

**FINCANTIERI BOARD OF DIRECTORS APPROVES 2014 PRELIMINARY RESULTS WITH
BACKLOG AT EURO 9.8 BILLION AND REVENUES AT EURO 4.4 BILLION****Financial highlights**

- **Order intake: euro 5,639 million** (euro 4,998 million at 31 December 2013)
- **Backlog: euro 9,814 million** (euro 8,068 million at 31 December 2013)
- **Revenues: euro 4,399 million** (euro 3,811 million at 31 December 2013)
- **EBITDA: euro 297 million** (298 million at 31 December 2013) with **EBITDA margin at 6.8%** (7.8% at 31 December 2013)
- **EBIT: euro 198 million** (euro 209 million at 31 December 2013) with **EBIT margin at 4.5%** (5.5% at 31 December 2013)
- **Profit on ordinary activities¹: euro 87 million** (euro 137 million at 31 December 2013)
- **Profit for the period: euro 55 million** (euro 85 million at 31 December 2013)
- **Net financial position²: euro 44 million of net cash** (euro 155 million of net debt at 31 December 2013)
- **Net working capital: positive euro 69 million** (negative euro 67 million at 31 December 2013), including **construction loans of euro 847 million** (euro 563 million at 31 December 2013)
- **Capital expenditure: euro 162 million** (euro 255 million at 31 December 2013)
- **Free cash flow: negative euro 124 million** (negative euro 519 million at 31 December 2013)

Business highlights

- **Confirmation of positive business trend, with improvements of order intake, backlog and revenues on a consolidated level**
- **In Shipbuilding, significant cruise segment recovery**, both in terms of order intake and production volumes. **Within the Italian Navy's fleet renewal program the configuration for all vessels** has been defined, pending the upcoming contract finalization
- **In Offshore, slower order intake and lower margins**, mainly due to a very challenging market situation in the second half of the year (oil price decline and expectations of lower E&P spending), problems relating to activities in Brazil and the revised estimates for a limited number of projects in the European orderbook. In this context, VARD is focusing on **efficiency measures aimed at stabilizing and normalizing the situation**.

¹ Profit/loss (+/-) before extraordinary and non-recurring income and expenses

² Net financial position does not include Vard construction Loans, which are treated as part of working capital

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Rome, 27 February 2015 – The Board of Directors of **FINCANTIERI S.p.A.** ("Fincantieri" or the "Company"), chaired by Vincenzo Petrone, has approved the **Preliminary consolidated financial statements at 31 December 2014**³, prepared in compliance with International Financial Reporting Standards (IAS/IFRS).

During the Board meeting **Giuseppe Bono, Fincantieri's Chief Executive Officer**, said: *"2014 was an important year for Fincantieri, characterized by an increase in order intake and backlog on a consolidated level and in revenues across all operating segments. In particular, the cruise business has significantly recovered, with the acquisition of 8 orders, among the 16 worldwide, and 9 units currently under construction, leading to a gradual recovery in volumes at the Italian facilities. The business diversification strategy, which identifies our Company, has allowed us to achieve an EBITDA margin of 6.8% despite the remarkably challenging market conditions affecting the Offshore segment in the second part of the year. In line with this strategy, we also have concluded several important cooperation agreements in all of our operating segments. Moreover, I would also like to highlight that 2014 marks the listing of Fincantieri as a further step within the growth strategy of the Group."*

Group operational performance in 2014

During 2014 the Group secured **new orders** totaling euro 5.6 billion increased by 13% compared with 2013 (euro 4.9 billion at 31 December 2013) with a book-to-bill ratio (order intake/revenues) of 1.3 in line with previous year, thus confirming a growth trend for the Group notably in Shipbuilding. Of the total new orders, 78% relates to the Shipbuilding segment (61% at 31 December 2013), 20% to the Offshore segment (36% at 31 December 2013) and 4% to the Equipment, systems and services segment (4% at 31 December 2013). New orders secured by the Parent Company FINCANTIERI S.p.A. accounted for 70% of the total (55% at 31 December 2013).

In the **Shipbuilding segment**, the trend in order intake increased by 46% compared with 2013 indicates a recovery in the cruise business area, with 8 new orders acquired from the beginning of the year. In the naval business the Littoral Combat Ship program for the U.S. Navy has continued (with the award of two more options to the subsidiary Marinette Marine Corporation) and demand has recovered for complex vessels for chemical/petroleum transportation in the Great Lakes area. In addition, the configuration for all vessels within the Italian Navy's fleet renewal program has been defined and it is a premise for the upcoming finalization of related contracts.

As for the **Offshore segment**, the very high value of orders won in the first half of the year has been followed by a rapid slowdown in the second half, triggered by crude oil price decline and related negative E&P spending expectations.

