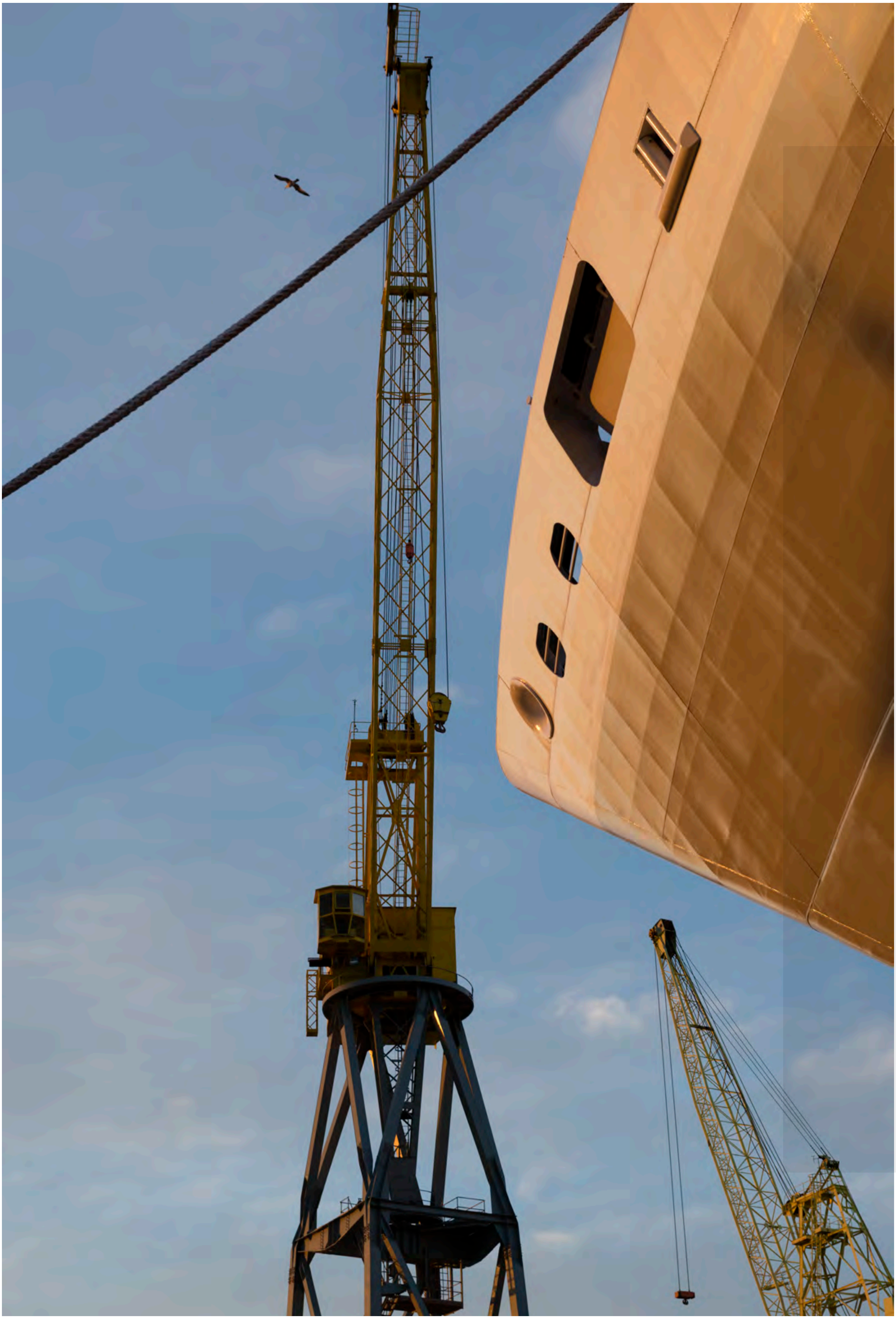
interim management report

at 30 september 2014

FINCANTIERI
The sea ahead



parent company directors and officers

Board of directors
(2013-2015)

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

Board of statutory auditors
(2014-2016)

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

Manager responsible for preparing financial reports
Carlo Gainelli

Independent auditors
(2013-2021) (***)

PricewaterhouseCoopers S.p.A.

Oversight board
Italian Legislative Decree 231/01

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

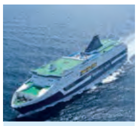
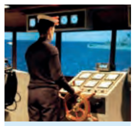
(*) Appointed with effect from 3 July 2014.
(**) Appointed on 26 May 2014 in place of Giovanni Masini, who resigned.
(***) Appointed by resolution of the General Meeting of Shareholders held on 28 February 2014.

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


Haulotte

Overview

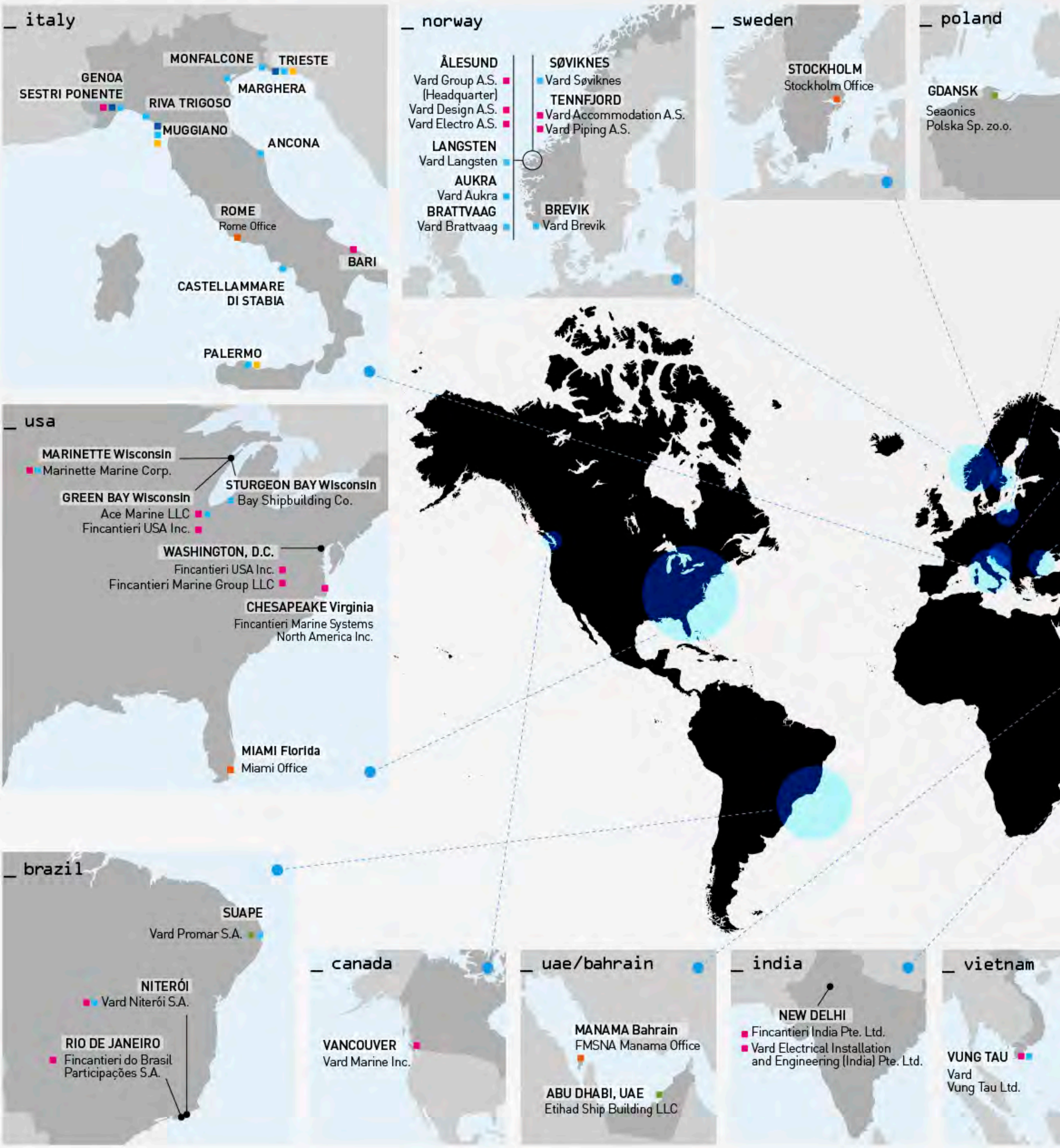
The structure of the Fincantieri Group and overview of the companies included in its consolidation will now be presented.

SEGMENTS	SHIPBUILDING					OFFSHORE	EQUIPMENT, SYSTEMS AND SERVICES		OTHER
BUSINESS AREAS	 **Cruise ships**	 **Ferries**	 **Ship repairs and conversions**	 **Naval Vessels**	 **Mega Yachts**	 **Offshore**	 **Equipment and systems**	 **After-sales**	
PRODUCT PORTFOLIO	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	
COMPANIES AND OPERATING UNITS	FINCANTIERI S.p.A. • Monfalcone • Marghera • Sestri Ponente • Ancona • Castellammare di Stabia • Palermo • Trieste • Integrated naval shipyard Riva Trigoso and Muggiano Cetena S.p.A. Bacini Palermo S.p.A. Gestione Bacini La Spezia S.p.A. FMG LLC • Sturgeon Bay Fincantieri Marine Group Holdings Inc. Marinette Marine Corporation LLC • Marinette ACE Marine LLC • Green Bay Fincantieri USA Inc. Fincantieri India Private Ltd. Fincantieri do Brasil Partecipações S.A. Fincantieri Holding BV					Fincantieri Oil&Gas S.p.A. FINCANTIERI S.p.A. Vard Holdings Ltd. Vard Group A.S. • Aukra • Langsten • Brattvaag • Brevik • Søviknes Vard Tulcea S.A. • Tulcea Vard Niterói S.A. • Niterói Vard Promar S.A. • Promar Vard Vung Tau Ltd. • Vung Tau Vard Electro A.S. Vard Design A.S. Vard Piping A.S. Vard Accommodation A.S. Vard Braila S.A. Vard Marine Inc.	FINCANTIERI S.p.A. • Riva Trigoso Seastema S.p.A. Delfi S.r.l. Seaf S.p.A. Isotta Fraschini Motori S.p.A. • Bari FMSNA Inc.		FINCANTIERI S.p.A. • Corporate

The Fincantieri Group is now the largest shipbuilder by revenue in the Western world (meaning Europe and North America) and one of the most dynamic and diversified players in the industry, with its focus on segments featuring high value-added, high-tech content and high product unit values, and a position of excellence in all these segments making it one of the most technologically complex groups internationally. In fact, the Group is a world leader in the design and construction of cruise ships, among the world leaders in the design and construction of naval combat, support and special vessels, and one of the leading global players in the design and construction of high-end offshore support vessels (OSV).
Fincantieri operates worldwide in 13 countries across four continents (Europe, North America, South America and Asia), with 21 shipyards located in Italy, Norway, Romania, United States of America, Brazil, and Vietnam plus a joint venture in the United Arab Emirates, and a total workforce of more than 20,000.
This flexible, global production structure is able to cover all activities, from design and construction of hulls and certain critical components, to assembly and maintenance of the ships built. The creation of successful products combined with strong economic and financial performance is centered on an optimized production model, inspired by the philosophy of a single large, flexible shipyard designed to ensure uniform product quality.
Outstanding engineering and technological prowess, strong customer relationships, and access to a highly specialized and reliable local supplier network are key factors in allowing the Group to defend its leadership position. Fincantieri is able to implement technologically sophisticated and innovative projects and, thanks to its capability as a system integrator, manages to coordinate complex processes from the earliest stages of concept development through to vessel delivery to the customer.
Furthermore, the Group views product and process technological innovation as key to maintaining its leadership position and so invests in research and development, drawing on a series of specialized centers created in partnership with suppliers and leading research institutions and ensuring suitable transfer of know-how and expertise between the various businesses in which it operates.
Fincantieri's business is widely diversified by end markets, geographical exposure and by customer base, with revenues evenly balanced between cruise ship, naval and offshore vessel construction, giving it an edge over less diversified players by being able to mitigate the effects of fluctuations in demand on the end markets served. In particular, the Group operates through the following three segments:

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

the fincantieri planet



_ europe

ITALY

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

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

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

ROME
- ROME OFFICE

BARI
- ISOTTA FRASCHINI MOTORI S.p.A.

MONFALCONE
- MONFALCONE SHIPYARD

MARGHERA
- MARGHERA SHIPYARD

ANCONA
- ANCONA SHIPYARD

CASTELLAMMARE DI STABIA
- CASTELLAMMARE DI STABIA SHIPYARD

PALERMO
- PALERMO SHIPYARD
- PALERMO DOCK

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

SWEDEN
- STOCKHOLM OFFICE

POLAND
- SEAONICS POLSKA Sp. zo.o.

CROATIA
- VARD DESIGN LIBURNA Ltd.

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

_ asia

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

BAHRAIN
- FMSNA MANAMA OFFICE

UAE
- ETIHAD SHIP BUILDING LLC

VIETNAM
- VARD VUNG TAU Ltd.

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

JAPAN
- FMSNA YK

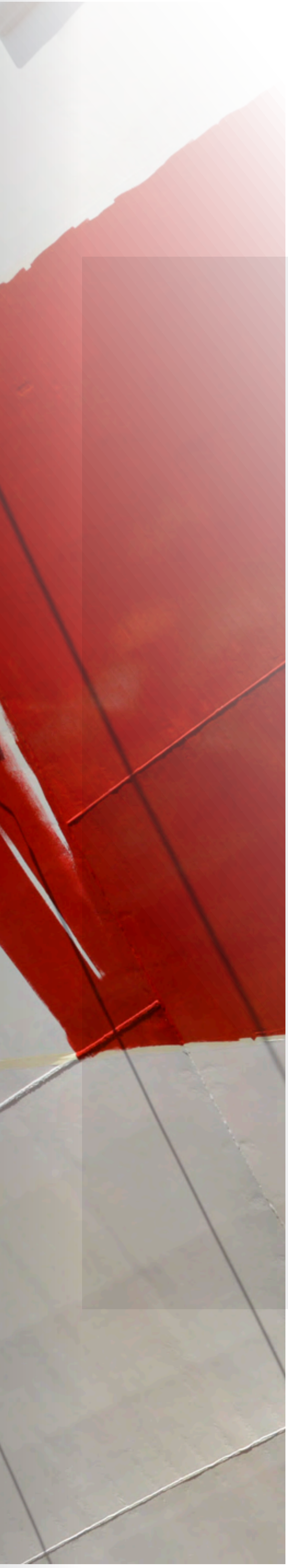
_ americas

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

CANADA
- VARD MARINE Inc.

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

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



interim report on operations at 30 september 2014

Introduction

On 3 July 2014, Fincantieri S.p.A. successfully concluded its listing on the *Mercato Telematico Azionario* (Italy's electronic stock market) organized and managed by Borsa Italiana S.p.A. The Initial Public Offering was completed with the placement of a total of 450 million new shares, for an amount of euro 351 million, of which 89.05% allotted to the general public and 10.95% to institutional investors.

The achievement of this milestone represents a fundamental step in allowing the Fincantieri Group to carry on the process of growth profoundly transforming it over the past ten years. In fact, at the start of the 2000s Fincantieri was known as a national operator basically focused on two areas of business: cruise ships, with the Carnival Group as the main customer, and naval vessels, with the Italian Navy as the sole customer; now, however, by implementing a growth strategy concentrated on diversification and internationalization, Fincantieri has become a global player, the leader by diversification and the Western world's number one shipbuilder. Over these years, despite a particularly difficult and challenging market environment, the Group has pursued a strategy of diversifying its product and customer portfolio both for cruise ships and naval vessels; at the same time, it has expanded into new areas of business, such as the design and construction of mega yachts, the design and construction of marine systems and components, ship repairs and conversions and above all the offshore market. In this context, of particular importance have been the 2008 acquisition in the USA of Fincantieri Marine Group LLC (which operates in the business of naval and special vessels) and the 2013 acquisition of Norway's VARD Group (listed on the Singapore Stock Exchange and one of the world leaders in the construction of high-end offshore support vessels).

What is more, since 2008, the Group has managed to anticipate the effects of the global financial crisis and improve its competitive position, by implementing a strategy that combines increased operational efficiency in Italy (thanks to agreements aimed at rationalizing the production system, with the goal of reducing the Italian workforce by 20% and significantly increasing its flexibility) with enhancement of the Group's technical, economic and financial expertise. This process will put the Group in a position of strength to pursue further opportunities offered by the market to develop its businesses and presence in the various countries where it operates.

With reference to 2014, the market has enjoyed a revival in the first nine months of the year. In particular, the Cruise Ships business unit has seen a resurgence in both the acquisition of new orders and production volumes; the Naval Vessels business unit is continuing negotiations with the Italian Navy to commence the fleet renewal program, while recent trends in oil prices have led to a moment of reflection in the Offshore business.

All this had led to a 7% year-on-year growth in orders in the first nine months of 2014, accompanied by an 8.1% increase in revenue on the first nine months of last year.

From an earnings perspective, the period has been affected by some problems relating to VARD's activities in Brazil and the revised estimates for projects in the European order book, whose impact on the Group has been mostly neutralized by improved profitability in the Shipbuilding and Equipment, Systems and Services operating segments.

The net financial position, which excludes construction loans, reports a negative euro 238 million at the end of the first nine months due to growing activity in the Cruise Ship business unit, where 80% of the sales price is received upon vessel delivery.

Period-end headcount has increased from 20,389 at 31 December 2013 to 21,746 at 30 September 2014. Almost all of this increase is attributable to VARD, particularly in connection with the dynamics of production at its Brazilian yards.

