FINCANTIERI
The sea ahead

2016 FIRST QUARTER RESULTS

12 May 2016

Safe Harbor Statement

This Presentation contains certain forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts reflecting current views with respect to future events and plans, estimates, projections and expectations which are uncertain and subject to risks. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, Fincantieri may not be able to achieve its financial targets and strategic objectives. A multitude of factors which are in some cases beyond the Company's control can cause actual events to differ significantly from any anticipated development. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No one undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. Forward-looking statements speak only as of the date of this Presentation and are subject to change without notice. No representations or warranties, express or implied, are given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking statements, including (but not limited to) any projections, estimates, forecasts or targets contained herein.

Fincantieri does not undertake to provide any additional information or to remedy any omissions in or from this Presentation. Fincantieri does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this Presentation. This presentation does not constitute a recommendation regarding the securities of the Company.

Declaration of the Manager responsible for preparing financial reports

Pursuant to art. 154-BIS, par. 2, of the Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Fincantieri, Carlo Gainelli, declares that the accounting information contained herein correspond to document results, books and accounting records.

Q1 2016 Key Messages

- **Guidance 2016 and medium term targets confirmed:** solid Q1 2016 results with positive net result and 4.9% EBITDA margin mark a turning point for the Group compared to the second half of 2015 and are in line with the Business Plan 2016 targets of revenue growth of 4-6%, EBITDA margin of ~ 5% and positive net result

- **Total backlog[(1)] at € 19.2 bln from € 18.7 bln at 31 December 2015:** the Group confirms its ability to finalize commercial opportunities and convert them into backlog on a continuous basis; **backlog at € 15.4 bln** (€ 9.0 bln in Q1 2015 and € 15.7 bln in FY 2015) and **soft backlog[(2)] at € 3.8 bln** (€ 9.2 bln in Q1 2015 and € 3.0 bln in FY 2015)

- **Group's ability to deliver highly complex prototype vessels on time confirmed:** three cruise ships, "Viking Sea", prototypes "Koningsdam" and "Carnival Vista" delivered in three different shipyards to three different clients in one month (of which two in the same week). Overall, the deliveries in the first four months of 2016 generated cash inflows totaling approx. € 1.9 bln

- **Group capital structure considering the fully consolidated subsidiaries is substantially balanced**, with equity almost entirely covering net fixed assets

(1) Sum of backlog and soft backlog
(2) Soft backlog which represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

Q1 2016 main orders

	Vessel		Client	Delivery
Shipbuilding		**1 ultra-luxury cruise ship (“Seven Seas Explorer” sister ship)**	*Regent Seven Seas Cruises*	2020
		**1 Littoral Combat Ship unit[(1)]**	*US Navy*	2020
Offshore		**1 Stern Trawler**	*Havfisk ASA*	2018

Q1 2016 main deliveries

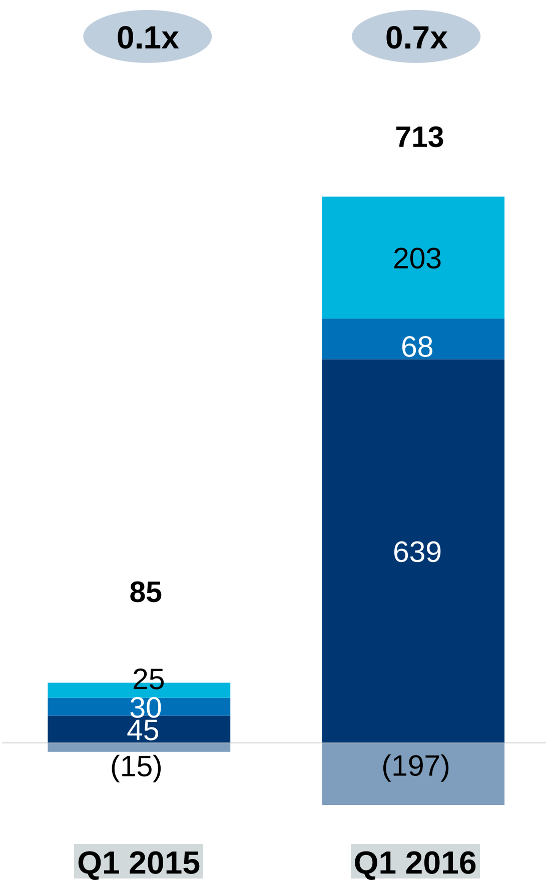
	Vessel		Client	Shipyard
Shipbuilding		**Cruise ship “Viking Sea”**	*Viking Ocean Cruises*	Ancona
		**Cruise ship “Koningsdam”**	*Holland America Line (Carnival Corporation)*	Marghera
Offshore		**LPG carrier “Barbosa Lima Sobrinho”**	*Transpetro*	Vard Promar

(1) Contract announced on 1 April 2016

Order intake and backlog – by segment

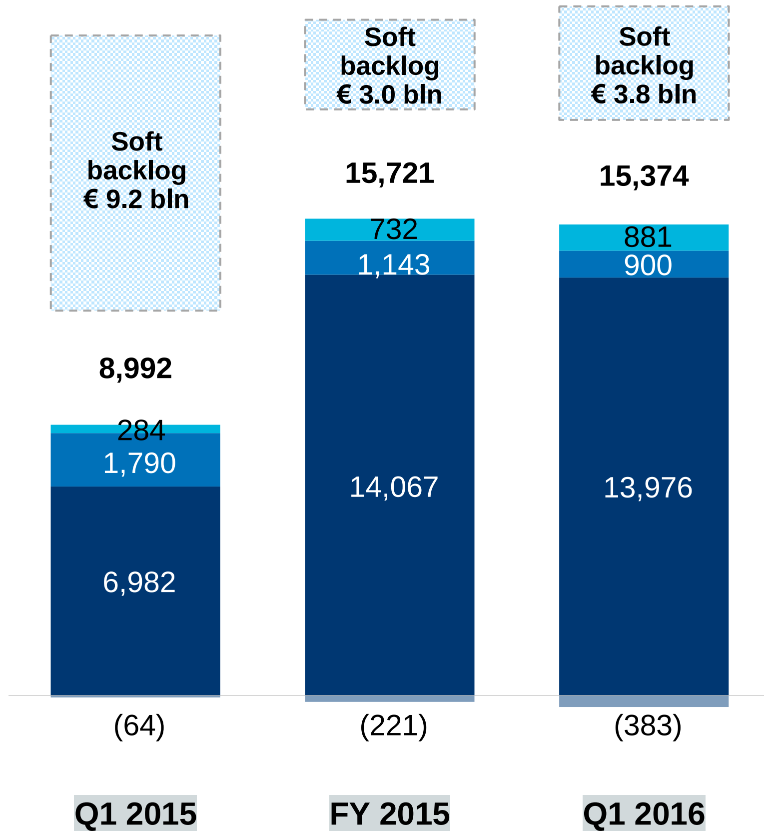
Order intake

€ mln



Backlog

€ mln



Shipbuilding | Offshore | Equipment, Systems & Services | Eliminations

Book-to-bill (Order intake / revenues)