The order **backlog** totaled euro 9.8 billion at 31 December 2014 (euro 8.1 billion in 2013), increasing by 21.6% compared to 2013, with the order delivery profile extending until 2019. The growth in backlog reflects

³ Unaudited preliminary consolidated financial statements

the significant increase in orders over the last 18 months. The backlog represents more than 2 years of work in relation to the revenues generated in 2014. In addition, soft backlog, which represents the value of existing contract options and letters of intent as well as contracts under negotiation for the Italian Navy's fleet renewal program, none of which yet reflected in the order backlog, amounted to approximately euro 5,0 billion at 31 December 2014.

Regarding the breakdown of backlog by operating segment, 76% relates to Shipbuilding (66% at 31 December 2013), 22% to Offshore (31% at 31 December 2013), and 3% to Equipment, systems and services (3% at 31 December 2013).

Capital expenditure totaled euro 162 million in 2014, of which euro 38 million related to intangible assets (euro 22 million for the development of new technologies for cruise business) and euro 124 million to property, plant and equipment. The Parent Company accounted for 60% of the total capex.

Capital expenditure represented 3.7% of the Group's revenues for 2014 compared with 6.7% in 2013. In 2014, capital expenditure mainly related to the completion of the Vard Promar shipyard in Brazil, - which had significantly impacted 2013 capital expenditure - to technological upgrades of Italian facilities, (aimed at increasing production efficiency through greater process automation and improving safety and environmental conditions within the production sites) and the development of higher technologies notably for the cruise business.

With regards to the breakdown by operating segment, 61% of the total capital expenditure relates to Shipbuilding (53% at 31 December 2013), 29% to Offshore (43% at 31 December 2013), 3% to Equipment, systems and services (2% at 31 December 2013) and 7% to Other activities (2% at 31 December 2013).

The **number of employees at year end** has increased from 20,389 in 2013 (of which 7,735 in Italy) to 21,689 in 2014 (of which 7,706 in Italy). This variation is mainly related to increased staff deployment in Group's Brazilian shipyards.

Preliminary financial results for 2014

Revenues and income amounted to euro 4,399 million in 2014, with an increase of euro 588 million (15.4%) on the same period of 2013 mainly due to higher volumes in cruise business and Offshore which more than compensated the decline in naval volumes due to the progressive completion of existing contracts, pending the start of the Italian Navy's fleet renewal program.

For the segment breakdown (excluding consolidation adjustments), 60.4% of revenues relates to the Shipbuilding segment, (61.7% at 31 December 2013), 35.3% to the Offshore segment, (34.1% at 31 December 2013) and 4.3% to the Equipment, systems and services segment (4.2% at 31 December 2013). During the period ended 31 December 2014, Group's revenues from foreign clients represented 82% of the total, compared with 76% in 2013.

EBITDA came to euro 297 million, in line with the figure of euro 298 million recorded in 2013. The **EBITDA margin** was 6.8%, lower compared with 7.8% in 2013. In terms of contribution, the Shipbuilding and Equipment, systems and services segments posted an increase in profitability over the year, also thanks to the positive impact of Euro/USD exchange rate which only partially offset the Offshore segment's decline in

margins. In this regard, the Offshore segment's profitability in 2014 was affected by VARD's results, only partly offset, upon consolidation, by full utilization of the provision for risks on contracts recognized at the time of the Norwegian group's acquisition.

EBIT amounted to euro 198 million in 2014 (compared with euro 209 million in 2013). In addition to the reduced marginality in Offshore, the variation reflects a higher impact of depreciation and amortization charges for assets entering service in 2014 (mainly at the new Promar shipyard in Brazil). Consequently, the **EBIT margin** in 2014 decreased compared with 2013 (4.5% in 2014 compared to 5.5% in 2013).

Net financial charges⁴ reported a net expense of euro 60 million (euro 53 million at 31 December 2013). The change from last year includes an increase of euro 11 euro million due to the full recognition of financial charges related to the bond issued in November 2013 and a positive impact of euro 5 million of exchange surplus on the translation of foreign currency balances. Net finance income and costs include euro 26 million in interest expense on the VARD Group's construction loans (euro 24 million at 31 December 2013). It is also noted that income from investments has increased by euro 4 million compared with 2013.

Income taxes reported a negative balance of euro 51 million in 2014 compared with euro 19 million in 2013, mainly due to the deferred tax assets recorded in 2013 and previously not recognized.

Profit before extraordinary and non-recurring income and expenses amounted to euro 87 million at 31 December 2014, compared with euro 137 million at 31 December 2013, and represents 2.0% of Revenues and income (3.6% in 2013). The Group profit before extraordinary and non-recurring income and expenses amounted to euro 99 million (euro 109 million at 31 December 2013).