Financial highlights

The first nine months of 2014 have reported the following results:

- New order intake for a total of euro 4,247 million (an increase on the same period in 2013) with a backlog of euro 9,472 million at 30 September 2014. In particular, the uptrend in new orders for the cruise ships business unit has been confirmed;
- Revenue and income of euro 2,935 million (euro 2,715 million in the first nine months of 2013), up 8.1% on the prior year equivalent period;
- EBITDA of euro 207 million (euro 208 million in the first nine months of 2013), with a margin on revenue of 7.1% versus 7.6% in the first nine months of 2013. This reduction in margin is mainly attributable to the Offshore operating segment (8.9% in the first nine months of 2014 versus 11.7% in the corresponding period of 2013) and in particular to the results of VARD, as only partially offset by the release of provisions recognized when allocating the Norwegian group's purchase price. By contrast, there was an improvement in margins in the operating segments of Shipbuilding (6.7% in the first nine months of 2014 versus 6.2% in the corresponding period of 2013) and Equipment, Systems and Services (10.3% in the first nine months of 2014 versus 7.6% in the corresponding period of 2013);
- Profit/loss (+/-) before extraordinary and non-recurring income and expenses of euro 68 million (euro 88 million in the first nine months of 2013), with a margin on revenue of 2.3% (3.2% in the first nine months of 2013);
- Profit for the period of euro 43 million (euro 53 million in the first nine months of 2013), with a margin on revenue of 1.4% (2.0% in the first nine months of 2013);
- Net financial position of negative euro 238 million at 30 September 2014, an increase of euro 83 million since 31 December 2013; consistent with the presentation at 31 December 2013, this figure does not include VARD's construction loans, which are treated as part of working capital;
- Capital expenditure in the first nine months of 2014 of euro 110 million (euro 201 million in the first nine months of 2013);
- Free cash flow of negative euro 419 million (negative euro 475 million in the first nine months of 2013), mainly because of the resources absorbed by operating activities, leading to a growth in working capital. In fact, the increase in production activity has contributed to the growth in net working capital (up euro 420 million since 31 December 2013) and in the related requirements for financing current assets.

31.12.2013	Economic data		30.09.2014	30.09.2013
3,811	Revenue and income	Euro/million	2,935	2,715
298	EBITDA	Euro/million	207	208
7.8%	*EBITDA margin* (*)	*Percentage*	*7.1%*	*7.6%*
209	EBIT	Euro/million	132	141
5.5%	*EBIT margin* (**)	*Percentage*	*4.5%*	*5.2%*
137	Profit/loss (+/-) before extraordinary and non-recurring income and expenses	Euro/million	68	88
(80)	Extraordinary and non-recurring income and expenses (+/-)	Euro/million	(35)	(48)
85	Profit for the period	Euro/million	43	53

31.12.2013	Financial data		30.09.2014	30.09.2013
1,365	Net invested capital	Euro/million	1,839	1,284
1,210	Equity	Euro/million	1,601	1,187
(155)	Net financial position	Euro/million	(238)	(97)

31.12.2013	Other indicators		30.09.2014	30.09.2013
4,998	New orders (***)	Euro/million	4,247	3,971
12,900	Order portfolio (***)	Euro/million	14,590	12,532
8,068	Order backlog (***)	Euro/million	9,472	8,089
5.0	Soft backlog	Euro/billion	5.7	n.a.
255	Capital expenditure	Euro/million	110	201
(519)	Free cash flow	Euro/million	(419)	(475)
88	Research and Development costs	Euro/million	74	66
20,389	Employees at the end of the period	Number	21,746	20,038
33	Vessels delivered (****)	Number	21	24

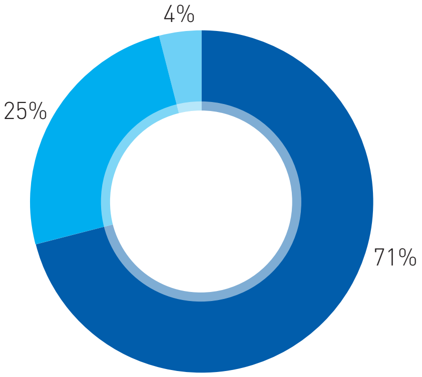
31.12.2013	Ratios		30.09.2014	30.09.2013
15.3%	ROI	Percentage	12.8%	13.3%
7.0%	ROE	Percentage	5.3%	4.9%
0.5	Total debt/ Total equity	Number	0.4	0.4
0.5	Net financial position /EBITDA	Number	0.8	0.4
0.1	Net financial position /Total equity	Number	0.1	0.1

(*) Ratio between EBITDA and Revenue and income
(**) Ratio between EBIT and Revenue and income
(***) Net of eliminations and consolidation adjustments
(****) Number of vessels over 40 meters long
n.a. Figure not available
It is recalled that the first nine months of 2013 included the first-time line-by-line consolidation of VARD as from 23 January 2013.

GROUP OPERATIONAL PERFORMANCE

New orders

% new orders by operating segment
in 1st nine months 2014
(before consolidation adjustments)



New orders won in the first nine months of 2014 amounted to euro 4,247 million (euro 3,971 million in the corresponding period of 2013), of which euro 800 million secured in the third quarter of 2014.

Of the total new orders (stated before consolidation adjustments), 71% related to the Shipbuilding segment, 25% to the Offshore segment, and 4% to the Equipment, Systems and Services segment. New orders won by the Parent Company accounted for 62% of the total.

The book-to-bill ratio (between orders received and revenue generated in the period) was equal to 1.5 in the first nine months of 2014 (1.5 in the corresponding period of 2013), confirming the growth in all the Group's areas of operation. As for the Shipbuilding operating segment, the growth in new orders (up 7% on the same period of 2013) reflects a recovery in the cruise ship market, where Fincantieri has secured orders for a total of 5 new ships since the start of the year. As for the naval vessels market, not only has the Littoral Combat Ship program for the U.S. Navy continued (with the U.S. Navy exercising two more options in favor of the subsidiary Marinette Marine Corporation) but also demand has recovered for complex vessels for chemical/petroleum transportation in the Great Lakes area. In addition, the configuration of the first two new ships in the fleet renewal program has been agreed with the Italian Navy, while joint work continues on defining the configurations of the other ships, in prelude to formalization of the related contracts.

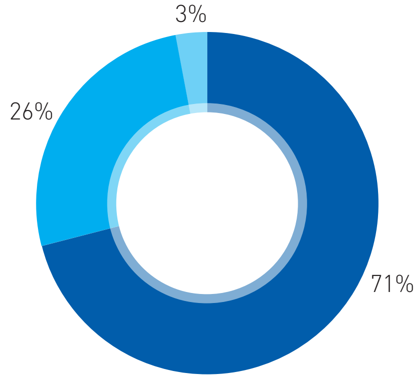
As for the Offshore operating segment, the very high value of orders won in the first half has been followed, as expected, by a slowdown in the third quarter, triggered by the repercussions of crude oil price trends on the oil extraction industry.

31.12.2013		Orders analysis *(Euro/million)*	30.09.2014		30.09.2013	
Amounts	%		Amounts	%	Amounts	%
2,763	55	Fincantieri S.p.A.	2,641	62	2,027	51
2,235	45	Rest of Group	1,606	38	1,944	49
4,998	**100**	**Total**	**4,247**	**100**	**3,971**	**100**
3,010	61	Shipbuilding	3,086	73	2,248	56
1,816	36	Offshore	1,081	25	1,553	39
205	4	Equipment, Systems and Services	168	4	188	5
(33)	(1)	Consolidation adjustments	(88)	(2)	(18)	-
4,998	**100**	**Total**	**4,247**	**100**	**3,971**	**100**

Order backlog

The order backlog, representing the residual value of orders not yet completed, amounted to euro 9,472 million at 30 September 2014 (euro 8,089 million at the end of September 2013), with the order profile extending until 2019.
The growth in backlog reflects the significant increase in orders over the last 15 months. The order backlog represents approximately 2.5 years of work in relation to the revenue generated in 2013.
This increase confirms the Group's ability to finalize contracts under negotiation, contract options and commercial opportunities and to transform them into order backlog. The composition of the backlog by operating segment is shown in the following table.

% order backlog by operating segment at 30 September 2014
(before consolidation adjustments)



31.12.2013		Backlog analysis *(Euro/million)*	30.09.2014		30.09.2013	
Amounts	%		Amounts	%	Amounts	%
4,930	61	Fincantieri S.p.A.	6,141	65	4,840	60
3,138	39	Rest of Group	3,331	35	3,249	40
8,068	**100**	**Total**	**9,472**	**100**	**8,089**	**100**
5,345	66	Shipbuilding	6,797	72	5,371	66
2,480	31	Offshore	2,433	26	2,543	31
264	3	Equipment, Systems and Services	327	3	198	3
(21)	-	Consolidation adjustments	(85)	(1)	(23)	-
8,068	**100**	**Total**	**9,472**	**100**	**8,089**	**100**

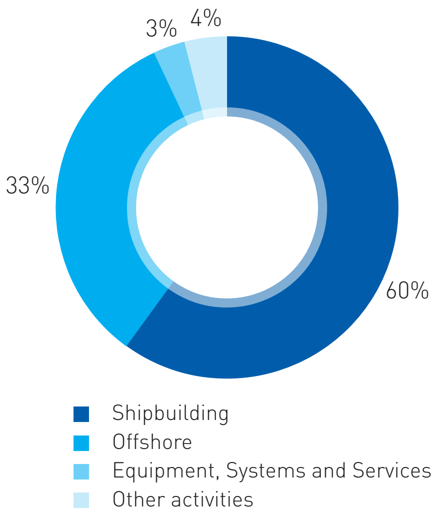
In addition, the "soft" backlog, not yet reflected in the order backlog, amounted to approximately euro 5.7 billion at 30 September 2014, largely in line with the figure at 30 June 2014; this measure represents the value of contract options and letters of intent and of contracts being negotiated for the Italian Navy's fleet renewal program.

The following table shows the deliveries scheduled each year for vessels currently in the order portfolio, analyzed by the main business units. With reference to the current year, the table presents deliveries completed as at 30 September 2014 in addition to the total number of deliveries scheduled for the full year 2014.

Scheduled deliveries

(number)	*30.09.14 completed*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Cruise ships	*1*	2	3	7	3	1	
Naval >40 m.	*4*	4	7	9	6	3	1
Offshore	*16*	20	20	15	1		

% capital expenditure by operating segment in 1st nine months 2014
(before consolidation adjustments)



Capital expenditure

Capital expenditure during the first nine months of 2014 amounted to euro 110 million, of which euro 20 million for intangible assets (mainly for development projects) and euro 90 million for property, plant and equipment.
The Parent Company accounted for 62% of the total expenditure.
Capital expenditure represented 3.7% of the Group's revenue in the first nine months of 2014 compared with 7.4% in the first nine months of 2013.
Capital expenditure in the first nine months of 2014 mainly related to the construction of new infrastructure, particularly to complete the Vard Promar shipyard in Brazil, and technological upgrades to improve production efficiency through greater process automation and to improve safety conditions and environmental respect within the production sites.
There was also continued investment in developing new technologies, particularly with regard to cruise ships.

31.12.2013		**Capital expenditure analysis** *(Euro/million)*	30.09.2014		30.09.2013	
Amounts	%		Amounts	%	Amounts	%
128	50	Fincantieri S.p.A.	68	62	104	52
127	50	Rest of Group	42	38	97	48
255	**100**	**Total**	**110**	**100**	**201**	**100**
136	53	Shipbuilding	66	60	111	55
111	43	Offshore	36	33	86	43
4	2	Equipment, Systems and Services	3	3	2	1
4	2	Other activities	5	4	2	1
255	**100**	**Total**	**110**	**100**	**201**	**100**
37	15	Intangible assets	20	18	31	15
218	85	Property, plant and equipment	90	82	170	85
255	**100**	**Total**	**110**	**100**	**201**	**100**

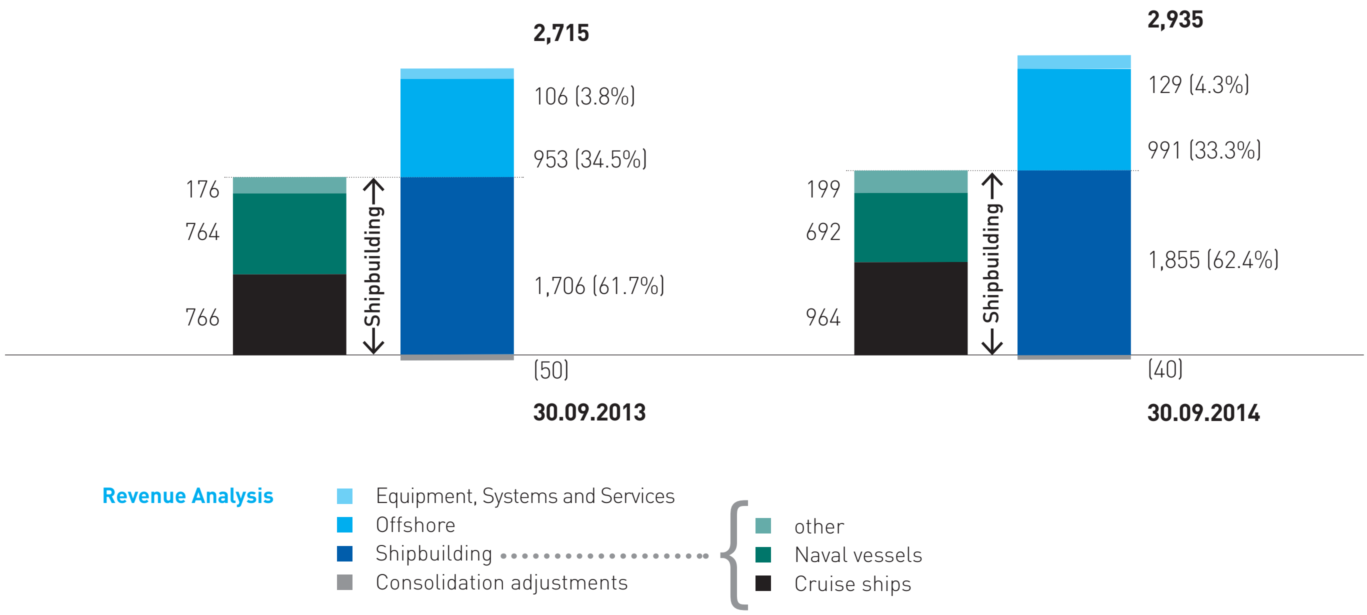
GROUP FINANCIAL RESULTS

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 is recalled that the first nine months of 2013 include the first-time line-by-line consolidation of VARD as from 23 January 2013.
A reconciliation of these reclassified statements to the IFRS statements can be found later on in this report.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

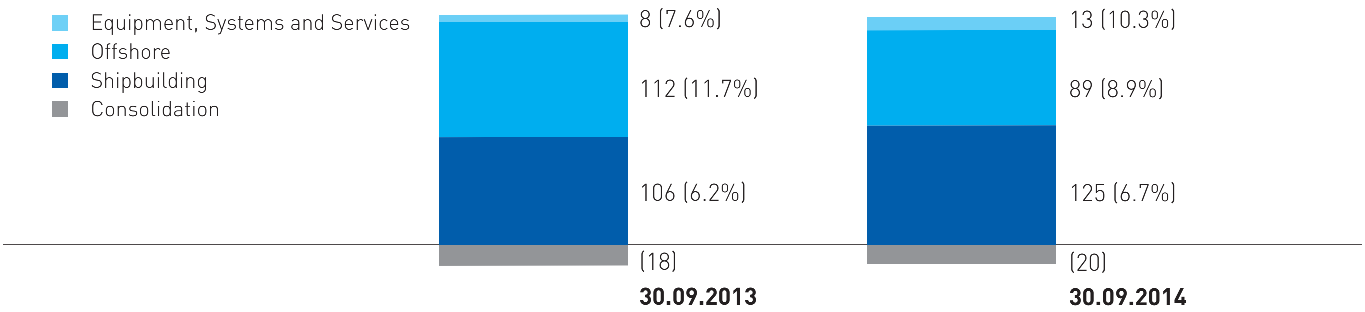
31.12.2013	(Euro/million)	30.09.2014	30.09.2013
3,811	**Revenue and income**	**2,935**	**2,715**
(2,745)	Materials, services and other costs	(2,105)	(1,954)
(752)	Personnel costs	(617)	(557)
(16)	Provisions and impairment	(6)	4
298	**EBITDA**	**207**	**208**
7.8%	***EBITDA margin***	***7.1%***	***7.6%***
(89)	Depreciation and amortization	(75)	(67)
209	**EBIT**	**132**	**141**
5.5%	***EBIT margin***	***4.5%***	***5.2%***
(55)	Finance income/costs (+/-)	(50)	(31)
2	Income/expense (+/-) from investments	2	1
(19)	Income taxes	(16)	(23)
137	**Profit/loss (+/-) before extraordinary and non-recurring income and expenses**	**68**	**88**
109	*of which Group*	*67*	*70*
(80)	Extraordinary and non-recurring income and expenses (+/-)	(35)	(48)
28	Tax effect of extraordinary and non-recurring income and expenses	10	13
85	**Profit for the period**	**43**	**53**
57	*of which Group*	*42*	*35*

Revenue and income in the first nine months of 2014 amounted to euro 2,935 million, reporting an increase of euro 220 million (or 8.1%) on the same period of 2013 mainly due to higher volumes for the Cruise which more than made up for the decline in volumes by the Naval with the progressive completion of existing contracts, pending the start of new programs under the latest Naval Defense Act.
During the nine months ended 30 September 2014, the Group's export revenue accounted for 81% of the total, in line with the corresponding period of 2013.



