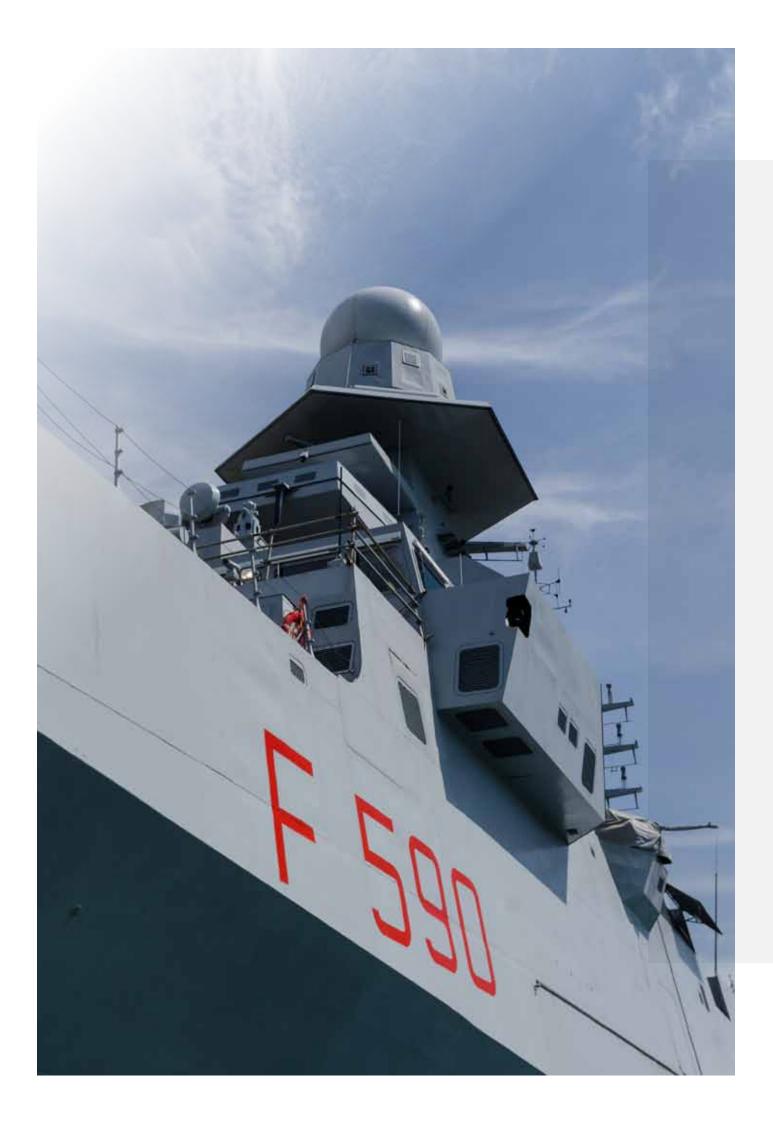
interim report on operations at 31 march 2014



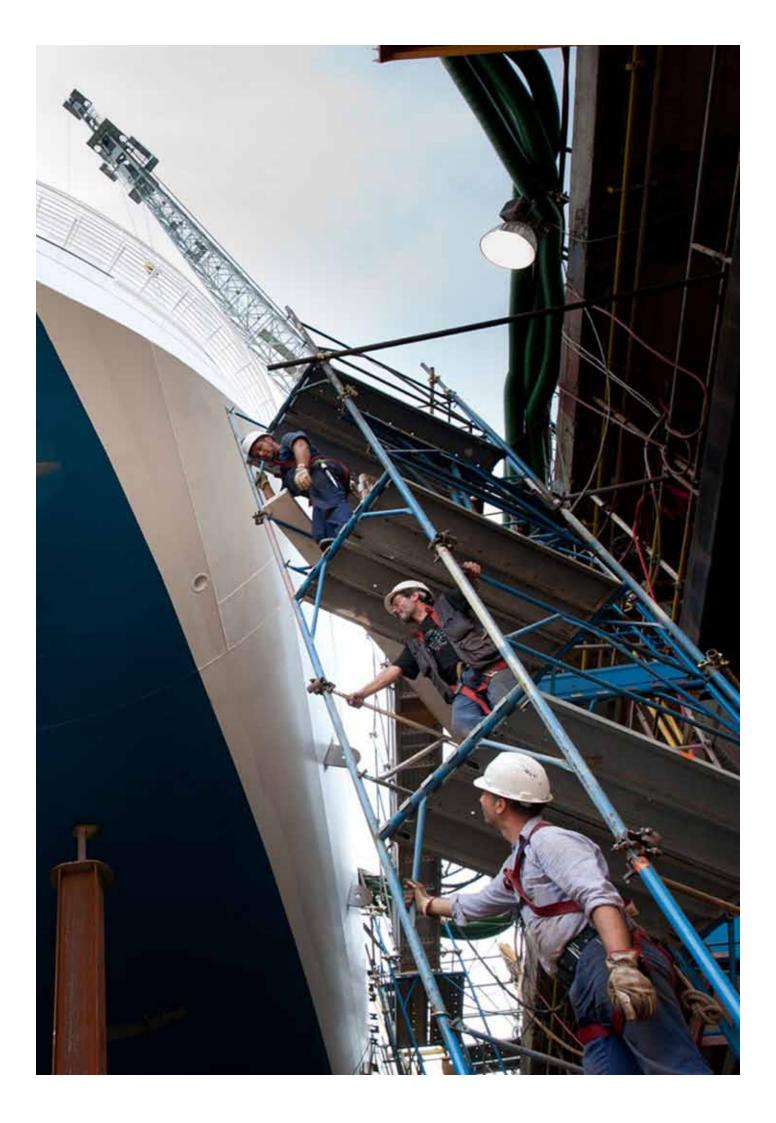






parent company directors and officers

	Board of directors
	(2013-2015)
Chairman	Vincenzo PETRONE
Chief Executive Officer	Giuseppe BONO
	Andrea MANGONI (*)
	Giovanni MASINI (*)
	Anna MOLINOTTI (*)
Secretary	Maurizio CASTALDO
	(*) Members of the Remuneration Committee
	Board of statutory auditors (**)
	(2011-2013)
Chairman	Luigi ORLANDO
Standing members	Mauro D'AMICO
	Giovanna D'ONOFRIO
Alternate members	Giuseppe DELLA CHIARA
	Costantino LEGGERI
	$(^{**})$ Board's term in office has expired pending renewal by the Shareholders in General
	Meeting
	Management of the Community of Community of the
	Manager responsible for preparing financial reports
	Carlo GAINELLI
	Independent auditors
	(2013-2021) (***)
	PricewaterhouseCoopers S.p.A.
	(***) appointed by resolution of the General Meeting of Shareholders held on 28 February 2014
	Oversight board
	Italian Legislative Decree 231/01
Chairman	
Members	Guido ZANARDI
	Stefano DENTILLI
	Giorgio PANI



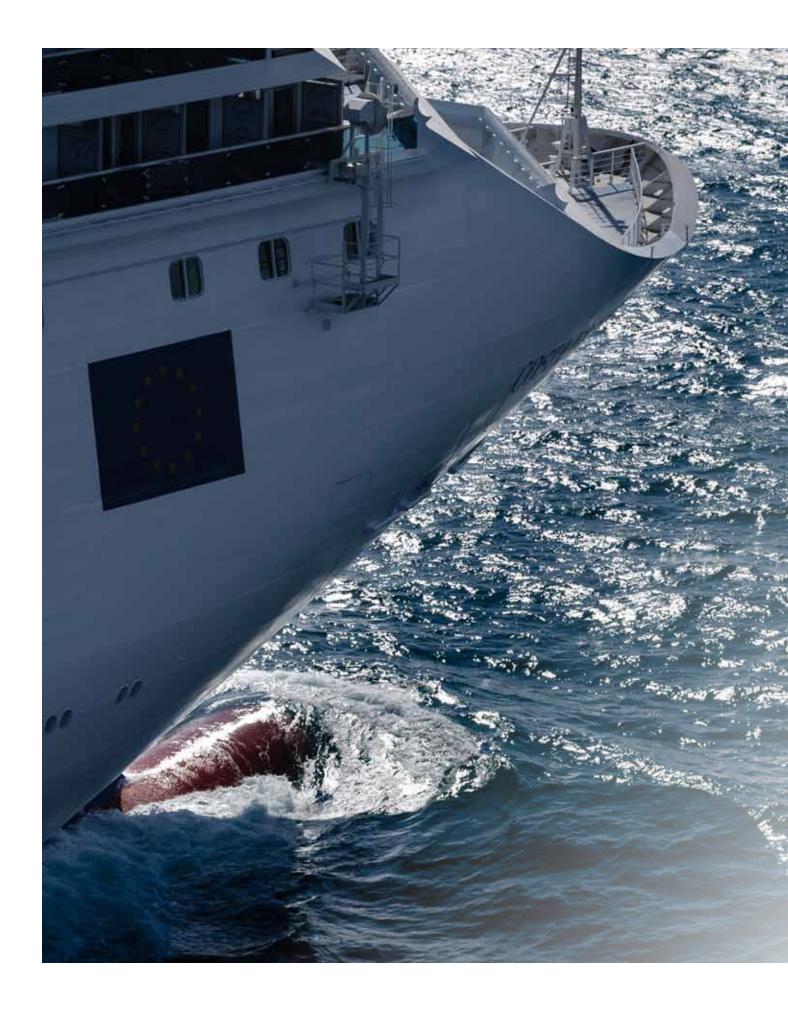
Overview

At the close of first quarter 2014, 99.355% of Fincantieri's share capital of euro 633.48 million was held by Fintecna S.p.A.; the remainder of share capital was owned by a number of private investors including Citibank, which held 0.644%.

