes in OCI of investments accounted for using the equity method					
Gains/(losses) arising from fair value measurement of available-for-sale securities and bonds					
Exchange gains/(losses) arising on translation of foreign subsidiaries' financial statements	17	63,077		5,064	
Total gains/(losses) that may be subsequently reclassified to profit or loss, net of tax ***attributable to non-controlling interests***	17	**50,466** ***26,730***		**5,146** ***2,319***	
Total other comprehensive income/(losses), net of tax (B) ***attributable to non-controlling interests***	17	**50,466** ***26,730***		**4,767** ***2,319***	
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD (A) + (B)		**23,756**		**15,065**	
Attributable to owners of the parent		*17,748*		*7,888*	
Attributable to non-controlling interests		*6,008*		*7,177*	

Consolidated statement of changes in equity

(Euro/000)	Note	Share capital	Reserves and retained earnings	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	**Total**
01.01.2014	17	**633,481**	**334,860**	**968,341**	**242,225**	**1,210,566**
Acquisition of non-controlling interests			(130)	(130)	(770)	(900)
Dividend distribution					(196)	(196)
Other changes/roundings			(4)	(4)	2	(2)
Total transactions with owners			***(134)***	***(134)***	***(964)***	***(1,098)***
Profit/(Loss) for the period			5,440	5,440	4,858	10,298
OCI for the period			2,448	2,448	2,319	4,767
Total comprehensive income for the period			***7,888***	***7,888***	***7,177***	***15,065***
31.03.2014	17	**633,481**	**342,614**	**976,095**	**248,438**	**1,224,533**
01.01.2015	17	**862,981**	**447,036**	**1,310,017**	**219,875**	**1,529,892**
Acquisition of non-controlling interests						
Dividend distribution						
Other changes/roundings			(2)	(2)	(3)	(5)
Total transactions with owners			***(2)***	***(2)***	***(3)***	***(5)***
Profit/(Loss) for the period			(5,988)	(5,988)	(20,722)	(26,710)
OCI for the period			23,736	23,736	26,730	50,466
Total comprehensive income for the period			***17,748***	***17,748***	***6,008***	***23,756***
31.03.2015	17	**862,981**	**464,782**	**1,327,763**	**225,880**	**1,553,643**

Consolidated statement of cash flows

(Euro/000)	Note	31.03.2015	31.03.2014
NET CASH FLOWS FROM OPERATING ACTIVITIES	29	**90,186**	**(375,063)**
- of which related parties		*(45,745)*	*(65,219)*
Investments in:			
- intangible assets		(6,073)	(4,190)
- property, plant and equipment		(23,055)	(23,279)
- equity investments		(130)	(1,323)
Disposals of:			
- intangible assets		105	8
- property, plant and equipment		36	672
- equity investments			5
CASH FLOWS FROM INVESTING ACTIVITIES		**(29,117)**	**(28,107)**
Change in non-current loans:			
- disbursements		74,043	2,129
- repayments		(73,764)	(10,941)
Change in non-current financial receivables:			
- disbursements		(24)	(1,322)
- repayments		122	9,261
Change in current bank loans and credit facilities		(13,832)	219,956
Change in other financial liabilities/receivables		18,003	80,135
Change in receivables for held-for-trading financial instruments			7
Change in payables for held-for-trading financial instruments		15,100	177
Acquisition of non-controlling interests			(900)
CASH FLOWS FROM FINANCING ACTIVITIES		**19,648**	**298,502**
- of which related parties		*5,091*	*83,348*
NET CASH FLOWS FOR THE PERIOD		**80,717**	**(104,668)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**552,285**	**384,506**
Effect of exchange rate changes on cash and cash equivalents		10,360	2,168
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**643,362**	**282,006**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3.00

notes to the condensed consolidated interim financial statements

Note 1 - form, contents and other general information

The Parent Company

FINCANTIERI S.p.A. (hereinafter "Fincantieri", the "Company" or the "Parent Company" and, together with its subsidiaries, the "Group" or the "Fincantieri Group") is a public limited company with its registered office in Via Genova no. 1, Trieste (Italy), and listed on the Italian Stock Exchange. The Group is one of the world's top players in the shipbuilding industry and one of the most diversified globally, offering design and construction services for high value-added products such as cruise ships, naval vessels, ferries, mega-yachts, offshore vessels, and marine systems and equipment.

As at 31 March 2015, 72.5% of the Company's share capital of euro 862,980,725.70 was held by Fintecna S.p.A.; the remainder of share capital was spread between a number of private investors, none of whom held significant interests of 2% or above. It should be noted that 100% of the share capital of Fintecna S.p.A. is owned by Cassa Depositi e Prestiti S.p.A. (hereinafter also referred to as "CDP"), 80.1% of whose share capital is in turn owned by Italy's Ministry of Economy and Finance.

IFRS CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In 2007 Fincantieri took up the option permitted by Italian Legislative Decree 38 dated 28 February 2005, governing the exercise of the options contained in article 5 of European Regulation no.1606/2002 concerning international accounting standards.

Therefore, starting from the year ended 31 December 2007, the consolidated financial statements of the Fincantieri Group have been prepared in compliance with IFRS, meaning all the International Financial Reporting Standards, all the International Accounting Standards ("IAS"), and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") previously known as the Standing Interpretations Committee ("SIC"), which, at the reporting date of the consolidated financial statements, have been endorsed by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and European Council dated 19 July 2002.

The condensed consolidated interim financial statements as at and for the three months ended 31 March 2015 (the "Condensed Consolidated Interim Financial Statements"), were approved by the Company's Board of Directors on 12 May 2015.

The current interim management report is not subject to statutory audit.

BASIS OF PREPARATION

The Interim Management Report of the Fincantieri Group as at 31 March 2015 has been prepared in accordance with the provisions of art. 154-ter par. 5 of Italian Legislative Decree no. 58/98 (known as the "Unified Financial Act") and subsequent amendments and additions.
The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 - Interim Financial Reporting. IAS 34 allows the preparation of financial statements in a "condensed" format, in which the minimum level of information presented is significantly less than that required by the IFRSs, as long as the reporting entity has previously published a complete set of financial statements prepared in accordance with IFRS. Since the contents of the Condensed Consolidated Interim Financial Statements are presented in a condensed format, they must be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2014, prepared in accordance with IFRS (the "2014 Consolidated Financial Statements").
With regard to the main financial risks to which the Group is exposed - credit risk, liquidity risk and market risk (in particular currency, interest rate and commodity price risk) - the management of these financial risks is the responsibility of the Parent Company which decides, in close collaboration with its operating units, whether and how to hedge these risks. There have been no significant changes in the major financial risks faced compared with those described in the 2014 Consolidated Financial Statements which should be consulted for more details. The following table shows the financial assets and liabilities that are measured at fair value at 31 March 2015 and 31 December 2014 according to their level in the fair value hierarchy:

(Euro/000)	31.03.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Available-for-sale financial assets						
Equity instruments		5,975	989		5,750	952
Debt instruments						
Hedging derivatives		42,563			48,248	
Held-for-trading derivatives						
Total assets		**48,538**	**989**		**53,998**	**952**
Liabilities						
Financial liabilities at fair value through profit or loss			17,660			15,649
Hedging derivatives		418,092			276,797	
Held-for-trading derivatives		28,638			13,538	
Total liabilities		**446,730**	**17,660**		**290,335**	**15,649**

PRESENTATION OF FINANCIAL STATEMENTS

The Group presents its statement of financial position using a "non-current/current" distinction, its statement of comprehensive income using a classification based on the nature of expenses, and its statement of cash flows using the indirect method.

Note 2 - scope and basis of consolidation

As previously stated, the scope and basis of consolidation adopted for the preparation of the Condensed Consolidated Interim Financial Statements are in line with those used to prepare the Consolidated Financial Statements, except as reported in Note 3.
No changes took place in the scope of consolidation during the first quarter of 2015.
No significant transactions or unusual events took place during the first three months of 2015 or of 2014, except as reported in the Condensed Consolidated Interim Financial Statements as at and for the three months ended 31 March 2015. It is also noted that the Group's business is not subject to seasonal trends.