Comments

- Confirmed ability to continuously convert commercial negotiations into contracts
- Order intake
  - Shipbuilding: 4 units (1 cruise ship, 1 naval vessel and 2[(1)] vessels for petrol-chemical transportation)
  - Offshore: 1 fishing vessel for Havfisk
    - Globally deteriorated market environment due to oil price decline
    - Persisting political and economic issues in Brazil
    - International geo-political situation limits access to some markets
  - Equipment, Systems & Services: orders mainly related to Italian Navy's fleet renewal program
- Backlog and soft backlog
  - Total backlog[(2)] covers ~4.6 years of work if compared to 2015 revenues
  - Soft backlog[(3)] includes also the order for Princess Cruises finalized on 2 April 2016, 4 small-sized luxury cruise vessels for Ponant (LOI VARD) and the contract with Topaz

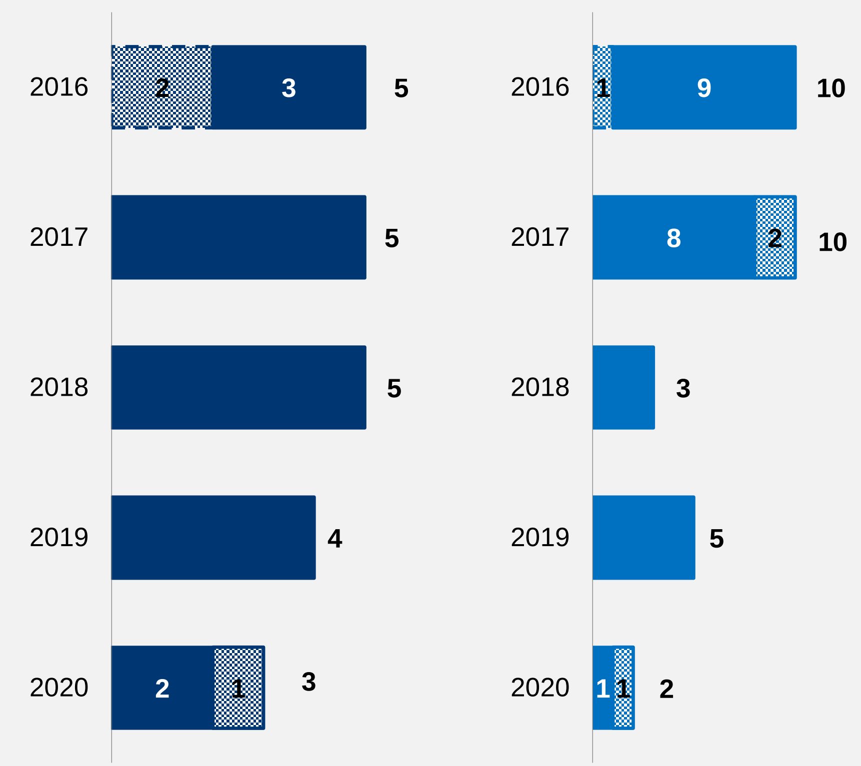
(1) 1 ATB (Articulated Tug Barge) unit - articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit
(2) Sum of backlog and soft backlog
(3) Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