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

		SHIPBUILDING	i		OFFSHORE		IT, SYSTEMS ERVICES	OTHER
Cruise ships	Ferries	Ship repairs and conversions	Naval Vessels	Mega Yachts	Offshore	Equipment and systems	After-sales	della g dage
Luxury/niche Upper premium Premium Contemporary	Fast Ferries Cruise ferries Ro-Pax	Repair Refitting Conversion Refurbishment	Aircraft carrier Submarines Destroyers Frigates Corvettes Patrol vessels Amphibious ships Logistic support Special vessels Barge for the transportation of oil and dry cargoes	Luxury yachts >60m	Offshore Support Vessels Construction vessels Drilling vessels	Steam turbines Stabilization, propulsion, dynamic positioning and power generation systems Automation systems Cabins	After-sales services • Integrated logistic support • In-service of warranty service Product lifecycle management Training and assistance	
Cetena S.p.A. Bacini Palermo S Gestione Bacini L FMG LLC • Sturgeon Bay Fincantieri Marine • Marinette Marine • Marinette ACE Marine LLC • Green Bay Fincantieri USA In Fincantieri India	e re di Stabia val shipyard Riva Tri .p.A. a Spezia S.p.A. e Group Holdings Inc Corporation LLC nc. Private Ltd. asil Partecipações S.	z.			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 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.	Fincantieri S.p.A • Riva Trigoso Seastema S.p.A Detfi S.r.L Seaf S.p.A. Isotta Fraschini • Bari FMSNA Inc.		Fincantieri S.p.A. • Corporate

SEGMENTS





fincantieri group interim report on operations at 31 march 2014

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15	Operational review by segment
19	Other information
19	Transactions with the controlling company and other group companies
20	Reconciliation of the reclassified financial statements used in the report on operations with the mandatory IFRS statements

Financial highlights

The Fincantieri Group's Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards (IAS/IFRS).

It should be noted that the figures for the first quarter of 2013 includes for the first-time line-by-line consolidation of VARD starting from the 23 January 2013.

Economic data		31.03.2014	31.03.2013
Revenue and income	Euro/million	923	878
EBITDA	Euro/million	66	74
EBIT	Euro/million	42	52
Profit/loss (+/-) before extraordinary and non-recurring income and expenses	Euro/million	16	30
Extraordinary and non-recurring income and expenses (+/-)	Euro/million	-8	-9
Profit for the period	Euro/million	10	24

Financial data		31.03.2014	31.12.2013
Net invested capital	Euro/million	1,642	1,365
Equity	Euro/million	1,225	1,210
Net financial position	Euro/million	-417	-155

		31.03.2014	31.03.2013	31.12.2013
New orders (*)	Euro/million	1,707	1,714	4,998
Order portfolio (*)	Euro/million	13,760	11,953	12,900
Order backlog (*)	Euro/million	8,809	7,765	8,068
Capital expenditure	Euro/million	27	59	255
Free cash flow	Euro/million	-260	-567	-519
Employees at the end of the period	Number	20,686	19,789	20,389
Vessels delivered (**)	Number	6	7	33

(*) Net of eliminations and consolidations

(**) Number of ships over 40 meters long

For a detailed analysis of the contents of the financial statements of VARD, refer to VARD's financial reports and other communications to shareholders, made in compliance with the rules of the Singapore Stock Exchange.

Significant events in the period:

January

On 9 January 2014, Fincantieri signed with the Provincial Secretariats of all the trade unions and the individual shipyard trade union representatives, an agreement for the reorganization of the Palermo yard, which follows on from the one signed on 21 December 2011 with the government and the national unions, and which establishes important new practices to make work more flexible, essential for achieving the improvements in efficiency and productivity demanded by the global environment.

On 15 January 2014, VARD signed a contract with an international customer for the construction of a Diving Support and Construction Vessel.

On 21 January 2014, Fincantieri announced the signing of a contract for the construction of a super-luxury cruise ship for Seabourn, a Carnival Corporation brand. The contract follows last October's letter of intent between the parties.

February

On 4 February 2014, a plate-cutting ceremony was held at the Marghera shipyard for the new cruise ship being built by Fincantieri for Holland America Line, a Carnival Corporation brand. On 7 February 2014, VARD signed a contract with Bourbon for the design and construction of

an arctic Anchor Handling Tug Supply vessel (AHTS).

In February 2014, Fincantieri acquired 50% of the share capital of Seastema S.p.A. from ABB S.p.A. As a result, Fincantieri now controls 100% of the shares in this company.

On 11 February 2014 VARD finalized a contract for a Platform Support Vessel (PSV) for Carlotta Offshore Ltd.

On 14 February 2014, the "Britannia", the new flagship of P&O Cruises, was launched at the Monfalcone shipyard. The ship is due to be delivered at the start of 2015.

The month of February 2014 also saw official delivery to the Italian Navy of the "Carlo Margottini", the third multipurpose frigate under the FREMM program.

March

During the month of March 2014, the U.S. Navy confirmed the placing of an order with Fincantieri, through its American subsidiary FMG, for the construction of two more LCSs. On 11 March 2014, VARD announced the signing of a letter of intent for the construction

of an Offshore Subsea Construction Vessel (OSCV) for Solstad Offshore, representing the largest order for a single vessel in the Norwegian company's history.

On 12 March 2014, VARD announced the signing of a contract for the construction of two Offshore Support Vessels (OSV).

On 14 March 2014, VARD announced the signing of a contract for the construction of two Platform Supply Vessels (PSV) for Mermaid Marine Australia Ltd.

On 17 March 2014, VARD Marine Inc. was incorporated in Canada, with all of its share capital owned by VARD Group AS.

On 20 March 2014, the Offshore Patrol Vessel (OSV), "Ubaldo Diciotti", was delivered at the Castellammare di Stabia shipyard. This is the second of two multi-purpose vessels commissioned from Fincantieri by the General Command of the Port Authority Corp for the Italian Coast Guard. On 29 March 2014, at the Riva Trigoso (Genoa) Fincantieri launched frigate "Carabiniere", the fourth in a series of 10 FREMM.

Group financial results

Presented below are the reclassified versions of the income statement, statement of financial position and statement of cash flows and the breakdown of net financial position, used by management to monitor business performance. It should be noted that the figures for the first quarter of 2013 includes the line-by-line consolidation of VARD starting from the 23 January 2013.

A reconciliation of these reclassified statements to the IFRS statements is included later on in this report.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(Euro/million)	31.03.2014	31.03.2013
Revenue and income	923	878
Materials, services and other costs	-656	-616
Personnel costs	-197	-176
Provisions and impairment	-4	-12
EBITDA	66	74
Depreciation and amortization	-24	-22
EBIT	42	52
Finance income/costs (+/-)	-17	-8
Income/expense (+/-) from investments		
Income taxes	-9	-14
Profit/loss (+/-) before extraordinary and non-recurring income and expenses	16	30
Extraordinary and non-recurring income and expenses (+/-)	-8	-9
Tax effect of extraordinary and non-recurring income and expenses	2	3
Profit for the period	10	24

The principal contents of the reclassified income statement will now be discussed:

- Revenue and income: these amount to euro 923 million;
- **EBITDA:** euro 66 million with an EBITDA margin of 7.1%;
- Finance income and expenses: negative value equal to euro 17 million; originated by financial income and expenses (inclusive of euro 5 million in finance costs relating to the VARD Group's construction loans);
- Income taxes: these report a negative balance of euro 9 million in the first quarter 2014;
- **Profit/loss (+/-) before extraordinary and non-recurring income and expenses:** this is a profit of euro 16 million for the quarter ended 31 March 2014;

- Extraordinary and non-recurring income and expenses: euro 8 million in net expenses for events falling outside the normal course of business, the most important of which were employer costs for the Extraordinary Wage Guarantee Fund, increases in provisions for restructuring costs and asbestos problems;
- Tax effect of extraordinary and non-recurring income and expenses: taxes relating to extraordinary and non-recurring income and expenses have had an overall positive effect of euro 2 million at 31 March 2014;
- Profit for the period: this amounts to more than euro 10 million.

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 restructuring 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.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro/million)	31.03.2014	31.12.2013
Intangible assets	540	539
Property, plant and equipment	907	897
Investments	73	70
Other non-current assets and liabilities	-12	-14
Employee benefits	-60	-60
Net fixed capital	1,448	1,432
Inventories and advances	444	400
Construction contracts and advances from customers	1,060	757
Construction loans	-701	-563
Trade receivables	374	344
Trade payables	-907	-911
Provisions for risks and charges	-132	-151
Other current assets and liabilities	56	57
Net working capital	194	-67
Net invested capital	1,642	1,365
Equity	1,225	1,210
Net financial position	417	155
Sources of funding	1,642	1,365

The **consolidated statement of financial position** reports an increase at 31 March 2014 of euro 277 million mainly due to the following factors:

- Net fixed capital: this has increased by euro 16 million, net of depreciation and amortization, mostly due to expenditure on property, plant and equipment and intangible assets during the first quarter of 2014 (euro 27 million);
- Net working capital: this is a positive value by euro 194 million with an increase of euro 261 million compared to 31 December 2013 mainly due to the increase in value of Construction contracts.

Equity reports an increase of euro 15 million, mainly reflecting the positive contribution of profit for the period (euro 10 million) and the positive effects of the currency translation reserve due to trends in the US dollar and Norwegian krone against the euro (euro 4 million). All the above factors have led to a **net financial position** of euro 417 million in net debt at period end.

CONSOLIDATED NET FINANCIAL POSITION

(Euro/million)	31.03.2014	31.12.2013
Cash and cash equivalents	282	385
Current financial receivables	69	52
Current bank debt	-111	-35
Current portion of bank loans and credit facilities	-35	-32
Other current financial liabilities	-84	-3
Current debt (-)	-230	-70
Net current cash/debt (+/-)	121	367
Non-current financial receivables	17	41
Non-current bank debt	-246	-255
Bond	-296	-296
Other non-current financial liabilities	-13	-12
Non-current debt (-)	-555	-563
Net financial position	-417	-155

The above **Net Financial Position** does not include construction loans (see Note 22), which are treated as part of working capital and reports a negative balance of euro 417 million.