Translation of the financial statements of foreign operations

The exchange rates used to translate the financial statements of Group companies with a "functional currency" other than the Euro are as follows:

	31.03.2015		31.12.2014		31.03.2014	
	3-month average	Closing rate at 31.03	12-month average	Closing rate at 31.12	3-month average	Closing rate at 31.03
US Dollar (USD)	1.1261	1.0759	1.3285	1.2141	1.3696	1.3788
UAE Dirham (AED)	4.1354	3.9496	4.8796	4.4594	5.0306	5.0643
Brazilian Real (BRL)	3.2236	3.4958	3.1211	3.2207	3.2340	3.1276
Norwegian Krone (NOK)	8.7318	8.7035	8.3544	9.0420	8.3471	8.255
Indian Rupee (INR)	70.0867	67.2738	81.0406	76.7190	84.5794	82.5784
Romanian Leu (RON)	4.4516	4.4098	4.4437	4.4828	4.5023	4.4592

Note 3 - accounting standards

The Group has not adopted early any accounting standards and interpretations whose application is not mandatory from 1 January 2015.

Note 4 - critical accounting estimates and assumptions

A full description of the use of accounting estimates can be found in the Consolidated Financial Statements at 31 December 2014.
Certain valuation processes, particularly the more complex ones, such as the determination of any impairment of non-current assets, are generally carried out in full only when preparing the annual financial statements when all the necessary information is available, except when there are indicators of impairment that require the immediate assessment of any impairment losses.

Note 5 - intangible assets

Movements in this line item are as follows:

(Euro/000)	Goodwill	Customer relationships	Develop-ment costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangibles	Intangibles in progress and advances to suppliers	**Total**
- cost	265,197	199,317	40,912	87,115	16,920	11,782	25,890	647,133
- accumulated amortization and impairment losses		(42,256)	(8,924)	(81,319)	(1,087)	(4,904)		(138,490)
Net carrying amount at 01.01.2015	**265,197**	**157,061**	**31,988**	**5,796**	**15,833**	**6,878**	**25,890**	**508,643**
Movements - business combinations								
- additions			268	43	60	292	5,410	6,073
- net disposals			(105)					(105)
- reclassifications/ other changes			1,347	321			(1,668)	
- amortization		(4,428)	(1,079)	(750)	(60)	(407)		(6,724)
- impairment losses								
- exchange rate differences	16,014	7,334	38	2	1,958	246		25,592
Closing net carrying amount	**281,211**	**159,967**	**32,457**	**5,412**	**17,791**	**7,009**	**29,632**	**533,479**
- cost	281,211	209,345	42,504	87,450	19,056	12,631	29,632	681,829
- accumulated amortization and impairment losses		(49,378)	(10,047)	(82,038)	(1,265)	(5,622)		(148,350)
Net carrying amount at 31.03.2015	**281,211**	**159,967**	**32,457**	**5,412**	**17,791**	**7,009**	**29,632**	**533,479**

The change in Goodwill is due to exchange rate differences arising on the conversion of the Fincantieri Marine Group's goodwill recorded in US dollars and of the VARD Group's goodwill recorded in Norwegian krone.

In accordance with the provisions of IAS 36, the Group is of the opinion that the conditions exist as at 31 March 2015 to confirm the value of goodwill and the trademark since no signs of impairment have emerged indicating a reduction in their value.

Additions in the first quarter of 2015 amounted to euro 6,073 thousand, of which euro 4,585 thousand for continued work not only on projects to develop new technologies for products made obsolete by the introduction of new regulations but also on the large number of new cruise ship prototypes in the order book. The rest of the expenditure relates to the development of information systems to support the Group's business.

Additions made in the first quarter of 2014 came to euro 4,191 thousand, mainly in connection with projects under development.

Note 6 - property, plant and equipment

Movements in this line item are as follows:

(Euro/000)	Land and buildings	Leased buildings	Industrial plant, machinery and equipment	Assets under concession	Extraordinary maintenance on leased assets	Other assets	Assets under construction and advances to suppliers	**Total**
- cost	555,607	2,676	1,121,377	177,368	25,760	154,418	91,942	2,129,148
- accumulated depreciation and impairment losses	(182,628)	(1,881)	(746,106)	(118,993)	(20,063)	(100,960)		(1,170,631)
Net carrying amount at 01.01.2015	**372,979**	**795**	**375,271**	**58,375**	**5,697**	**53,458**	**91,942**	**958,517**
Movements								
- business combinations								
- additions	2,067		3,585		2	132	17,269	23,055
- net disposals			(30)			(12)		(42)
- reclassifications/ other changes	(1,518)		(1,095)	59	95	50	2,415	6
- depreciation	(3,697)	(97)	(13,160)	(867)	(293)	(1,233)		(19,347)
- impairment losses	(18)							(18)
- exchange rate differences	5,950	99	1,233		2	366	197	7,847
Closing net carrying amount	**375,763**	**797**	**365,804**	**57,567**	**5,503**	**52,761**	**111,823**	**970,018**
- cost	566,739	3,020	1,126,300	177,427	25,902	154,979	111,823	2,166,190
- accumulated depreciation and impairment losses	(190,976)	(2,223)	(760,496)	(119,860)	(20,399)	(102,218)		(1,196,172)
Net carrying amount at 31.03.2015	**375,763**	**797**	**365,804**	**57,567**	**5,503**	**52,761**	**111,823**	**970,018**

Capital expenditure additions of euro 23,055 thousand in the first quarter of 2015 mainly relate to the continuation of projects started in 2014 at the Marghera yard in Italy and at the Marinette and Sturgeon Bay yards in the United States, as well as the start of work on modernizing hull-building technology and logistical support at the Sestri yard in Italy and completion of construction of the Vard Promar yard in Brazil.
Additions of euro 23,279 thousand made during the first quarter of 2014 mainly referred to the Monfalcone, Marghera and Sestri shipyards in Italy and the VARD shipyard in Brazil.

Note 7 - investments accounted for using the equity method and other investments

These are analyzed as follows:

(Euro/000)	Associates	Joint ventures	**Total investments accounted for using the equity method**	Other companies carried at cost	Other companies carried at fair value	**Total other investments**	**Total**
01.01.2015	36,133	16,663	**52,796**	981	6,702	**7,683**	**60,479**
Business combinations							
Additions				130		**130**	**130**
Revaluations/ (Impairment losses)	84	150	**234**				**234**
Disposals							
Capital paid into investments							
Dividends from investments accounted for using the equity method							
Reclassifications/ Other							
Exchange rate differences	1,479		**1,479**		262	**262**	**1,741**
31.03.2015	37,696	16,813	**54,509**	1,111	6,964	**8,075**	**62,584**

Note 8 - non-current financial assets

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Grants financed by BIIS	30,675	34,110
Derivative assets	10,493	504
Other non-current financial receivables	84,565	82,719
Non-current financial receivables from investee companies	7,383	7,147
NON-CURRENT FINANCIAL ASSETS	**133,116**	**124,480**

"Derivative assets" represent the reporting-date fair value of derivatives with a maturity of more than 12 months (Level 2).

Note 9 - other non-current assets

Other non-current assets are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Other receivables from investee companies	587	972
Government grants receivable	2,101	2,011
Other receivables	11,010	11,722
OTHER NON-CURRENT ASSETS	**13,698**	**14,705**

Other non-current assets are all stated net of the related provision for impairment.

The following table presents the amount of and movements in the provision for impairment of other non-current receivables:

(Euro/000)	Provision for impairment of other receivables
Total at 01.01.2015	**16,656**
Utilizations	
Increases/(Releases)	(530)
Total at 31.03.2015	**16,126**

Note 10 - deferred tax assets and liabilities

Movements in deferred tax assets are analyzed as follows:

(Euro/000)	Total
01.01.2015	**140,914**
Business combinations	
Through profit or loss	(15,354)
Through equity	
Impairment losses	
Through other comprehensive income	5,826
Other changes	
Exchange rate differences	2,284
31.03.2015	**133,670**

Deferred tax assets have been recognized on items for which the tax is likely to be recovered against forecast future taxable income of Group companies. The recognition of deferred tax is also supported by participation in the tax consolidation with CDP commencing in 2013.