Extraordinary and non-recurring income and expenses amounted to euro 44 million for 2014, and include costs for the "Extraordinary Wage Guarantee Fund" (euro 10 million), costs related to business reorganization plans (euro 9 million), provisions for costs and legal expenses associated with asbestos-related lawsuits (euro 21 million) and non-recurring expenses mainly related to the initial public offering (euro 4 million). At 31 December 2013, extraordinary and non-recurring income and expenses amounted to euro 80 million, including euro 21 million for the VARD Group's acquisition-related costs.

Tax effect of extraordinary and non-recurring income and expenses was a net positive euro 12 million at 31 December 2014 (euro 28 million at 31 December 2013).

Profit for the period amounted to euro 55 million for 2014, decreasing from euro 85 million reported in 2013 for the reasons described above. The Group profit, at euro 67 million compared with euro 57 million at 31 December 2013 does not include losses on minorities interest.

⁴ Finance income and costs and income and expense from investments

Despite reporting a profit for the year, in line with declared management guidance, it is proposed not to distribute dividends for 2014.⁵

Net financial position, which does not include construction loans, was positive for euro 44 million at 31 December 2014 (net debt of euro 155 million at 31 December 2013). Net financial position reflects the positive effect of the capital increase realized on 3 July 2014 following the Parent Company's initial public offering.

Net working capital reported a positive balance of euro 69 million at 31 December 2014, reflecting an increase from the negative balance of euro 67 million at 31 December 2013. This change is mainly driven by the growth of volumes in the cruise business with consequent increase in work in progress (euro 355 million), trade receivable (euro 266 million) and trade payable (euro 136 million) as well as by the increase in construction loans (euro 284 million). In addition, other current assets have decreased (euro 75 million) as a result of the decrease in deferred tax assets and changes in the fair value of exchange rate derivatives.

Construction loans, committed working capital financing facilities and treated as part of working capital, amounted to euro 847 million at 31 December 2014 increasing compared with euro 563 million at 31 December 2013, mainly driven by growth in VARD's activities.

Equity amounted to euro 1,530 million at 31 December 2014 (euro 1,210 million at 31 December 2013).

Net cash flow for the period is a positive euro 179 million (negative euro 264 million at 31 December 2013), reflecting negative **Free cash flow** (the sum of cash flow from operating activities and cash flow from investing activities) of euro 124 million (negative euro 519 million at 31 December 2013), as offset by euro 303 million in cash flows provided by financing activities (euro 255 million at 31 December 2013).

Among the **profitability indicators**, ROI stood at 13.9% and ROE at 4.0%. The change in ROI compared with 31 December 2013 mainly reflects the EBIT decrease in 2014, while ROE at 31 December 2014 includes the effects of increase in equity and reduction of profitability compared with 2013.

The **indicators of the strength and efficiency of the capital structure** at 31 December 2014 are partially not applicable given the positive Net Financial Position, while the ratio Total debt/Total equity is in line with values reported at 31 December 2013.

The year 2013 includes the first time line-by-line consolidation of VARD as from 23 January 2013.

Operational review by segment

SHIPBUILDING

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

⁵ The Board of Directors of Fincantieri will formalize this proposal on 13 March 2015 when approving the Consolidated financial statements and draft financial statements at 31 December 2014. The Annual General Meeting will resolve upon this proposal on 28 April 2015

Revenues from the Shipbuilding segment amounted to euro 2,704 million at 31 December 2014 (up from euro 2,394 million at 31 December 2013), of which euro 1,439 million came from the cruise business (euro 1,075 million at 31 December 2013) and euro 1,059 million from the naval business (euro 1,126 million at 31 December 2013). Compared with 2013, cruise business revenues increased by euro 364 million, with 9 ships under construction at the Group's Italian shipyards (4 ships at 31 December 2013) against a reduction in volumes in the naval business following recent deliveries of vessels to the Italian Navy and Coast Guard. Revenues from other activities stood at euro 206 million and reported an increase of euro 13 million from euro 193 million at 31 December 2013.

The segment's **EBITDA** came to euro 195 million in 2014, up from euro 155 million in 2013. This improvement is largely attributable to increased volumes and the positive impact on US dollar denominated contracts of the Euro/USD exchange rate over the course of 2014. It should be noted that these results have been achieved despite shipbuilding margins are still affected by competitive prices related to cruise orders acquired during crisis and currently under production as well as by still partial production capacity utilization in Italy.

EBITDA margin amounted to 7.2%, increasing compared with the values recorded in 2013 (6.5% at 31 December 2013).

During 2014 the Shipbuilding segment was awarded **orders** totaling euro 4,400 million (euro 3,010 million in 2013), taking the Shipbuilding backlog to euro 7,465 million (euro 5,345 million in 2013).