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

(Euro/million)	31.03.2014	31.03.2013
Net cash flows from operating activities	-231	-339
Net cash flows from investing activities	-29	-228
Net cash flows from financing activities	155	168
Net cash flows for the period	-105	-399
Cash and cash equivalents at beginning of period	385	692
Effects of currency translation difference on opening cash and cash equivalents	2	-4
Cash and cash equivalents at end of period	282	289

The statement of cash flows reports negative **Net cash flows for the period** of euro 105 million, as the result of negative free cash flow of euro 260 million, as partially offset by euro 155 million in cash flows provided by financing activities.

Cash flows from operating activities include the change in construction loans.

NEW ORDERS AND THE ORDER PORTFOLIO

A total of euro 1,707 million in new orders were secured during the first quarter of 2014. As a result, at the first quarter of 2014 reporting date, the Fincantieri Group's order portfolio was euro 13,760 million (euro 12,900 million at 31 December 2013). The associated order backlog was equal to euro 8,809 million (euro 8,068 million at 31 December 2013). In addition, including also the value of the letters of intent signed by the Group, the number of agreements being finalized and the orders related to the investment program of modernization of the Italian Navy, with specific funding earmarked in the "2014 Stability Law", the backlog would be equal to about euro 15 billion.

The following table analyzes the new orders, order portfolio and order backlog at 31 March 2014.

31.03.2014						
(Euro/million)	Shipbuilding	Offshore	Equipment, Systems and Services	Other Activities	Eliminations	Group
New orders	1,004	662	79		-38	1,707
Order portfolio	9,394	3,902	663		-199	13,760
Order backlog	5,935	2,616	315		-57	8,809



Operational review by segment

SHIPBUILDING

The Shipbuilding operating segment is engaged in the design and construction of ships for the business areas of cruise ships, ferries, naval defense (Italian and foreign) and megayachts, as well as in ship conversion and repair. Production is carried out at the Italian shipyards and, in the case of vessels intended for the American market, at the Group's U.S. shipyards.

(Euro/million)	31.03.2014	31.03.2013
Revenue and income (*)	571	585
EBITDA (*)	36	36
New orders (*)	1,004	1,304
Order portfolio (*)	9,394	8,267
Order backlog (*)	5,935	5,568
Capital expenditure	13	37
Vessels delivered (no.) (**)	2	2

(*) Before eliminations between operating segments

(**) Vessels over 40 meters long

Revenue and income

Revenue from the Shipbuilding operating segment amounted to euro 571 million at 31 March 2014 (euro 585 million at 31 March 2013), of which euro 275 million related to the Cruise Ships business area (euro 229 million at 31 March 2013) and euro 233 million to the Naval Vessels business area (euro 301 million at 31 March 2013).

New orders

New orders worth euro 1,004 million were acquired during the first quarter of 2014. The new orders referred to:

- one extra-luxury cruise ship for Seabourn of Carnival Group with delivery, following the signing of a letter of intent in October 2013, by the second half of 2016;
- one extra-luxury cruise ship for an undisclosed client;
- one barge for the transportation of oil and dry cargoes and two more Littoral Combat Ships for the U.S. Navy, the seventh and the eighth under the contract signed in 2010 for the ten units, through Fincantieri's American subsidiary FMG;
- the upgrade/conversion, under the programme "Rinascimento", of the four Lirica class cruise ships for MSC Cruises.

Capital expenditure

During the first quarter of 2014 the most significant expenditure was related to Marghera and Monfalcone shipyards.

Production

Production activities in the first quarter of 2014 can be summarized as follows:

(number)	Keel laying	Launches	Deliveries
Cruise ships	1	1	
Cruise ferries			
Naval vessels			2
Mega-yachts			
Special vessels > 40 m long			
Special vessels < 40 m long			8
Repairs and conversions (*)			17

(*) Number of completed orders for repairs and conversions

The ships delivered are:

- "Ubaldo Diciotti", the second of two multi-purpose vessels commissioned from Fincantieri by the General Command of the Port Authority Corp for the Italian Coast Guard;
- "Carlo Margottini", the third of a series of Fremm vessels Multi Mission European Frigates, ordered from Fincantieri by the Italian Navy.

Moreover, 17 orders for repairs and conversions were completed in the first quarter of 2014.

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 a complete package of turnkey electrical systems, including engineering, manufacturing, installation, integration testing and commissioning.

(Euro/million)	31.03.2014	31.03.2013
Revenue and income	322	282
EBITDA	32	41
New orders	662	374
Order portfolio	3,902	3,307
Order backlog	2,616	2,079
Capital expenditure	9	20
Vessels delivered (no.)	4	5 (*)

(*) Of which 2 before 23 January 2013

Revenue and income

Revenue from the Offshore operating segment amounted to euro 322 million at 31 March 2014.

New orders

New orders worth euro 662 million were acquired during the first quarter of 2014 in relation to 8 vessels. In detail:

- 1 Diving Support and Construction Vessel;
- 1 Arctic Anchor Handling Tug Supply Vessel (AHTS);
- 3 Platform Support Vessel (PSV);
- 1 Offshore Subsea Construction Vessel (OSCV);
- 2 Offshore Support Vessel (OSV).

The associated order backlog at 31 March 2014 was equal to euro 2,6 billion, relevant to 45 ships, of which 27 designed by VARD.

Capital expenditure

The most significant expenditure at 31 March 2014 is mainly related to the Brasilian shipyard of VARD Group.

Production

(number)	Deliveries
AHTS	1
PSV	2
Other	1

A total of 4 vessels were delivered:

1 AHTS (Anchor Handling Tug Supply)

• "Far Sigma" was delivered to Farstad Shipping by the VARD Langsten shipyard (Norway);

2 PSV (Platform Supply Vessel)

- "Island Dawn" was delivered to Island Offshore by the VARD Brevik shipyard (Norway);
- "Troms Arcturus" was delivered to Troms Offshore by the VARD Aukra shipyard (Norway);

1 other vessel

• "Gadus Neptun" was delivered to Havfisk by the VARD Brattvaag shipyard (Norway).

EQUIPMENT, SYSTEMS AND SERVICES

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

(Euro/million)	31.03.2014	31.03.2013
Revenue and income	37	36
EBITDA	4	3
New orders	79	37
Order portfolio	663	432
Order backlog	315	135
Capital expenditure	2	
Engines (*)	5	7

(*) Number of engines produced on site

New orders

The Equipment, Systems and Services segment acquired euro 79 million in new orders during the first quarter of 2014, mostly comprising:

- 1 engine for Kangam Korea;
- 2 engines for "Costa Diadema";
- Supply of technical manuals and training courses.

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.

(Euro/million)	31.03.2014	31.03.2013
Revenue		
EBITDA	-6	-6
New orders		
Order portfolio		
Order backlog		
Capital expenditure	4	

Capital expenditure

The most significant items of expenditure included development of the information systems in support of the Group's business.

Other information

KEY EVENTS AFTER THE END OF THE REPORTING PERIOD AT 31.03.2014

April

During the month of April 2014, the U.S. Navy confirmed the placing of an order with Fincantieri, through its American subsidiary FMG, for the construction of four Response Boat Medium (RB-M) for the the U.S. Coast Guard and of two barges for the transportation of oil and dry cargoes and two tugs for Moran Towing.

Following the collaboration with the Scuola Politecnica of the Genoa University, Fincantieri has started a cooperation project with the Palermo University promoting the Innovation Challenge programme, with the aim of selecting projects in the field of naval technology innovation for subsequent industrialization.

In the month of April 2014, Fincantieri acquired from ISSELnord S.r.l. and from Gentes S.r.l. respectively the 38% and the 11% of the share capital of Delfi S.r.l. Following this acquisition, 100% of the Company's share capital is held by Fincantieri.

Transactions with the controlling company and other group companies

During the first quarter of 2014, the Fincantieri Group carried out transactions with Fintecna, its controlling company, and with certain Fintecna's companies, and with Cassa Depositi e Prestiti and certain Cassa Depositi e Prestiti's companies.

Fincantieri also had dealings with associates, for which the related transactions and balances are not eliminated upon consolidation in accordance with the consolidation method adopted. All the above transactions are always conducted on an arm's length basis.

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

	31.03.2	2014	31.03.2	2013
(Euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A – Revenue		923		878
Operating revenue	911		868	
Other revenue and income	12		10	
B - Materials, services and other costs		-656		-616
Materials, services and other costs	-657		-620	
Recl. to L – Extraordinary and non-recurring income and expenses	1		4	
C - Personnel costs		-197		-176
Personnel costs	-201		-180	
Recl. to L – Extraordinary and non-recurring income and expenses	4		4	
D - Provisions and impairment		-4		-12
Provisions and impairment	-7		-13	
Recl. to L – Extraordinary and non-recurring income and expenses	3		1	
E - Depreciation and amortization		-24		-22
Depreciation and amortization	-24		-22	
F – Finance income and costs		-17		-8
Finance income and costs	-17		-8	
G - Income/expense (+/-) from investments		-		-
Income/expense (+/-) from investments	-		-	
H - Income taxes		-9		-14
Income taxes	-7		-11	
Recl. L – Extraordinary and non-recurring income and expenses	-2		-3	
I - Extraordinary and non-recurring income and expenses		-8		-9
Recl. from B - Materials, services and other costs	-1		-4	
Recl. from C - Personnel costs	-4		-4	
Recl. from D - Provisions and impairment	-3		- 1	
L - Tax effect of extraordinary and non-recurring income and expenses		2		3
Recl. from H – Income taxes for the year	2		3	
Profit for the period		10		24