EBITDA came to euro 207 million, in line with the figure recorded in the first nine months of 2013. It should be noted, however, that the first nine months of 2013 benefited from the positive effect on "Provisions and impairment" of the large release from the product warranty provision, as a result of reviewing this provision particularly for the subsidiary VARD. The **EBITDA margin**, calculated as the ratio of EBITDA to Revenue and income, was 7.1%. In terms of contribution, the Shipbuilding and Equipment, Systems and Services operating segments posted an increase in profitability over the first nine months of 2013 which, however, only partially offset the Offshore segment's decline in margin. It is also noted in this regard that the Offshore segment's nine-month profitability in 2014 was affected by VARD's slightly negative margin in the third quarter, which was partly offset, upon consolidation, by full utilization of the provision for risks on contracts recognized at the time of the Norwegian group's acquisition.

EBITDA Analysis



EBIT amounted to euro 132 million in the first nine months of 2014, compared with euro 141 million in the first nine months of 2013. The decrease is due not only to the factors discussed earlier, but also to higher depreciation and amortization charges on assets entering service in 2014 (particularly the new Promar shipyard in Brazil). As a result, the **EBIT margin** (EBIT expressed as a percentage of Revenue and income) recorded a reduction on the same period of 2013.

Finance income and costs and income and expense from investments: these report a net expense of euro 48 million (euro 30 million at 30 September 2013). The change on the first nine months of last year includes an increase of euro 15 million in average financing requirements for the growth in working capital, as a result of higher volumes in the Group's main business units, except for Naval Vessels, as described above. An additional negative impact of Euro 4 million came from exchange losses on the translation of foreign currency balances, mainly attributable to the VARD Group. Net finance income and costs include euro 19 million in interest expense on the VARD Group's construction loans (euro 16 million at 30 September 2013).

Income taxes: these report a negative balance of euro 16 million in the first nine months of 2014 compared with euro 23 million in the same period of 2013, mainly because of lower pre-tax profit posted in the period. With particular reference to 2014, it should be noted that the tax rate has come down since 30 June 2014 due to the recognition of tax credits by the Parent Company.

Profit/loss (+/-) before extraordinary and non-recurring income and expenses: this amounts to euro 68 million at 30 September 2014, representing 2.3% of revenue and income (3.2% in the first nine months of 2013), reflecting the factors described above.

Extraordinary and non-recurring income and expenses: these report euro 35 million in net expenses at 30 September 2014 and include company costs for the Extraordinary Wage Guarantee Fund (euro 8 million), charges connected with business reorganization plans (euro 4 million) and costs relating to claims under asbestos-related lawsuits (euro 20 million) and non-recurring expenses relating to the initial public offering (euro 3 million). At 30 September 2013, extraordinary and non-recurring income and expenses amounted to euro 48 million, including euro 18 million for the VARD Group's acquisition-related costs.

Tax effect of extraordinary and non-recurring income and expenses: the tax effect relating to extraordinary and non-recurring income and expenses was a net positive euro 10 million at 30 September 2014.

Profit (loss) for the period: the nine-month profit for 2014 amounts to euro 43 million, which is down from the same period of the previous year for the reasons described above.

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30.09.2013	(Euro/million)	30.09.2014	31.12.2013
554	Intangible assets	558	539
873	Property, plant and equipment	951	897
73	Investments	75	70
(8)	Other non-current assets and liabilities	(40)	(14)
(69)	Employee benefits	(58)	(60)
1,423	**Net fixed capital**	**1,486**	**1,432**
435	Inventories and advances	481	400
377	Construction contracts and advances from customers	1,049	757
(518)	Construction loans	(584)	(563)
559	Trade receivables	350	344
(853)	Trade payables	(896)	(911)
(147)	Provisions for risks and charges	(126)	(151)
8	Other current assets and liabilities	79	57
(139)	**Net working capital**	**353**	**(67)**
1,284	**Net invested capital**	**1,839**	**1,365**
1,187	**Equity**	**1,601**	**1,210**
97	**Net financial position**	**238**	**155**
1,284	**Sources of funding**	**1,839**	**1,365**

The **Reclassified consolidated statement of financial position** reports an increase in Net invested capital at 30 September 2014 of euro 474 million since the end of the previous year, mainly due to the following factors:

- **Net fixed capital**: this has increased by euro 54 million, mainly due to the increase in Property, plant and equipment and Intangible assets because of capital expenditure in the first nine months of 2014, net of the negative change in Other non-current assets and liabilities due to the fair value of currency derivatives;
- **Net working capital**: this reports a positive balance of euro 353 million. The change since 31 December 2013 is mainly due to the increase in construction contracts, following the growth in volumes for the Cruise Ships business unit, scheduled to deliver three ships - plus one ferry - by the end of the first quarter of 2015, and to the increase in advances to suppliers for orders placed against contracts.

Equity reports an increase of euro 391 million, including euro 351 million in respect of the Parent Company's capital increase realized at the time of the initial public offering, of which euro 230 million allocated to share capital and euro 121 million to the share premium reserve (which reports a balance of euro 110 million after deducting the post-tax listing costs). The change in equity also reflects the positive contribution of profit for the period (euro 43 million), the reduction for the dividend distribution (euro 10 million), and the positive effects on the currency translation reserve of trends in the US dollar and Norwegian krone against the euro (euro 24 million).

The strength of the capital structure is confirmed, at Group level, by the positive trend in the ratios between debt (gross and net) and equity.

The **Net financial position** reports euro 238 million in net debt at 30 September 2014 (euro 155 million in net debt at 31 December 2013). This amount does not include VARD's construction loans.

CONSOLIDATED NET FINANCIAL POSITION

30.09.2013	(Euro/million)	30.09.2014	31.12.2013
242	**Cash and cash equivalents**	**364**	**385**
51	**Current financial receivables**	**25**	**52**
(11)	Current bank debt	(31)	(35)
(32)	Current portion of bank loans and credit facilities	(40)	(32)
(116)	Other current financial liabilities	(75)	(3)
(159)	**Current debt (-)**	**(146)**	**(70)**
134	**Net current cash/debt (+/-)**	**243**	**367**
42	**Non-current financial receivables**	**80**	**41**
(258)	Non-current bank debt	(251)	(255)
-	Bond	(297)	(296)
(15)	Other non-current financial liabilities	(13)	(12)
(273)	**Non-current debt (-)**	**(561)**	**(563)**
(97)	**Net financial position**	**(238)**	**(155)**

The above **Consolidated net financial position**, reporting net debt of euro 238 million at 30 September 2014, does not include VARD's construction loans (see Note 22), since these are treated as part of working capital. The net financial position reflects the positive effect of the capital increase realized on 3 July 2014 following the Parent Company's initial public offering and the negative effect of the higher working capital requirements resulting from the growth in volumes for the Cruise Ship business unit, scheduled to deliver three ships - plus one ferry - by the end of the first quarter of 2015, including the "Costa Diadema" delivered in October 2014.
The net financial position was also affected by an increase in non-current financial receivables, primarily as a result of extending the maturity of certain current financial receivables due from customers which earn interest at market rates.

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
(95)	Net cash flows from operating activities	(300)	(104)
(424)	Net cash flows from investing activities	(119)	(371)
255	Net cash flows from financing activities	388	55
(264)	**Net cash flows for the period**	**(31)**	**(420)**
692	**Cash and cash equivalents at beginning of period**	**385**	**692**
(43)	Effects of currency translation difference on opening cash and cash equivalents	10	(31)
385	**Cash and cash equivalents at end of period**	**364**	**241**

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
(519)	**Free cash flow**	**(419)**	**(475)**

The **Reclassified consolidated statement of cash flows** reports negative **Net cash flows for the period** of euro 31 million (versus a net negative euro 420 million in the same period of 2013), reflecting negative **Free cash flow** (the sum of cash flow from operating activities and cash flow from investing activities) of euro 419 million, as offset by euro 388 million in cash flows provided by financing activities. Cash flows absorbed by operating activities mainly reflect the growth in working capital due to the increase in construction contracts and advances to suppliers.
Cash flows from operating activities include the change in construction loans, whose impact for the purposes of the reclassified statement of cash flows, is reported in the change in net working capital; given the operational nature of construction loans and particularly the fact that these types of loans are obtained and can be used exclusively to finance the contracts to which they refer, management views them in the same way as advances received from customers and so classifies them as part of net working capital.

ECONOMIC AND FINANCIAL INDICATORS

The following table presents additional economic and financial measures used by the Group's management to monitor the performance of its main business indicators in the periods considered. The following table shows the trend in the main profitability ratios and the strength and efficiency of the capital structure in terms of the relative importance of sources of finance between net debt and equity for the periods ended 30 September 2014 and 2013.
The ratios presented in the table are calculated using economic parameters for the 12-month period from 1 October 2012 to 30 September 2013 and from 1 October 2013 to 30 September 2014.

31.12.2013		30.09.2014	30.09.2013
15.3%	ROI	12.8%	13.3%
7.0%	ROE	5.3%	4.9%
0.5	Total debt/Total equity	0.4	0.4
0.5	Net financial position/EBITDA	0.8	0.4
0.1	Net financial position /Total equity	0.1	0.1

The change in ROI compared with 31 December 2013 and 30 September 2013 mainly reflects the growth in net invested capital during the course of 2014, while ROE at 30 September 2014 has been influenced by the growth in equity and lower profits compared with 31 December 2013 and the consolidation of VARD for part of the first nine months of 2013.
The indicators of the strength and efficiency of the capital structure at 30 September 2014 are in line with the values reported at 31 December 2013 and for the first nine months of 2013, except for the Net financial position/EBITDA ratio, which has been affected by the growth in net debt.

Operational review by segment

SHIPBUILDING

The Shipbuilding operating segment is engaged in the design and construction of ships for the cruise ships, ferries, naval vessels and mega yachts markets, as well as in ship repairs and conversions. 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.

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
2,394	Revenue and income [*]	1,855	1,706
155	EBITDA [*]	125	106
6.5%	EBITDA *margin* [*] [**]	*6.7%*	*6.2%*
3,010	New orders [*]	3,086	2,248
8,695	Order portfolio [*]	10,549	8,423
5,345	Order backlog [*]	6,797	5,371
137	Capital expenditure	66	111
11	Vessels delivered (number) [***]	5	7

(*) Before eliminations between operating segments

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

(***) Vessels over 40 meters long

Revenue and income

Revenue from the Shipbuilding operating segment amounted to euro 1,855 million at 30 September 2014 (euro 1,706 million at 30 September 2013), of which euro 964 million from the Cruise Ships business unit (euro 766 million at 30 September 2013) and euro 692 million from the Naval Vessels business unit (euro 764 million at 30 September 2013). Compared with the first nine months of 2013, Cruise Ship revenue increased by euro 198 million, with 8 ships under construction at the Group's Italian yards compared with 4 ships at 30 September 2013; this contrasts with a reduction in revenue from the Naval business following recent deliveries of vessels to the Italian Navy and Coast Guard. Other activities reported an increase of euro 23 million from euro 176 million at 30 September 2013.

EBITDA

The segment's EBITDA came to euro 125 million at 30 September 2014, up from euro 106 million in the comparative period ended 30 September 2013. This improvement is largely attributable to increased volumes and the positive impact on US dollar-denominated contracts of movements in the Euro/USD exchange rate over the course of 2014. It should be emphasized that these results have been achieved despite the fact that prices for cruise ships currently in production are severely depressed due to the crisis and despite the Group's not yet full utilization of its capacity in Italy.

New orders

New orders worth euro 3,086 million were secured during the first nine months of 2014. In particular, these new orders refer to:

- two new ships (plus one more under option) for MSC Cruises; the new prototype, known as "Seaside", is not only the first ship commissioned from the Group by MSC Cruises, but will also be the largest ever built by Fincantieri, with a cutting-edge specification. The new prototype will be 323 meters long with a gross tonnage of 154,000 tons and will accommodate nearly 5,200 passengers in 2,070 cabins;
- one cruise ship for Princess Cruises, a Carnival Corporation brand, with delivery scheduled for 2017. The 143,000 gross ton ship with accommodation for 3,560 passengers will be based on the successful design of the sister ships "Royal Princess" and "Regal Princess";
- one extra-luxury cruise ship for Seabourn, a Carnival Corporation brand, with delivery scheduled for the second half of 2016 and the contract for which follows on from a letter of intent signed in October 2013. The ship will be approximately 40,350 gross tons and 210 meters long and will be able to accommodate 604 passengers in 302 suites;
- one extra-luxury cruise ship for an undisclosed customer for delivery in November 2016;
- four ATB (Articulated Tug Barges) for petroleum/chemical transportation, comprising four tugs and four barges, which will be built at the Sturgeon Bay shipyard for Moran Towing Corporation and Kirby Offshore Marine Operating llc;
- two more Littoral Combat Ships for the U.S. Navy, respectively the seventh and eighth ships under the contract for ten ships signed in 2010 by the subsidiary FMG;
- 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 enlargement of four Lirica class ships for MSC Cruises.

Capital expenditure

Capital expenditure on property, plant and equipment in the first nine months of 2014 was mostly concentrated on the shipyards in Monfalcone, to modernize hull-building technologies, and Marghera, to build new infrastructure and logistical support areas for the outfitting docks. As far as intangible assets were concerned, there was continued expenditure on developing new technologies for product replacement in the wake of new regulations and for the large number of new cruise ship prototypes ordered.

Production

The number of ships delivered in the first nine months of 2014 is analyzed as follows:

(number)	**Deliveries**
Cruise ships	1
Cruise ferries	-
Naval vessels > 40 m long	4
Mega yachts	-
Naval vessels < 40 m long	21

In particular, the main ships delivered were as follows:

- "Regal Princess", the new flagship of the Princess Cruises fleet, delivered by the Monfalcone shipyard;
- "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 in a series of FREMM vessels – Multi Mission European Frigates, 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 from Orizzonte Sistemi Navali by the Ministry of Defense of the People's Democratic Republic of Algeria.

OFFSHORE

The Offshore operating segment is engaged in the design and construction of support vessels for the oil & gas exploration and production market. Fincantieri operates in this market through the VARD Group, FINCANTIERI S.p.A. and Fincantieri Oil&Gas S.p.A.
The VARD Group also provides its customers with turnkey electrical systems, inclusive of engineering, manufacturing, installation, integration testing and commissioning.

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
1,321	Revenue and income (*)	991	953
155	EBITDA (*)	89	112
11.8%	EBITDA *margin* (*) (**)	*8.9%*	*11.7%*
1,816	New orders (*)	1,081	1,553
3,757	Order portfolio (*)	3,564	3,761
2,480	Order backlog (*)	2,433	2,543
111	Capital expenditure	36	86
22	Vessels delivered (number) (***)	16	17

(*) Before eliminations between operating segments

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

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

Revenue and income

Revenue from the Offshore operating segment amounted to euro 991 million at 30 September 2014, up 4.0% from euro 953 million in the first nine months of 2013. The change is mainly due to the consolidation of the results of the subsidiary VARD for a full nine months in 2014, as partially offset by the negative effect of changes in the Norwegian krone/Euro exchange rate. It should also be noted that the Offshore segment's operating revenue in the first nine months of 2014 and 2013 included euro 35 million and euro 39 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; as at 30 September 2014 this provision had been utilized in full.

EBITDA

The Offshore segment reported EBITDA of euro 89 million at 30 September 2014 compared with euro 112 million in the first nine months of 2013. This deterioration is the result not only of slower-than-expected improvements in throughput and productivity at the Vard Promar shipyard in Brazil, impacting profitability during the yard's ramp-up phase, but also of additional costs for the two vessels in the Promar order book built at a third-party yard and currently being outfitted at the Vard Niterói yard. In addition, during the third quarter of 2014, VARD revised its estimates for a limited number of projects in its European order book where cost overruns had been incurred, although these are not expected to impact delivery schedules, having taken the necessary mitigating actions.

New orders

New orders worth euro 1,081 million were secured during the first nine months of 2014 in relation to 15 vessels. In detail:

- 1 Diving Support and Construction Vessel for Technip;
- 1 arctic Anchor Handling Tug Supply vessel (AHTS) for Bourbon Offshore;
- 8 Platform Supply Vessels (PSV), of which 2 for Carlotta Offshore Ltd, 2 for Nordic American Offshore Ltd, 2 for Mermaid Marine Australia Ltd, 1 for E.R. Offshore and 1 for Island Offshore (made public on 3 October 2014);
- 1 Offshore Subsea Construction Vessel (OSCV) for Solstad Offshore, representing the largest order ever won by the VARD Group for a single vessel;
- 2 Offshore Support Vessels (OSV) for Island Offshore;
- 1 Offshore Subsea Construction Vessel (OSCV) for Island Offshore;
- 1 Offshore Construction and Anchor Handling Vessel for Rem Offshore.

These orders take the backlog at 30 September 2014 to euro 2,433 million, relating to 40 vessels, of which 24 designed by VARD, and ensuring a high volume of activity until 2016.

Capital expenditure

Capital expenditure in the first nine months mainly related to the completion of activities for starting up production at the Vard Promar shipyard in Brazil, as well as to projects for increasing automation and production capacity in Romania.

Production

(number)	**Deliveries**
AHTS	3
PSV (including MRV)	6
OSCV	5
Other	2

A total of 16 vessels were delivered:

3 AHTS (Anchor Handling Tug Supply)

- "Far Sigma" was delivered to Farstad Shipping by the Vard Langsten shipyard (Norway);
- "Far Sirius" was delivered to Farstad Shipping by the Vard Langsten shipyard (Norway);
- "Skandi Urca" was delivered to DOF by the Vard Niterói shipyard (Brazil).

6 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);
- "Siem Giant" was delivered to Siem Offshore by the Vard Niterói shipyard (Brazil);
- "Island Dragon" was delivered to Island Offshore by the Vard Brevik shipyard (Norway);
- "Far Sun" was delivered to Farstad Shipping by the Vard Langsten shipyard (Norway);
- "Far Sygna" was delivered to Farstad Shipping by the Vard Vung Tau shipyard (Vietnam).