Main orders (22 units):

- two new cruise ships (plus one option) for MSC Cruises;
- one cruise ship for Princess Cruises, a Carnival Corporation brand;
- one extra-luxury cruise ship for Seabourn, a Carnival Corporation brand;
- a further extra-luxury cruise ship for Seabourn, through the exercise of the option related to the order signed at the beginning of 2014;
- one extra-luxury cruise ship for an undisclosed client;
- two cruise ships for two Carnival Corporation brands, Carnival Cruise Lines and Holland America Line;
- four ATBs (Articulated Tug Barges), comprising four tugs plus four barges, for petroleum/chemical transportation, for Moran Towing Corporation and Kirby Offshore Marine Operating Ilc;
- two more Littoral Combat Ships for the U.S. Navy;
- a contract for the construction of four more Response Boats Medium (RB-M) for the U.S. Coast Guard;
- the "Rinascimento" program for the upgrade and lengthening of four "Lirica" class ships for MSC Cruises.

Main deliveries (8 units):

- "Regal Princess", the new flagship of the Princess Cruises fleet, delivered by the Monfalcone shipyard;
- "Costa Diadema", flagship of the Costa Cruises fleet, delivered by the Marghera shipyard;
- "Ocean Victory", 140 meters long, the largest yacht ever built in Italy and among the ten largest ones in the world;

- “Ubaldo Diciotti”, a patrol boat delivered by the Castellammare di Stabia shipyard to the General Command of the Port Authority Corp for the Italian Coast Guard;
- “Carlo Margottini”, the third of a series of FREMM vessels, delivered to the Italian Navy by the Muggiano shipyard;
- “Sikuliaq”, an oceanographic vessel, delivered to the University of Alaska Fairbanks by the Marinette shipyard;
- “Kalaat Beni-Abbes”, a vessel commissioned in 2011 to Orizzonte Sistemi Navali by the Ministry of Defense of the People’s Democratic Republic of Algeria;
- “MSC Armonia”, the first of four units from MSC fleet included in the Renaissance program.

OFFSHORE

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

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

Revenues from the Offshore segment amounted to euro 1,580 million at 31 December 2014, up 19.6% from euro 1,321 million in 2013. The increase is mainly due to higher volumes reflecting the significant backlog acquired in 2013 and in the first half of 2014. It should also be noted that the Offshore segment's operating revenues in 2014 and 2013 included euro 35 million and euro 53 million respectively 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. Following these utilizations, the provision at 31 December has been fully utilized.

The Offshore segment reported **EBITDA** of euro 108 million at 31 December 2014 compared with euro 155 million at 31 December 2013, with **EBITDA margin** at 6.8% (11.8% at 31 December 2013). This change is mainly related to the lower performance of orders under construction in Brazil, where slower than expected improvements in throughput and productivity at Vard Promar have affected the profitability in the start-up phase, and the revised estimates for a limited number of projects in the European orderbook, although these changes are not expected to impact delivery schedules. Following the oil price decline, VARD has agreed to sign variation orders for several projects, thus meeting clients’ requests to extend the delivery dates, with consequent positive impact on workload balance.

During the year 2014 the Offshore segment was awarded **orders** totaling euro 1,131 million (euro 1,816 million in 2013), taking the Offshore backlog to euro 2,124 million (euro 2,480 million in 2013).

Main orders (16 units)

- one Diving Support and Construction Vessel for Technip;
- one arctic AHTS (Anchor Handling Tug Supply vessel) for Bourbon Offshore;

- eight PSV (Platform Supply Vessels), of which two for Carlotta Offshore Ltd, two for Nordic American Offshore Ltd, two for Mermaid Marine Australia Ltd, one for E.R. Offshore and one for Island Offshore;
- three OSCV (Offshore Subsea Construction Vessel) of which one for Solstad Offshore, one for Farstad Shipping, one for Island Offshore;
- two OSV (Offshore Support Vessels) for Island Offshore;
- one Offshore Construction and Anchor Handling vessel for Rem Offshore.

Main deliveries (18 units):