CONSOLIDATED INCOME STATEMENT

		31.03.	2014	31.12.2013	
	(Euro/million)	Partial amounts in IFRS statement	Amounts in reclassified	Partial amounts in IFRS statement	Amounts in reclassified statement
A)	Intangible assets	Statement	statement 540	Statement	539
A)	Intangible assets	540	540	539	537
B)	Property, plant and equipment	540	907	337	897
,0	Property, plant and equipment Property, plant and equipment	907	/0/	897	077
C)	Investments	707	73	077	70
0,	Investments	73		70	70
E)	Other non-current assets and liabilities	,,,	-12	,,,	-14
_,	Derivative assets	19		17	
	Other non-current assets	15		17	
	Other liabilities	-43		-47	
	Derivative liabilities, and purchase contract fair value	-3		-1	
D)	Employee benefits		-60	· ·	-60
	Employee benefits	-60		-60	
F)	Inventories and advances		444		400
	Inventories and advances	444		400	
G)	Construction contracts – assets		1,060		757
	Construction contracts - assets	1,846		1,531	
	Construction contracts - liabilities	-786		-774	
H)	Construction loans		-701		-563
	Construction loans	-701		-563	
I)	Trade receivables		374		344
	Trade receivables and other current assets	558	1	532	
	Recl. to N) Other assets	-184		-188	
L)	Trade payables		-907		-911
	Trade payables and other current liabilities	-1,131		-1,129	
	Recl. to N) Other liabilities	224	<u> </u>	218	
M)	Provisions for risks and charges		-132		-151
	Provisions for risks and charges	-132		-151	
N)	Other current assets and liabilities		56		57
	Deferred tax assets	168		168	
	Income tax assets	38	·	38	
	Derivative assets	41		68	
	Recl. from I) Other assets	184		188	
	Deferred tax liabilities	-87		-88	
	Income tax liabilities	-30		-30	
	Derivative liabilities and option fair value	-34		-69	
	Recl. from L) Other liabilities	-224		-218	
NE	INVESTED CAPITAL		1,642		1,365
0)	Equity		1,225		1,210
P)	Net financial position		417		155
รอเ	IRCES OF FUNDING		1,642		1,365
Q)	Net (assets)/liabilities held for sale				

CONSOLIDATED STATEMENT OF FINANCIAL POSITION



fincantieri group condensed consolidated interim financial statements as at and for the three months ended 31 march 2014

	page number	
	24	Consolidated statement of financial position
	25	Consolidated statement of comprehensive income
-	56	Consolidated statement of changes in equity
-	27	Consolidated statement of cash flows

Consolidated statement of financial position

(Euro/000)	Note	31.03.2014	31.12.2013
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	5	540,168	539,332
Property, plant and equipment	6	906,403	896,545
Investments accounted for using the equity method	7	63,994	61,647
Other investments	7	9,008	8,917
Financial assets	8	73,582	99,882
- of which related parties	27	9,949	8,548
Other assets	9	14,813	17,456
Deferred tax assets	10	167,573	167,651
Total non-current assets		1,775,541	1,791,430
CURRENT ASSETS	11		000 700
Inventories and advances	11	444,156	399,728
Construction contracts - assets	12	1,842,670	1,530,660
Trade receivables and other current assets - of which related parties	13 <i>27</i>	557,847 <i>111,657</i>	558,921 <i>48,808</i>
Income tax assets	27		
	1 /	37,786	38,817
Financial assets - of which related parties	14 27	116,425 <i>245</i>	99,353 <i>4,368</i>
Cash and cash equivalents	15	282,006	384,506
Total current assets		3,280,890	3,011,985
TOTAL ASSETS		5,056,431	4,803,415
EQUITY AND LIABILITIES	16	0,000,401	4,000,410
EQUITY	10		
Equity attributable to owners of the parent			
Share capital		633,481	633,481
Reserves and retained earnings		342,614	334,860
Total Equity attributable to owners of the parent		976,095	968,341
Non-controlling interests		248,438	242,225
Total Equity		1,224,533	1,210,566
NON-CURRENT LIABILITIES			
Provisions for risks and charges	17	96,354	98,907
Employee benefits	18	59,802	60,049
Financial liabilities	19	595,379	604,727
- of which related parties	27	19,049	19,049
Other liabilities	20	43,677	47,600
Deferred tax liabilities		87,104	87,837
Total non-current liabilities		882,316	899,120
CURRENT LIABILITIES			
Provisions for risks and charges	17	35,625	51,860
Construction contracts – liabilities	12	782,938	773,657
Trade payables and other current liabilities	21	1,130,515	1,154,718
- of which related parties	27	3,122	1,250
Income tax liabilities		28,980	30,220
Financial liabilities	22 <i>27</i>	971,524	683,274
- of which related parties	۷ /	85,051	4,424
Total current liabilities		2,949,582	2,693,729
TOTAL EQUITY AND LIABILITIES		5,056,431	4,803,415

Consolidated statement of comprehensive income

(Euro/000)	Note	31.03.2014	31.03.2013
Operating revenue	23	911,134	867,919
- of which related parties	27	78,853	107,397
Other revenue and income	23	12,280	10,050
- of which related parties	27	638	292
Materials, services and other costs	24	-657,552	-620,106
- of which related parties	27	-710	-463
Personnel costs	24	-201,922	-180,150
Depreciation and amortization	24	-23,780	-22,177
Provisions and impairment	24	-6,753	-12,737
Finance income	25	5,574	6,373
- of which related parties	27	63	-
Finance costs	25	-22,204	-14,080
- of which related parties	27	-1,175	-696
Income/expense (+/-) from investments		-291	2
Share of profit/loss (+/-) of investments accounted for using the equity method		408	430
Income taxes	26	-6,596	-11,739
PROFIT/LOSS (+/-) FOR THE PERIOD (A)		10,298	23,785
Attributable to owners of the parent		5,440	14,756
Attributable to non-controlling interests		4,858	9,029
Basic and diluted earnings/loss (+/-) per share (Euro)		0.0043796	0.0118797
Other comprehensive income/losses (+/-), net of tax (OCI)			
Gains/losses (+ /-) from remeasurement of employee defined benefit plans	16 - 18	-379	-114
Total gains/losses (+/-) that will not be reclassified to profit or loss, net of tax	16	-379	-114
attributable to non-controlling interests		-	1
Effective portion of gains/losses (+/-) on cash flow hedging instruments	16	82	-4
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	16	5,064	-1,031
Total gains/losses (+/-) that may be subsequently reclassified to profit or loss, net of tax	16	5,146	-1,035
attributable to non-controlling interests		2,319	-1,689
Total other comprehensive income/losses (+/-), net of tax (B) attributable to non-controlling interests	16	4,767 2,319	-1,149 <i>-1,688</i>
TOTAL COMPREHENSIVE INCOME/LOSS (+/-) FOR THE PERIOD (A) + (B)		15,065	22,636
Attributable to owners of the parent		7,888	15,295
Attributable to non-controlling interests		7,177	7,341

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
01.01.2013	16	633,481	306,045	939,526	17,011	956,537
Business combinations					212,975	212,975
Share capital increase						
Share capital increase – non-controlling interests						
Purchase of non-controlling interests						
Dividend distribution					-300	-300
Other changes/roundings			114	114	155	269
Total transactions with owners			114	114	212,830	212,944
Profit for the period			14,756	14,756	9,029	23,785
Other components of comprehensive income			539	539	-1,688	-1,149
Total comprehensive income for the period			15,295	15,295	7,341	22,636
31.03.2013	16	633,481	321,454	954,935	237,182	1,192,117
01.01.2014	16	633,481	334,860	968,341	242,225	1,210,566
Business combinations					·	
Share capital increase						
Share capital increase – non-controlling interests						
Purchase 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 for the period			5,440	5,440	4,858	10,298
Other components of comprehensive income			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	16	633,481	342,614	976,095	248,438	1,224,533

Consolidated statement of cash flows

(Euro/000)	Note	31.03.2014	31.03.2013
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	-374,867	-311,536
Investments in:		(100	10.000
- intangible assets		-4,190	-12,802
- property, plant and equipment		-23,279	-46,082
- equity investments		-1,323	-805
- cash out for business combination (VARD group), net of cash acquired			-168,707
Disposals of: - intangible assets		8	53
- property, plant and equipment		672	162
- equity investments		5	
- other financial assets and receivables			
- Acquisition of interest in subsidiary		-900	
CASH FLOWS FROM INVESTING ACTIVITIES		-29,007	-228,181
Change in non-current loans: - proceeds		2,129	76,502
- repayments		-10,941	-16,377
Change in non-current financial receivables: - proceeds		-1,322	
- repayments		9,261	627
Change in current bank loans and credit facilities		219,956	131,493
Change in current loans from controlling companies			
Change in payables/receivables due to/from associates			
Change in other current financial liabilities/receivables		80,135	-50,044
Change in receivables for held-for-trading financial instruments		7	52
Change in payables for held-for-trading financial instruments		177	-1,074
Dividends paid		-196	-300
Contribution by shareholders, including non-controlling interests			
CASH FLOWS FROM FINANCING ACTIVITIES		299,206	140,879
NET CASH FLOWS FOR THE PERIOD		-104,668	-398,838
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		384,506	691,828
Effect of exchange rate changes on cash and cash equivalents		2,168	-4,264
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		282,006	288,726



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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 legal entity incorporated under the Italian law. The current name was adopted at the Extraordinary General Meeting of the Company's shareholders held on 30 September 2013, and has replaced the previous name of "Fincantieri Cantieri Navali Italiani S.p.A.".

FINCANTIERI S.p.A. is one of the largest shipbuilding groups in the world, operates in the design and construction of complex ships with high technological content such as cruise ships, ferries, naval vessels, mega yachts, offshore and marine systems and components.

As at 31 March 2014, 99.355% of the Company's share capital of euro 633,480,725.70 was held by Fintecna S.p.A.; the remainder of share capital was owned by a number of private investors including Citibank, which held 0.644%. It should be noted that the share capital of Fintecna S.p.A. is 100% 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. The Company's registered office is located in Via Genova no. 1, Trieste (Italy).

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.