Movements in deferred tax liabilities are analyzed as follows:

(Euro/000)	Total
01.01.2015	**84,277**
Business combinations	
Through profit or loss	(587)
Through equity	
Impairment losses	
Through other comprehensive income	(1,778)
Other changes	
Exchange rate differences	6,494
31.03.2015	**88,406**

Note 11 - inventories and advances

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Raw materials and consumables	209,781	178,137
Work in progress and semi-finished goods	30,709	12,972
Finished products	6,914	6,191
Total inventories	**247,404**	**197,300**
Advances to suppliers	191,268	191,167
TOTAL INVENTORIES AND ADVANCES	**438,672**	**388,467**

Inventories and advances are stated net of relevant provisions for impairment. The following table presents the amount of and movements in such provisions for impairment:

(Euro/000)	Provision for impairment - raw materials	Provision for impairment – finished products
01.01.2015	**13,842**	**2,660**
Increases	77	
Utilizations	(17)	(1)
Releases	(83)	
Exchange rate differences	28	109
31.03.2015	**13,847**	**2,768**

Note 12 - construction contracts – net assets and liabilities

"Construction contracts - net assets" are analyzed as follows:

	31.03.2015			31.12.2014		
(Euro/000)	Construction contracts – gross	Invoices issued and provision for future losses	Construction contracts - net assets	Construction contracts – gross	Invoices issued and provision for future losses	Construction contracts - net assets
Shipbuilding contracts	4,553,845	2,884,151	1,669,694	3,459,144	1,819,107	1,640,037
Other contracts for third parties	30,930	11,667	19,263	19,755	10,514	9,241
Total	**4,584,775**	**2,895,818**	**1,688,957**	**3,478,899**	**1,829,621**	**1,649,278**

"Construction contracts – net liabilities" are analyzed as follows:

	31.03.2015			31.12.2014		
(Euro/000)	Construction contracts – gross	Invoices issued and provision for future losses	Construction contracts - net liabilities	Construction contracts – gross	Invoices issued and provision for future losses	Construction contracts - net liabilities
Shipbuilding contracts	4,033,505	4,478,164	444,659	4,819,305	5,318,735	499,430
Other contracts for third parties	110,713	116,308	5,595	154,843	164,038	9,195
Advances from customers		21,616	21,616		27,976	27,976
Total	**4,144,218**	**4,616,088**	**471,870**	**4,974,148**	**5,510,749**	**536,601**

Note 13 - trade receivables and other current assets

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Trade receivables	539,199	610,140
Receivables from controlling companies (tax consolidation)	31,505	23,443
Government grants receivable	15,032	14,111
Other sundry receivables	91,185	90,831
Indirect tax receivables	33,775	42,639
Firm commitments	188,240	157,802
Accrued income	28,078	35,750
Prepayments	410	335
TOTAL TRADE RECEIVABLES AND OTHER CURRENT ASSETS	**927,424**	**975,051**

The above receivables are shown net of provisions for the impairment of receivables. These provisions relate to receivables that are no longer considered fully recoverable, including those involving legal action and judicial and out-of-court proceedings in cases of debtor default. A provision for interest charged on past due trade receivables has been recognized in a "Provision for past due interest".

The amount of and movements in the total provisions for impairment of receivables are as follows:

(Euro/000)	Provision for impairment of receivables
01.01.2015	**40,963**
Business combinations	
Utilizations	(3,260)
Increases/(Releases)	(507)
Exchange rate differences	221
Through other comprehensive income	
31 03.2015	**37,417**

"Firm commitments" reflect the fair value of hedged items in fair value hedges used by the Group to hedge currency risk arising on construction contracts in currencies other than the functional currency.

Note 14 - Income tax assets

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Receivables for Italian corporate income taxation (IRES)	46,899	46,825
Receivables for Italian regional tax on productive activities (IRAP)	830	2,318
Foreign tax receivables	3,725	5,389
TOTAL INCOME TAX ASSETS	**51,454**	**54,532**

The amount and movements in the provision for impairment of income tax assets are as follows:

(Euro/000)	Provision for impairment of income tax assets
Balance at 1.1.2015	**4,342**
Increases/(Releases)	
Other changes	
Total at 31.03.2015	**4,342**

Note 15 - current financial assets

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Derivative assets	32,070	47,744
Other receivables	60,855	79,419
Government grants financed by BIIS	6,805	6,680
Accrued interest income	778	2,426
Prepaid interest and other financial expense	33	424
TOTAL CURRENT FINANCIAL ASSETS	**100,541**	**136,693**

"Derivative assets" represent the reporting-date fair value of derivatives with a maturity of less than 12 months. The fair value of derivative financial instruments has been calculated considering market parameters and using widely accepted measurement techniques (Level 2).
"Other receivables" include interest-bearing financial receivables.

Note 16 - cash and cash equivalents

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Bank and postal deposits	643,239	552,178
Cash on hand	123	107
TOTAL CASH AND CASH EQUIVALENTS	**643,362**	**552,285**

Almost all of the period-end cash and cash equivalents refers to the balance on current accounts held with a number of banks.

Note 17 - equity

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

The composition of equity is analyzed in the following table:

(Euro/000)	31.03.2015	31.12.2014
Attributable to owners of the parent		
Share capital	862,981	862,981
Share premium reserve	110,499	110,499
Legal reserve	31,516	31,516
Cash flow hedge reserve	(12,805)	(194)
Available-for-sale fair value reserve	(226)	(226)
Currency translation reserve	(45,050)	(81,401)
Other reserves and retained earnings	386,836	319,907
Profit/(loss) for the period	(5,988)	66,935
	1,327,763	**1,310,017**
Attributable to non-controlling interests		
Capital and reserves	255,587	267,953
Available-for-sale fair value reserve	(180)	(180)
Currency translation reserve	(8,805)	(36,243)
Profit/(loss) for the period	(20,722)	(11,655)
	225,880	**219,875**
TOTAL EQUITY	**1,553,643**	**1,529,892**

SHARE CAPITAL

The share capital of FINCANTIERI S.p.A. amounts to euro 862,980,726, fully paid-in, divided into 1,692,119,070 ordinary shares with no par value.
The terms of the initial public offering provided for the allotment of free shares as follows:

- one share for every twenty shares held continuously for twelve months from their issue date (3 July 2014) by shareholders who are members of the general public;
- one share for every ten shares held continuously for twelve months from their issue date (3 July 2014) by Fincantieri employees resident in Italy.

The free shares will be made available by the shareholder Fintecna S.p.A..

SHARE PREMIUM RESERVE

This reserve has been recorded as a result of the capital increase accompanying the Company's listing on the Italian stock market on 3 July 2014. Listing costs of euro 11,195 thousand (net of tax effects) referring to the capital increase have been accounted for as a deduction from the share premium reserve, in compliance with IAS 32.

CASH FLOW HEDGE RESERVE

The cash flow hedge reserve reports the change in the effective portion of derivative hedging instruments measured at fair value.

CURRENCY TRANSLATION RESERVE

The currency translation reserve reflects exchange differences arising from the translation into Euro of financial statements of foreign operations prepared in currencies other than the Euro.

OTHER RESERVES AND RETAINED EARNINGS

These mainly comprise: i) surplus earnings after making allocations to the legal reserve and distributions in the form of shareholder dividends; ii) actuarial gains and losses on employee benefit plans.

NON-CONTROLLING INTERESTS

The change compared with 31 December 2014 is mainly due to comprehensive income for the period attributable to non-controlling interests.