- three AHTS (Anchor Handling Tug Supply vessels), of which “Far Sigma” and “Far Sirius” delivered to Farstad Shipping by the Vard Langsten shipyard (Norway) and “Skandi Urca” delivered to DOF by the Vard Niterói shipyard (Brazil);
- seven PSV (Platform Supply Vessels), of which “Island Dawn”, “Island Dragon” and “Island Condor” delivered to Island Offshore by the Vard Brevik shipyard (Norway), “Troms Arcturus” delivered to Troms Offshore by the Vard Aukra shipyard (Norway), “Siem Giant” delivered to Siem Offshore by the Vard Niterói shipyard (Brazil), “Far Sun” delivered to Farstad Shipping by the Vard Langsten (Norway) and “Far Sygna” delivered to Farstad Shipping by the Vard Vung Tau shipyard (Vietnam);
- five OSCV (Offshore Subsea Construction Vessel), of which “Island Pride” delivered to Island Offshore by the Vard Brevik shipyard (Norway), “Siem Spearfish” delivered to Siem Offshore by the Vard Brattvaag shipyard (Norway), “Normand Reach” delivered to Solstad Offshore by the Vard Aukra shipyard (Norway) and “Normand Vision” by the Vard Søviknes shipyard (Norway), “Siem Stingray” delivered to Siem Offshore by the Vard Brattvaag shipyard (Norway);
- unit “Gadus Neptun” delivered to Havfis by the Vard Brattvaag shipyard (Norway);
- unit “Kanysh Satpayevn” delivered to Circle Maritime Invest by the Vard Braila shipyard (Romania);
- unit “Pierre de Fermat”, delivered to FT Marine by the Vard Brattvaag (Norway).

EQUIPMENT, SYSTEMS AND SERVICES

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

Revenues from the Equipment, systems and services segment increased by 17.8% to euro 192 million at 31 December 2014 (euro 163 million at 31 December 2013). This increase was primarily due to higher volumes of after-sales service for naval vessels, in line with the development prospects for this business.

The segment's **EBITDA** came to euro 21 million at 31 December 2014 (**EBITDA margin** of 11.1%), reporting an increase compared with euro 14 million in 2013 (EBITDA margin of 8.5%). This increase was mainly due to the change in product mix in 2014.

The Equipment, systems and services segment secured euro 204 million in new **orders** during the course of 2014 (euro 205 million in 2013), taking the segment's backlog to euro 300 million (euro 264 million in 2013).

Listing on the Milan Stock Exchange organized and managed by Borsa Italiana S.p.A.

During the first half of 2014, the Fincantieri Group undertook and successfully completed the process of listing its shares on the Italian stock market (*Mercato Telematico Azionario* or MTA) organized and managed by Borsa Italiana S.p.A., marking an important milestone in the Group's history.

The process involved a preparatory phase in the months of March, April and May, and the offering period during the month of June.

The offering period, lasting from 16 to 27 June 2014 and involving a maximum of 703,980,000 shares, of which up to 600,000,000 from the share capital increase and up to 103,980,000 offered by the selling shareholder, saw management engaged in numerous meetings with investors in the major European and U.S. financial centers.

During this period, characterized by a large number of equity placements in Europe and Italy, an increase in market volatility and poor overall performance by equity markets, applications were received for a total of 578,475,809 shares, of which 69% from the general public, which showed great interest in the Group. Based on the number of applications received, it was decided, by the Board of Directors on 27 June 2014, to reduce the total number of shares placed to 450,000,000, derived exclusively from the capital increase, and to fix the price at €0.78 per share.

Upon allotment, a total of 500,000,000 shares were allocated to 55,200 applicants, of which 450,000,000 derived from the capital increase and 50,000,000 from the exercise of an overallotment option granted by the selling shareholder. Furthermore, under the claw-back provision contained in the Prospectus, a total of 99,262,000 shares were allotted to institutional investors and 400,738,000 shares to the general public, including 5,650,000 shares to Fincantieri employees residing in Italy.

Settlement took place on 3 July 2014, coinciding with the first day of trading of the Company's shares on the MTA, with the proceeds from the capital increase amounting to euro 351 million, of which euro 230 million allocated to share capital and euro 121 million to the share premium reserve.

The costs of the listing amounted to euro 19 million, of which euro 12 million has been accounted for as a deduction from the share premium reserve (net of euro 4 million in tax effects), while the remainder (euro 3 million) has been recognized as services in the income statement and reported among "non-recurring expenses".

A statement confirming execution of the capital increase approved by resolution of the Extraordinary Shareholders' Meeting held on 5 May 2014 was formally lodged with the Trieste Company Registry on 3 July 2014. Therefore, the share capital of Fincantieri S.p.A. now amounts to euro 862,980,726 divided into 1,692,119,070 ordinary shares with no par value.

Lastly, it is reported that the Stabilizing Manager, Credit Suisse Securities (Europe) Limited, also acting in the name and on behalf of the Institutional Managers, partially exercised the greenshoe option granted by

Fintecna S.p.A. over 7,215,171 shares for consideration of euro 5.6 million, settled on 6 August. Including the exercised part of the greenshoe option, the Global Offering therefore involved a total of 457,215,171 FINCANTIERI S.p.A. shares, corresponding to 27% of the company's share capital, for an aggregate amount of euro 356.6 million.