It should be noted that as at the date of approving the present financial statements, work is in progress for the publication of a prospectus (hereinafter the "Prospectus") for the proposed initial public offering and subscription of the Company's ordinary shares and their admission to listing on the Milan Stock Exchange organized and managed by Borsa Italiana S.p.A. (hereinafter the "Listing"). The Condensed Consolidated Interim Financial Statements as at and for the three months ended at 31 March 2014 and 2013 ("Condensed Consolidated Interim Financial Statements"), approved by the Company's Board of Directors on 5 May 2014, has been prepared for the purposes of organizing the Prospectus and the Offering Circular, relevant to the preparation of an offer document for the sale of shares to international institutional investors, within the meaning of Regulation S of the United States Securities Act of 1933, including those in the United States of America, under Rule 144A of this Act.

The statutory audit of the Condensed Consolidated Interim Financial Statements is the responsibility of PricewaterhouseCoopers S.p.A., the firm appointed to perform the statutory audit of the separate financial statements of the Parent Company and its main subsidiaries.

BASIS OF PREPARATION

The Condensed Consolidated Interim Financial Statements comply with IAS 34 "Interim Financial Reporting". IAS 34 allows the preparation of the financial statements in a condensed format presenting a considerably reduced level of information as provided for by IFRS, as long as a complete financial statement report has been previously prepared according to IFRS. Since the contents of the Condensed Consolidation Interim Financial Statements are presented in a condensed format, they must be read in conjunction with the annual financial statements of the Group at 31 December 2013, 2012 and 2011 in compliance with international accounting standards (IAS/IFRS) (the "Consolidated Financial Statements").

It is pointed out that the results of the Group for the first quarter of 2013, included in the condensed consolidated statement of comprehensive income, show the evaluation effects of the process of measuring identifiable assets acquired and identifiable liabilities assumed through the acquisition of VARD Holdings Ltd (see Consolidated Financial Statements for further details). The following table shows the condensed consolidated statement of financial position as at the end of March 2013 that reflects the mentioned process of measuring identifiable assets acquired and identifiable liabilities assumed by the acquisition of VARD Holdings Ltd.

(Euro/000)	31.03.2013		
ASSETS			
Total non-current assets	1,684,016		
Total current assets	2,531,362		
TOTAL ASSETS	4,215,378		
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the parent	954,935		
Non-controlling interests	237,182		
Total Equity	1,192,117		
Total non-current liabilities	665,892		
Total current liabilities	2,357,369		
TOTAL EQUITY AND LIABILITIES	4,215,378		

With regards 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 managed by the Parent Company which decides, in close collaboration with its operating units, whether and how to hedge these risks.

In respect of this aspect, no modifications occurred on the major financial risks and their management as reported in Consolidated Financial Statements.

Note 2 - scope and basis of consolidation

As previously stated, scope and basis of consolidation adopted for the preparation of the Condensed Consolidated Interim Financial Statements are in line with those ones used in preparing the Consolidated Financial Statements, with the exception of what reported in Note 3. It is pointed out that on 17 March 2014, VARD Marine Inc. was incorporated in Canada, with all of its share capital owned by VARD Group AS.

During the first quarter 2014 and 2013 there were no significant transactions or unusual events, except for what reported in Consolidated Financial Statements. Moreover the Fincantieri Group's activities are not affected by seasonality.

TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

	20 1	4			
	3-month average	Closing rate at 31-Mar	3-month average	Closing rate at 31-Mar	Closing rate at 31-Dec
US Dollar (USD)	1.3696	1.3788	1.3206	1.2805	1.3791
UAE Dirham (AED)	5.0306	5.0643	4.8507	4.7032	5.0654
Brazilian Real (BRL)	3.2340	3.1276	2.6368	2.5703	3.2576
Norwegian Krone (NOK)	8.3471	8.255	7.4290	7.5120	8.3630
Indian Rupee (INR)	84.5794	82.5784	71.5212	69.5660	85.3660
Romanian Leu (RON)	4.5023	4.4592	4.3865	4.4193	4.4710

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

Note 3 - accounting policies

The Group's adoption of the international accounting standards and amendments compulsory from 1 January 2014 (particularly IFRS 10, IFRS 11, IFRS 12 and certain amendments to IAS 32, IAS 36 e IAS 39) did not have any significant impact on the information provided. At the date of the present financial statements the competent bodies of the European Union had not yet completed the endorsement process needed for the adoption of the following accounting standards and amendments:

On 12 November 2009, the IASB issued IFRS 9 – Financial Instruments; this standard has been subsequently amended. The standard, which must be applied retrospectively from 1 January 2015, is the first part of a project aimed at completely replacing IAS 39, and introduces new principles for the classification and measurement of financial assets and liabilities. In particular,

the new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. This approach is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets themselves. In the case of financial liabilities, the main change relates to the accounting treatment of changes in fair value of a financial liability designated at fair value through profit or loss if such changes are due to a change in the credit rating of the liability itself. Under the new standard, such changes must be recognized in "Other comprehensive income and losses" and no longer through profit or loss.

On 21 November 2013, the IASB issued the document Defined Benefit Plans: Employee Contributions (Amendments to IAS 19 Employee Benefits). The amendments to IAS 19 allow contributions from employees or third parties, that are independent of the number of years of service, to be treated as a reduction in current service cost rather than attributing them to the period over which service is rendered. This treatment is optional and not mandatory.

On 12 December 2013, the IASB issued the document Annual Improvements to IFRSs 2010–2012 Cycle. The related improvements have made changes to: (i) IFRS 2, by amending the definition of "vesting condition"; (ii) IFRS 3, by clarifying that contingent consideration that is classified as an asset or a liability must be measured at fair value at each reporting date;(iii) IFRS 8, mainly by requiring a reporting entity to disclose the judgments made by management in applying the aggregation criteria to operating segments; (iv) the Basis of Conclusions of IFRS 13, by confirming the possibility of being able to measure short-term receivables and payables with no stated interest rate at their invoice amounts, without discounting if the effect of not discounting is immaterial; (v) IAS 16 and IAS 38, by clarifying that when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount; (vi) IAS 24, by specifying that if an entity (or any member of a group of which it is part) provides key management personnel services to the reporting entity (or to the parent of the reporting entity), then it is a related party of the reporting entity.

On the same date, the IASB issued the document *Annual Improvements to IFRSs 2011-2013 Cycle*. The related improvements have made changes to: (i) the Basis of Conclusions of IFRS 1, by clarifying the definition of "existing and currently effective" IFRS for first-time adopters; (ii) IFRS 3, by clarifying that this standard excludes from its scope, the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; (iii) IFRS 13, by clarifying that the scope of the exception defined in paragraph 48 of IFRS 13 includes all contracts accounted for within the scope of IAS 39, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32; (iv) IAS 40, by clarifying the interrelationship between IFRS 3 and IAS 40.

In accordance with the pronouncements made by the IASB, the provisions contained in these documents are effective for annual periods beginning on or after 1 July 2014. However, since these improvements have not yet been endorsed by the European Commission, the effective date of the provisions in question could be deferred to a later date.

On 19 November 2013, the IASB issued the document IFRS 9 - Financial Instruments: Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39, with the related Basis for Conclusions and Implementation Guidance. These amendments: (i) involve a substantial overhaul of hedge accounting; (ii) allow earlier application compared with other amendments to IFRS 9 of the amendment which requires changes in the fair value of liabilities designated at fair value through profit or loss, comprising gains or losses arising from changes in the entity's credit risk, to be recognized in Other comprehensive income; (iii) remove the 1 January 2015 mandatory effective date of IFRS 9.

Note 4 - critical accounting estimates and assumptions

With reference to the description of the application of accountings estimates and assumptions we refer to what reported in the Consolidated Financial Statement.

It is pointed out that certain evaluation process, especially the more complex, are generally performed annually for reporting purpose or more often in case of impairment indicators.

Note 5 - intangible assets

Movements in this line item are as follows:

(Euro/000) - cost	Goodwill 299,813	Customer relationships	Development costs 26,832	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangibles	Intangibles in progress and advances to suppliers 20,047	Total 659,123
- cost - accumulated amortization and impairment losses		210,397 -25,134	-12,557	81,229	-723	6,203 -3,428		-119,791
Net carrying amount at 01.01	299,813	185,263	14,275	3,280	13,879	2,775	20,047	539,332
Movements								
- business combinations								
- additions						167	4,024	4,191
- net disposals								
- reclassifications/ Other							-9	-9
- amortization		-4,574	-397	-432	-55	-132		-5,590
- impairment losses								
- exchange rate differences	12	2,210			7	15		2,244
Closing net carrying amount	299,825	182,899	13,877	2,848	13,831	2,825	24,062	540,168
- cost	299,825	212,863	26,848	81,229	14,609	6,397	24,062	665,833
- accumulated amortization and impairment losses	-	-29,964	-12,970	-78,381	-778	-3,572	-	-125,625
Net carrying amount at 31.03	299,825	182,899	13,877	2,848	13,831	2,825	24,062	540,168

Goodwill at 31 March 2014 equals to about euro 58 millions following the acquisition of the U.S. Fincantieri Marine Group in 2009 and allocated to the Naval cash generating unit (CGU) forming part of the Shipbuilding operating segment and to euro 242 million following the

acquisition of the VARD Group in January 2013 and allocated to the Offshore cash generating unit (CGU), which represents the entire Offshore operating segment.

Trademarks with indefinite useful lives refer to the names of U.S. shipyards acquired (namely Marinette and Bayshipbuilding) and are allocated to the CGU representing the American group acquired.

All additions, during the first quarter 2014, for euro 4,191 thousand refer mainly to projects under construction and information systems development to support the Fincantieri Group's business. Additions made during the first quarter 2013, for euro 12,802 thousand refer mainly to projects under construction.