OTHER COMPREHENSIVE INCOME/LOSSES

The amount of other comprehensive income/losses, presented in the statement of comprehensive income, is as follows:

	31.03.2015			31.03.2014		
(Euro/000)	Gross amount	Tax (expense)/ benefit	Net amount	Gross amount	Tax (expense)/ benefit	Net amount
Effective portion of profits/(losses) on cash flow hedging instruments	(18,437)	5,826	(12,611)	113	(31)	82
Gains/(losses) from remeasurement of employee defined benefit plans				(523)	144	(379)
Gains/(losses) arising from changes in OCI of investments accounted for using the equity method						
Gains/(losses) arising on translation of financial statements of foreign operations	61,299	1,778	63,077	5,059	5	5,064
Total other comprehensive income/(losses)	**42,862**	**7,604**	**50,466**	**4,649**	**118**	**4,767**

(Euro/000)	31.03.2015	31.12.2014
Effective portion of profits/(losses) arising in period on cash flow hedging instruments	(18,685)	(248)
Effective portion of profits/(losses) on cash flow hedging instruments reclassified to profit or loss	248	1,048
Effective portion of profits/(losses) on cash flow hedging instruments	**(18,437)**	**800**
Tax effect for other components of comprehensive income	**5,826**	**(234)**
TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES), NET OF TAX	**(12,611)**	**566**

Note 18 - provisions for risks and charges

These are analyzed as follows:

(Euro/000)	Litigation	Product warranty	Agent indemnity benefit	Business reorganization	Other risks and charges	**Total**
Non-current portion	*41,726*	*40,357*	*111*		*26,427*	*108,621*
Current portion	*1,106*	*14,937*			*3,821*	*19,864*
01.01.2015	**42,832**	**55,294**	**111**	**-**	**30,248**	**128,485**
Business combinations						
Other movements						
Increases	4,779	5,895			1,663	12,337
Utilizations	(7,811)	(6,423)			(47)	(14,281)
Releases		(9,136)			(1,160)	(10,296)
Exchange rate differences	70	702			710	1,482
31.03.2015	**39,870**	**46,332**	**111**	**-**	**31,414**	**117,727**
Non-current portion	*38,721*	*32,039*	*111*		*26,941*	*97,812*
Current portion	*1,149*	*14,293*			*4,473*	*19,915*

The main component of the "Litigation" provision relates to precautionary provisions for claims brought by employees, authorities or third parties for damages arising from asbestos exposure. The remainder of the litigation provision relates to lawsuits with employees and suppliers and to other legal proceedings.
The "Product warranty" provision relates to the estimated cost of carrying out work under contractual guarantee after vessel delivery. The warranty period normally lasts for 1 or 2 years after delivery, but in some cases it may be longer.
The provision for "Other risks and charges" includes euro 8,617 thousand for environmental clean-up costs, while the remainder relates to various kinds of disputes, mostly of a contractual, technical or fiscal nature, which might be settled at the Group's expense either in or out of court.

Note 19 - employee benefits

Movements in this line item are as follows:

(Euro/000)	31.03.2015	31.12.2014
Opening balance	**62,220**	**60,486**
Business combinations		
Interest cost	237	1,925
Actuarial (gains)/losses		7,717
Utilizations for benefits and advances paid	(536)	(7,677)
Staff transfers and other movements	(601)	(222)
Exchange rate differences	4	(9)
Closing balance	**61,324**	**62,220**
Plan assets	**(87)**	**(79)**
Closing balance	**61,237**	**62,141**

Note 20 - non-current financial liabilities

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Bond	297,024	296,835
Bank loans and credit facilities - non-current portion	302,543	290,364
Loans from BIIS - non-current portion	30,675	34,110
Liabilities to other lenders	1,040	1,040
Finance lease obligations	239	310
Financial liabilities for the acquisition of equity investments	11,770	11,770
Derivative liabilities	18,478	18,489
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**661,769**	**652,918**

"Derivative liabilities" represent the reporting-date fair value of derivatives with a maturity of more than 12 months (Level 2).

"Financial liabilities for the acquisition of equity investments", whose value has remained unchanged during the period, reflect the fair value (Level 3) of a put option held by the minority shareholders of Fincantieri USA under which they have the option to sell their shareholding to Fincantieri at a fixed price.

With reference to "Bank loans and credit facilities - non-current portion", during the first quarter of 2015, the Parent Company repaid in advance two loans outstanding at 31 December 2014, of Euro 30 million each originally due to mature in March 2017, that had been provided by the European Investment Bank ("EIB"), and at the same time it obtained a new loan from Mediobanca for euro 65 million repayable in a single installment in May 2017. In addition, a further USD 4 million was received under a credit agreement already in place at 31 December 2014 between Banco do Brasil and Vard Promar SA intended to finance construction of the shipyard in Suape.

Note 21 - other non-current liabilities

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Capital grants	30,369	28,282
Other liabilities	17,755	17,224
TOTAL OTHER NON-CURRENT LIABILITIES	**48,124**	**45,506**

"Capital grants" mainly comprise deferred income associated with grants for property, plant and equipment and other grants which will be released to income in future years to match the related depreciation/amortization of these assets.

Note 22 - trade payables and other current liabilities

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Payables to suppliers	1,021,738	1,046,825
Social security payables	42,121	29,574
Other payables for deferred employee remuneration	76,341	65,004
Other payables	78,221	79,269
Indirect tax payables	15,606	20,494
Firm commitments	19,930	27,397
Accrued expenses	2,601	8,838
Deferred income	5,412	24
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**1,261,970**	**1,277,425**

"Social security payables" include amounts due to INPS (the Italian social security authorities) for employer and employee contributions on March's wages and salaries and contributions on end-of-period wage adjustments. It also includes the 2015 premium due to INAIL, Italy's provider of national insurance against occupational injury and illness, which is being paid in instalments.

"Other payables" include employee income tax withholdings payable to tax authorities, sundry payables for insurance premiums, advances received against research grants, amounts payable to employee supplementary pension funds and security deposits received.

"Firm commitments" reflect the fair value of hedged items in fair value hedges used by the Group to hedge currency risk arising on construction contracts in currencies other than the functional currency.

Note 23 - current financial liabilities

These are analyzed as follows:

(Euro/000)	31.03.2015	31.12.2014
Bank loans and credit facilities - current portion	45,106	44,707
Loans from BIIS - current portion	6,805	6,680
Bank loans and credit facilities - Construction loans	858,641	847,454
Liabilities to other lenders - current portion	290	290
Bank credit facilities repayable on demand	51,304	31,962
Payables to joint ventures	948	337
Finance lease obligations - current portion	388	337
Fair value of options on equity investments	17,660	15,649
Derivative liabilities	428,252	271,846
Accrued interest expense	4,895	2,359
TOTAL CURRENT FINANCIAL LIABILITIES	**1,414,289**	**1,221,621**

"Fair value of options on equity investments" (Level 3) relates to the option held by minority shareholders of the Fincantieri Marine Group, exercisable from 1 January 2014. This amount has remained unchanged during the period except for exchange rate differences.
The fair value of derivative financial instruments has been calculated considering market parameters and using widely accepted measurement techniques (Level 2).

Note 24 - revenue and income

These are analyzed as follows:

(Euro/000)	31.03.2015	31.03.2014
Operating revenue	**1,100,400**	**911,134**
Other revenue and income		
Gains on disposal	17	376
Sundry revenue and income	6,973	10,778
Government grants	2,302	1,126
Total other revenue and income	**9,292**	**12,280**
TOTAL REVENUE AND INCOME	**1,109,692**	**923,414**

Note 25 - operating costs

MATERIALS, SERVICES AND OTHER COSTS

Materials, services and other costs are analyzed as follows:

(Euro/000)	31.03.2015	31.03.2014
Raw materials and consumables	(574,394)	(482,424)
Services	(220,514)	(154,895)
Leases and rentals	(12,299)	(9,649)
Change in inventories of raw materials and consumables	40,494	(2,730)
Change in work in progress	19	179
Change in inventories of finished products	3,198	1,707
Other operating costs	(59,984)	(11,869)
Total materials, services and other costs	**(823,480)**	**(659,681)**
Capitalization of internal costs	**3,411**	**2,129**
TOTAL OPERATING COSTS	**(820,069)**	**(657,552)**

PERSONNEL COSTS

(Euro/000)	31.03.2015	31.03.2014
Personnel costs:		
- wages and salaries	(172,137)	(144,080)
- social security	(52,437)	(45,822)
- costs for defined contribution plans	(8,209)	(7,681)
- other personnel costs	(6,068)	(4,905)
Personnel costs capitalized in fixed assets	933	566
Total personnel costs	**(237,918)**	**(201,922)**

"Personnel costs" represent the total cost incurred for employees, including wages and salaries, employer social security contributions, gifts and travel allowances.