FINCANTIERI

Backlog deployment – by segment and end market

Shipbuilding

 # ship deliveries[(1)]

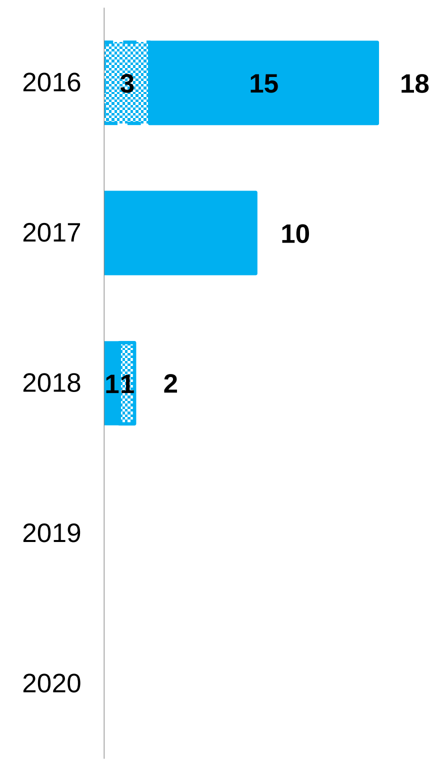


Additional 2 units scheduled after 2020

Additional 9 units scheduled after 2020

Offshore

 # ship deliveries



Delivered in Q1 2016

New orders in Q1 2016

Comments

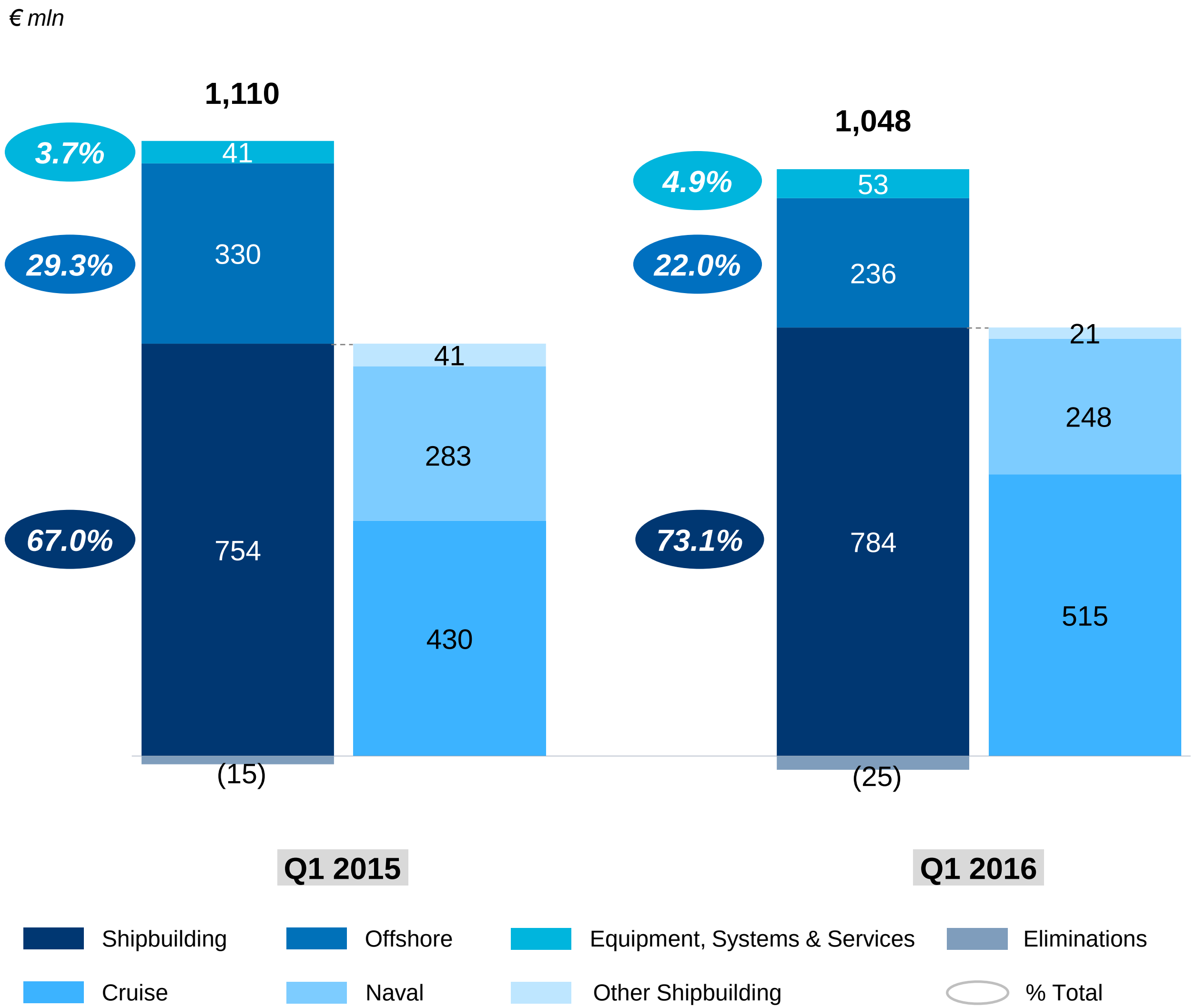
- 87 ships in backlog at 31 March 2016
- Cruise: 22 vessels
  - Visibility of deliveries up to 2022 with 2 units scheduled after 2020
  - Carnival Vista cruise prototype delivered on 29 April 2016, two more deliveries scheduled for 2016
- Naval: 38 vessels
  - Visibility of deliveries up to 2026, with 9 units scheduled after 2020
- Offshore[(3)]: 27 vessels

(1) Articulated Tug Barge (ATB) is an articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit
(2) Ships with length > 40 m
(3) Offshore business generally has shorter production times and, as a consequence, shorter backlog and quicker order turnaround than Cruise and Naval

FINCANTIERI

Revenues – by segment and end market

Breakdown by segment and end market(1)



Comments

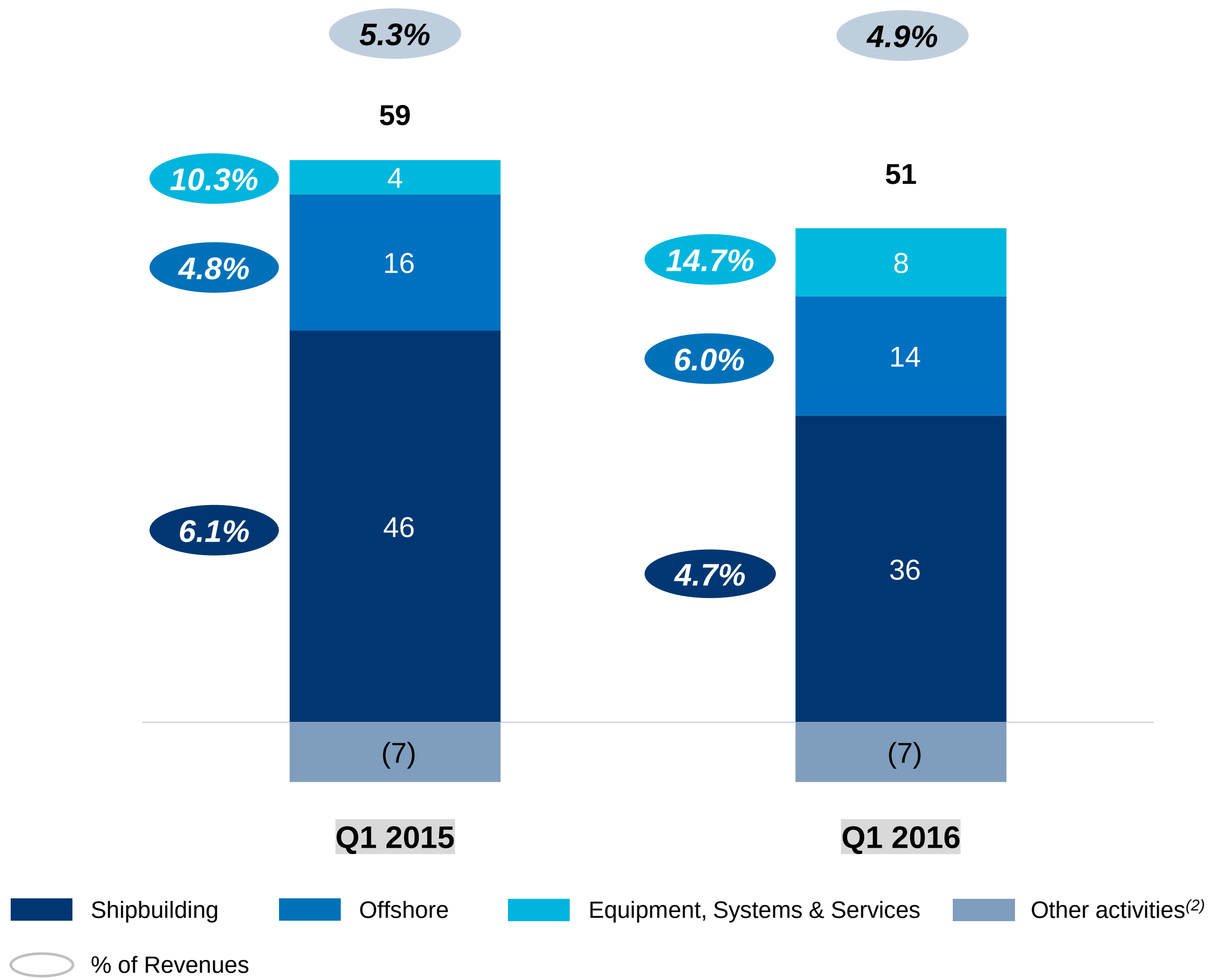
- Shipbuilding
  - Higher volumes in cruise (with 11 units under construction)
  - Full start of production of the Italian Navy's fleet renewal program expected in late 2016
- Offshore
  - Revenue decrease driven by the reduction of activities following the decline in orders, already beginning in Q4 2014
  - Negative effect of NOK/EUR exchange rate
- Equipment, Systems and Services
  - Increase of volumes both in after sales services for naval vessels and sale of automation systems