Note 6 - property, plant and equipment

(Euro/000)	Land and buildings	Leased buildings	Industrial plant, machinery and equipment	Assets under concession	Extraordinary maintenance on leased assets	Other assets	Assets under construct- ion and advances to suppliers	Total
- cost	465,245	1,900	968,264	173,451	25,292	152,898	220,155	2,007,205
- accumulated depreciation and impairment losses	-167,434	-1,425	-706,412	-115,537	-19,167	-100,685	-	-1,110,660
Net carrying amount at 01.01	297,811	475	261,852	57,914	6,125	52,213	220,155	896,545
Movements								
- business combinations								
- additions	1,770		5,359		2	2	16,146	23,279
- net disposals			-22					-22
- other changes/ reclassifications	60,002		61,146		29	77	-121,541	-287
- depreciation	-4,047	-69	-11,941	-807	-205	-1,121		-18,190
- impairment losses	-17							-17
- financial exp. capital							845	845
 exchange rate differences 	1,368	1	1,039			5	1,837	4,250
Closing net carrying amount	356,887	407	317,433	57,107	5,951	51,176	117,442	906,403
- cost	528,789	1,900	1,035,561	173,471	25,324	152,733	117,442	2,035,200
- accumulated depreciation and impairment losses	-171,902	-1,493	-718,128	-116,344	-19,373	-101,557	-	-1,128,797
Net carrying amount at 31.03	356,887	407	317,433	57,107	5,951	51,176	117,442	906,403

Movements in this line item are as follows:

Additions amounting to euro 23,279 thousand in the first quarter 2014 mainly refer to the shipyards of Monfalcone, Marghera and the Brazilian shipyard of VARD.

Additions made during the first quarter 2013, for euro 46,082 thousand refer mainly to the shipyards of Monfalcone, Marghera, Sestri and the shipyard of VARD in Brazil, Romania and Vietnam.

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
01.01.2014	45,849	15,798	61,647	1,527	7,390	8,917	70,564
Business combinations							
Additions	1,323		1,323				1,323
Revaluations(+) Impairment losses(-)	278	130	408				408
Disposals				-5		-5	-5
Dividends from investments accounted for using the equity method							
Reclassifications/ Other							
Exchange differences	616		616		96	96	712
31.03.2014	48,066	15,928	63,994	1,522	7,486	9,008	73,002

Note 8 - non-current financial assets

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Grants financed by BIIS	37,481	40,790
Derivative assets	19,343	17,253
Other non-current financial receivables	6,682	33,211
Non-current financial receivables from investee companies	10,076	8,628
NON-CURRENT FINANCIAL ASSETS	73,582	99,882

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

The decrease of "Other non-current financial receivables" was attributable to the reclassification in the "Current financial assets" of the receivables expiring in the first quarter 2015.

Note 9 - other non-current assets

Other non-current assets are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Other receivables from investee companies		186
Government grants receivable	2,323	2,555
Other receivables	12,490	14,715
OTHER NON-CURRENT ASSETS	14,813	17,456

Other non-current assets are all stated net of any provisions for impairment.

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

	Provision for impairment of
(Euro/000)	other receivables
Balance at 1.1.2014	16,656
Utilizations	
Increases (+) Releases (-)	
Total at 31.03.2014	16,656

Note 10 - deferred tax assets and liabilities

Deferred tax assets are analyzed as follows:

(Euro/000)	Total
01.01.2014	167,651
- business combinations	
- through income statement	-507
- impairment losses	
- through other comprehensive income	118
- other changes	58
- exchange rate differences	253
31.03.2014	167,573

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.

Deferred tax liabilities are analyzed as follows:

(Euro/000)	Total
01.01.2014	87,837
- business combinations	
- through income statement	-1,402
- impairment losses	
- through other comprehensive income	
- other changes	-54
- exchange rate differences	723
31.03.2014	87,104

Note 11 - inventories and advances

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Raw materials and consumables	182,838	183,348
Work in progress and semi-finished goods	7,606	3,843
Finished products	5,862	6,083
Merchandise		
Total inventories	196,306	193,274
Advances to suppliers	247,850	206,454
TOTAL INVENTORIES AND ADVANCES	444,156	399,728

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

[Euro/000]	Provision for impairment - raw materials	Provision for impairment – finished products
01.01.2014	16,131	2,586
Business combinations		
Provisions		
Utilizations	-34	
Releases	-52	
Exchange rate differences		
31.03.2014	16,045	2,586

Note 12 - construction contracts - assets and liabilities

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

		31.03.2014		31.12.2013		
(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	3,589,180	1,766,246	1,822,934	3,383,893	1,868,900	1,514,993
Other contracts for third parties	35,861	16,125	19,736	31,252	15,585	15,667
Total	3,625,041	1,782,371	1,842,670	3,415,145	1,884,485	1,530,660

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

		31.03.2014			31.12.2013	
(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	3,504,768	4,263,457	758,689	3,009,670	3,715,342	705,672
Other contracts for third parties	172,223	182,564	10,341	153,967	165,958	11,991
Advances from customers		13,908	13,908		55,994	55,994
Total	3,676,991	4,459,929	782,938	3,163,637	3,937,294	773,657

Note 13 - trade receivables and other current assets

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Trade receivables	374,066	343,684
Receivables from controlling companies (tax consolidation)	10,210	10,210
Government grants receivable	6,802	8,467
Other sundry receivables	81,563	82,522
Indirect tax receivables	37,397	47,473
Firm commitments	17,322	26,564
Accrued income		
Prepayments	30,487	40,001
TOTAL TRADE RECEIVABLES AND OTHER CURRENT ASSETS	557,847	558,921

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 insolvency. The provision for past due interest related to interest charged on the late payment of trade receivables has been inscribed in the "Allowance for doubtful accounts and default interest". The amounts and movements in the provisions for impairment of receivables are as follows:

(Euro/000)	Total
01.01.2014	43,098
- business combination	
- direct utilizations	-28
- provisions (+)/releases (-)	705
- through other comprehensive income	-7
31.03.2014	43,768

"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 - current financial assets

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Derivative assets	40,676	40,826
Other receivables	68,647	50,113
Other financial receivables		
Government grants financed by BIIS	6,557	6,436
Accrued interest income	545	1,978
Prepaid interest and other financial expense		
TOTAL FINANCIAL RECEIVABLES	116,425	99,353

"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 receivables from customers.

Note 15 - cash and cash equivalents

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Bank and postal deposits	281,883	384,236
Temporary bank overdrafts		
Checks	7	149
Cash on hand	116	121
TOTAL CASH AND CASH EQUIVALENTS	282,006	384,506

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

Note 16 - equity

EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT

The composition of equity is analyzed in the following table:

(Euro/000)	31.03.2014	31.12.2013
Attributable to owners of the parent		
Share capital	633,481	633,481
Share premium reserve	71	71
Legal reserve	29,439	29,439
Cash flow hedge reserve	-679	-760
Available-for-sale fair value reserve	-226	-226
Currency translation reserve	-31,782	-34,527
Other reserves and retained earnings	340,351	284,146
Profit/loss (+/-) for the period	5,440	56,717
TOTAL	976,095	968,341
Attributable to non-controlling interests		
Capital and reserves	268,704	241,356
Available-for-sale fair value reserve	-180	-180
Currency translation reserve	-24,944	-27,352
Profit/loss (+/-) for the period	4,858	28,401
	248,438	242,225
TOTAL EQUITY	1,224,533	1,210,566

SHARE CAPITAL

The Parent Company's share capital amounts to euro 633,481 thousand, all of which fully paid-in and comprising 1,242,119,070 ordinary shares with no par value. Share capital has not undergone any changes in any of the years under review.

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 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 2013 is mainly due to comprehensive income for the period attributable to non-controlling interests and to the acquisition of 50% of the share capital of Seastema S.p.A. as a consequence the Fincantieri Group's now controls 100% of the shares in this company.

OTHER COMPREHENSIVE INCOME/LOSSES

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

		31.03.2014			31.12.2013	
(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	113	-31	82	699	-189	510
Gains/losses (+/-) from remeasurement of employee defined benefit plans	-523	114	379	1,148	-69	1,079
Gains/losses (+/-) arising from changes in OCI of investments accounted for using the equity method				-744		-744
Gains/losses (+/-) arising on translation of financial statements of foreign operations	5,059	5	5,064	-41,733	-263	-41,996
Total other comprehensive income/ losses (+/-)	4,649	118	4,767	-40,630	-521	-41,151

(Euro/000)	31.03.2014	31.12.2013
Effective portion of profits/losses (+/-) arising in period on cash flow hedging instruments	-935	-1,048
Effective portion of profits/losses (+/-) on cash flow hedging instruments reclassified to income statement	1,048	1,747
Effective portion of profits/losses (+/-) on cash flow hedging instruments	113	699
Tax effect of other components of comprehensive income	-31	-189
TOTAL OTHER COMPREHENSIVE INCOME/LOSSES (+/-), NET OF TAX	82	510

Note 17 - 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	42,910	37,534	110		18,353	98,907
- Current portion	1,426	19,204		4,775	26,455	51,860
01.01.2014	44,336	56,738	110	4,775	44,808	150,767
Business combinations						
Other movements					-17,124	-17,124
Provisions	3,114	3,141			936	7,191
Utilizations	-2,711	-5,150		-536	-5	-8,402
Releases		-866			-3	-869
Exchange rate differences	60	177			179	416
31.03.2014	44,799	54,040	110	4,239	28,791	131,979
- Non-current portion	43,309	34,544	110		18,391	96,354
- Current portion	1,490	19,496		4,239	10,400	35,625

The litigation provision includes provisions for specific employment, contractual and noncontractual disputes associated with lawsuits brought by employees, authorities or third parties for asbestos-related damages, as well as other disputes and lawsuits with workers and suppliers.

The product warranty provision covers the cost of carrying out work under contractual guarantee after vessel delivery. The warranty period normally covers 1 or 2 years after delivery, but in certain cases it may be longer.

The Business reorganization provision refers to the residual amount of the Reorganization Plan started in 2011 with the agreement of the main trade unions, aimed at addressing the issue of surplus staff.

The provision for other risks and charges includes provisions for environmental cleanup 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.

"Other movements" refers to the reclassification of provisions for risks related to construction contracts, to reduce their gross value.