HEADCOUNT

The Fincantieri Group had 21,905 employees at 31 March 2015, broken down as follows:

(number)	31.03.2015	31.03.2014
Employees at period end:		
Total at period end	21,905	20,686
- of whom in Italy	7,754	7,724
- of whom in Parent Company	7,354	7,419
- of whom in VARD	11,927	10,912
Average number of employees	21,869	20,591
- of whom in Italy	7,686	7,675
- of whom in Parent Company	7,289	7,375
- of whom in VARD	11,964	10,886

DEPRECIATION AND AMORTIZATION, PROVISIONS AND IMPAIRMENT

(Euro/000)	31.03.2015	31.03.2014
Depreciation and amortization:		
- amortization of intangible assets	(6,724)	(5,590)
- depreciation of property, plant and equipment	(19,347)	(18,190)
Total depreciation and amortization	**(26,071)**	**(23,780)**
Provisions and impairment:		
- impairment of receivables	(37)	(1,157)
- increases in provisions for risks and charges	(12,105)	(6,900)
- other impairment losses	(18)	(17)
- release of provisions and impairment reversals	11,370	1,321
Total provisions and impairment	**(790)**	**(6,753)**

A breakdown of "Depreciation and amortization" expense is provided in Notes 5 and 6.

Details of "Provisions and impairment" can be found in Notes 9, 13 and 18.

Note 26 - finance income and costs

These are analyzed as follows:

(Euro/000)	31.03.2015	31.03.2014
FINANCE INCOME		
Interest and other income from financial assets	601	1,030
Income from derivative financial instruments		21
Bank interest and fees and other income	1,674	1,827
Foreign exchange gains	15,421	2,696
Total finance income	**17,696**	**5,574**
FINANCE COSTS		
Interest and fees charged by related parties	(14)	(772)
Expenses from derivative financial instruments	(5,017)	(21)
Interest on employee benefit plans	(220)	(414)
Interest and fees on bonds	(2,964)	(2,956)
Interest and fees on construction loans	(9,416)	(5,158)
Bank interest and fees and other expense	(8,146)	(7,571)
Foreign exchange losses	(33,614)	(5,312)
Total finance costs	**(59,391)**	**(22,204)**
TOTAL FINANCE INCOME AND COSTS	**(41,695)**	**(16,630)**

"Finance income" includes euro 351 thousand (euro 413 thousand in the first quarter of 2014) in interest formally paid by the Italian State to the Parent Company, but effectively paid to Banca Infrastrutture Innovazione e Sviluppo (with an equal amount recognized as finance expense), under the structure in place to disburse government grants.

Note 27 - income taxes

Income taxes have been calculated on the basis of the result for the period. Deferred income taxes are analyzed in Note 10.

Note 28 - other information

NET FINANCIAL POSITION

The consolidated net financial position as monitored by the Group is presented below.

(Euro/000)	31.03.2015	31.12.2014
A. Cash	123	107
B. Other cash equivalents	643,239	552,178
C. Held-for-trading securities		
D. Cash and cash equivalents (A)+(B)+(C)	**643,362**	**552,285**
E. Current financial receivables	**61,666**	**82,269**
- of which related parties	*1,434*	*1,396*
F. Current bank debt	(51,304)	(31,962)
G. Current portion of non-current debt	(50,006)	(47,071)
- of which related parties	*(1,758)*	*(1,425)*
H. Other current financial liabilities	(1,621)	(959)
- of which related parties	*(948)*	*(337)*
I. Current debt (F)+(G)+(H)	**(102,931)**	**(79,992)**
J. Net current debt (D)+(E)+(I)	**602,097**	**554,562**
K. Non-current financial receivables	**91,948**	**89,866**
- of which related parties	*7,383*	*7,147*
L. Non-current bank debt	(302,543)	(290,364)
- of which related parties	*(10,275)*	*(5,855)*
M. Bond	(297,024)	(296,835)
N. Other non-current financial liabilities	(13,049)	(13,120)
- of which related parties	*(11,770)*	*(11,770)*
O. Non-current debt (L)+(M)+(N)	**(612,616)**	**(600,319)**
P. Net non-current debt (K)+(O)	**(520,668)**	**(510,453)**
Q. Net financial position (J)+(P)	**81,429**	**44,109**

For the purposes of complying with Consob Communication no. DEM/6064293/2006, the following table reconciles the above net financial position with the disclosure recommended by the European Securities and Markets Authority (ESMA).

(Euro/000)	31.03.2015	31.12.2014
Net financial position	**81,429**	**44,109**
Non-current financial receivables	(91,948)	(89,866)
Construction loans	(858,641)	(847,454)
Net financial position as per ESMA recommendation	**(869,160)**	**(893,211)**

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

As required by Consob Resolution no. 15519 of 27 July 2006, the following table summarizes the income and expenses arising from non-recurring events or transactions that have been recorded in profit or loss in the first quarter of 2015 and of 2014; these amounts, presented before tax effects, have been classified in the following line items:

(Euro/000)		31.03.2015	31.03.2014
Description	**Income statement line**		
Costs associated with the "Extraordinary Wage Guarantee Fund"	Personnel costs	1,029	3,550
Costs relating to reorganization plans	Materials, services and other costs	598	
	Personnel costs		706
Provisions for costs and legal expenses associated with asbestos-related lawsuits	Materials, services and other costs	507	547
	Provisions and impairment	4,779	3,011
Other non-recurring income and expenses	Materials, services and other costs	677	524
Total extraordinary and non-recurring income and expenses		**7,590**	**8,338**

Extraordinary and non-recurring income and expenses are presented before tax effects of euro 1,903 thousand at 31 March 2015 (euro 2,289 thousand at 31 March 2014).

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication no. DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out during the first quarter of 2015.

RELATED PARTY TRANSACTIONS

Intragroup transactions, transactions with Fintecna and its subsidiaries, with Cassa Depositi e Prestiti and its subsidiaries, with companies controlled by Italy's Ministry of Economy and Finance, and with other related parties in general, do not qualify as either atypical or unusual, since they fall within the normal course of business of the Fincantieri Group and are conducted on an arm's length basis. The statement of comprehensive income disclosures for the quarter ended 31 March 2014 have been restated to include transactions with companies controlled by Italy's Ministry of Economy and Finance.

The figures for related party transactions and balances are reported in the following tables:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.03.2015							
(Euro/000)	Non-current financial assets	Current financial assets	Advances [*]	Trade receivables and other current assets	Trade receivables and other non-current assets	Non-current financial liabilities	Current financial liabilities	Trade payables and other current liabilities
FINTECNA S.p.A.				244				
CASSA DEPOSITI E PRESTITI S.p.A.				31,504		(10,274)	(1,758)	(16)
TOTAL CONTROLLING COMPANIES				**31,748**		**(10,274)**	**(1,758)**	**(16)**
ORIZZONTE SISTEMI NAVALI S.p.A.				91,028			(948)	(2,945)
ETIHAD SHIP BUILDING LLC				8,794				(157)
TOTAL JOINT VENTURES				**99,822**			**(948)**	**(3,102)**
BRIDGE EIENDOM AS	494							
REM SUPPLY AS	613							
OLYMPIC GREEN ENERGY KS		1,390						
DOF ICEMAN AS	6,135							
BREVIK TECHNOLOGY AS		42						
CSS DESIGN					587			
CASTOR DRILLING SOLUTION AS								
TOTAL ASSOCIATES	**7,242**	**1,432**			**587**			
FINTECNA IMMOBILIARE S.r.l.**				3,250				
TIRRENIA DI NAVIGAZIONE S.p.A.				10,760				
SIMEST S.p.A.						(11,770)		(641)
SACE S.p.A.								
PENSION FUND FOR SENIOR MANAGERS OF FINCANTIERI S.p.A.								(885)
COMETA NATIONAL PENSION FUND								(2,564)
PECOL S.r.l			39					(980)
BOAT S.p.A.								(421)
OTHER	141							(52)
TOTAL CDP GROUP	**141**		**39**	**14,010**		**(11,770)**		**(5,543)**
HORIZON SAS				1,928				
FINMECCANICA GROUP			802	1,884				(4,219)
ENI GROUP				730				(1,100)
COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE								
TOTAL OTHER RELATED PARTIES			**802**	**4,542**				**(5,319)**
TOTAL RELATED PARTIES	**7,383**	**1,432**	**841**	**150,122**	**587**	**(22,044)**	**(2,706)**	**(13,980)**
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	133,116	100,541	191,268	927,424	13,698	(661,769)	(1,414,289)	(1,261,970)
% on consolidated statement of financial position	*6%*	*1%*	*0%*	*16%*	*4%*	*3%*	*0%*	*1%*

[*] "Advances" are classified in "Inventories and advances", as detailed in Note 11.