(1) Breakdown calculated on total revenues before eliminations

EBITDA(1) by segment

EBITDA and EBITDA margin

€ mln



Comments

- Turning point vs. negative EBITDA of Q3 and Q4 of 2015 caused by extra costs on cruise ships in delivery in 2016
- Shipbuilding
  - Ability to manage the delivery of several highly complex prototypes on time
  - Margins back to positive as operations in cruise stabilize
- Offshore
  - Margins in Europe affected by order slowdown started in Q4 2014
  - Construction work on the remaining projects at Vard Promar in line with forecasts with no significant cost overruns, but execution risks remain
  - Downsizing continues at Vard Niterói
  - Reorganization of operations targeting structural cost base reduction and development of synergies with the Italian cruise business activities
- Equipment, Systems & Services
  - Positive trend persists with increasing contribution of systems and components

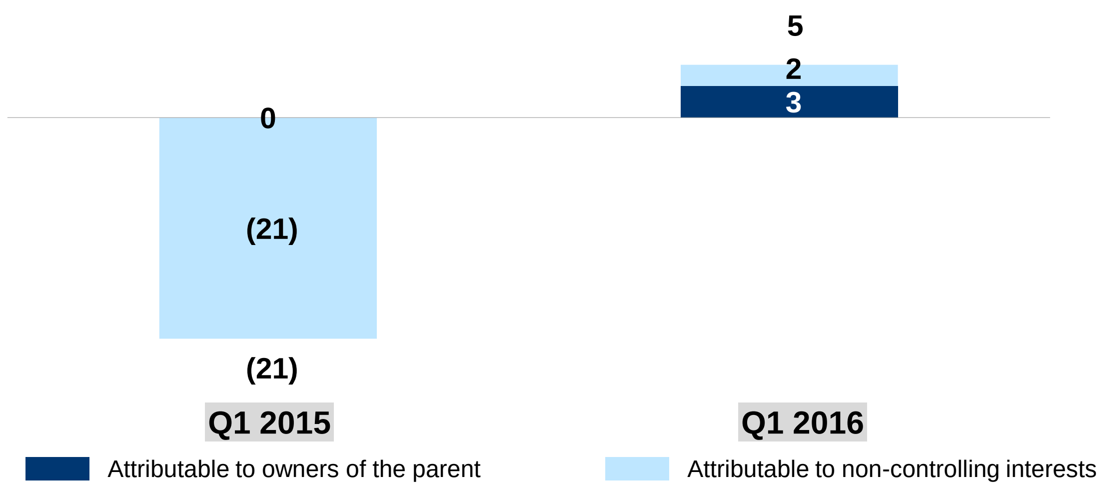
(1) *EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance income, (vi) depreciation and amortization, (vii) extraordinary wages guarantee fund – Cassa Integrazione Guadagni Straordinaria, (viii) expenses for corporate restructuring, (ix) accruals to provision and cost of legal services for asbestos claims, (x) other non recurring items*

(2) *Other costs*

Net result

Profit before extraordinary and non recurring items(1)

€ mln



€ mln	Q1 2015	Q1 2016
A Profit before extraordinary and non recurring items(1)	**(21)**	**5**
Attributable to owners of the parent	*-*	*3*
B Extraordinary and non recurring items gross of tax effect	(8)	(6)
C Tax effect on extraordinary and non recurring items	2	1
A + B + C Net result	**(27)**	**0.3**

Comments

- Result before extraordinary and non recurring items reflects
  - Lower finance expenses at € 20 mln vs. € 42 mln in Q1 2015, which include unrealized foreign exchange income for € 10 mln related to a Vard Promar loan in Brazil vs. a loss of € 20 mln in Q1 2015
  - Reduction of income taxes by € 12 mln compared to Q1 2015
- Extraordinary and non recurring items gross of tax effect at € 6 mln mainly related to asbestos claims (€ 4 mln) and costs for restructuring plans (€ 2 mln)

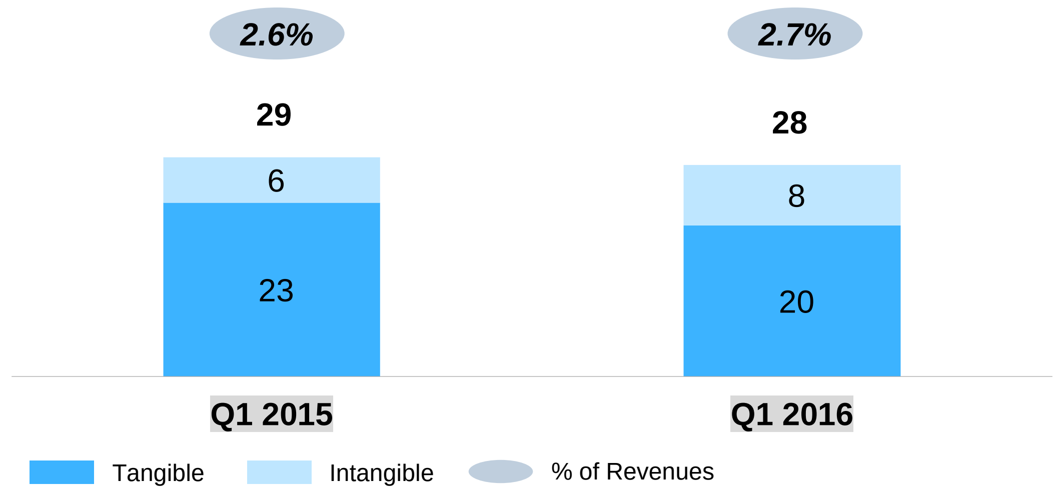
(1) Excluding extraordinary and non recurring items net of tax effect