Other significant events in the period

- Acquisition from ABB S.p.A of 50% of the share capital of Seastema S.p.A. and acquisition of 38% and 11% of the share capital of Delfi S.r.l. from ISSELnord S.r.l. and Gentes S.r.l. respectively. Following these acquisitions Fincantieri now controls 100% of the share capital in both these companies
- Incorporation of VARD Marine Inc. in Canada, with all of its share capital owned by VARD Group AS, and the subsequent acquisition of STX Canada Marine Inc., a leading provider of marine engineering services in North America. The company, which has about 75 employees, has been merged with VARD Marine Inc.
- Signing in January with the Provincial Secretariats of all the trade unions and the individual shipyard trade union representatives, of an agreement for the reorganization of the Palermo yard, which follows on the one signed on 21 December 2011 with the Government and national unions, and which establishes important new practices to make work more flexible, essential for achieving those improvements in efficiency and productivity demanded by the altered international environment (January 2014)
- Signing in May of a historic settlement agreement in Baghdad with the Iraqi government that paves the way for resolving a dispute between the parties running over twenty years. In return for closing all pending litigation, the agreement also provides for the refurbishment of the two corvettes "Musa Bin Nasir" and "Tariq Bin Ziyad", whose delivery was suspended as a result of the arms embargo imposed on Iraq
- Presentation to the market in May of the PROXIMA project, a revolutionary offshore drillship able to operate effectively in conditions and places previously considered unattainable. PROXIMA has been developed by integrating the innovative drilling tower designed by Castor Drilling Solution AS. This project has confirmed Fincantieri's strong commitment to developing the offshore market
- Presentation of two prestigious awards in September to Fincantieri, the National Award for Innovation and the Andrea Pininfarina Award for Business Innovation. These awards have been presented to the Group for promoting the culture of innovation among young people
- Appointment of Mr. Giuseppe Dado as Chief Financial Officer in October 2014
- Launching ceremony on 9 October 2014 at the Muggiano shipyard for the submarine "Pietro Venuti," the third of four U212A "Todaro" class sister submarines ordered from Fincantieri by the Directorate General of Naval Armaments (NAVARM) for the Italian Navy

- Signing of an important cooperation agreement between Fincantieri and Finmeccanica in the field of naval shipbuilding with the aim of making the two companies more competitive in domestic and international markets by offering a more effective and efficient integrated range of products. The agreement also provides for collaboration in research and innovation in order to maximize market position and rationalize the associated expenditure
- Finalization on 20 October 2014 of the agreement to lease "Santarossa Contract", with an option to buy this business, which is currently in a state of voluntary arrangement and is a traditional supplier of Fincantieri for the design and creation of turnkey solutions and cabin refitting for the cruise industry. This transaction is in line with the strategic decision to expand Fincantieri's direct involvement in higher value-added segments, with the aim of expanding its areas of business and, at the same time, of reducing its supply costs
- Signing in October of a cooperation agreement during the Euronaval event between Fincantieri and the Vittoria Shipyard, which specializes in building military, transport and working vessels of up to 100 meters in length. The agreement provides for the supply of services and activities relating to platforms for smaller vessels for both military and commercial use
- Signing of a Memorandum of Understanding between Fincantieri and Technip Italy, a world leading provider of engineering, construction and project management services for the Oil & Gas industry, aimed at jointly increasing their competitiveness in the domestic and international offshore market
- Signing in November of the agreement between Fincantieri and the Italian Navy regarding the "Fincantieri Training Academy" program at La Spezia shipyard offering a wide package of training activities both in structural and technological terms as well as the academic ones
- Signing in November of two Memorandums of Understanding, respectively with Carnival Corporation, the world's largest cruise line, and with China CSSC Holdings Limited, controlled by CSSC (China State Shipbuilding Corporation), China's largest shipbuilding conglomerate, aim to explore the possibility of a joint venture in cruise shipbuilding for the Chinese market in which Fincantieri would provide projects, assistance and a series of key components realized in Italy.

Key events after 31 December 2014

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, the European maritime industry, through the association SEA Europe, which includes main European countries engaged in shipbuilding, has started the association "Vessels for the Future". The initiative, with Fincantieri as co-founder with Rolls Royce, aims to improve research, development and innovation in the maritime field with particular focus on vessels for the future.

On 9 February 2015 the three winner project ideas of Innovation Challenge, the Open Innovation initiative has been developed by Fincantieri with the Chemical, Management, Mechanical Engineering Department of the University of Palermo were presented.

On 13 February 2015, the Board of Directors of Fincantieri approved, within a company reorganization process, the unification of the Corporate General Management Unit, assigned to Mr. Vitaliano Pappaianni, and the Operations General Management Unit, assigned to Mr. Enrico Buschi, into a single General Management Unit. The Board, upon proposal of the Chief Executive Officer Giuseppe Bono, also resolved to appoint as General Manager Mr. Andrea Mangoni, already member of the Company's Board of Directors since June 2013, who will take up his new role by March 2015.