5 OSCV (Offshore Subsea Construction Vessel)

- "Island Pride" was delivered to Island Offshore by the Vard Brevik shipyard (Norway);
- "Siem Spearfish" was delivered to Siem Offshore by the Vard Brattvaag shipyard (Norway);
- "Normand Reach" was delivered to Solstad Offshore by the Vard Aukra shipyard (Norway);
- "Normand Vision" was delivered to Solstad Offshore by the Vard Søviknes shipyard (Norway);
- "Siem Stingray" was delivered to Siem Offshore by the Vard Brattvaag shipyard (Norway).

2 other vessels

- "Gadus Neptun" was delivered to Havfisk by the Vard Brattvaag shipyard (Norway);
- "Kanysh Satpayevn" was delivered to Circle Maritime Invest by the Vard Braila shipyard (Romania).

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 Inc.

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
163	Revenue and income (*)	129	106
14	EBITDA (*)	13	8
8.5%	*EBITDA margin* (*) (**)	*10.3%*	*7.6%*
205	New orders (*)	168	188
550	Order portfolio (*)	721	446
264	Order backlog (*)	327	198
4	Capital expenditure	3	2
59	Engines produced in workshops (number)	32	27

(*) Before eliminations between operating segments

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

Revenue and income

Revenue from the Equipment, Systems and Services operating segment increased by 21.8% to euro 129 million at 30 September 2014. This increase was primarily due to higher volumes of after-sales service for naval vessels, in line with the development prospects for this business.

EBITDA

The segment's EBITDA came to euro 13 million at 30 September 2014 (with a margin of 10.3%), reporting an increase on the figure of euro 8 million in the first nine months of 2013 (with a margin of 7.6%). This increase was mainly due to the growth in the contribution of after-sales services.

New orders

The Equipment, Systems and Services operating segment secured euro 168 million in new orders during the first nine months of 2014, mostly comprising:

- 2 propulsion, rudder roll stabilization and positioning systems with retractable azimuth thrusters for the Italian Navy's FREMM program;
- 5 stabilization systems for cruise ship customers: Princess, Silversea, Seabourn and MSC;
- 8 generating sets for the U.S. Navy's LCS program, 8 for the Italian Navy's FREMM program and 3 non-magnetic ones for the Indian Navy;
- 2 on-board power generation systems, one for Compagnie du Ponant, a cruise ship customer, and the other for Kangnam Korea, a naval vessels customer;
- 8 propulsion engines for the U.S. Coast Guard program;
- 4 steam turbines, of which three for the domestic market and one for export;
- 2 entertainment management systems for Carnival and Regent cruise ships and one entertainment system for the "MY Victory";
- Integrated logistics support services for the 2nd Saettia Stealth ship built for the UAE Navy and temporary support services for the "Cavour", an Italian Navy aircraft carrier;
- Provision of documentation and parts for the 2nd and 3rd U212A submarines for the Italian Navy.

OTHER ACTIVITIES

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

31.12.2013	(Euro/million)	30.09.2014	30.09.2013
-	Revenue and income	-	-
(26)	EBITDA	(19)	(18)
n.a.	*EBITDA margin*	*n.a.*	*n.a.*
4	Capital expenditure	5	2

n.a. not applicable

Capital expenditure

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

Other information

LISTING ON THE ITALIAN STOCK MARKET

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 main formal steps during the preparatory phase were as follows:

- on 5 May 2014, the shareholders of Fincantieri S.p.A. approved, in ordinary general meeting, the proposal to apply for listing of the Company's shares, and, in extraordinary general meeting, a share capital increase for up to euro 600 million to serve the initial public offering;
- on 6 May 2014, the request for permission to publish the prospectus was filed with Consob (Italy's stock market regulator);
- on 9 May 2014, the application for admission to listing was presented to Borsa Italiana S.p.A.;
- on 28 May 2014, the shareholders voted in general meeting to increase the size of the Board of Directors from 5 to 9 members;
- on 12 June 2014, Borsa Italiana S.p.A. authorized the admission to listing of the Company's shares and Consob approved the prospectus for the initial public offering.

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 (range €0.78 - €1.00).

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

During 2014 Fincantieri acquired 50% of the share capital of Seastema S.p.A. from ABB S.p.A. and 38% and 11% interests in 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.

During the period, Vard Marine Inc. was incorporated in Canada, with all of its share capital owned by Vard Group AS; Vard Marine Inc. has since acquired and absorbed STX Canada Marine Inc., a leading provider of marine engineering services in North America with 75 employees.

As regards institutional relations, it is recalled that in January 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 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 altered international environment.

In May, Fincantieri signed a historic settlement agreement in Baghdad with the Iraqi government that paves the way for resolving a more than twenty-year dispute between the parties. In return for closing all outstanding 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 at the time of the First Gulf War.
In May, Fincantieri presented the market with its PROXIMA project for a revolutionary offshore drillship able to operate effectively at greater depths than comparable vessels. 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.
In September Fincantieri won two prestigious awards: the National Award for Innovation and the Andrea Pininfarina Award for Business Innovation. These awards were presented to the Company for promoting the culture of innovation among young people.

KEY EVENTS AFTER THE REPORTING PERIOD ENDED 30.09.2014

On 8 October 2014, the Company's Board of Directors announced that Giuseppe Dado was taking over as Chief Financial Officer and so relieving Vitaliano Pappaianni of this responsibility temporarily assumed on 1 October 2014 following the resignation of Fabrizio Palermo.
On 9 October 2014, the Muggiano shipyard hosted the launching ceremony 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.
At the same event, an important cooperation agreement between Fincantieri and Finmeccanica was signed 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.
On 20 October 2014, the newly-formed company Marine Interiors S.p.A. finalized an 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.
On 25 October 2014, the Marghera shipyard hosted the delivery ceremony for the "Costa Diadema", the fifteenth ship and new flagship of the Costa Cruises fleet.
On 29 October 2014, a cooperation agreement was signed 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.
Finally, Fincantieri and Technip Italy, a world leading provider of engineering, construction and project management services for the Oil & Gas industry, signed a Memorandum of Understanding aimed at increasing their competitiveness in the domestic and international offshore market.

BUSINESS OUTLOOK

In general, the Group's business performance and prospective higher visibility resulting from the nine-month growth in order backlog, point towards an increase in activity in the last quarter of the year.
In particular, the Shipbuilding operating segment will be able to benefit from a gradual recovery in volumes thanks to the start of production of the large number of vessels already in the order book, to the prospective finalization of contracts for the Italian Navy's fleet renewal and to a recovery in market prices in the cruise ship market following the growth in demand for new vessels.
With regard to the Offshore operating segment, the subsidiary VARD, being able to count on a large existing backlog, will focus on implementing those efficiency measures needed to operate in a highly competitive market environment, characterized by a decline in oil prices and greater customer caution towards new investments. In this respect, VARD has communicated to the market that it expects to achieve a positive EBITDA in the fourth quarter of 2014 with prospects for further improvement in 2015.
In the Equipment, Systems and Services operating segment, the trend in new orders and revenue in the first nine months of 2014 confirms the expectation of a growth in volumes and margins on previous years.

TRANSACTIONS WITH THE CONTROLLING COMPANY AND OTHER GROUP COMPANIES

Fincantieri S.p.A. was subject to direction and coordination by Fintecna S.p.A., its principal shareholder, up until 3 July 2014, since when such direction and coordination has ceased.
During the first nine months of 2014, the Fincantieri Group carried out transactions with Fintecna, its controlling company, and with certain companies in the Fintecna Group, and with Cassa Depositi e Prestiti and certain companies in the Cassa Depositi e Prestiti Group.
In compliance with the provisions of the Regulations concerning related party transactions adopted under Consob Resolution no. 17221 of 12 March 2010 and subsequent amendments and additions, Fincantieri S.p.A. has adopted the "Procedure for Related Party Transactions" with effect from 3 July 2014.
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.

INFORMATION REGARDING CORPORATE GOVERNANCE

With effect from 3 July 2014, the Company has brought its system of corporate governance into line with the relevant provisions of Italian Legislative Decree no. 58/1998 and subsequent amendments and additions (known as the "Unified Financial Act") and of the Code of Conduct for listed companies approved in December 2011 by the Corporate Governance Committee. Further information can be found in the Corporate Governance section of the website at www.fincantieri.it

Alternative non-gaap performance measures

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

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

- EBITDA: this is equal to earnings before taxes, before finance income and costs, before income and expenses from investments and before depreciation and amortization, as reported in the financial statements, adjusted by the following items:
  - company costs for the Extraordinary Wage Guarantee Fund;
  - costs relating to the reorganization plan;
  - provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages;
  - other expenses or income outside the ordinary course of business due to particularly significant non-recurring events.
- EBIT: this is equal to EBITDA after deducting depreciation and amortization, as reported in the financial statements.
- Profit/loss (+/-) before extraordinary and non-recurring income and expenses: this is equal to profit (loss) for the period before adjustments for non-recurring items or those outside the ordinary course of business, which are reported before the related tax effect.
- Net fixed capital: this reports the fixed assets used in the business and includes the following items: Intangible assets, Property, plant and equipment, Investments and Other non-current assets (including the fair value of derivatives classified in non-current Financial assets and non-current Financial liabilities) net of Employee benefits.
- Net working capital: this is equal to capital employed in ordinary operations which includes Inventories and advances, Construction contracts and advances from customers, Construction loans, Trade receivables, Trade payables, Provisions for risks and charges, and Other current assets and liabilities (including Income tax assets, Income tax liabilities, Deferred tax assets and Deferred tax liabilities, as well as the fair value of derivatives classified in current Financial assets and current Financial liabilities).
- Net invested capital: this is equal to the total of Net fixed capital and Net working capital.
- Free cash flow: this is equal to the sum of (i) net cash flows from operating activities, (ii) net cash flows from investing activities and (iii) cash flows arising from the change in construction loans.
- ROI: The Group calculates ROI (Return on investment) as (i) the ratio between EBIT (calculated on a 12-month basis from 1 October to 30 September) and the arithmetic mean of Net invested capital at the beginning and end of the reporting period, for the value reported at 30 September 2014, and (ii) the ratio between EBIT (calculated on a 12-month basis from 1 October to 30 September) and Net invested capital at 30 September 2013, for the value reported at 30 September 2013. The method of calculating this ratio for the first nine months of 2013 has been altered so as to moderate the effects of the first-time consolidation of Vard Holdings with effect from 23 January 2013.

- ROE: The Group calculates ROE (Return on equity) as (i) the ratio between Profit for the period (calculated on a 12-month basis from 1 October to 30 September) and the arithmetic mean of total Equity at the beginning and end of the reporting period, for the value reported at 30 September 2014, and (ii) the ratio between Profit for the period (calculated on a 12-month basis from 1 October to 30 September) and total Equity at 30 September 2013, for the value reported at 30 September 2013. The method of calculating this ratio for the first nine months of 2013 has been altered so as to moderate the effects of the first-time consolidation of Vard Holdings with effect from 23 January 2013.
- Total debt/Total equity: this is the ratio between the Group's Total debt and Total equity.
- Net financial position/EBITDA: this is the ratio between the Net financial position, as monitored by the Group, and EBITDA.
- Net financial position/Total equity: this is the ratio between the Net financial position, as monitored by the Group, and Total equity.

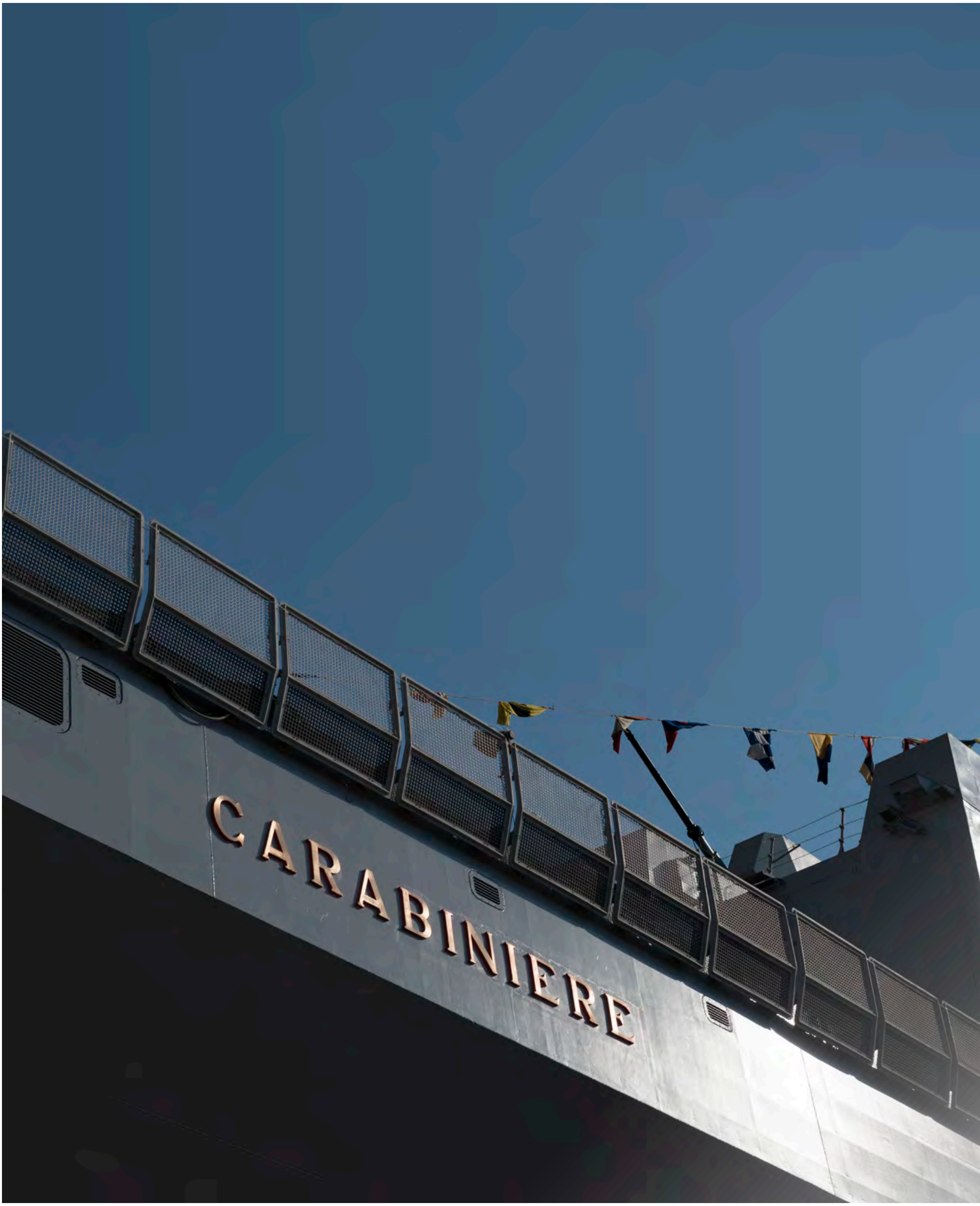
Reconciliation of the reclassified financial statements used in the report on operations with the mandatory IFRS statements

CONSOLIDATED INCOME STATEMENT

(Euro/million)	30.09.2014 Amounts in IFRS statement	30.09.2014 Amounts in reclassified statement	30.09.2013 Amounts in IFRS statement	30.09.2013 Amounts in reclassified statement
A – Revenue		**2,935**		**2,715**
Operating revenue	2,885		2,663	
Other revenue and income	50		52	
B - Materials, services and other costs		**(2,105)**		**(1,954)**
Materials, services and other costs	(2,110)		(1,970)	
Recl. to I – Extraordinary and non-recurring income and expenses	6		16	
C - Personnel costs		**(617)**		**(557)**
Personnel costs	(628)		(569)	
Recl. to I – Extraordinary and non-recurring income and expenses	11		12	
D - Provisions and impairment		**(6)**		**4**
Provisions and impairment	(24)		(8)	
Recl. to I – Extraordinary and non-recurring income and expenses	18		12	
E - Depreciation and amortization		**(75)**		**(67)**
Depreciation and amortization	(75)		(67)	
F – Finance income and costs		**(50)**		**(31)**
Finance income and costs	(50)		(39)	
Recl. to I – Extraordinary and non-recurring income and expenses			8	
G - Income/expense (+/-) from investments		**2**		**1**
Income/expense (+/-) from investments	2		1	
H - Income taxes		**(16)**		**(23)**
Income taxes	(6)		(10)	
Recl. to L - Tax effect of extraordinary and non-recurring income and expenses	(10)		(13)	
I - Extraordinary and non-recurring income and expenses		**(35)**		**(48)**
Recl. from B - Materials, services and other costs	(6)		(16)	
Recl. from C - Personnel costs	(11)		(12)	
Recl. from D - Provisions and impairment	(18)		(12)	
Recl. from F – Finance income and costs			(8)	
L - Tax effect of extraordinary and non-recurring income and expenses		**10**		**13**
Recl. from H – Income taxes for the period	10		13	
Profit for the period		**43**		**53**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30.09.2014		31.12.2013	
	(Euro/million)	Amounts in IFRS statement	Amounts in reclassified statement	Amounts in IFRS statement	Amounts in reclassified statement
A)	**Intangible assets**		**558**		**539**
	Intangible assets	558		539	
B)	**Property, plant and equipment**		**951**		**897**
	Property, plant and equipment	951		897	
C)	**Investments**		**75**		**70**
	Investments	75		70	
D)	**Other non-current assets and liabilities**		**(40)**		**(14)**
	Derivative assets	3		17	
	Other non-current assets	14		17	
	Other liabilities	(44)		(47)	
	Derivative liabilities	(13)		(1)	
E)	**Employee benefits**		**(58)**		**(60)**
	Employee benefits	(58)		(60)	
F)	**Inventories and advances**		**481**		**400**
	Inventories and advances	481		400	
G)	**Construction contracts and advances from customers**		**1,049**		**757**
	Construction contracts - assets	1,661		1,531	
	Construction contracts – liabilities and advances from customers	(612)		(774)	
H)	**Construction loans**		**(584)**		**(563)**
	Construction loans	(584)		(563)	
I)	**Trade receivables**		**350**		**344**
	Trade receivables and other current assets	653		559	
	Recl. to N) Other assets	(303)		(215)	
L)	**Trade payables**		**(896)**		**(911)**
	Trade payables and other current liabilities	(1,112)		(1,155)	
	Recl. to N) Other liabilities	216		244	
M)	**Provisions for risks and charges**		**(126)**		**(151)**
	Provisions for risks and charges	(126)		(151)	
N)	**Other current assets and liabilities**		**79**		**57**
	Deferred tax assets	147		168	
	Income tax assets	59		38	
	Derivative assets	13		41	
	Recl. from I) Other current assets	303		215	
	Deferred tax liabilities	(88)		(88)	
	Income tax liabilities	(25)		(30)	
	Derivative liabilities and option fair value	(114)		(43)	
	Recl. from L) Other current liabilities	(216)		(244)	
NET INVESTED CAPITAL			**1,839**		**1,365**
O)	**Equity**		**1,601**		**1,210**
P)	**Net financial position**		**238**		**155**
SOURCES OF FUNDING			**1,839**		**1,365**
Q)	**Net (assets)/liabilities held for sale**				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condensed consolidated interim financial statements as at and for the nine months ended 30 september 2014