FINCANTIERI

Capital expenditures

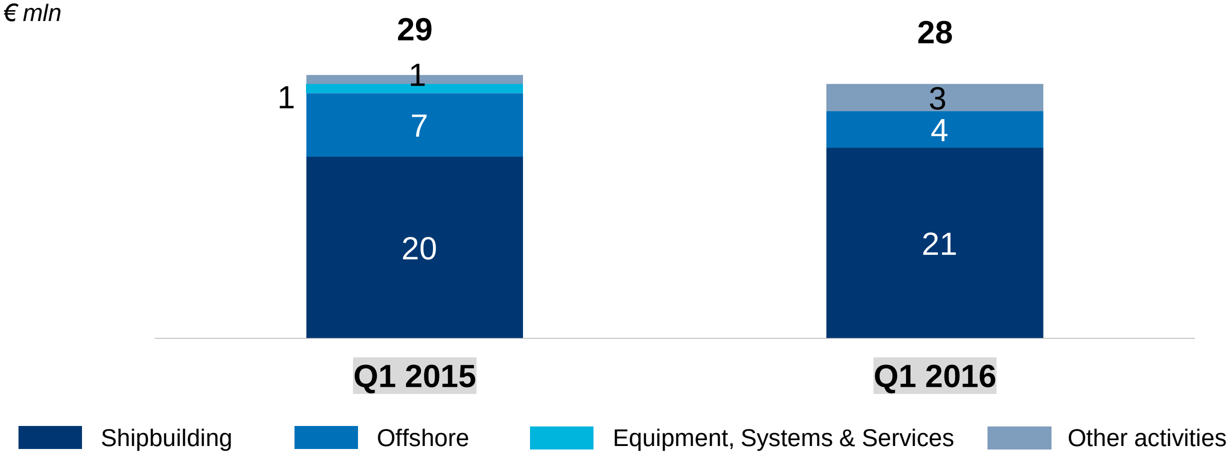
Capex

€ mln



Capex by segment

€ mln



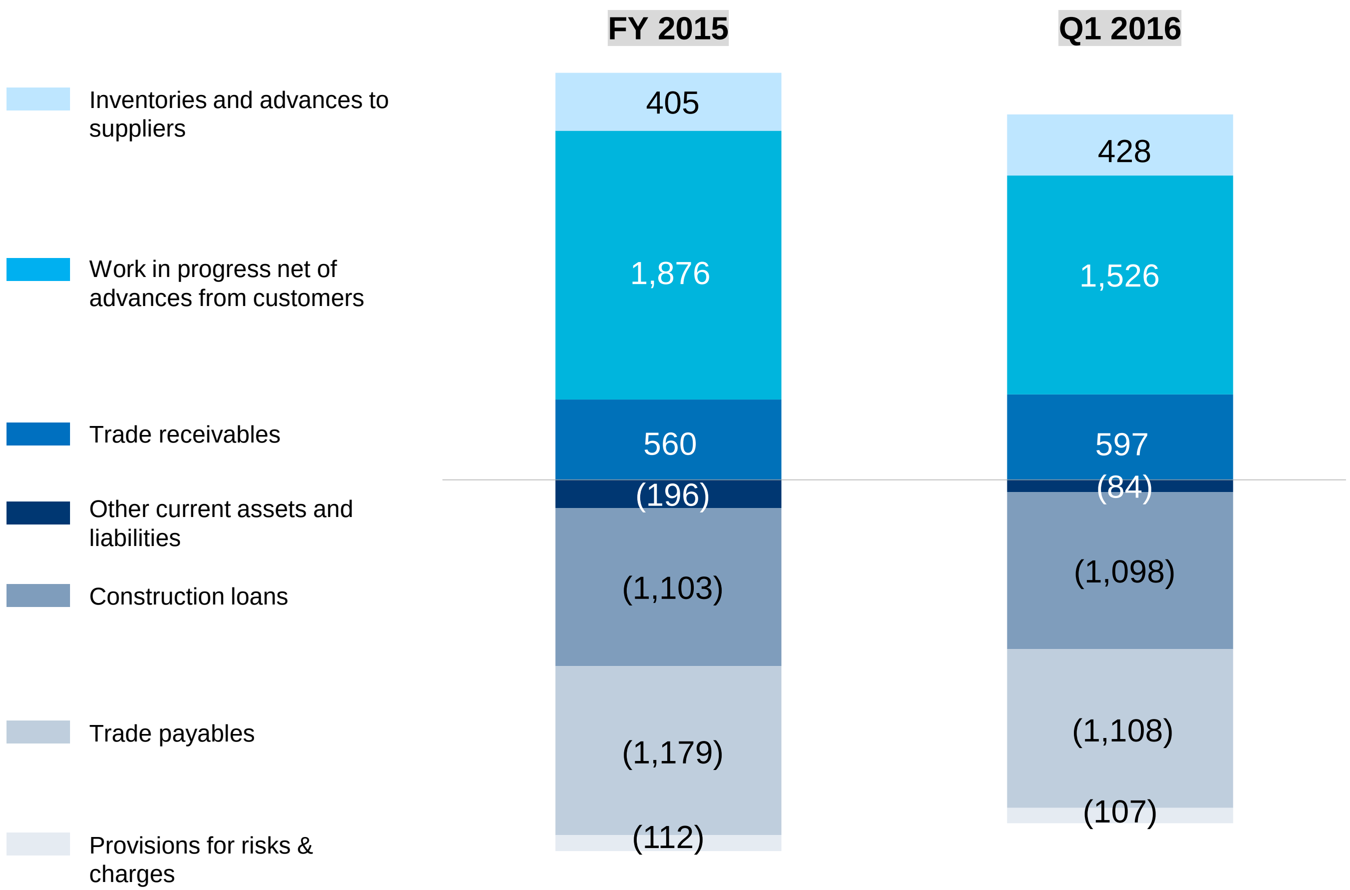
Comments

- Tangible capex mainly aimed at supporting the development of production volumes and improving safety conditions and compliance with environmental regulations within the production sites
- Intangible capex mainly related to the development of new technologies for cruise business (€ 5 mln) and IT systems

Net working capital(1)