[**] Formerly Quadrifoglio Palermo S.r.l.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31.12.2014							
(Euro/000)	Non-current financial assets	Current financial assets	Advances [*]	Trade receivables and other current assets	Trade receivables and other non-current assets	Non-current financial liabilities	Current financial liabilities	Trade payables and other current liabilities
FINTECNA S.p.A.				244				
CASSA DEPOSITI E PRESTITI S.p.A.				23,489		(5,855)	(1,425)	(27)
TOTAL CONTROLLING COMPANIES				**23,733**		**(5,855)**	**(1,425)**	**(27)**
ORIZZONTE SISTEMI NAVALI S.p.A.				53,684			(337)	(3,597)
ETIHAD SHIP BUILDING LLC				7,331				(610)
TOTAL JOINT VENTURES				**61,015**			**(337)**	**(4,207)**
BRIDGE EIENDOM AS	476							
REM SUPPLY AS	590							
OLYMPIC GREEN ENERGY KS		1,356						
DOF ICEMAN AS	5,852							
BREVIK TECHNOLOGY AS		40						
CSS DESIGN					972			
CASTOR DRILLING SOLUTION AS	116							
TOTAL ASSOCIATES	**7,034**	**1,396**			**972**			
FINTECNA IMMOBILIARE S.r.l.**				3,250				
TIRRENIA DI NAVIGAZIONE S.p.A.				10,760				
SIMEST S.p.A.						(11,770)		(467)
SACE S.p.A.								(257)
PENSION FUND FOR SENIOR MANAGERS OF FINCANTIERI S.p.A.								(999)
COMETA NATIONAL PENSION FUND								(2,848)
PECOL S.r.l			40					(830)
BOAT S.p.A.								(550)
OTHER	113							(75)
TOTAL CDP GROUP	**113**		**40**	**14,010**		**(11,770)**		**(6,026)**
HORIZON SAS				1,928				(1)
FINMECCANICA GROUP			802	1,852				(4,065)
ENI GROUP				2,454				(655)
COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE				6				
TOTAL OTHER RELATED PARTIES			**802**	**6,234**				**(4,721)**
TOTAL RELATED PARTIES	**7,147**	**1,396**	**842**	**104,998**	**972**	**(17,625)**	**(1,762)**	**(14,981)**
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	124.480	136,693	191,167	975,051	14,705	(652,918)	(1,221,621)	(1,277,425)
% on consolidated statement of financial position	*6%*	*1%*	*0%*	*11%*	*7%*	*3%*	*0%*	*1%*

[*] "Advances" are classified in "Inventories and advances", as detailed in Note 11.

[**] Formerly Quadrifoglio Palermo S.r.l.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.03.2015				
(Euro/000)	Operating revenue	Other revenue and income	Materials, services and other costs	Finance income	Finance costs
FINTECNA S.p.A.					
CASSA DEPOSITI E PRESTITI S.p.A.			(7)		(9)
TOTAL CONTROLLING COMPANIES			**(7)**		**(9)**
ORIZZONTE SISTEMI NAVALI S.p.A.	68,476	276			(5)
ETIHAD SHIP BUILDING LLC	290	169	(346)		
TOTAL JOINT VENTURES	**68,766**	**445**	**(346)**		**(5)**
REM SUPPLY AS				7	
OLYMPIC GREEN ENERGY KS				16	
DOF ICEMAN AS				55	
TOTAL ASSOCIATES				**78**	
SIMEST S.p.A.			(174)		
SACE S.p.A.					(147)
SACE BT S.p.A.					(107)
PENSION FUND FOR SENIOR MANAGERS OF FINCANTIERI S.p.A.			(688)		
COMETA NATIONAL PENSION FUND			(1,934)		
PECOL S.r.l			(925)		
BOAT S.p.A.			(726)		
OTHER			(29)		
TOTAL CDP GROUP			**(4,476)**		**(254)**
FINMECCANICA GROUP	17	6	(624)		
ENI GROUP	22		(741)		
COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE					
TOTAL OTHER RELATED PARTIES	**39**	**6**	**(1,365)**		
TOTAL RELATED PARTIES	**68,805**	**451**	**(6,194)**	**78**	**(268)**
TOTAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1,100,400	9,292	(820,069)	17,696	(59,391)
% on consolidated statement of comprehensive income	*6%*	*5%*	*1%*	*0%*	*0%*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31.03.2014				
(Euro/000)	Operating revenue	Other revenue and income	Materials, services and other costs	Finance income	Finance costs
FINTECNA S.p.A.					(93)
CASSA DEPOSITI E PRESTITI S.p.A.					(11)
TOTAL CONTROLLING COMPANIES					**(104)**
ORIZZONTE SISTEMI NAVALI S.p.A.	78,853	300	(36)		(645)
ETIHAD SHIP BUILDING LLC		338	(320)		
TOTAL JOINT VENTURES	**78,853**	**638**	**(356)**		**(645)**
REM SUPPLY AS				58	
OLYMPIC GREEN ENERGY KS				5	
DOF ICEMAN AS					
TOTAL ASSOCIATES				**63**	
SIMEST S.p.A.			(174)		
SACE S.p.A.					(147)
SACE BT S.p.A.					(279)
PENSION FUND FOR SENIOR MANAGERS OF FINCANTIERI S.p.A.			(641)		
COMETA NATIONAL PENSION FUND			(1,400)		
PECOL S.r.l			(1,071)		
BOAT S.p.A.			(646)		
OTHER			(21)		
TOTAL CDP GROUP			**(3,953)**		**(426)**
FINMECCANICA GROUP					
ENI GROUP			(170)		
COMPANIES CONTROLLED BY MINISTRY OF ECONOMY AND FINANCE			(10)		
TOTAL OTHER RELATED PARTIES			**(180)**		
TOTAL RELATED PARTIES	**78,853**	**638**	**(4,489)**	**63**	**(1,175)**
TOTAL CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	911,134	12,280	(657,552)	5,574	(22,204)
% on consolidated statement of comprehensive income	*9%*	*5%*	*1%*	*1%*	*5%*

Among the transactions falling under art. 13, par. 3 (c) of the Consob Regulations concerning related party transactions, it is reported that during the first quarter of 2015 FINCANTIERI S.p.A. signed an Indemnity and Guarantee Agreement with SACE S.p.A. and an Exporter Indemnity Agreement with SIMEST S.p.A. to cover any breach of obligations under export credit insurance policies for a maximum amount payable of euro 78.4 million.
It is reported that the increase in financial liabilities with Cassa Depositi e Prestiti S.p.A. is due to the receipt of euro 4,752 thousand for the second tranche of the subsidized loan relating to the "Superpanamax" technological innovation project.

Remuneration paid to Directors, Statutory Auditors, General Managers and other Key Management Personnel.
During the first quarter of 2015, Directors, Statutory Auditors, General Managers and other Key Management Personnel were paid a total of euro 927 thousand in remuneration, of which euro 825 thousand classified in personnel costs and euro 102 thousand in the cost of services.

BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

The basic assumptions for calculating basic and diluted Earnings/(Loss) Per Share are as follows:

Basic/Diluted Earnings/(Loss) Per Share		**31.03.2015**	**31.03.2014**
Profit/(loss) attributable to owners of the parent	Euro/000	(5,988)	5,440
Weighted average number of shares outstanding	Number	1,692,119,070	1,242,119,070
Basic/Diluted Earnings/(Loss) Per Share	**Euro**	**(0.00354)**	**0.00438**

Diluted earnings per share are the same as basic earnings per share since no dilution will arise from the free shares allotted at the time of the IPO because these will be provided by the shareholder Fintecna S.p.A. (see Note 17).

LITIGATION

The following is an update on the status of litigation since that described in the Notes to the 2014 Consolidated Financial Statements:

Foreign litigation

With reference to the "Iraq" dispute, described in detail in the Notes to the Consolidated Financial Statements at 31 December 2014, the resumption of contact, including through the Italian Embassy in Baghdad, has led to an official invitation to the Iraqi Delegation to visit Italy in the first ten days of May, with the purpose of concluding the Refurbishment Contract, in execution of the Settlement Agreement that defines the terms for ending the dispute.
Although this development is encouraging, the difficult geopolitical situation along with the decline in oil prices, advise maintenance of the prudent approach previously adopted.
As regards the "Serene" dispute, it is reported that in late March 2015, as part of a separate ruling (elicited by the shipowner), the arbitration tribunal finally expressed an opinion on the costs of the proceedings, stating that these should be borne by Fincantieri, for an amount that has not yet been

notified by the shipowner. In view of the incidental nature of this ruling to the arbitration award, the favorable opinion expressed by Fincantieri's outside legal counsel as to the positive outcome to this dispute is also considered to extend to this item.
As regards the "Yuzwa" dispute, talks relating to the two Fincantieri exclusion requests for lack of jurisdiction have been postponed as a result of the plaintiff's request to conduct jurisdictional discovery by obtaining additional documentation on Fincantieri's links with the states of California and Florida and with other parties. Fincantieri has opposed this request, rejecting its relevance and necessity. The Florida and California courts issued rulings in Fincantieri's favor on 20 April and 24 April 2015 respectively. Proceedings are continuing to ascertain jurisdiction.
With reference to the dispute for the recovery of the "Neuman Esser" receivable, the publication of the arbitration award, originally due in mid-November 2014, should occur by July 2015.

Italian litigation

Customer credit recovery

In March 2015, we received a fifth distribution of around euro 530 thousand from the special administration of Micoperi S.p.A.. The receivable has been prudently written down in full; additional, future receipts cannot be ruled out.

Criminal prosecutions under Legislative Decree no. 231/2001

With reference to the criminal prosecutions brought under Italian Legislative Decree 231/2001 in the Court of Gorizia, described in detail in the Notes to the 2014 Consolidated Financial Statements, it is reported that the related hearings have not yet been held.

TAX POSITION

The following is an update on the status of disputes since that described in the Notes to the 2014 Consolidated Financial Statements:

Controlled foreign companies (CFC) application for exemption

The application for the income of the subsidiary Vard Holdings Ltd., resident in Singapore, to be exempted from the tax transparency rules applying to foreign controlled companies has been rejected; this decision is being contested.

Audits and assessments

Fincantieri

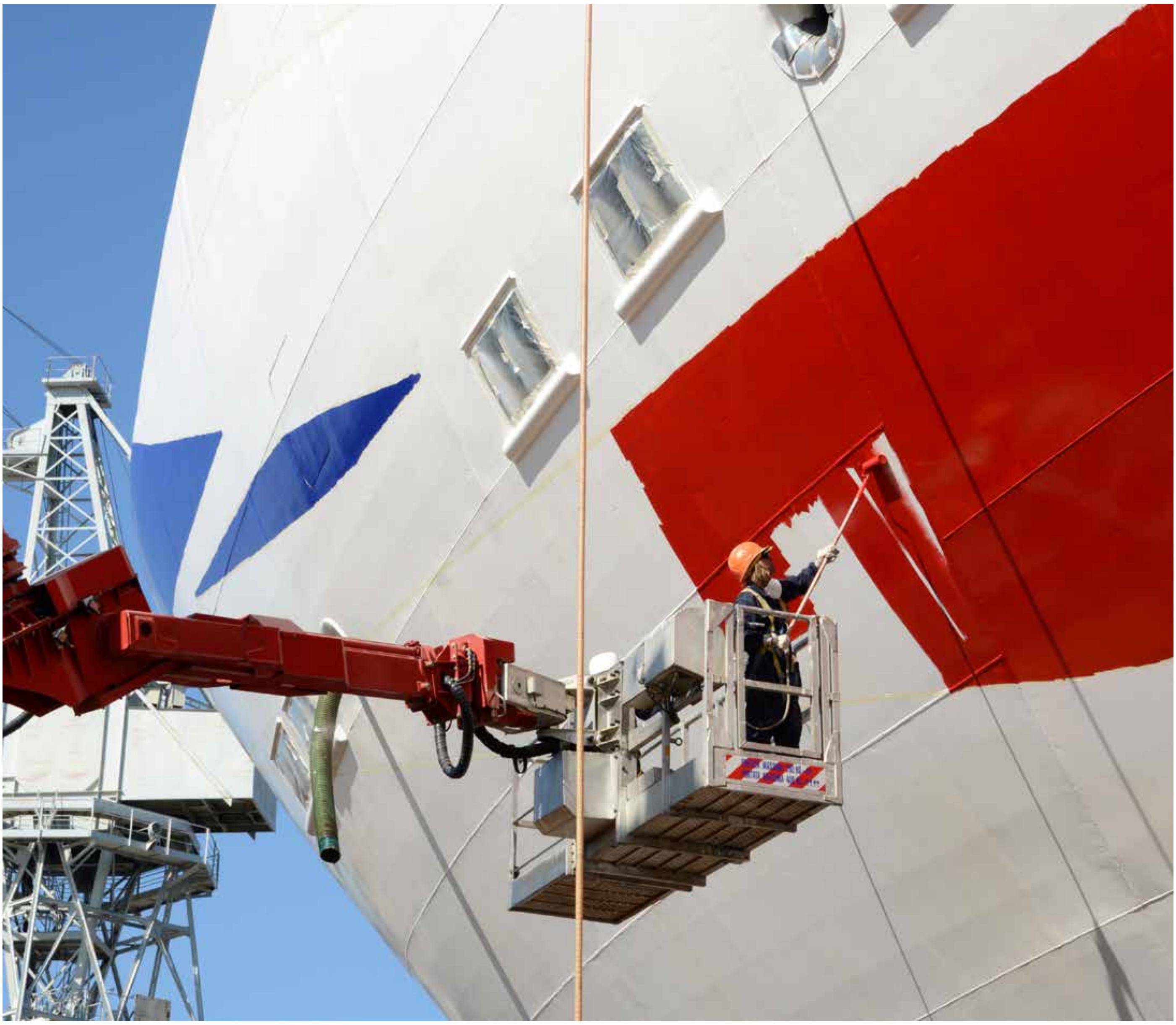
A tax audit of fiscal year 2011, conducted in 2014, has mostly been completed. Some matters are still pending, with no conclusions yet reached in their regard. Corresponding provisions have been recognized for the currently quantifiable risks.

Cetena

A tax audit of fiscal year 2011 has been initiated at this subsidiary; preliminary investigations are still underway and as yet no findings have yet been presented.

Foreign Group companies

With reference to the assessment notified to the subsidiary Vard Niterói SA (Brazil) at the end of an audit initiated in 2012, concerning the deduction of costs for goods and services purchased abroad, the subsidiary has presented an appeal to the second-instance administrative commission against the ruling by the first-instance administrative commission which had rejected the appeal.