Note 18 - employee benefits

Movements in this line item are as follows:

(Euro/000)	31.03.2014	31.12.2013
Opening balance	60,486	70,757
Business combinations		4,597
Interest cost	450	2,200
Actuarial gains/losses (-/+)	523	-1,152
Utilizations for benefits and advances paid	-1,306	-12,899
Staff transfers and other movements	9	-2,740
Currency translation differences	4	-277
Closing balance	60,166	60,486
Plan assets	-364	-437
Closing balance	59,802	60,049

Note 19 - non-current financial liabilities

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Bond	296,276	296,095
Loans from shareholders		
Bank loans and credit facilities - non-current portion	245,595	254,670
Loans from BIIS - non-current portion	37,481	40,790
Finance lease obligations	464	544
Financial liabilities for the acquisition of equity investments	11,770	11,770
Fair value of options on equity investments		
Derivative liabilities	2,747	858
Other financial liabilities	1,046	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	595,379	604,727

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

This amount reflects the fair value 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.

Note 20 - other non-current liabilities

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Capital grants	29,254	30,014
Other liabilities	14,423	17,586
TOTAL OTHER NON-CURRENT LIABILITIES	43,677	47,600

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

Note 21 - trade payables and other current liabilities

These are analyzed as follows:

(Euro/000)	31.03.2014	31.12.2013
Payables to suppliers	906,808	910,538
Social security payables	28,415	28,028
Other payables for deferred employee remuneration	61,967	64,572
Other payables	85,452	98,209
Indirect tax payables	18,019	20,700
Firm commitments	23,325	25,166
Accrued expenses	6,523	7,504
Deferred income	6	1
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	1,130,515	1,154,718

"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-year wage adjustments. "Other payables" include employee income tax withheld payable to the Italian 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 22 - current financial liabilities

(Euro/000)	31.03.2014	31.12.2013
Bonds		
Convertible bonds		
Bank loans and credit facilities - current portion	30,124	29,717
Loans from BIIS - current portion	6,557	6,436
Bank loans and credit facilities – Construction loans	700,760	562,791
Bank credit facilities repayable on demand	111,242	35,134
Payables to Fintecna	219	184
Payables to joint ventures	83,413	2,535
Payables to subsidiaries		
Payables to associates		
Finance lease obligations - current portion	282	276
Fair value of options on equity investments	13,780	13,777
Other financial liabilities	196	
Derivative liabilities	20,206	29,932
Accrued interest expense	4,745	2,492
Deferred interest and other financial income		
TOTAL CURRENT FINANCIAL LIABILITIES	971,524	683,274

These are analyzed as follows:

"Payables to joint ventures" relate to the balance on the intercompany current account with Orizzonte Sistemi Navali.

"Fair value of options on equity investments" relate to the option held by minority shareholders of the Fincantieri Marine Group, exercisable from 1 January 2014.

The fair value of derivative financial instruments has been calculated considering the market parameters and using widely accepted measurement techniques (Level 2).

Note 23 - revenue and income

These are analyzed as follows:

(Euro/000)	31.03.2014	31.03.2013
Operating revenue	911,134	867,919
Other revenue and income		
Gains on disposal	376	91
Sundry revenue and income	10,778	8,462
Government grants	1,126	1,497
Total other revenue and income	12,280	10,050
TOTAL REVENUE AND INCOME	923,414	877,969

Note 24 - operating costs

MATERIALS, SERVICES AND OTHER COSTS

Materials, services and other costs are analyzed as follows:

(Euro/000)	31.03.2014	31.03.2013
Raw, ancillary and consumable materials	-482,424	-438,376
Services	-154,895	-168,046
Leases and rentals	-9,649	-8,373
Change in inventories of raw, ancillary and consumable mate- rials	-2,730	16,324
Change in work in progress	179	
Change in finished product	1,707	-723
Other operating costs	-11,869	-31,287
Total materials, services and other costs	-658,781	-630,481
Capitalization of internal costs	2,129	10,375
TOTAL OPERATING COSTS	-657,552	-620,106

PERSONNEL COSTS

(Euro/000)	31.03.2014	31.03.2013
Personnel costs:		
- wages and salaries	-144,080	-131,684
- social security	-45,822	-44,113
- costs for defined contribution plans	-7,681	-8,162
- other personnel costs	-4,905	-5,787
Personnel costs capitalized in fixed assets	566	9,596
Total personnel costs	-201,922	-180,150

"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 20,686 employees at 31 March 2014, broken down as follows:

(number)	31.03.2014	31.03.2013
Employees at year end:		
Total at year end	20,686	19,789
- of whom in Italy	7,724	8,027
- of whom in Parent Company	7,419	7,732
- of whom in VARD	10,912	9,689
Average number of employees	20,591	19,738
- of whom in Italy	7,675	8,003
- of whom in Parent Company	7,375	7,710
- of whom in VARD	10,886	9,609

Orizzonte Sistemi Navali had 83 employees at 31 March 2014 compared with 84 employees at 31 March 2013.

DEPRECIATION AND AMORTIZATION, PROVISIONS AND IMPAIRMENT

(Euro/000)	31.03.2014	31.03.2013
Amortization:		
- amortization of intangible assets	-5,590	-4,857
- amortization of property, plant and equipment	-18,190	-17,320
Total amortization	-23,780	-22,177
Provisions and impairment:		
- other write-downs		
- impairment of receivables	-1,157	-660
- increases in provisions for risks and charges	-6,900	-13,380
- other impairment losses	-17	-18
- release of provisions and impairment reversals	1,321	1,321
Total provisions and impairment	-6,753	-12,737

A breakdown of "Amortization" expense is provided in Notes 5 and 6. A breakdown of "Provisions" expense is provided in Notes 13 and 17.

Note 25 - finance income and costs

These are analyzed as follows:

(Euro/000)	31.03.2014	31.03.2013
FINANCE INCOME		
Interest and other income from financial assets	1,030	1,101
Income from derivative financial instruments	21	1,095
Interest/actuarial gains on employee benefit plans		
Bank interest and fees and other income	1,827	1,262
Foreign exchange gains	2,696	2,915
Total finance income	5,574	6,373
FINANCE COSTS		
Interest and fees charged by related parties	-772	-626
Expenses from derivative financial instruments	-21	-782
Interest on employee benefit plans	-414	-511
Interest and fees on bonds	-2,956	
Interest and fees on construction loans	-5,158	-3.370
Bank interest and fees and other expense	-7,571	-5,236
Foreign exchange losses	-5,312	-3,555
Total finance costs	-22,204	-14,080
TOTAL FINANCE INCOME AND COSTS	-16,630	-7,707

Note 26 - income taxes

Current income taxes are calculated on taxable profit for the year, using tax rates that apply at the end of the reporting period.

"Deferred income taxes" are analyzed in Note 10.

Note 27 - other information

RELATED PARTY TRANSACTIONS

Intragroup transactions, transactions with Fintecna and its subsidiaries, with Cassa Depositi e Prestiti and its subsidiaries, and with other related parties, 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 figures for related party transactions and balances are reported in the following tables:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31.03.2014					
(Euro/000)	Parent companies	Joint ventures	Associates	Other related parties	Total related parties	Total reported amount	% of reported amount
Non-current financial assets			9,868	81	9,949	73,582	14%
Current financial assets			245		245	116,425	0%
Advances					-	247,850	0%
Trade receivables and other assets	10,210	84,381		17,066	111,657	557,847	20%
Non-current financial liabilities	-7,279			-11,770	-19,049	-595,379	3%
Current financial liabilities	-1,638	-83,413			-85,051	-971,524	9%
Trade payables and other current liabilities	-661	-2,398		-63	-3,122	-1,130,515	0%

				31.12.2013			
(Euro/000)	Parent companies	Joint ventures	Associates	Other related parties	Total related parties	Total reported amount	% of reported amount
Non-current financial assets			8,548		8,548	99,882	9%
Current financial assets			4,368		4,368	99,353	4%
Advances					-	206,454	0%
Trade receivables and other assets	10,210	20,897		17,701	48,808	558,921	9%
Non-current financial liabilities	-7,279			-11,770	-19,049	-604,727	3%
Current financial liabilities	-1,602	-2,535		-287	-4,424	-683,274	1%
Trade payables and other current liabilities	-697	-441		-112	-1,250	-1,154,718	0%

INCOME STATEMENT

				31.03.2014			
(Euro/000)	Parent companies	Joint ventures	Associates	Other related parties	Total related parties	Total reported amount	% of reported amount
Operating revenue		78,853			78,853	911,134	9%
Other revenue and income		638			638	12,280	5%
Materials, services and other costs		-356		-354	-710	-657,552	0%
Finance income			63		63	5,574	1%
Finance costs	-104	-645		-426	-1,175	-22,204	5%
				31.03.2013			
(Euro/000)	Parent companies	Joint ventures	Associates	Other related parties	Total related parties	Total reported amount	% of reported amount
Operating revenue		107,380		17	107,397	867,919	12%
Other revenue and income		292			292	10,050	3%
Materials, services and other costs		-95		-368	-463	-620,106	0%
Finance income					-	6,373	0%
Finance costs	-4	-626		-66	-696	-14,080	5%

BASIC AND DILUTED EARNINGS/LOSS PER SHARE

Basic earnings/loss per share, which coincide with diluted earnings/loss per share, are calculated as follows:

		31.03.2014	31.03.2013
Profit/loss (+/-) attributable to owners of the parent	Euro/000	5,440	14,756
Weighted average number of shares outstanding	Number	1,242,119,070	1,242,119,070
Basic and diluted earnings/loss (+/-) per share	Euro	0.0043796	0.0118797

There are no differences between basic and diluted earnings per share as there were no potential dilutive shares at the year-end reporting date.