Breakdown by main components

€ mln



	FY 2015	Q1 2016
Net working capital	**251**	**154**

Comments

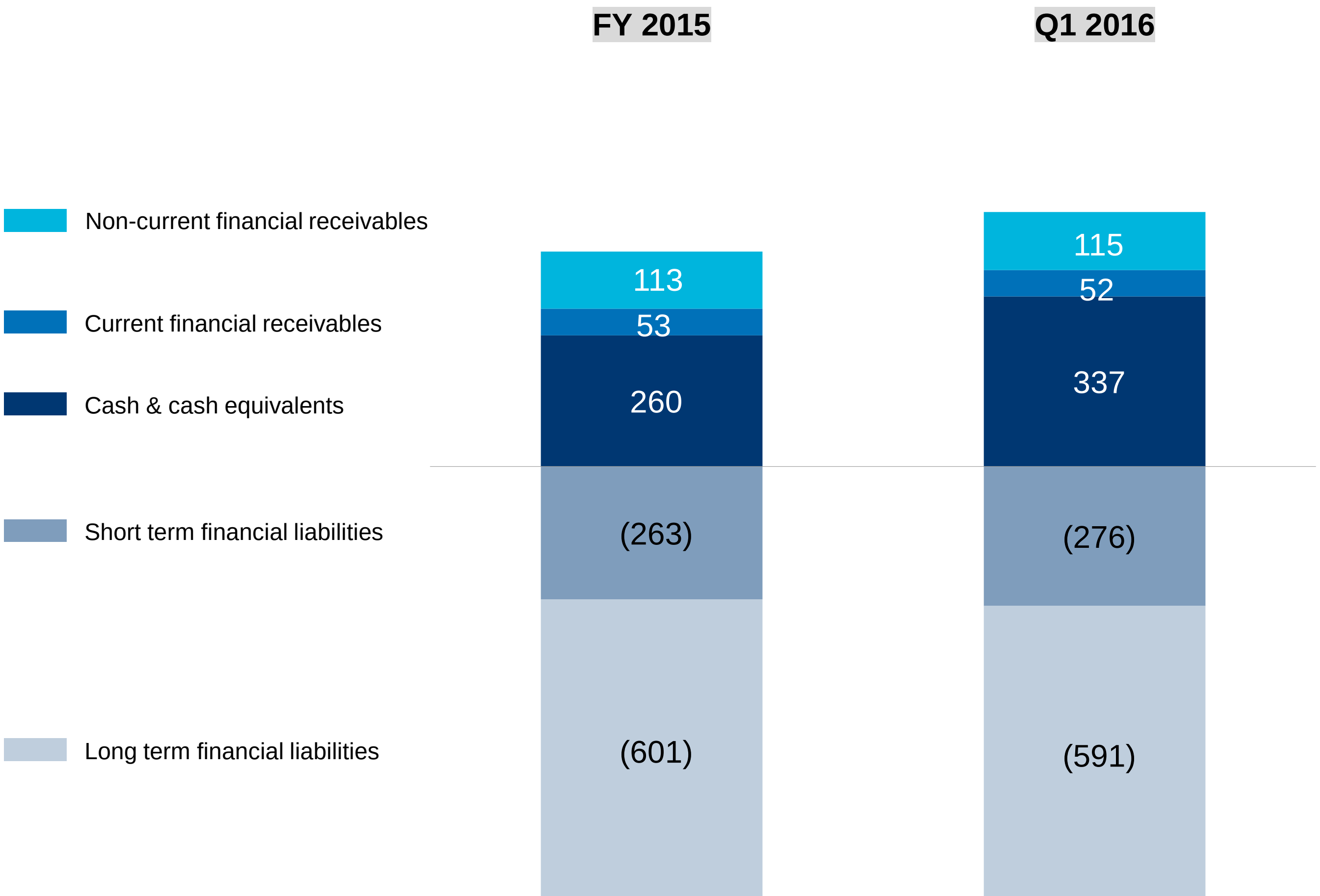
- Net working capital at the end of Q1 2016 decreased to € 154 mln, compared to € 251 mln in FY 2015 due to
  - Delivery of two cruise ships during the quarter which more than compensated the increase in cruise revenues
  - Reduction of volumes at VARD shipyards
  - Positive variation of other current assets and liabilities (€ +112 mln) mainly related to changes in fair value of forex hedging derivatives
- Construction loans at € 1.1 bln, of which € 951 mln related to VARD and € 147 mln related to Fincantieri

(1) *Construction loans are committed working capital financing facilities, treated as part of Net working capital, not in Net financial position, as they are not general purpose loans and can be a source of financing only in connection with ship contracts*

Net financial position(1)

Breakdown by main components

€ mln – Net cash / (Net debt)



Net financial position	(438)	(363)

Comments

- Net debt at the end of Q1 2016 at € 363 mln, down from € 438 mln in FY 2015
  - Q1 2016 inflows funded the growing construction activity related to cruise vessels and contributed to the decrease of net debt
- Net financial position expected to increase during 2016 as a consequence of further expected growth of production volumes
- Significant improvement expected in subsequent years thanks to substantial cash inflows before working capital changes typical of these businesses

(1) *Net financial position does not account for construction loans as they are not general purpose loans and can be a source of financing only in connection with ship contracts*

Outlook

Guidance	• **Guidance 2016 confirmed** – Revenue increase 4-6% vs. 2015 – EBITDA margin ~ 5% – Positive net result – Net debt at ~ € 0.7-0.8 bln *	• **Guidance 2018 confirmed** – Revenue increase 16-23% vs. 2016 – EBITDA margin ~ 6-7% – Net debt at ~ € 0.4-0.6 bln *	• **Guidance 2020 confirmed** – Revenue increase 16-21% vs. 2018 – EBITDA margin ~ 7-8% – Net debt at ~ € 0.1-0.3 bln *

Shipbuilding

- **Expected recovery in margins** for the remaining part of the year supported by solid Q1 2016 results and proven ability to manage the delivery of several highly complex prototype vessels
- **Continuing effort to develop significant production synergies with VARD** through the utilisation of Tulcea shipyard to support Italian facilities in the deployment of the significant increase in volumes, notably in cruise, over the Business Plan period

Offshore

- **Offshore Oil & Gas market continues to be challenging,** both for shipyards and ship owners, some of which are undergoing restructuring, leading to increased **focus on counterparty risk**: VARD is working actively with clients and financial institutions to secure the existing order book
- **Difficult global market environment**, with persisting political and economic issues in Brazil and international geo-political dynamics which limit the access to some strategic markets
- **Continued implementation of diversification strategy and reorganisation programs** already started in 2015