Consolidated statement of financial position

(Euro/000)	Note	30.09.2014	*of which related parties Note 27*	31.12.2013	*of which related parties Note 27*
ASSETS					
NON-CURRENT ASSETS					
Intangible assets	5	557,830		539,332	
Property, plant and equipment	6	951,450		896,545	
Investments accounted for using the equity method	7	65,838		61,647	
Other investments	7	9,107		8,917	
Financial assets	8	116,985	*10,347*	99,882	*8,548*
Other assets	9	13,853		17,456	
Deferred tax assets	10	147,236		167,651	
Total non-current assets		**1,862,299**		**1,791,430**	
CURRENT ASSETS					
Inventories and advances	11	480,896		399,728	
Construction contracts – assets	12	1,662,206		1,530,660	
Trade receivables and other current assets	13	653,415	*135,477*	558,921	*48,808*
Income tax assets		58,596		38,817	
Financial assets	14	45,015	*1,623*	99,353	*4,368*
Cash and cash equivalents	15	364,031		384,506	
Total current assets		**3,264,159**		**3,011,985**	
TOTAL ASSETS		**5,126,458**		**4,803,415**	
EQUITY AND LIABILITIES					
EQUITY	16				
Equity attributable to owners of the parent					
Share capital		862,981		633,481	
Reserves and retained earnings		490,228		334,860	
Total Equity attributable to owners of the parent		**1,353,209**		**968.341**	
Non-controlling interests		247,897		242,225	
Total Equity		**1,601,106**		**1,210,566**	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	17	99,541		98,907	
Employee benefits	18	58,441		60,049	
Financial liabilities	19	608,758	*18,339*	604,727	*19,049*
Other liabilities	20	43,666		47,600	
Deferred tax liabilities	10	88,192		87,837	
Total non-current liabilities		**898,598**		**899,120**	
CURRENT LIABILITIES					
Provisions for risks and charges	17	25,919		51,860	
Construction contracts – liabilities	12	612,144		773,657	
Trade payables and other current liabilities	21	1,112,493	*5,117*	1,154,718	*1,250*
Income tax liabilities		24,930		30,220	
Financial liabilities	22	851,268	*75,781*	683,274	*4,424*
Total current liabilities		**2,626,754**		**2,693,729**	
TOTAL EQUITY AND LIABILITIES		**5,126,458**		**4,803,415**	

Consolidated statement of comprehensive income

(Euro/000)	Note	30.09.2014	*of which related parties Note 27*	31.09.2013	*of which related parties Note 27*
Operating revenue	23	2,884,551	*231,289*	2,663,448	*288,759*
Other revenue and income	23	50,068	*2,449*	51,905	*1,546*
Materials, services and other costs *of which non-recurring*	24	(2,110,130) *(5,575)*	*(2,868)*	(1,970,132) *(16,043)*	*(2,660)*
Personnel costs *of which non-recurring*	24	(628,402) *(11,287)*		(569,353) *(12,064)*	
Depreciation and amortization	24	(74,654)		(66,652)	
Provisions and impairment *of which non-recurring*	24	(24,270) *(18,375)*		(8,103) *(11,835)*	
Finance income	25	16,594	*258*	17,125	
Finance costs *of which non-recurring*	25	(66,899)	*(3,234)*	(56,281) *(7,772)*	*(3,090)*
Income/expense (+/-) from investments		(277)		27	
Share of profit/loss (+/-) of investments accounted for using the equity method		2,568		1,337	
Income taxes	26	(6,624)		(9,847)	
PROFIT/LOSS (+/-) FOR THE PERIOD (A)		**42,525**		**53,474**	
Attributable to owners of the parent		*41,524*		*35,566*	
Attributable to non-controlling interests		*1,001*		*17,908*	
Basic earnings/loss (+/-) per share (Euro)	27	0.02986		0.02863	
Diluted earnings/loss (+/-) per share (Euro)	27	0.02974		0.02863	

Other comprehensive income/losses (+/-), net of tax (OCI)					
Gains/losses (+ /-) from remeasurement of employee defined benefit plans	16 - 18	(1,138)		(403)	
Total gains/losses (+/-) that will not be reclassified to profit or loss, net of tax ***attributable to non-controlling interests***	16	**(1,138)**		**(403)** ***(7)***	
Effective portion of gains/losses (+/-) on cash flow hedging instruments	16	232		986	
Gains/losses (+/-) arising from changes in OCI of investments accounted for using the equity method		(2,420)			
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	24,343		(33,452)	
Total gains/losses (+/-) that may be subsequently reclassified to profit or loss, net of tax ***attributable to non-controlling interests***	16	**22,155** ***5,826***		**(32,466)** ***(14,172)***	
Total other comprehensive income/losses (+/-), net of tax (B) ***attributable to non-controlling interests***	16	**21,017** ***5,826***		**(32,869)** ***(14,179)***	
TOTAL COMPREHENSIVE INCOME/LOSS (+/-) FOR THE PERIOD (A) + (B)		**63,542**		**20,605**	
Attributable to owners of the parent		*56,715*		*16,876*	
Attributable to non-controlling interests		*6,827*		*3,729*	

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					462	462
Share capital increase – non-controlling interests						
Dividend distribution			(4,000)	(4,000)	(297)	(4,297)
Other changes/roundings			80	80	135	215
Total transactions with owners			***(3,920)***	***(3,920)***	***213,275***	***209,355***
Profit for the period			35,566	35,566	17,908	53,474
Other components						
Other comprehensive income			(18,690)	(18,690)	(14,179)	(32,869)
Total comprehensive income for the period			**16,876**	**16,876**	**3,729**	**20,605**
30.09.2013	16	**633,481**	**319,001**	**952,482**	**234,015**	**1,186,497**
01.01.2014	16	**633,481**	**334,860**	**968,341**	**242,225**	**1,210,566**
Business combinations						
Share capital increase		229,500	110,302	339,802	1,103	340,905
Share capital increase – non-controlling interests			(1,642)	(1,642)	(2,258)	(3,900)
Dividend distribution			(10,000)	(10,000)		(10,000)
Other changes/roundings			(7)	(7)		(7)
Total transactions with owners		***229,500***	***98,653***	***328,153***	***(1,155)***	***326,998***
Profit for the period			41,524	41,524	1,001	42,525
Other components						
Other comprehensive income			15,191	15,191	5,826	21,017
Total comprehensive income for the period			***56,715***	***56,715***	***6,827***	***63,542***
30.09.2014	16	**862,981**	**490,228**	**1,353,209**	**247,897**	**1,601,106**

Consolidated statement of cash flows

(Euro/000)	Note	30.09.2014	30.09.2013
NET CASH FLOWS FROM OPERATING ACTIVITIES	28	**(305,107)**	**(202,392)**
- of which related parties		*(82,802)*	*(6,648)*
Investments in:			
- intangible assets		(20,104)	(31,116)
- property, plant and equipment		(89,699)	(170,359)
- equity investments		(2,633)	(1,951)
- cash out for business combinations, net of cash acquired		(7,414)	(168,707)
Disposals of:			
- intangible assets		10	4
- property, plant and equipment		836	1,034
- equity investments		41	253
- other financial assets and receivables			
Acquisition of non-controlling interests in subsidiaries			
CASH FLOWS FROM INVESTING ACTIVITIES		**(118,963)**	**(370,842)**
Change in non-current loans:			
- proceeds		11,145	78,914
- repayments		(15,093)	(15,627)
Change in non-current financial receivables:			
- proceeds		(24,439)	(15,104)
- repayments		14,881	646
Change in current bank loans and credit facilities		(1,239)	117,467
Change in current loans from controlling companies			
Change in payables/receivables due to/from associates			
Change in other financial liabilities/receivables		65,135	(11,310)
Change in receivables for held-for-trading financial instruments		7	59
Change in payables for held-for-trading financial instruments		5,587	(1,393)
Contribution by shareholders		1,103	485
Parent Company capital increase (IPO)		339,802	
Acquisition of non-controlling interests in subsidiaries		(3,900)	
CASH FLOWS FROM FINANCING ACTIVITIES		**392,989**	**154,137**
- of which related parties		*71,593*	*81,208*
NET CASH FLOWS FOR THE PERIOD		**(31,081)**	**(419,097)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**384,506**	**691,828**
Effect of exchange rate changes on cash and cash equivalents		10,606	(30,936)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**364,031**	**241,795**


+0.15
0.10

notes to the condensed consolidated interim financial statements

Note 1 - form, contents and other general information

The Parent Company

FINCANTIERI S.p.A. (hereinafter "Fincantieri", the "Company" or the "Parent Company" and, together with its subsidiaries, the "Group" or the "Fincantieri Group") is a public limited company with its registered office in Via Genova no. 1, Trieste (Italy), and listed on the Italian Stock Exchange (in the FTSE MIB index). The Group is one of the world's top players in the shipbuilding industry and one of the most diversified globally, offering design and construction services for high value-added products such as cruise ships, naval vessels, ferries, mega yachts, offshore vessels, and marine systems and components.
As at 30 September 2014, 72.5% of the Company's share capital of euro 862,980,725.70 was held by Fintecna S.p.A.; the remainder of share capital was owned by a number of private investors, none of whom held significant interests of 2% or above. 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.

IFRS CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In 2007 Fincantieri took up the option permitted by Italian Legislative Decree 38 dated 28 February 2005, governing the exercise of the options contained in article 5 of European Regulation no.1606/2002 concerning international accounting standards.
Therefore, starting from the year ended 31 December 2007, the consolidated financial statements of the Fincantieri Group have been prepared in compliance with IFRS, meaning all the International Financial Reporting Standards, all the International Accounting Standards ("IAS"), and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") previously known as the Standing Interpretations Committee ("SIC"), which, at the reporting date of the consolidated financial statements, have been endorsed by the European Union in accordance with the procedure laid down in Regulation (EC) no. 1606/2002 of the European Parliament and European Council dated 19 July 2002.
The condensed consolidated interim financial statements as at and for the nine months ended 30 September 2014 (the "Condensed Consolidated Interim Financial Statements"), were approved by the Company's Board of Directors on 10 November 2014.
The current interim management report is not subject to statutory audit.

BASIS OF PREPARATION

The Interim Management Report of the Fincantieri Group as at 30 September 2014 has been prepared in accordance with the provisions of art. 154-ter par. 5 of Italian Legislative Decree no. 58/98 (known as the "Unified Financial Act") and subsequent amendments and additions.

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. IAS 34 allows the preparation of financial statements in a "condensed" format, in which the minimum level of information presented is significantly less than that required by the IFRSs, as long as the reporting entity has previously published a complete set of financial statements prepared in accordance with IFRS. Since the contents of the Condensed Consolidated Interim Financial Statements are presented in a condensed format, they must be read in conjunction with the Group's consolidated financial statements for the years ended 31 December 2013, 2012 and 2011, prepared in accordance with IFRS (the "Consolidated Financial Statements").

With regard to the main financial risks to which the Group is exposed - credit risk, liquidity risk and market risk (in particular currency, interest rate and commodity price risk) - the management of these financial risks is the responsibility of the Parent Company which decides, in close collaboration with its operating units, whether and how to hedge these risks. There have been no significant changes in the major financial risks faced compared with those described in the Consolidated Financial Statements as at 31 December 2013 which should be consulted for more details. The following table shows the financial assets and liabilities that are measured at fair value at 30 September 2014 and 31 December 2013 according to their level in the fair value hierarchy:

	30.09.2014			31.12.2013		
(Euro/000)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Available-for-sale financial assets						
Equity instruments		6,405	1,182		6,219	1,171
Debt instruments						
Hedging derivatives		15,991			58,079	
Held-for-trading derivatives						
Total assets		**22,396**	**1,182**		**64,298**	**1,171**
Liabilities						
Financial liabilities at fair value through profit or loss			15,100			13,777
Hedging derivatives		105,375				
Held-for-trading derivatives		6,992			30,790	
Total liabilities		**112,367**	**15,100**		**30,790**	**13,777**

PRESENTATION OF FINANCIAL STATEMENTS

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

Note 2 - scope and basis of consolidation

As previously stated, the scope and basis of consolidation adopted for the preparation of the Condensed Consolidated Interim Financial Statements are in line with those used to prepare the Consolidated Financial Statements, except as reported in Note 3.

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

On 4 July 2014, the Group acquired, through Vard Marine Inc., 100% of STX Canada Marine Inc., now renamed Vard Marine US Inc., which was merged at the same time with Vard Marine Inc. The acquisition date book value of the net assets acquired was approximately euro 5.5 million. The purchase price allocation process is still in progress. The higher price paid over net asset value is approximately euro 2.5 million, which has been provisionally allocated to goodwill.

On 28 July 2014, Marine Interiors S.p.A. was incorporated as a wholly-owned subsidiary of Seaf S.p.A.

In addition, all of the remaining shares were acquired in Delfi S.r.l. and Seastema S.p.A., giving the Group 100% control of these subsidiaries.

No significant transactions or unusual events took place during the first nine months of 2014 or 2013, except as reported in the Condensed Consolidated Interim Financial Statements at 30 September 2014. It is also noted that the Group's business is not subject to seasonal trends.

Translation of the financial statements of foreign operations

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

	30.09.2014		31.12.2013		30.09.2013	
	9-month average	Closing rate at 30 September	12-month average	Closing rate at 31 December	9-month average	Closing rate at 30 September
US Dollar (USD)	1.3549	1.2583	1.3281	1.3791	1.3172	1.3505
UAE Dirham (AED)	4.9764	4.6216	4.8782	5.0654	4.8379	4.9603
Brazilian Real (BRL)	3.1028	3.0821	2.8669	3.2576	2.7898	3.0406
Norwegian Krone (NOK)	8.2761	8.1190	7.8051	8.3630	7.6588	8.1140
Indian Rupee (INR)	82.2624	77.8564	77.8753	85.3660	84.8440	75.6927
Romanian Leu (RON)	4.4471	4.4102	4.4193	4.4710	4.4088	4.4620

Note 3 - accounting standards

The Group's adoption of the international accounting standards and interpretations compulsory from 1 January 2014 (particularly IFRS 10, IFRS 11, IFRS 12 and certain amendments to IAS 32, IAS 36 and IAS 39) has not had any significant impact on the information provided. A description of the recently issued accounting standards can be found in the Consolidated Financial Statements at 31 December 2013 to which reference should be made, while the main IASB pronouncements not yet approved by the European Commission are outlined below.

On 12 November 2009, the IASB issued IFRS 9 – *Financial Instruments*; this standard has been subsequently amended. The standard, whose effective date has yet to be determined, 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 20 May 2013, the IASB issued IFRIC 21 – *Levies*. This interpretation has been issued to identify the accounting treatment for levies, defined as payments to a government body for which the reporting entity does not receive specific goods or services. The interpretation is applicable for annual periods beginning on or after 1 January 2014 and must be applied retrospectively.

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 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

A full description of the use of accounting estimates can be found in the Consolidated Financial Statements at 31 December 2013.

Certain valuation processes, particularly the more complex ones, such as the determination of any impairment of non-current assets, are generally carried out in full only when preparing the annual financial statements when all the necessary information is available, except when there are indicators of impairment that require the immediate assessment of any impairment losses.

Note 5 - intangible assets

Movements in this line item are as follows:

(Euro/000)	Goodwill	Customer relationships	Develop-ment costs	Industrial patents and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangibles	Intangibles in progress and advances to suppliers	**Total**
- cost	299,813	210,397	26,832	81,229	14,602	6,203	20,047	659,123
- accumulated amortization and impairment losses	-	(25,134)	(12,557)	(77,949)	(723)	(3,428)	-	(119,791)
Net carrying amount at 01.01.2014	**299,813**	**185,263**	**14,275**	**3,280**	**13,879**	**2,775**	**20,047**	**539,332**
Movements								
- business combinations	2,485							2,485
- additions			174	12	52	479	19,387	20,104
- net disposals								-
- reclassifications/ other changes		1	3,130		1		(3,140)	(8)
- amortization		(13,837)	(1,387)	(1,305)	(161)	(520)		(17,210)
- impairment losses								-
- exchange rate differences	5,498	6,127			1,303	199		13,127
Closing net carrying amount	**307,796**	**177,554**	**16,192**	**1,987**	**15,074**	**2,933**	**36,294**	**557,830**
- cost	307,796	218,194	30,173	81,254	16,035	7,089	36,294	696,835
- accumulated amortization and impairment losses	-	(40,640)	(13,981)	(79,267)	(961)	(4,156)	-	(139,005)
Net carrying amount at 30.09.2014	**307,796**	**177,554**	**16,192**	**1,987**	**15,074**	**2,933**	**36,294**	**557,830**

Goodwill at 30 September 2014 comprises euro 63 million in relation to the acquisition in 2009 of the Fincantieri Marine Group in the USA and allocated to the Naval cash-generating unit (CGU) within the Shipbuilding operating segment, and euro 242 million in relation to 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. The increase of euro 2,485 thousand in goodwill during the third quarter of 2014 is due to the provisional allocation of the price paid for the acquisition of 100% of STX Canada Marine Inc.