Business outlook

In general terms, the Group expects a sustained order intake in 2015, also in relation to the expected finalization of contracts for the Italian Navy fleet renewal program.

In the Shipbuilding segment, despite the gradual recovery in cruise volumes thanks to a significant number of acquired orders entering production, margins will continue to be affected by prices related to cruise orders acquired during crisis and currently under construction, as well as by still partial production capacity utilization in Italy. Concerning the naval business, the period will denote a reduced production volumes, with the vessels within the Italian Navy fleet renewal program expected to enter production in the second part of the year.

Regarding the Offshore, the oil price decline has significantly altered the oil companies' exploration & production spending outlook, in particular in the North Sea. In this context a general reduction in investments and the implementation of cost reduction programs are expected. Consequently, 2015 will be a challenging year for the industry and for VARD, with new order intake expected to be weak. Furthermore, despite the good revenues coverage from existing order book for most of the year, VARD is likely to experience a decreasing yard utilization in Romania and Norway in the second half of 2015 and a challenging operating situation in Brazil. In this context the company will continue to focus on the ongoing cost improvement program, in order to streamline the organization and increase flexibility, thus leading to the expected margin improvement compared to 2014.

In the Equipment, systems and services segment a further growth is expected in 2015 both in terms of order intake, driven by new orders for systems and services related to the Italian Navy fleet renewal program, and in terms of revenues, confirming the expected volumes growth, with confirmation of positive margins achieved in previous years.

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Fincantieri is one of the world's largest shipbuilding groups, which in over 230 years of maritime history has built more than 7,000 vessels. It is world leader in cruise ship construction and a reference player in other sectors, from naval vessels to cruise ferries, from mega-yachts to special high value-added vessels, ship repairs and conversions and offshore vessels. Headquartered in Trieste, the Group has about 21,700 employees, of whom about 7,700 in Italy, and 21 shipyards in 4 continents. In 2013 the Group acquired VARD, a company listed on the Singapore Stock Exchange that builds offshore support vessels for oil and gas extraction and production.

Fincantieri has doubled in size to become the main occidental shipbuilder and the first one by diversification and presence in every high value-added sectors. Fincantieri operates in the United States through its subsidiary Fincantieri Marine Group (FMG). This company, which serves important government customers, including the U.S. Navy and Coast Guard, has three shipyards (Marinette Marine, Bay Shipbuilding, Ace Marine), all located in the Great Lakes region. Fincantieri is present in the UAE with Etihad Ship Building, a joint venture set up with Melara Middle East and Al Fattan Ship Industries, to design, produce and sell different types of civilian and military ships as well as perform maintenance and refitting activities.

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

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DISCLAIMER

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

* * *

Preliminary results at 31 December 2014 will be presented to the financial community during a conference call scheduled for today 27 February 2015 at 18:00 CET.

To attend the conference please dial the following telephone numbers:

Italy +39 028020911;

US +1 7187058796;

UK +44 1212818004;

Hong Kong +852 58080984 then press *0

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

Additionally, you may follow the slide show presentation with audio streaming service from the link <http://services.choruscall.eu/links/fincantieri150227.html#>

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FINCANTIERI S.p.A. – Media Relations

Antonio Autorino

Tel. +39 040 3192473

Mob. +39 335 7859027

antonio.autorino@fincantieri.it

Laura Calzolari

Tel. +39 040 3192527

Mob. +39 334 6587922

laura.calzolari@fincantieri.it

Cristiano Musella

Tel. +39 040 3192225

Mob. +39 366 9254543

cristiano.musella@fincantieri.it

Micaela Longo

Tel. +39 040 3192247

Mob. +39 366 6856280

micaela.longo@fincantieri.it**FINCANTIERI S.p.A. – Investor Relations**

Luca Passa

Tel. +39 040 3192369

luca.passa@fincantieri.it

Tijana Obradovic

Tel. +39 040 3192409

tijana.obradovic@fincantieri.it

Silvia Ponso

Tel. +39 040 3192371

silvia.ponso@fincantieri.it**Image Building – Media Relations**

Giuliana Paoletti

Tel. +39 02 89011300

Mob. +39 335 6551356

fincantieri@imagebuilding.it

Simona Raffaelli

Tel. +39 02 89011300

Mob. +39 335 1245191

fincantieri@imagebuilding.it

Alfredo Mele

Tel. +39 02 89011300

Mob. +39 335 1245185

fincantieri@imagebuilding.it

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro/million)	31.12.2014	31.12.2013
Revenues and income	4,399	3,811
Materials, services and other costs	(3,234)	(2,745)
Personnel costs	(843)	(752)
Provisions and impairment	(25)	(16)
EBITDA	297	298
EBITDA margin	6.8%	7.8%
Depreciation and amortization	(99)	(89)
EBIT	198	209
EBIT margin	4.5%	5.5%
Finance income/costs (+/-)	(66)	(55)
Income/expense (+/-) from investments	6	2
Income taxes	(51)	(19)
Profit/loss (+/-) before extraordinary and non-recurring income and expenses	87	137
<i>of which Group</i>	<i>99</i>	<i>109</i>
Extraordinary and non-recurring income and expenses (+/-)	(44)	(80)
Tax effect of extraordinary and non-recurring income and expenses	12	28
Profit for the period	55	85
<i>of which Group</i>	<i>67</i>	<i>57</i>