Equipment, Systems & Services

- **Further volumes growth** related to the Italian Navy's fleet renewal program and the implementation of **strategy to internalize key systems and components**
- **Expected confirmation of positive margin trend**

** Net debt partly used to finance net working capital*

Investor Relations contacts

Investor Relations Team

Angelo Manca - *VP Investor Relations*
+39 040 319 2457
angelo.manca@fincantieri.it

Federica Capuzzo
+39 040 319 2612
federica.capuzzo@fincantieri.it

Tijana Obradovic
+39 040 319 2409
tijana.obradovic@fincantieri.it

Silvia Ponso
+39 040 319 2371
silvia.ponso@fincantieri.it

Institutional Investors

investor.relations@fincantieri.it

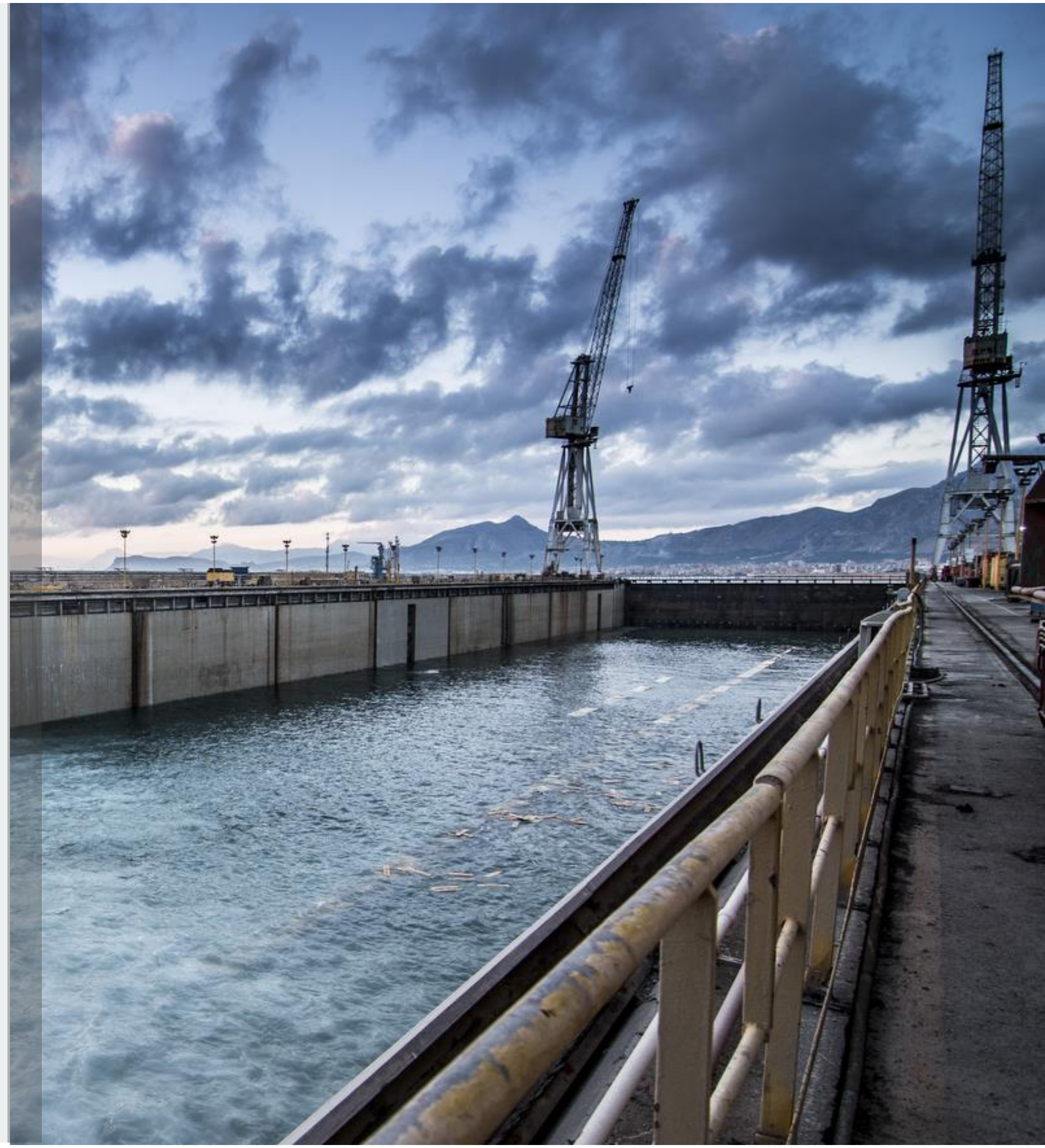
Individual Shareholders

azionisti.individuali@fincantieri.it

www.fincantieri.com

FINCANTIERI

Q&A



Appendix

Q1 2016 results by segment

Shipbuilding

Offshore

Equipment, Systems and Services

Shipbuilding

Highlights

€ mln	FY 2015	Q1 2015	Q1 2016
Order intake	**9,262**	**45**	**639**
Order book	**18,540**	**10,363**	**18,402**
Backlog	**14,067**	**6,982**	**13,976**
Revenues	**2,847**	**754**	**784**
EBITDA	**(23)**	**46**	**36**
% on revenues	*-0.8%*	*6.1%*	*4.7%*
Capex	**112**	**20**	**21**
Ships delivered	**9**	**2**	***3*(1)**

- "Seven Seas Explorer" for Regent Seven Seas Cruises (Norwegian Cruise Line Holdings group)
- 1 LCS unit for US Navy
- 1 ATB unit to be built in US

Expected recovery in margins for the remaining part of the year supported by solid Q1 2016 results and proven ability to manage the delivery of several highly complex prototype vessels

Continuing effort to develop significant production synergies with VARD through the utilisation of Tulcea shipyard to support Italian facilities in the deployment of the significant increase in volumes, notably in cruise, over the Business Plan period

Comments

- Orders: order intake at € 639 mln taking backlog to € 14.0 bln
- Revenues: at € 784 mln, up 4.0%
  - Higher volumes in cruise (with 11 units under construction)
  - Full start of production of the Italian Navy's fleet renewal program expected in late 2016
- EBITDA at € 36 mln, margin at 4.7%
  - Ability to manage the delivery of several highly complex prototypes on time
  - Margins back to positive figures as operating in cruise stabilize
- Capex: at € 21 mln