Note 28 - cash flows from operating activities

(Euro/000)	31.03.2014	31.03.2013
Profit/loss (+/-) for the period	10,298	23,785
Depreciation and amortization	23,780	22,177
Gains/losses (-/+) from disposal of property, plant and machinery	-365	78
Revaluation/impairment (-/+) of intangible assets and equity investments	-391	-230
Increases/releases of provisions for risks and charges	6,320	12,591
Capitalized interest expense	-257	
Interest on employee benefits	450	519
Interest income	-2,857	-2,363
Interest expense	17,302	9,232
Income taxes for the period	6,596	11,739
Non-recurring income/expenses (-/+)		
Stock option plans costs		269
Impact of exchange rate changes on construction contracts		
Finance income and costs from derivative financial instruments		
Gross cash flows from operating activities	60,876	77,797
CHANGES IN WORKING CAPITAL		
- inventories	42,714	-26,717
- construction contracts	-287,889	-366,435
- trade receivables	-29,786	-107,114
- other current assets and liabilities	3,568	36,146
- other non-current assets and liabilities	-1,600	-1,221
- advances from customers	-42,079	-2,160
- trade payables	-6,570	134,757
Cash flows from working capital	-346,194	-254,947
Dividend receipts		
Interest income received	4,290	-3,602
Interest expense paid	-15,049	-6,629
Income taxes paid	-8,290	-26,043
Utilization of provisions for risks and charges	-8,404	-26,016
Utilization of provisions for employee benefits	-1,220	-1,503
NET CASH FLOWS FROM OPERATING ACTIVITIES	-374,867	-311,536

These are analyzed as follows:

Note 29 - segment information

Management has identified the following operating segments with reflect the model used to manage and control the business sectors in which the Group operates: Shipbuilding, Offshore, Systems, Components and Services and Other Activities.

The Shipbuilding operating segment is engaged in the design and construction of ships for the cruise ships, ferries, naval defense (Italian and foreign) and mega-yachts markets, as well as in ship conversion and repair activities. Production is carried out at the Group's Italian shipyards and, in the case of vessels intended for the American market, at its U.S. 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 Systems, Components 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 for the year adjusted for the following items: (i) Income taxes, (ii) Share of profit 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 restructuring 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 due to particularly significant non-recurring events.

The results of the segments at 31 March 2014 and 31 March 2013 are reported in the following pages.

			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
Depreciation and amortization					-23,780
Finance income					5,574
Finance costs					-22,204
Income/(expense) from investments					-291
Share of profit 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.

Shipbuilding segment revenue includes euro 274,988 thousand in relation to the cruise ship market and euro 232,559 thousand in relation to the naval vessels market.

"Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 2,289 thousand) are analyzed in the following table:

(Euro/000)	31.03.2014
Costs associated with the "Extraordinary Wage Guarantee Fund" (1)	3,550
Costs relating to restructuring plans (2)	706
Provisions for costs and legal expenses associated with asbestos-related lawsuits (3)	3,558
Other non-recurring income and expenses	524
Extraordinary and non-recurring income and expenses	8,338

(1) Entire amount included in Personnel costs.

(2) Entire amount included in "Materials, services and other costs".

(3) Of which euro 1 million included in "Materials, services and other costs" and euro 3 million in "Provisions and impairment".

	31.03.2013				
(Euro/000)	Shipbuilding	Offshore	Equipment, Systems and Services	Other activities	Group
Segment revenue	584,807	281,637	36,064		902,508
Intersegment elimination	-10,307		-14,232		-24,539
Revenue (*)	574,500	281,637	21,832		877,969
EBITDA	35,710	41,154	3,188	-6,007	74,045
Depreciation and amortization					-22,177
Finance income					6,373
Finance costs					-14,080
Income/(expense) from investments					2
Share of profit of investments accounted for using the equity method					430
Income taxes					-11,739
Extraordinary and non-recurring income and expenses					-9,069
Profit/loss (+/-) for the period					23,785

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

Shipbuilding segment revenue includes euro 228,856 thousand in relation to the cruise ship market and euro 300,991 thousand in relation to the naval vessels market.

"Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 2,803 thousand) are analyzed in the following table:

(Euro/000)	31.03.2013
Costs associated with the "Extraordinary Wage Guarantee Fund" (1)	3,656
Costs relating to restructuring plans (2)	1,400
Provisions for costs and legal expenses associated with asbestos-related lawsuits (3)	893
Other non-recurring income and expenses (4)	3,120
Extraordinary and non-recurring income and expenses	9,069

(1) Entire amount included in "Personnel costs".

(2) Entire amount included in "Provisions and impairment" of euro 1 million and the remainder in "Personnel Costs" .

(3) Entire amount included in "Materials, services and other costs".

(4) Entire amount included in "Materials, services and other costs".

The following table shows a breakdown of Property, plant and equipment in Italy and other countries:

(Euro/million)	31.03.2014	31.12.2013
Italy	542	540
Other countries	364	357
Total Property, plant and equipment	906	897

Capital expenditure in the first quarter 2014 on Intangible assets and Property, plant and equipment amounted to euro 23 million, of which euro 14 million relating to Italy and the remainder to 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)	31.03.2014		31.03.2013	
	Revenue and income	%	Revenue and income	%
Italy	182	20%	204	23%
Other countries	742	80%	674	77%
Total Revenue and income	923		878	

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

(Euro/million)	31.03.201	31.03.2013		
	Revenue and income	%	Revenue and income	%
Customer 1	207	22%	219	25%
Customer 2	123	13%	162	18%
Total Revenue and income	923		878	

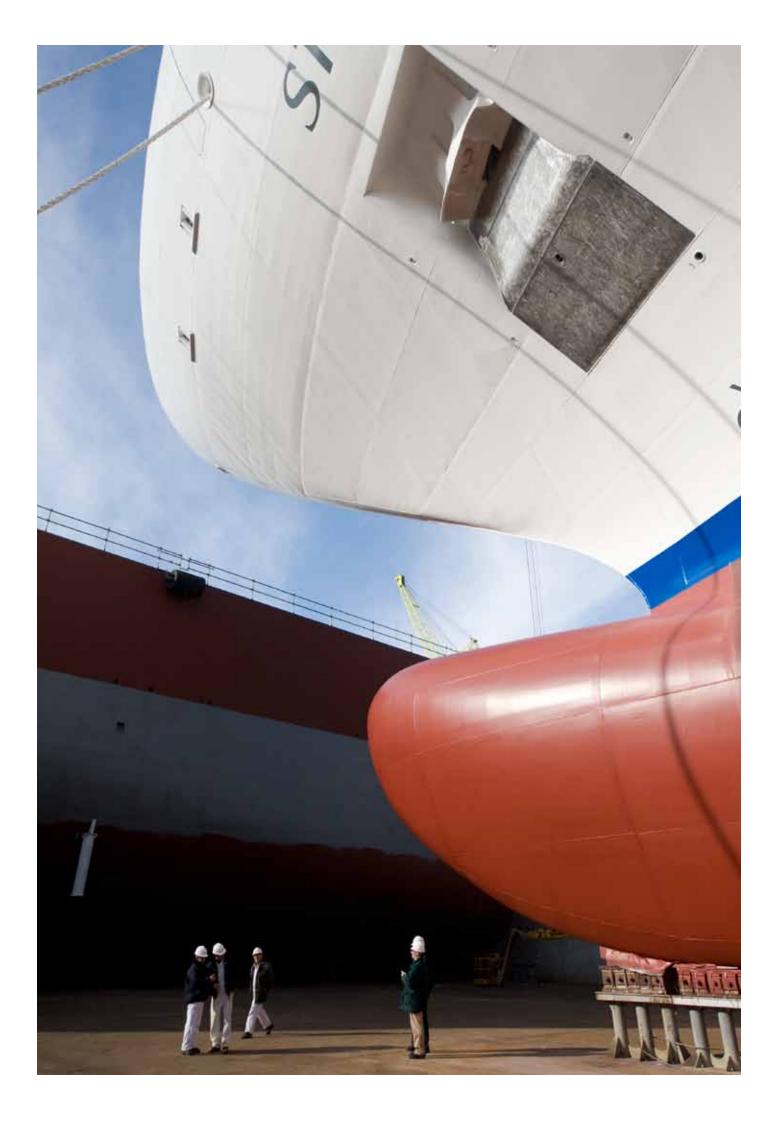
Note 30 - events after 31 march 2014

April

During the month of April 2014, the U.S. Navy confirmed the placing of an order with Fincantieri, through its American subsidiary FMG, for the construction of four Response Boat Medium (RB-M) for the the U.S. Coast Guard and of two barge for the transportation of oil and dry cargoes and two tugs for Moran Towing.

Following the collaboration with the Scuola Politecnica of the Genoa University, Fincantieri has started a cooperation project with the Palermo University promoting the Innovation Challenge programme, with the aim of selecting projects in the field of naval technology innovation for subsequent industrialization.

In the month of April 2014, Fincantieri acquired from ISSELnord S.r.l. and from Gentes S.r.l. respectively the 38% and the 11% of the share capital of Delfi S.r.l. Following this acquisition, 100% of the Company's share capital is held by Fincantieri.



independent auditors' report on the review of the condensed consolidated interim financial statements as at and for the three months ended 31 march 2014



AUDITOR'S REPORT ON THE REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS - IAS ${\bf 34}$

To the Board of Directors of Fincantieri SpA

- 1. We have reviewed the condensed consolidated interim financial statements, which comprise the consolidated statement of financial position as of 31 March 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows as of 31 March 2014 and 31 March 2013 and related notes of Fincantieri SpA and its subsidiaries ("Fincantieri Group"). The directors of Fincantieri SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.
- 2. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial statements consists of making inquiries, primarily of company personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Regarding the data of the consolidated financial statements of the prior period, which are presented for comparative purposes, reference is made to our report dated 21 March 2014.

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Fincantieri Group as of 31 March 2014 and the comparative data as of 31 March 2013 have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Trieste, 8 May 2014

PricewaterhouseCoopers SpA

Signed by

Alessandro Mazzetti (Partner)

This report has been translated into the English language from the original, which was issued in Italian, solely for the convenience of international readers.

PricewaterhouseCoopers SpA

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