Note 29 – cash flows from operating activities

These are analyzed as follows:

(Euro/000)	31.03.2015	31.03.2014
Profit/(loss) for the period	(26,710)	10,298
Depreciation and amortization	26,071	23,780
(Gains)/losses from disposal of property, plant and machinery	(1)	(365)
(Revaluation)/impairment of intangible assets and equity investments	(216)	(391)
Increases/(releases) of provisions for risks and charges	2,041	6,320
Capitalized interest expense		(257)
Interest on employee benefits	237	450
Interest income	(2,275)	(2,857)
Interest expense	20,540	17,302
Income taxes	9,859	6,596
Unrealized foreign exchange losses	19,792	
Gross cash flows from operating activities	**49,338**	**60,876**
CHANGES IN WORKING CAPITAL		
- inventories	(41,761)	(42,714)
- construction contracts	11,987	(287,889)
- trade receivables	78,685	(29,786)
- other current assets and liabilities	80,784	3,568
- other non-current assets and liabilities	(4,424)	(1,600)
- advances from customers	(8,846)	(42,079)
- trade payables	(38,813)	(6,570)
Cash flows from working capital	**126,950**	**(346,194)**
Dividends received		
Dividends paid		(196)
Interest income received	3,595	4,290
Interest expense paid	(17,107)	(15,049)
Income taxes paid	(7,829)	(8,290)
Utilization of provisions for risks and charges and for employee benefits	(15,423)	(9,624)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**90,186**	**(375,063)**
- of which related parties	*(45,745)*	*(65,219)*

Note 30 – segment information

Management has identified the following operating segments which reflect the model used to manage and control the business sectors in which the Group operates:

- Shipbuilding;
- Offshore;
- Equipment, Systems and Services;
- Other Activities.

The Shipbuilding operating segment is engaged in the design and construction of cruise ships, ferries, naval defense vessels and mega-yachts, as well as in ship repair and conversion activities. Production is carried out at the Group's Italian shipyards and, in the case of vessels intended for the American market, at its American shipyards.

The Offshore operating segment is engaged in the design and construction of support vessels for the oil & gas exploration and production market, including the provision of services and production of electronic systems, power and automation solutions, pipe systems, electrical installations and accommodation for such support vessels. Fincantieri operates in this market primarily through the VARD Group.

The Equipment, Systems and Services operating segment is engaged in the manufacture of mechanical products and the provision of after-sales services for ships delivered.

Other activities primarily refer to the cost of activities by corporate headquarters, which are not allocated to other operating segments.

The Group evaluates the performance of its operating segments and the allocation of financial resources on the basis of revenue and EBITDA, defined as Profit/(loss) for the period adjusted for the following items: (i) Income taxes, (ii) Share of profit/(loss) of investments accounted for using the equity method, (iii) Income/(expense) from investments, (iv) Finance costs, (v) Finance income, (vi) Depreciation and amortization, (vii) costs associated with the "Extraordinary Wage Guarantee Fund", (viii) costs relating to reorganization plans, (ix) provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages, and (x) other expenses or income outside the ordinary course of business arising from non-recurring events.

The results of the operating segments at 31 March 2015 and 31 March 2014 are reported in the following pages:

	31.03.2015				
(Euro/000)	Shipbuilding	Offshore	Equipment, Systems and Services	Other Activities	Group
Segment revenue	**753,624**	**330,422**	**41,274**		**1,125,320**
Intersegment elimination	(683)	(56)	(14,889)		(15,628)
Revenue [*]	**752,941**	**330,366**	**26,385**		**1,109,692**
EBITDA	**45,606**	**15,912**	**4,238**	**(7,251)**	**58,505**
EBITDA margin	***6.1%***	***4.8%***	***10.3%***		***5.3%***
Depreciation and amortization					(26,071)
Finance income					17,696
Finance costs					(59,391)
Income/(expense) from investments					(234)
Share of profit/(loss) of investments accounted for using the equity method					234
Income taxes					(9,859)
Extraordinary and non-recurring income and expenses					(7,590)
Profit/(loss) for the period					**26,710**

[*] Revenue: Sum of "Operating revenue" and "Other revenue and income" reported in the consolidated statement of comprehensive income.

Details of "Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 1,903 thousand) can be found in the relevant table in Note 28.

	31.03.2014				
(Euro/000)	Shipbuilding	Offshore	Equipment, Systems and Services	Other Activities	Group
Segment revenue	**570,963**	**321,684**	**37,282**		**929,929**
Intersegment elimination	(1,561)		(4,954)		(6,515)
Revenue (*)	**569,402**	**321,684**	**32,328**		**923,414**
EBITDA	**35,893**	**31,667**	**3,527**	**(5,562)**	**65,525**
EBITDA margin	***6.3%***	***9.8%***	***9.5%***		***7.1%***
Depreciation and amortization					(23,780)
Finance income					5,574
Finance costs					(22,204)
Income/(expense) from investments					(291)
Share of profit/(loss) of investments accounted for using the equity method					408
Income taxes					(6,596)
Extraordinary and non-recurring income and expenses					(8,338)
Profit/(loss) for the period					**10,298**

(*) Revenue: Sum of "Operating revenue" and "Other revenue and income" reported in the consolidated statement of comprehensive income.

Details of "Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 2,289 thousand) can be found in the relevant table in Note 28.
The following table shows a breakdown of Property, plant and equipment in Italy and other countries:

(Euro/million)	31.03.2015	31.12.2014
Italy	568	566
Other countries	402	393
Total Property, plant and equipment	**970**	**959**

Capital expenditure in the first quarter of 2015 on Intangible assets and Property, plant and equipment amounted to euro 29 million, of which euro 19 million in Italy and the remainder in other countries.
The following table shows a breakdown of Revenue and income between Italy and other countries, according to customer country of residence:

(Euro/million)	31.03.2015		31.03.2014	
	Revenue and income	%	Revenue and income	%
Italy	170	15%	182	20%
Other countries	940	85%	742	80%
Total Revenue and income	**1,110**		**923**	

The following table shows those customers whose revenue (defined as revenue plus change in inventories) accounted for more than 10% of the Group's Revenue and income in each reporting period:

(Euro/million)	31.03.2015		30.03.2014	
	Revenue and income	%	Revenue and income	%
Customer 1	255	23%	207	22%
Customer 2	133	12%	123	13%
Total Revenue and income	**1,110**		**923**	

Note 31 – events after 31 march 2015

On 11 April 2015, "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 2015, 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 16 April 2015, 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 the ninth and tenth Multi Mission European Frigates (or FREMMs), 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, 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.

In 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, many of whom already customers of Banca Mediocredito, to receive earlier payment for receivables owed by Fincantieri and to be eligible for banking services only available to supplier arrangements between the parties, thereby providing suppliers with better financial support.

On 28 April 2015, 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 2015, 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 2015, "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 2015, 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 cost of supply.

On 5 May 2015, an employee of a subcontractor was hit violently in the face and on the head, for causes still being ascertained, by a metal pipe during end-of-warranty work aboard at Italian Navy vessel at the Fincantieri yard in Muggiano, involving the removal of pipes in the emergency compressor room on deck 2 of the vessel. The worker was immediately attended to by the ship's doctor and then by a hospital emergency team and members of the Fire Department, duly alerted by Fincantieri, and then transported by helicopter to St. Martin's Hospital in Genoa where unfortunately, because of the serious injuries suffered, he died. Fincantieri has already started an investigation to shed full light on how this accident occurred.

On 7 May 2015, 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.

management representation on the interim management report at 31 march 2015 by the manager responsible for preparing financial reports pursuant to art. 154-bis, par. 2 of italian legislative decree no. 58/98 as amended

The undersigned Carlo Gainelli, as the Manager Responsible for Preparing Financial Reports of FINCANTIERI S.p.A. ("Fincantieri") represents, in accordance with the provisions of art. 154-bis, par. 2 of Italian Legislative Decree no. 58/1998, as amended, that the Interim Management Report at 31 March 2015 corresponds to the underlying accounting records and books of account.

12 May 2015

manager responsible for
preparing financial reports

Carlo Gainelli

FINCANTIERI

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