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/ million)	31.12.2014	31.12.2013
Intangible assets	508	539
Property, plant and equipment	959	897
Investments	60	70
Other non-current assets and liabilities	(48)	(14)
Employee benefits	(62)	(60)
Net fixed capital	1,417	1,432
Inventories and advances	388	400
Construction contracts and advances from customers	1,112	757
Construction loans	(847)	(563)
Trade receivables	610	344
Trade payables	(1,047)	(911)
Provisions for risks and charges	(129)	(151)
Other current assets and liabilities	(18)	57
Net working capital	69	(67)
Net invested capital	1,486	1,365
Share capital	863	633
Reserves and retained earnings	447	335
Non controlling interests	220	242
Equity	1,530	1,210
Net financial position	(44)	155
Sources of funding	1,486	1,365

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/million)	31.12.2014	31.12.2013
Net cash flows from operating activities	33	(95)
Net cash flows from investing activities	(157)	(424)
Net cash flows from financing activities	303	255
Net cash flows for the period	179	(264)
Cash and cash equivalents at beginning of period	385	692
Effects of currency translation difference on opening cash and cash equivalents	(12)	(43)
Cash and cash equivalents at end of period	552	385
(Euro/million)	31.12.2014	31.12.2013
Free cash flow	(124)	(519)

CONSOLIDATED NET FINANCIAL POSITION

(Euro/million)	31.12.2014	31.12.2013
Cash and cash equivalents	552	385
Current financial receivables	82	52
Current bank debt	(32)	(35)
Current portion of bank loans and credit facilities	(47)	(32)
Other current financial liabilities	(1)	(3)
Current debt (-)	(80)	(70)
Net current cash/debt (+/-)	554	367
Non-current financial receivables	90	41
Non-current bank debt	(290)	(255)
Bond	(297)	(296)
Other non-current financial liabilities	(13)	(12)
Non-current debt (-)	(600)	(563)
Net financial position	44	(155)

ECONOMIC AND FINANCIAL INDICATORS

	31.12.2014	31.12.2013
ROI	13.9%	15.3%
ROE	4.0%	7.0%
Total debt/Total equity	0,4	0,5
Net financial position/EBITDA	n.a.	0,5
Net financial position /Total equity	n.a.	0,1

SCHEDULED DELIVERIES

(number)	2015	2016	2017	2018	2019
Cruise ships	3	7	3	4	
Naval vessels (>40 m)	7	9	6	3	1
Offshore	21	15	3		

OPERATIONAL REVIEW BY SEGMENT
SHIPBUILDING

(Euro/million)	31.12.2014	31.12.2013
Revenues and income (*)	2,704	2,394
EBITDA (*)	195	155
EBITDA margin (*) (**)	7.2%	6.5%
New orders (*)	4,400	3,010
Order portfolio (*)	10,945	8,695
Order backlog (*)	7,465	5,345
Capital expenditure	98	137
Vessels delivered (number) (***)	7	11

(*) Before eliminations between operating segments

(**) Ratio between segment EBITDA and Revenues and income

(***) Vessels over 40 meters long

OFFSHORE

(Euro/million)	31.12.2014	31.12.2013
Revenues and income (*)	1,580	1,321
EBITDA (*)	108	155
EBITDA margin (*) (**)	6.8%	11.8%
New orders (*)	1,131	1,816
Order portfolio (*)	3,623	3,757
Order backlog (*)	2,124	2,480
Capital expenditure	47	111
Vessels delivered (number) (***)	18	22

(*) Before eliminations between operating segments

(**) Ratio between segment EBITDA and Revenues and income

(***) Of which 2 before 23 January 2013

SISTEMI, COMPONENTI E SERVIZI

(Euro/million)	31.12.2014	31.12.2013
Revenues and income (*)	192	163
EBITDA (*)	21	14
EBITDA margin (*) (**)	11.1%	8.5%
New orders (*)	204	205
Order portfolio (*)	663	550
Order backlog (*)	300	264
Capital expenditure	5	4
Vessels delivered (number) (***)	53	59

(*) Before eliminations between operating segments

(**) Ratio between segment EBITDA and Revenues and income