Trademarks with indefinite useful lives refer to the names of the U.S. shipyards acquired (namely Marinette and Bayshipbuilding) and are allocated to the CGU representing the American group acquired. In accordance with the provisions of IAS 36, the Company is of the opinion that the conditions exist as at 30 September 2014 to confirm the value of goodwill and the trademark since no signs of impairment have emerged indicating a reduction in their value.

Additions in the first nine months of 2014 amounted to euro 20,104 thousand, of which euro 13,821 thousand for continued work on projects to develop new technologies following product discontinuance in the wake of new regulations and for the large number of new cruise ship prototypes ordered. The remaining expenditure relates to the development of information systems to support the Group's business. Additions made in the first nine months of 2013 came to euro 31,116 thousand, mainly in connection with projects under development.

Note 6 - property, plant and equipment

Movements in this line item are as follows:

(Euro/000)	Land and buildings	Leased buildings	Industrial plant, machinery and equipment	Assets under concession	Extraordinary maintenance on leased assets	Other assets	Assets under construction and advances to suppliers	**Total**
- cost	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 01.01.2014	**297,811**	**475**	**261,852**	**57,914**	**6,125**	**52,213**	**220,155**	**896,545**
Movements - business combinations			361					361
- additions	8,624		19,595		2	94	61,383	89,698
- net disposals	(28)		(93)				(3)	(124)
- reclassifications/ other changes	81,780		86,898	6	31	508	(169,515)	(292)
- depreciation	(12,652)	(207)	(38,171)	(2,424)	(634)	(3,353)		(57,441)
- impairment losses	(50)							(50)
- capitalized finance costs							2,247	2,247
- exchange rate differences	10,196	29	6,448		1	215	3,617	20,506
Closing net carrying amount	**385,681**	**297**	**336,890**	**55,496**	**5,525**	**49,677**	**117,884**	**951,450**
- cost	567,580	2,082	1,079,359	173,458	25,353	153,955	117,884	2,119,671
- accumulated depreciation and impairment losses	(181,899)	(1,785)	(742,469)	(117,962)	(19,828)	(104,278)	-	(1,168,221)
Net carrying amount at 30.09.2014	**385,681**	**297**	**336,890**	**55,496**	**5,525**	**49,677**	**117,884**	**951,450**

Capital expenditure additions of euro 89,698 thousand in the first nine months of 2014 mainly relate to the construction of new infrastructure and technological upgrades to improve production efficiency through greater process automation and to improve safety conditions and environmental respect within the production sites; this expenditure was mostly concentrated on the shipyards in Monfalcone, to modernize hull-building technologies, and Marghera, to build new infrastructure and logistical support areas for the outfitting docks, and on the Vard Promar and Vard Romania shipyards.

Additions of euro 170,364 thousand made during the first nine months of 2013 mainly referred to the shipyards in Monfalcone, Marghera and Sestri and the VARD shipyards 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	2,623		**2,623**	10		**10**	**2,633**
Revaluations(+) Impairment losses(-)	(426)	575	**149**			-	**149**
Disposals			-	(15)	(24)	**(39)**	**(39)**
Capital paid into investments			-			-	-
Dividends from investments accounted for using the equity method			-			-	-
Reclassifications/Other			-	(3)		**(3)**	**(3)**
Exchange rate differences	1,419		**1,419**		222	**222**	**1,641**
30.09.2014	49,465	16,373	**65,838**	1,519	7,588	**9,107**	**74,945**

Note 8 - non-current financial assets

These are analyzed as follows:

(Euro/000)	**30.09.2014**	**31.12.2013**
Grants financed by BIIS	34,110	40,790
Derivative assets	2,976	17,253
Other non-current financial receivables	69,552	33,211
Non-current financial receivables from investee companies	10,347	8,628
NON-CURRENT FINANCIAL ASSETS	**116,985**	**99,882**

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

The increase in "Other non-current financial receivables" primarily reflects the extension of the maturity of certain current financial receivables due from customers which earn interest at market rates.

Note 9 - other non-current assets

Other non-current assets are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Other receivables from investee companies		186
Government grants receivable	2,132	2,555
Other receivables	11,721	14,715
OTHER NON-CURRENT ASSETS	**13,853**	**17,456**

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

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

(Euro/000)	Provision for impairment of other receivables
01.01.2014	**16,656**
Utilizations	
Increases (+) Releases (-)	
30.09.2014	**16,656**

Note 10 - deferred tax assets and liabilities

Deferred tax liabilities are analyzed as follows:

(Euro/000)	Total
01.01.2014	**167,651**
Through income statement	(26,763)
Through equity	3,808
Through other comprehensive income	298
Other changes	(539)
Exchange rate differences	2,781
30.09.2014	**147,236**

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

Deferred tax liabilities are analyzed as follows:

(Euro/000)	Total
01.01.2014	**87,837**
Through income statement	(3,706)
Other changes	(616)
Exchange rate differences	4,677
30.09.2014	**88,192**

Note 11 - inventories and advances

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Raw materials and consumables	188,396	183,348
Work in progress and semi-finished goods	12,121	3,843
Finished products	6,934	6,083
Total inventories	**207,451**	**193,274**
Advances to suppliers	273,445	206,454
TOTAL INVENTORIES AND ADVANCES	**480,896**	**399,728**

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

(Euro/000)	Provision for impairment - raw materials	Provision for impairment – finished products
01.01.2014	**16,131**	**2,586**
Increases	712	
Utilizations	(1,245)	(127)
Releases	(430)	
Exchange rate differences	13	72
30.09.2014	**15,181**	**2,531**

Note 12 - construction contracts – net assets and liabilities

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

(Euro/000)	30.09.2014 Construction contracts – gross	30.09.2014 Invoices issued and provision for future losses	30.09.2014 Construction contracts - net assets	31.12.2013 Construction contracts – gross	31.12.2013 Invoices issued and provision for future losses	31.12.2013 Construction contracts - net assets
Shipbuilding contracts	3,650,906	(2,013,012)	1,637,894	3,383,893	(1,868,900)	1,514,993
Other contracts for third parties	41,214	(16,902)	24,312	31,252	(15,585)	15,667
Total	**3,692,120**	**(2,029,914)**	**1,662,206**	**3,415,145**	**(1,884,485)**	**1,530,660**

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

(Euro/000)	30.09.2014 Construction contracts – gross	30.09.2014 Invoices issued and provision for future losses	30.09.2014 Construction contracts - net assets	31.12.2013 Construction contracts – gross	31.12.2013 Invoices issued and provision for future losses	31.12.2013 Construction contracts - net liabilities
Shipbuilding contracts	4,087,993	(4,670,049)	(582,056)	3,009,670	(3,715,342)	(705,672)
Other contracts for third parties	167,826	(173,045)	(5,219)	153,967	(165,958)	(11,991)
Advances from customers		(24,869)	(24,869)		(55,994)	(55,994)
Total	**4,255,819**	**(4,867,963)**	**(612,144)**	**3,163,637**	**(3,937,294)**	**(773,657)**

Note 13 - trade receivables and other current assets

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Trade receivables	350,046	343,684
Receivables from controlling companies (tax consolidation)	28,586	10,210
Government grants receivable	17,296	8,467
Other sundry receivables	104,359	82,522
Indirect tax receivables	44,201	47,473
Firm commitments	76,500	26,564
Accrued income	33	
Prepayments	32,393	40,001
TOTAL TRADE RECEIVABLES AND OTHER CURRENT ASSETS	**653,414**	**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 debtor default. A provision for interest charged on past due trade receivables has been recognized in a "Provision for past due interest”.
The amount of and movements in the total provisions for impairment of receivables are as follows:

(Euro/000)	Provisions for impairment of receivables
01.01.2014	**41,017**
Utilizations	(576)
Increases (+)/Releases (-)	1,790
Exchange rate differences	220
30.09.2014	**42,451**

"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)	30.09.2014	31.12.2013
Derivative assets	13,015	40,826
Other receivables	23,575	50,113
Government grants financed by BIIS	6,680	6,436
Accrued interest income	1,745	1,978
TOTAL CURRENT FINANCIAL ASSETS	**45,015**	**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" mainly include interest-bearing financial receivables from customers.

Note 15 - cash and cash equivalents

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Bank and postal deposits	363,874	384,236
Checks	22	149
Cash on hand	135	121
TOTAL CASH AND CASH EQUIVALENTS	**364,031**	**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)	30.09.2014	31.12.2013
Attributable to owners of the parent		
Share capital	862,981	633,481
Share premium reserve	110,373	71
Legal reserve	31,516	29,439
Cash flow hedge reserve	(528)	(760)
Available-for-sale fair value reserve	(226)	(226)
Currency translation reserve	(17,084)	(34,527)
Other reserves and retained earnings	324,653	284,146
Profit/loss (+/-) for the period	41,524	56,717
	1,353,209	**968,341**
Attributable to non-controlling interests		
Capital and reserves	267,440	241,356
Available-for-sale fair value reserve	(180)	(180)
Currency translation reserve	(20,364)	(27,352)
Profit/loss (+/-) for the period	1,001	28,401
	247,897	**242,225**
TOTAL EQUITY	**1,601,106**	**1,210,566**

SHARE CAPITAL

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; this increase, involving the issue of 450,000,000 new shares, was completed on 3 July following the Company's admission to listing on the main Italian stock market (*Mercato Telematico Azionario* or MTA). 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.

SHARE PREMIUM RESERVE

This reserve has been recorded as a result of the capital increase accompanying the Company's listing on the Italian stock market on 3 July 2014. Listing costs of euro 11,195 thousand (net of tax effects) referring to the capital increase have been accounted for as a deduction from the share premium reserve, in compliance with IAS 32.
The rest of the listing costs, amounting to euro 2,728 thousand, have been recognized as services in the income statement and reported among the "non-recurring expenses".

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. and 49% of the share capital of Delfi S.r.l., giving the Fincantieri Group 100% control of both these companies.

OTHER COMPREHENSIVE INCOME/LOSSES

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

	30.09.2014			30.09.2013		
(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	320	(88)	232	986		986
Gains/losses (+/-) from remeasurement of employee defined benefit plans	(1,570)	432	(1,138)	(403)		(403)
Gains/losses (+/-) arising from changes in OCI of investments accounted for using the equity method	(2,420)		(2,420)			
Gains/losses (+/-) arising on translation of financial statements of foreign operations	24,389	(46)	24,343	(33,993)	179	(33,814)
Total other comprehensive income/losses (+/-)	**20,719**	**298**	**21,017**	**(33,410)**	**179**	**(33,231)**

(Euro/000)	30.09.2014	31.12.2013
Effective portion of profits/losses (+/-) arising in period on cash flow hedging instruments	(728)	(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	**320**	**699**
Tax effect of other components of comprehensive income	**(88)**	**(189)**
TOTAL OTHER COMPREHENSIVE INCOME/LOSSES (+/-), NET OF TAX	**232**	**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	(233)	(1)			(13,283)	(13,517)
Increases	18,765	17,324			1,990	38,079
Utilizations	(15,160)	(18,213)		(3,576)	(14)	(36,963)
Releases	(132)	(7,543)			(7,394)	(15,069)
Exchange rate differences	51	831			1,281	2,163
30.09.2014	**47,627**	**49,136**	**110**	**1,199**	**27,388**	**125,460**
Non-current portion	*46,395*	*33,793*	*110*		*19,243*	*99,541*
Current portion	*1,232*	*15,343*		*1,199*	*8,145*	*25,919*

The main component of the "Litigation" provision relates to precautionary provisions for claims brought by employees, authorities or third parties for damages arising from asbestos exposure. The remainder of the litigation provision relates to lawsuits with employees and suppliers and to other legal proceedings.
The "Product warranty" provision relates to the estimated cost of carrying out work under contractual guarantee after vessel delivery. The warranty period normally lasts for 1 or 2 years after delivery, but in some cases it may be longer.
The "Business reorganization" provision refers to the residual amount for 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 clean-up costs and provisions for 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" refer to the reclassification of provisions for risks related to construction contracts as a reduction in the gross value of such contracts.

Note 18 - employee benefits

Movements in this line item are as follows:

(Euro/000)	30.09.2014	31.12.2013
Opening balance	**60,486**	**70,757**
Business combinations		4,597
Interest cost	1,343	2,200
Actuarial gains/losses (-/+)	1,570	(1,152)
Utilizations for benefits and advances paid	(4,699)	(12,899)
Staff transfers and other movements	(15)	(2,740)
Exchange rate differences	10	(277)
Closing balance	**58,695**	**60,486**
Plan assets	**(254)**	**(437)**
Closing balance	**58,441**	**60,049**

Note 19 - non-current financial liabilities

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Bond	296,645	296,095
Bank loans and credit facilities - non-current portion	251,364	254,670
Loans from BIIS - non-current portion	34,110	40,790
Finance lease obligations	322	544
Financial liabilities for the acquisition of equity investments	11,770	11,770
Derivative liabilities	13,294	858
Other financial liabilities	1,253	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**608,758**	**604,727**

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

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

"Bank loans and credit facilities - non-current portion" at 30 September 2014 also include two amounts received in April and June for a total of euro 9 million as the final drawdown of the subsidized loan under Law 908/55, already outstanding at 31 December 2013, granted by Banca Mediocredito del Friuli Venezia Giulia S.p.A for capital expenditure at the Monfalcone shipyard.

Note 20 - other non-current liabilities

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Capital grants	28,724	30,014
Other liabilities	14,942	17,586
TOTAL OTHER NON-CURRENT LIABILITIES	**43,666**	**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)	30.09.2014	31.12.2013
Payables to suppliers	896,261	910,538
Social security payables	33,162	28,028
Other payables for deferred employee remuneration	67,631	64,572
Other payables	83,839	98,209
Indirect tax payables	15,471	20,700
Firm commitments	7,412	25,166
Accrued expenses	8,309	7,504
Deferred income	408	1
TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES	**1,112,493**	**1,154,718**

"Social security payables" include amounts due to INPS (the Italian social security authorities) for employer and employee contributions on September wages and salaries and contributions on end-of-period wage adjustments.

"Other payables" include employee income tax withholdings 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

These are analyzed as follows:

(Euro/000)	30.09.2014	31.12.2013
Bank loans and credit facilities - current portion	29,867	29,717
Loans from BIIS - current portion	6,680	6,436
Bank loans and credit facilities – Construction loans	584,466	562,791
Bank credit facilities repayable on demand	30,744	35,134
Payables to Fintecna		184
Payables to joint ventures	74,350	2,535
Finance lease obligations - current portion	326	276
Fair value of options on equity investments	15,100	13,777
Other financial liabilities	154	
Derivative liabilities	99,073	29,932
Accrued interest expense	10,508	2,492
TOTAL CURRENT FINANCIAL LIABILITIES	**851,268**	**683,274**

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

"Fair value of options on equity investments" (Level 3) relates to the option held by minority shareholders of the Fincantieri Marine Group, exercisable from 1 January 2014. This amount has remained unchanged during the period except for exchange rate differences.

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

Note 23 - revenue and income

These are analyzed as follows:

(Euro/000)	30.09.2014	30.09.2013
Operating revenue	2,884,551	2,663,448
Other revenue and income	50,068	51,905
TOTAL REVENUE AND INCOME	**2,934,619**	**2,715,353**

Note 24 - operating costs

MATERIALS, SERVICES AND OTHER COSTS

Materials, services and other costs are analyzed as follows:

(Euro/000)	30.09.2014	30.09.2013
Raw materials and consumables	(1,544,957)	(1,445,110)
Services	(502,211)	(518,275)
Leases and rentals	(29,024)	(27,738)
Change in inventories of raw materials and consumables	8,362	(7,725)
Change in work in progress	617	
Change in inventories of finished products	6,837	802
Other operating costs	(62,712)	(7,390)
Total materials, services and other costs	**(2,123,088)**	**(2,005,436)**
Capitalization of internal costs	**12,958**	**35,304**
TOTAL OPERATING COSTS	**(2,110,130)**	**(1,970,132)**

PERSONNEL COSTS

(Euro/000)	30.09.2014	30.09.2013
Personnel costs:		
- wages and salaries	(449,081)	(425,179)
- social security	(140,136)	(130,062)
- costs for defined contribution plans	(24,314)	(24,015)
- other personnel costs	(19,441)	(15,596)
Personnel costs capitalized in fixed assets	4,570	25,499
Total personnel costs	**(628,402)**	**(569,353)**

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

HEADCOUNT

The Fincantieri Group had 21,746 employees at 30 September 2014, broken down as follows:

(number)	30.09.2014	30.09.2013
Employees at period end:		
Total at period end	21,746	20,038
- of whom in Italy	7,718	7,856
- of whom in Parent Company	7,409	7,555
- of whom in VARD	11,819	10,358
Average number of employees	20,998	19,775
- of whom in Italy	7,679	7,886
- of whom in Parent Company	7,374	7,613
- of whom in VARD	11,215	9,902

Orizzonte Sistemi Navali had 83 employees at 30 September 2014, compared with 84 employees at 30 September 2013.