(1) 2 cruise ships (Viking Sea for Viking Ocean Cruises and Koningsdam for Holland America Line) and 1 semisubmersible floating platform (Itarus for the Russian RosRAO)

FINCANTIERI

Offshore

Highlights

€ mln	FY 2015	Q1 2015	Q1 2016
Order intake	**402**	**30**	**68**
Order book	**2,729**	**3,243**	**2,414**
Backlog	**1,143**	**1,790**	**900**
Revenues	**1,199**	**330**	**236**
EBITDA	**(3)**	**16**	**14**
% on revenues	*-0.2%*	*4.8%*	*6.0%*
Capex	**31**	**7**	**4**
Ships delivered	**12**	**5**	**3**

- 1 Stern Trawler for Havfisk ASA

Offshore Oil & Gas market continues to be challenging, both for shipyards and ship owners, some of which are undergoing restructuring, leading to **increased focus on counterparty risk**: VARD is working actively with clients and financial institutions to secure the existing order book

Difficult global market environment, with persisting political and economic issues in Brazil and international geo-political dynamics which limit the access to some strategic markets

Continued implementation of diversification strategy and reorganisation programs already started in 2015

Comments

- <u>Orders</u>: weak order intake at € 68 mln
- <u>Revenues</u>: at € 236 mln, down 28.5%
  - Revenue decrease driven by the reduction of activities following the order slowdown, already commencing in the second half of 2014
  - Negative effect of NOK/EUR exchange rate
- <u>EBITDA</u>: at € 14 mln, with margin at 6.0%
  - Margins in Europe affected by order slowdown started in Q4 2014
  - Construction work on the remaining projects at Vard Promar in line with forecasts with no significant cost overruns, but execution risks remain
  - Downsizing continues at Vard Niterói
  - Reorganization of operations targeting structural cost base reduction and development of synergies with the Italian cruise business activities
- <u>Capex</u>: at € 4 mln

FINCANTIERI

Equipment, Systems and Services

Highlights

€ mln	FY 2015	Q1 2015	Q1 2016
Order intake	**639**	**25**	**203**
Order book	**1,181**	**674**	**1,354**
Backlog	**732**	**284**	**881**
Revenues	**226**	**41**	**53**
EBITDA	**31**	**4**	**8**
% on revenues	*13.8%*	*10.3%*	*14.7%*
Capex	**5**	**1**	**-**

Further volumes growth related to the Italian Navy's fleet renewal program and the implementation of **strategy to internalize key systems and components**

Expected confirmation of positive margin trend

Comments

- Orders: order intake at € 203 mln taking backlog at € 881 mln
- Revenues: up to € 53 mln
  - Increase of volumes both in after sales services for naval vessels and sale of automation systems
- EBITDA: at € 8 mln with margin at 14.7%
  - Positive trend persists with increasing contribution of systems and components

FINCANTIERI

Profit & Loss and Cash flow statement

Profit & Loss statement (€ mln)	**FY 2015**	**Q1 2015**	**Q1 2016**
Revenues	**4,183**	**1,110**	**1,048**
Materials, services and other costs	(3,337)	(818)	(769)
Personnel costs	(865)	(237)	(223)
Provisions[(1)]	(7)	4	(5)
EBITDA	**(26)**	**59**	**51**
Depreciation, amortization and impairment	(111)	(26)	(26)
EBIT	**(137)**	**33**	**25**
Finance income / (expense)[(2)]	(135)	(42)	(20)
Income / (expense) from investments	(3)	-	-
Income taxes[(3)]	23	(12)	-
Profit / (loss) before extraordinary and non recurring items	**(252)**	**(21)**	**5**
Attributable to owners of the parent	*(141)*	-	*3*
Extraordinary and non recurring items[(4)]	(50)	(8)	(6)
Tax effect on extraordinary and non recurring items	13	2	1
Profit / (loss) for the period	**(289)**	**(27)**	**-**
Attributable to owners of the parent	(175)	*(6)*	*(2)*
Cash flow statement (€ mln)	**FY 2015**	**Q1 2015**	**Q1 2016**
Beginning cash balance	**552**	**552**	**260**
Cash flow from operating activities	(287)	54	105
Cash flow from investing activities	(172)	(29)	(28)
Free cash flow	**(459)**	**25**	**77**
Cash flow from financing activities	167	56	(1)
Net cash flow for the period	**(292)**	**81**	**76**
Exchange rate differences on beginning cash balance	-	10	1
Ending cash balance	**260**	**643**	**337**

(1) The line "Provisions and impairment" has been modified in "Provisions" and includes provisions and reversal for risks and writedowns. It excludes impairment of Intangible assets and Property, plant and equipment, which is included in "Depreciation, amortization and impairment" (previously "Depreciation and amortization"). This change had no effect on the comparative information.
(2) Includes interest expense on construction loans for € 9 mln in Q1 2015 and € 9 mln in Q1 2016
(3) Excluding tax effect on extraordinary and non recurring items
(4) Extraordinary and non recurring items gross of tax effect

FINCANTIERI

Balance sheet

Balance sheet (€ mln)	FY 2015	Q1 2015	Q1 2016
Intangible assets	518	533	522
Property, plant and equipment	974	970	974
Investments	62	63	63
Other non-current assets and liabilities	(44)	(42)	(23)
Employee benefits	(57)	(61)	(56)
Net fixed assets	**1,453**	**1,463**	**1,480**
Inventories and advances	405	439	428
Construction contracts and advances from customers	1,876	1,217	1,526
Construction loans	(1,103)	(859)	(1,098)
Trade receivables	560	539	597
Trade payables	(1,179)	(1,022)	(1,108)
Provisions for risks and charges	(112)	(118)	(107)
Other current assets and liabilities	(196)	(186)	(84)
Net working capital	**251**	**10**	**154**
Net invested capital	**1,704**	**1,473**	**1,634**
Equity attributable to Group	*1,137*	*1,328*	*1,146*
Non-controlling interests in equity	*129*	*226*	*125*
Equity	**1,266**	**1,554**	**1,271**
Cash and cash equivalents	(260)	(643)	(337)
Current financial receivables	(53)	(62)	(52)
Non-current financial receivables	(113)	(92)	(115)
Short term financial liabilities	263	103	276
Long term financial liabilities	601	613	591
Net debt / (Net cash)	**438**	**(81)**	**363**
Sources of financing	**1,704**	**1,473**	**1,634**

FINCANTIERI