DEPRECIATION AND AMORTIZATION, PROVISIONS AND IMPAIRMENT

(Euro/000)	30.09.2014	30.09.2013
Depreciation and amortization:		
- amortization of intangible assets	(17,213)	(16,307)
- depreciation of property, plant and equipment	(57,441)	(50,345)
Total depreciation and amortization	**(74,654)**	**(66,652)**
Provisions and impairment:		
- impairment of receivables	(2,318)	(2,858)
- increases in provisions for risks and charges	(37,423)	(33,104)
- other impairment losses	(50)	(107)
- release of provisions and impairment reversals	15,521	27,966
Total provisions and impairment	**(24,270)**	**(8,103)**

A breakdown of "Depreciation and amortization" expense is provided in Notes 5 and 6.
Details of "Provisions and impairment" can be found in Notes 13 and 17.

Note 25 - finance income and costs

These are analyzed as follows:

(Euro/000)	30.09.2014	30.09.2013
FINANCE INCOME		
Interest and other income from financial assets	3,233	3,190
Income from derivative financial instruments	303	837
Bank interest and fees and other income	5,745	6,369
Foreign exchange gains	7,313	6,729
Total finance income	**16,594**	**17,125**
FINANCE COSTS		
Interest and fees charged by related parties	(1,595)	(1,781)
Expenses from derivative financial instruments	(71)	(241)
Interest on employee benefit plans	(1,243)	(1,551)
Interest and fees on bonds	(8,965)	
Interest and fees on construction loans	(18,597)	(16,023)
Bank interest and fees and other expense	(22,526)	(26,460)
Foreign exchange losses	(13,902)	(10,225)
Total finance costs	**(66,899)**	**(56,281)**
TOTAL FINANCE INCOME AND COSTS	**(50,305)**	**(39,156)**

Note 26 - income taxes

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

Note 27 - other information

NET FINANCIAL POSITION

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

(Euro/000)	**30.09.2014**	**31.12.2013**
A. Cash	157	270
B. Other cash equivalents	363,874	384,236
C. Held-for-trading securities		
D. Cash and cash equivalents (A)+(B)+(C)	**364,031**	**384,506**
E. Current financial receivables ***- of which related parties***	**25,320** ***1,623***	**52,091** ***12,916***
F. Current bank debt	(30,744)	(35,134)
G. Current portion of non-current debt *- of which related parties*	(40,375) *(1,431)*	(32,393) *(1,602)*
H. Other current financial liabilities *- of which related parties*	(74,830) *(74,350)*	(2,811) *(2,535)*
I. Current debt (F)+(G)+(H)	**(145,949)**	**(70,338)**
J. Net current debt (D)+(E)+(I)	**243,402**	**366,259**
K. Non-current financial receivables ***- of which related parties***	**79,899** ***10,347***	**41,839** ***8,548***
L. Non-current bank debt *- of which related parties*	(251,364) *(6,569)*	(254,670) *(7,279)*
M. Bond	(296,645)	(296,095)
N. Other non-current financial liabilities *- of which related parties*	(13,345) *(11,770)*	(12,314) *(11,770)*
O. Non-current debt (L)+(M)+(N)	**(561,354)**	**(563,079)**
P. Net non-current debt (K)+(O)	**(481,455)**	**(521,240)**
Q. Net financial position (J)+(P)	**(238,053)**	**(154,981)**

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

(Euro/000)	**30.09.2014**	**31.12.2013**
Net financial position	**(238,053)**	**(154,981)**
Non-current financial receivables	(79,899)	(41,839)
Construction loans	(584,466)	(562,791)
Net financial position as per ESMA recommendation	**(902,418)**	**(759,611)**

SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

As required by CONSOB Resolution no. 15519 of 27 July 2006, the following table summarizes those items of income and expense arising from non-recurring events or transactions that have been charged to income in the first nine months of 2014 and 2013, presented before tax effects, according to the income statement line items in which they have been classified:

(Euro/000)		30.09.2014	30.09.2013
Description	**Income statement line**		
Costs associated with the "Extraordinary Wage Guarantee Fund"	Personnel costs	8,573	10,293
Costs relating to reorganization plans	Materials, services and other costs	901	3,080
	Personnel costs	2,714	1,771
Provisions for costs and legal expenses associated with asbestos-related lawsuits	Materials, services and other costs	1,618	856
	Provisions and impairment	18,376	11,836
Other non-recurring income and expenses	Materials, services and other costs	3,056	12,107
	Finance costs		7,772
Total extraordinary and non-recurring income and expenses		**35,238**	**47,715**

At 30 September 2014, "Other non-recurring income and expenses" include euro 2,728 thousand in costs relating to the IPO.
At 30 September 2013, "Other non-recurring income and expenses" included euro 18,387 thousand in costs pertaining to the VARD Group's acquisition.

ATYPICAL AND/OR UNUSUAL TRANSACTIONS

In accordance with the disclosures required by Consob Communication no. DEM/6064293 dated 28 July 2006, it is reported that no atypical and/or unusual transactions were carried out during the first nine months of 2014.

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	30.09.2014						
(Euro/000)	Non-current financial assets	Current financial assets	Advances [*]	Trade receivables and other assets	Non-current financial liabilities	Current financial liabilities	Trade payables and other current liabilities
FINTECNA S.p.A.				249			
CASSA DEPOSITI E PRESTITI S.p.A.				28,586	(6,569)	(1,431)	
TOTAL CONTROLLING COMPANIES	**-**	**-**	**-**	**28,835**	**(6,569)**	**(1,431)**	**-**
ORIZZONTE SISTEMI NAVALI S.p.A.				89,417		(74,350)	(4,191)
ETIHAD SHIP BUILDING LLC				693			(793)
TOTAL JOINT VENTURES	**-**	**-**	**-**	**90,110**	**-**	**(74,350)**	**(4,984)**
BRIDGE EIENDOM AS	530						
ISLAND OFFSHORE LNG AS	2,463						
REM SUPPLY AS	657						
OLYMPIC GREEN ENERGY KS		1,571					
DOF ICEMAN AS	6,586						
TOTAL ASSOCIATES	**10,236**	**1,571**	**-**	**-**	**-**	**-**	**-**
FINTECNA IMMOBILIARE S.r.l.				3,250			
TIRRENIA DI NAVIGAZIONE S.p.A.				10,766			
ENI S.p.A.							(12)
HORIZON SAS				2,439			(1)
SIMEST S.p.A.					(11,770)		
MINISTRY OF ECONOMY AND FINANCE							
SACE							
SACE BT							
POSTE ITALIANE S.p.A.							
ANSALDO ENERGIA S.p.A.				77			(120)
BREVIL TECHNOLOGY AS		44					
KLOSTERØYA VEST HOLDING AS	111						
REM OFFSHORE ASA		8					
TOTAL OTHER RELATED PARTIES	**111**	**52**	**-**	**16,532**	**(11,770)**	**-**	**(133)**
TOTAL RELATED PARTIES	***10,347***	***1,623***	**-**	***135,477***	***(18,339)***	***(75,781)***	***(5,117)***
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	116,985	45,015	273,445	653,415	(608,758)	(851,268)	(1,112,493)
% on consolidated statement of financial position	*9%*	*4%*	*0%*	*21%*	*3%*	*9%*	*0%*

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION				**31.12.2013**			
(Euro/000)	Non-current financial assets	Current financial assets	Advances (*)	Trade receivables and other assets	Non-current financial liabilities	Current financial liabilities	Trade payables and other current liabilities
FINTECNA S.p.A.						(184)	(128)
CASSA DEPOSITI E PRESTITI S.p.A.				10,210	(7,279)	(1,418)	(569)
TOTAL CONTROLLING COMPANIES	**-**	**-**	**-**	**10,210**	**(7,279)**	**(1,602)**	**(697)**
ORIZZONTE SISTEMI NAVALI S.p.A.				20,475		(2,535)	(201)
ETIHAD SHIP BUILDING LLC				422			(240)
TOTAL JOINT VENTURES	**-**	**-**	**-**	**20,897**	**-**	**(2,535)**	**(441)**
BRIDGE EIENDOM AS	641						
BREVIK TECHNOLOGY AS		26					
ISLAND OFFSHORE LNG AS		4,089					
REM SUPPLY AS	1,172						
OLYMPIC GREEN ENERGY KS	1,256	253					
DOF ICEMAN AS	5,479						
TOTAL ASSOCIATES	**8,548**	**4,368**	**-**	**-**	**-**	**-**	**-**
FINTECNA IMMOBILIARE S.r.l.				3,250			
TIRRENIA DI NAVIGAZIONE S.p.A.				10,760			
ENI S.p.A.				85			(80)
HORIZON SAS				3,423			(1)
SIMEST S.p.A.					(11,770)		
MINISTRY OF ECONOMY AND FINANCE							(31)
SACE						(252)	
SACE BT						(35)	
POSTE ITALIANE S.p.A.							
ANSALDO ENERGIA S.p.A.				183			
TOTAL OTHER RELATED PARTIES	**-**	**-**	**-**	**17,701**	**(11,770)**	**(287)**	**(112)**
TOTAL RELATED PARTIES	***8,548***	***4,368***	***-***	***48,808***	***(19,049)***	***(4,424)***	***(1,250)***
TOTAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION	99,882	99,353	206,454	558,921	(604,727)	(683,274)	(1,154,718)
% on consolidated statement of financial position	*9%*	*4%*	*0%*	*9%*	*3%*	*1%*	*0%*

(*) "Advances" are classified in "Inventories and advances", as detailed in Note 11.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			**30.09.2014**		
(Euro/000)	Operating revenue	Other revenue and income	Materials, services and other costs	Finance income	Finance costs
FINTECNA S.p.A.		249	(26)		(132)
CASSA DEPOSITI E PRESTITI S.p.A.			(2)		(32)
TOTAL CONTROLLING COMPANIES	**-**	**249**	**(28)**	**-**	**(164)**
ORIZZONTE SISTEMI NAVALI S.p.A.	231,211	1,494	(108)		(1,463)
ETIHAD SHIP BUILDING LLC	18	675	(1,532)		
TOTAL JOINT VENTURES	**231,229**	**2,169**	**(1,640)**	**-**	**(1,463)**
BRIDGE EIENDOM AS					
ISLAND OFFSHORE LNG AS					
REM SUPPLY AS				35	
OLYMPIC GREEN ENERGY KS				54	
DOF ICEMAN AS				169	
TOTAL ASSOCIATES	**-**	**-**	**-**	**258**	**-**
FINTECNA IMMOBILIARE S.r.l.					
TIRRENIA DI NAVIGAZIONE S.p.A.	20				
ENI S.p.A.			(539)		
HORIZON SAS		31			
SIMEST S.p.A.			(522)		
MINISTRY OF ECONOMY AND FINANCE					
SACE					(607)
SACE BT					(1,000)
POSTE ITALIANE S.p.A.			(19)		
ANSALDO ENERGIA S.p.A.	40		(120)		
TOTAL OTHER RELATED PARTIES	**60**	**31**	**(1,200)**	**-**	**(1,607)**
TOTAL RELATED PARTIES	***231,289***	***2,449***	***(2,868)***	***258***	***(3,234)***
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2,884,551	50,068	(2,110,130)	16,594	(66,899)
% on consolidated statement of comprehensive income	*8%*	*5%*	*0%*	*2%*	*5%*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	30.09.2013				
(Euro/000)	Operating revenue	Other revenue and income	Materials, services and other costs	Finance income	Finance costs
FINTECNA S.p.A.			(26)		(1)
CASSA DEPOSITI E PRESTITI S.p.A.					(18)
TOTAL CONTROLLING COMPANIES	**-**	**-**	**(26)**	**-**	**(19)**
ORIZZONTE SISTEMI NAVALI S.p.A.	287,509	1,546	(112)		(1,780)
ETIHAD SHIP BUILDING LLC	709		(2,248)		
TOTAL JOINT VENTURES	**288,218**	**1,546**	**(2,360)**	**-**	**(1,780)**
BRIDGE EIENDOM AS					
ISLAND OFFSHORE LNG AS					
REM SUPPLY AS					
OLYMPIC GREEN ENERGY KS					
DOF ICEMAN AS					
TOTAL ASSOCIATES	**-**	**-**	**-**	**-**	**-**
FINTECNA IMMOBILIARE S.r.l.					
TIRRENIA DI NAVIGAZIONE S.p.A.	13				
ENI S.p.A.			(400)		
HORIZON SAS	412				
SIMEST S.p.A.					(522)
MINISTRY OF ECONOMY AND FINANCE					
SACE					(462)
SACE BT					(307)
POSTE ITALIANE S.p.A.					
ANSALDO ENERGIA S.p.A.	116				
TOTAL OTHER RELATED PARTIES	**541**	**-**	**(400)**	**-**	**(1,291)**
TOTAL RELATED PARTIES	***288,759***	***1,546***	***(2,786)***	***-***	***(3,090)***
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2,668,448	51,905	(1,970,131)	17,125	(56,281)
% on consolidated statement of comprehensive income	*11%*	*3%*	*0%*	*0%*	*5%*

Remuneration paid to Directors, Statutory Auditors, General Managers and other Key Management Personnel

During the first nine months of 2014, Directors, Statutory Auditors, General Managers and other Key Management Personnel were paid a total of euro 4,037 thousand in remuneration, of which euro 3,130 thousand classified in personnel costs and euro 907 thousand in the cost of services.

BASIC AND DILUTED EARNINGS/LOSS PER SHARE

The basic assumptions for calculating earnings/loss per share are as follows:

Basic earnings per share		**30.09.2014**	**30.09.2013**
Profit/loss (+/-) attributable to owners of the parent	Euro/000	41,524	35,566
Weighted average number of shares outstanding	Number	1,390,470,718	1,242,119,070
Basic earnings/loss (+/-) per share	**Euro**	**0.02986**	**0.02863**

Diluted earnings per share		**30.09.2014**	**30.09.2013**
Profit/loss (+/-) attributable to owners of the parent	Euro/000	41,524	35,566
Weighted average number of shares outstanding	Number	1,396,400,461	1,242,119,070
Diluted earnings/loss (+/-) per share	**Euro**	**0.02974**	**0.02863**

LITIGATION

The following is an update on the status of litigation since that described in the Notes to the Consolidated Financial Statements for 2013:

Foreign litigation

With reference to the "Iraq" dispute, described in the Notes to the Consolidated Financial Statements at 31 December 2013, the talks initiated in 2011 for an out-of-court settlement of the dispute, led to the signing on 15 May 2014, by Fincantieri and the Iraqi government, of a Settlement Agreement that defines the terms for ending the dispute.

This agreement establishes that in exchange for entering into a Refurbishment Contract, under which Fincantieri will perform work to return the two corvettes delivered to the Iraqi Navy to working condition, the Iraqi government will commission Fincantieri, under the Combat System Contract, to replace the now technologically obsolete combat system of these two ships with a more modern one. Under the Settlement Agreement, all the outstanding disputes will be extinguished once the Refurbishment Contract reaches a certain stage of completion (expected within a year of this contract's effective date), at which point Fincantieri will renounce all further claims to its outstanding receivable balance.

Under the Settlement Agreement, the case filed by Iraq with the Paris Court of Appeal has been suspended at the joint request of the parties, while those pending in Baghdad had already been suspended in anticipation of the outcome of the appeal in Paris. The above contracts were agreed and signed in July, although their finalization, originally scheduled for September, has been postponed due to the installation of a new Iraqi government, which has yet to elect a new president of the Interministerial Committee in charge of settling the dispute with Fincantieri. The Iraqis have stated that they are confident that the contracts can be finalized towards the end of 2014.

The award in the Serene arbitration was issued at the end of July 2014. This unexpectedly found that, by virtue of a claimed "indisputable external similarity", the MY Victory is a sister ship to the MY Serene, in breach of the owner's intellectual property, for which the latter was awarded the sum of euro 13.2 million in compensation; furthermore, on the basis of an interpretation contrary to the wording of the contract, the award considered late delivery penalties to be applicable in the amount of euro 7.8 million (plus interest).

The Company believes this decision is absolutely unfair and unlawful, being flawed with multiple errors. An appeal has been swiftly lodged with the High Court in London and the Company's outside legal counsel believe it highly likely that the outcome of the appeal will be in the Company's favor. The Company is also considering other courses of action to protect its interests.
The Court of Appeal in Patras, Greece, has overturned the first-instance sentence (excluding Fincantieri's liability), and recognized the Company's tort and defective product liability, condemning it, as a result, jointly and severally with the other defendants, to pay a total of euro 1,364 thousand, from which the amounts already paid by Minoan Lines under an earlier precautionary action can presumably be deducted. Fincantieri intends to appeal against this sentence before the Greek Court of Cassation. Prior to the sentence by the Patras Court of Appeal, this risk had been considered remote.

Italian litigation

Customer credit recovery
As a result of the settlement agreement signed with Saipem in 2013, this case was officially closed at the hearing on 20 May 2014 for reasons of abandonment.

Other litigation
Other litigation includes: i) claims against government bodies for environmental expenses, including disputes with the City of Ancona and disputes with the Ministry of the Environment involving the shipyards in Muggiano and Castellammare; ii) appeals against claims by social security authorities, including litigation against INPS for non-payment of contributions by contractors and sub-contractors; iii) disputes involving provisional convictions in criminal prosecutions, including the dispute with the Castellano heirs.

Criminal prosecutions under Legislative Decree no. 231/2001
The Company is currently involved in four criminal prosecutions brought under Legislative Decree no. 231/2001 in the Court of Gorizia:
In January 2014, the Company received notice of the request for extension of the deadline for the preliminary investigations, under art. 406 of the Code of Criminal Procedure, into the former manager of the Monfalcone shipyard for the alleged infringement of art. 256, par. 1, letters a) and b) of Legislative Decree no. 152/2006, as well as into the Company, being investigated under art. 25-undecies of Legislative Decree no. 231/2001 in relation to its alleged management of areas of sorting and temporary storage of hazardous waste at the Monfalcone shipyard without the required authorization, and the alleged disposal of such waste with documentation that would not permit it to be traced.
Between March and April 2014, notices of conclusion of preliminary investigations were served on twenty-one individuals (including members of the Board of Directors and of the Oversight Board, and employees of the Company at the date of the event, some of whom are still in office or employed by the Group) in the various capacities being investigated for the offenses of "willful removal or omission of precautions against workplace accidents" and "bodily harm" under articles 437 and 590 of the Criminal Code and of violation of certain provisions of Legislative Decree no. 81/2008; such notices were also served on the Company under art. 25-septies, par. 3, of Legislative Decree no. 231/2001 in connection with an injury to an employee on 13 December 2010 at the Monfalcone shipyard during the lifting of two bundles of iron pipes.

A case is pending in the court of first instance for manslaughter under art. 589, par. 1 and 2 of the Criminal Code against four Fincantieri employees, as well as against Fincantieri itself under art. 25-septies of Legislative Decree 231/2001 (entitled "Wrongful death or grievous bodily harm, in violation of the rules on protection of health and safety at work"), in relation to an employee's death on 15 October 2008 during a black-out test carried out at the Monfalcone shipyard. The father, sister, wife and daughter of the employee have received full compensation for their loss from insurance companies.

In September 2014, notices of conclusion of preliminary investigations were served on twenty-one individuals (including members of the Board of Directors and of the Oversight Board, and employees of the Company at the date of the event, some of whom are still in office or employed by the Group) in the various capacities being investigated for the offenses of "willful removal or omission of precautions against workplace accidents" and "wrongful death" under articles 437 and 589 of the Criminal Code and of violation of certain provisions of Legislative Decree no. 81/2008; such notices were also served on the Company under art. 25-septies of Legislative Decree no. 231/2001 in connection with the death of an employee of a contractor on 21 February 2011 after falling into a ventilation shaft.

TAX POSITION

National tax consolidation

Fincantieri S.p.A., Fincantieri Oil & Gas S.p.A. and Isotta Fraschini Motori S.p.A. take part in the national tax consolidation of Cassa Depositi e Prestiti S.p.A.

Audits and assessments

Fincantieri

A routine audit of tax year 2011 was initiated at the beginning of 2014. The report of findings was notified in July; the nature and small amount of some of the matters raised advised making a settlement. Other findings are still pending and will be the subject of due process, with corresponding provisions recognized for the currently quantifiable risks.

Foreign Group companies

Routine tax audits are in progress at some of the Group's foreign companies.

Following an audit initiated in 2012, the subsidiary Vard SA Niterói (Brazil) has been notified of an assessment for approximately euro 23.5 million, against which the company has filed an appeal; having assessed the risk, the subsidiary has not recognized any provisions for this event.

Note 28 - cash flows from operating activities

These are analyzed as follows:

(Euro/000)	30.09.2014	30.09.2013
Profit/loss (+/-) for the period	42,525	53,474
Depreciation and amortization	74,654	66,652
Gains/losses (-/+) from disposal of property, plant and machinery	(421)	(50)
Revaluation/impairment (-/+) of intangible assets and equity investments	(2,518)	(1,234)
Increases/releases of provisions for risks and charges	20,488	5,987
Capitalized interest expense	2,522	
Interest on employee benefits	1,343	1,634
Interest income	(8,978)	(9,559)
Interest expense	51,653	44,264
Income taxes for the period	6,624	9,847
Gross cash flows from operating activities	**187,892**	**171,015**
CHANGES IN WORKING CAPITAL		
- inventories	(77,277)	15,417
- construction contracts	(195,340)	(49,725)
- trade receivables	2,698	(256,498)
- other current assets and liabilities	(9,739)	6,938
- other non-current assets and liabilities	(617)	(9,185)
- advances from customers	(31,267)	43,856
- trade payables	(28,979)	(5,921)
Cash flows from working capital	**(152,629)**	**(84,103)**
Dividends paid	(10,000)	(4,298)
Interest income received	8,814	10,572
Interest expense paid	(45,749)	(49,150)
Income taxes paid	(29,745)	(7,747)
Utilization of provisions for risks and charges	(71,275)	(59,900)
Utilization of provisions for employee benefits	(4,523)	(7,766)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**(305,107)**	**(202,392)**
- of which related parties	*(82,802)*	*(6,648)*

Note 29 - segment information

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

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

The Shipbuilding operating segment is engaged in the design and construction of ships for the cruise ships, ferries, naval defense 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 Equipment, Systems and Services operating segment is engaged in the manufacture of mechanical products and the provision of after-sales services for ships delivered.

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

The Group evaluates the performance of its operating segments and the allocation of financial resources on the basis of revenue and EBITDA, defined as Profit for the period 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 reorganization plans, (ix) provisions for costs and legal expenses associated with lawsuits brought by employees for asbestos-related damages, and (x) other expenses or income outside the ordinary course of business arising from non-recurring events.

The results of the operating segments at 30 September 2014 and 30 September 2013 are reported in the following pages.

	30.09.2014				
(Euro/000)	Shipbuilding	Offshore	Equipment, Systems and Services	Other activities	Group
Segment revenue	**1,854,784**	**990,757**	**129,265**		**2,974,806**
Intersegment elimination	(5,836)		(34,351)		**(40,187)**
Revenue [*]	**1,848,948**	**990,757**	**94,914**		**2,934,619**
EBITDA	**124,618**	**88,503**	**13,363**	**(19,429)**	**207,055**
EBITDA margin	***6.7%***	***8.9%***	***10.3%***		***7.1%***
Depreciation and amortization					(74,654)
Finance income					16,594
Finance costs					(66,899)
Income/(expense) from investments					(277)
Share of profit of investments accounted for using the equity method					2,568
Income taxes					(6,624)
Extraordinary and non-recurring income and expenses					(35,238)
Profit/loss (+/-) for the period					**42,525**

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

Details of "Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 9,790 thousand) can be found in the relevant table in Note 27.

	30.09.2013				
(Euro/000)	Shipbuilding	Offshore	Equipment, Systems and Services	Other activities	Group
Segment revenue	**1,705,690**	**952,820**	**106,134**		**2,764,644**
Intersegment elimination	(8,943)		(40,348)		**(49,291)**
Revenue [*]	**1,696,747**	**952,820**	**65,786**		**2,715,353**
EBITDA	**105,821**	**111,873**	**8,046**	**(18,032)**	**207,708**
EBITDA margin	***6.2%***	***11.7%***	***7.6%***		***7.6%***
Depreciation and amortization					(66,652)
Finance income					17,125
Finance costs					(56,281)
Income/(expense) from investments					27
Share of profit of investments accounted for using the equity method					1,337
Income taxes					(9,847)
Extraordinary and non-recurring income and expenses					(39,943)
Profit/loss (+/-) for the period					**53,474**

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

Details of "Extraordinary and non-recurring income and expenses" (gross of the tax effect of euro 13,168 thousand) can be found in the relevant table in Note 27; finance costs include euro 7,772 thousand (gross of the tax effect of euro 2,066 thousand) in non-recurring expenses relating to the acquisition of VARD, reported in the table of non-recurring expenses in Note 27.

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

(Euro/million)	30.09.2014	31.12.2013
Italy	556	540
Other countries	395	357
Total Property, plant and equipment	**951**	**897**

Capital expenditure in the first nine months of 2014 on Intangible assets and Property, plant and equipment amounted to euro 110 million, of which euro 70 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/invoicing:

(Euro/million)	30.09.2014		30.09.2013	
	Revenue and income	%	Revenue and income	%
Italy	545	19%	501	18%
Other countries	2,390	81%	2,214	82%
Total Revenue and income	**2,935**		**2,715**	

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)	30.09.2014		30.09.2013	
	Revenue and income	%	Revenue and income	%
Customer 1	699	24%	702	26%
Customer 2	324	11%	389	14%
Total Revenue and income	**2,935**		**2,720**	

Note 30 - events after 30 september 2014

On 8 October 2014, the Company's Board of Directors announced that Giuseppe Dado was taking over as Chief Financial Officer and so relieving Vitaliano Pappaianni of this responsibility, temporarily assumed on 1 October 2014 following the resignation of Fabrizio Palermo.

On 9 October 2014, the Muggiano shipyard hosted the launching ceremony 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. At the same event, an important cooperation agreement between Fincantieri and Finmeccanica was signed 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.

On 20 October 2014, the newly-formed company Marine Interiors S.p.A. finalized an 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.

On 25 October 2014, the Marghera shipyard hosted the delivery ceremony for the "Costa Diadema", the fifteenth ship and new flagship of the Costa Cruises fleet.

On 29 October 2014, a cooperation agreement was signed 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.

Finally, Fincantieri and Technip Italy, a world leading provider of engineering, construction and project management services for the Oil & Gas industry, signed a Memorandum of Understanding aimed at increasing their competitiveness in the domestic and international offshore market.


FINCANTIERI
CANTIERE INTEGRATO NAVALE MILITARE

Companies included in the scope of consolidation

COMPANY NAME Principal activity	Registered office	Share capital		(%) interest held		% conso-lidated by Group
Subsidiaries consolidated line-by-line						
BACINI DI PALERMO S.p.A. Dry-dock management	Palermo (Italy)	EUR	1,032,000.00	100.00	Fincantieri S.p.A	100.00
CENTRO PER GLI STUDI DI TECNICA NAVALE CETENA S.p.A. Ship research and experimentation	Genoa (Italy)	EUR	1,000,000.00	71.10 15.00	Fincantieri S.p.A. Seaf S.p.A.	86.10
FINCANTIERI OIL & GAS S.p.A. Holding company	Trieste (Italy)	EUR	21,000,00.00	100.00	Fincantieri S.p.A.	100.00
FINCANTIERI HOLDING B.V. Holding company for foreign investments	Amsterdam (Netherlands)	EUR	9,529,384.54	100,00	Fincantieri S.p.A.	100.00
FINCANTIERI MARINE SYSTEMS NORTH AMERICA Inc. Sale and after-sale services relating to mechanical products	Delaware Corporation based in Chesapeake (VI - USA)	USD	501,000.00	100.00	Fincantieri Holding B.V.	100.00
FMSNA YK	SSasebo SHI – Nagasaky-ken (Japan)	JPY	3,000,000.00	100.00	Fincantieri Marine Systems North America Inc.	100.00
GESTIONE BACINI LA SPEZIA S.p.A. Dry-dock management	Muggiano (La Spezia) (Italy)	EUR	260,000.00	99.89	Fincantieri S.p.A.	99.89
ISOTTA FRASCHINI MOTORI S.p.A. Design, construction, sale and after-sale services relating to fast medium-duty diesel engines	Bari (Italy)	EUR	3,300,000.00	100.00	Fincantieri S.p.A.	100.00
SOCIETÀ PER L'ESERCIZIO DI ATTIVITÀ FINANZIARIE SEAF S.p.A. Financial support for Group companies	Trieste (Italy)	EUR	1,032,000.00	100.00	Fincantieri S.p.A.	10.00
DELFI S.r.l. Technical and logistics engineering	Follo (La Spezia) (Italy)	EUR	400.000.00	100.00	Fincantieri S.p.A.	100.00
SEASTEMA S.p.A. Design and development of integrated automation systems	Genoa (Italy)	EUR	300,000.00	100.00	Fincantieri S.p.A.	100.00
FINCANTIERI USA Inc. Holding company	Delaware Corporation based in Wilmington (DE - USA)	USD	1,029.75	86.02	Fincantieri S.p.A.	100.00

COMPANY NAME Principal activity	Registered office	Share capital		(%) interest held		% consolidated by Group
FINCANTIERI MARINE GROUP HOLDINGS Inc. Holding company	Delaware Corporation based in Green Bay (WI - USA)	USD	1,027.97	87.44	Fincantieri USA Inc.	87.44
FINCANTIERI MARINE GROUP LLC. Ship building and repair	Nevada LLC based in Marinette (WI – USA)	USD	1,000.00	100.00	Fincantieri Marine Group Holdings Inc.	87.44
MARINETTE MARINE CORPORATION Ship building and repair	Wisconsin (WI – USA)	USD	400,000.00	100.00	Fincantieri Marine Group LLC.	87.44
ACE MARINE LLC. Building of small aluminum ships	Wisconsin (WI – USA)	USD	1,000.00	100.00	Fincantieri Marine Group LLC.	87.44
FINCANTIERI DO BRASIL PARTICIPAÇÕES SA Holding company	Brazil	BRL	1,310,000.00	80.00 20.00	Fincantieri S.p.A. Fincantieri Holding B.V.	100.00
FINCANTIERI INDIA Pte. Ltd.	India	INR	10,500,000.00	99.00 1.00	Fincantieri Holding B.V. Fincantieri S.p.A.	100.00
MARINE INTERIORS S.p.A. Ship interiors	Trieste (Italy)	EUR	120,000.00	100.00	Seaf S.p.A.	100.00
VARD HOLDINGS Ltd. Holding company	Singapore	SGD	932,200,000.00	55.63	Fincantieri Oil & Gas S.p.A.	55.63
VARD GROUP AS Shipbuilding	Norway	NOK	100,000.00	100.00	Vard Holdings Ltd.	55.63
VARD ELECTRO AS Electrical / automation installation	Norway	NOK	1,000,000.00	100.00	Vard Group AS	55.63
VARD RO HOLDING S.r.l. Holding company	Romania	NOK	148,129,000.00	100.00	Vard Group AS	55.63
VARD NITERÓI SA Shipbuilding	Brazil	USD	176,782,000.00	99.99 0.01	Vard Group AS Vard Electro Brazil (Instalaçoes Eletricas) Ltda.	55.63
VARD PROMAR SA Shipbuilding	Brazil	USD	135,031,000.00	50.50	Vard Group AS	28.09
ESTALEIRO QUISSAMÃ Ltda. Project development	Brazil	NOK	1,101,000.00	50.50	Vard Group AS	28.09
VARD SINGAPORE Pte. Ltd. Sales and holding company	Singapore	USD	6,000,000.00	100.00	Vard Group AS	55.63
VARD DESIGN AS Design and engineering	Norway	NOK	4,000,000.00	100.00	Vard Group AS	55.63
VARD ACCOMMODATION AS Accommodation installation	Norway	NOK	500,000.00	100.00	Vard Group AS	55.63
VARD PIPING AS Pipe installation	Norway	NOK	100,000.00	100.00	Vard Group AS	55.63

COMPANY NAME Principal activity	Registered office		Share capital		(%) interest held	% conso-lidated by Group
VARD BREVIK HOLDING AS Holding company	Norway	NOK	5,810,000.00	100.00	Vard Group AS	55.63
SEAONICS AS Offshore handling systems	Norway	NOK	20,000,000.00	51.00	Vard Group AS	28.37
SEAONICS POLSKA SP. Z O.O. Engineering services	Poland	NOK	228,000.00	100.00	Seaonics AS	28.37
AAKRE EIGENDOM AS Real estate	Norway	NOK	100,000.00	100.00	Vard Group AS	55.63
VARD DESIGN LIBURNA Ltd. Design and engineering	Croazia	NOK	20,000.00	51.00	Vard Design AS	28.37
VARD ELECTRO TULCLEA S.r.l. Electrical installation	Romania	EUR	8,968,000.00	99.96	Vard Electro AS	55.61
VARD ELECTRO BRAZIL (INSTALAÇÕES ELETRICAS) LTDA. Electrical installation	Brazil	NOK	9,225,000.00	99.00 1.00	Vard Electro AS Vard Group AS	55.63
VARD ELECTRO BRAILA S.r.l. Electrical installation	Romania	NOK	82,000.00	100.00	Vard Electro AS	55.63
VARD ELECTRICAL INSTALLATION AND ENGINEERING (INDIA) Pte. Ltd. Electrical installation	India	INR	810,000.00	99.00 1.00	Vard Electro AS Vard Tulcea SA	55.63
BREVIK PHILADELPHIA Dormant	USA	NOK	-	100.00	Vard Electro AS	55.63
VARD TULCEA SA Shipbuilding	Romania	NOK	577,085,000.00	99.44	Vard RO Holding S.r.l.	55.32
VARD BRAILA SA Shipbuilding	Romania	NOK	586,319,000.00	94.12 5.88	Vard RO Holding S.r.l. Vard Group AS	55.63
VARD ENGINEERING CONSTANTA S.r.l. Engineering	Romania	NOK	2,560,000.00	70.00 30.00	Vard RO Holding S.r.l. Vard Braila S.A.	55.63
VARD VUNG TAU Ltd. Shipbuilding	Vietnam	USD	8,000,000.00	100.00	Vard Singapore Pte. Ltd.	55.63
VARD ACCOMMODATION TULCEA S.r.l. Accommodation installation	Romania	EUR	793,000.00	98.18 1.82	Vard Accommodation AS Vard Electro Tulcea S.r.l.	55.63
MULTIFAG AS Onshore industrial services and installation	Norway	NOK	20,000,000.00	100.00	Vard Brevik Holding AS	55.63
VARD BREVIK SUPPORT AS Dormant	Norway	NOK	100,000.00	100.00	Vard Brevik Holding AS	55.63
VARD ENGINEERING BREVIK AS Design and engineering	Norway	NOK	105,000.00	70.00	Vard Brevik Holding AS	38.94
VARD OFFSHORE BREVIK AS Offshore industrial services and installation	Norway	NOK	100,000.00	100.00	Vard Brevik Holding AS	55.63
RONOR AS Dormant	Norway	NOK	1,800,000.00	100.00	Vard Brevik Holding AS	55.63
VARD SHIP REPAIR BRAILA SA Ship repair	Romania	RON	12,879,100.00	68.58 31.42	Vard Braila SA Vard Brevik Holding AS	55.63
BREVIK ELEKTRO AS Onshore electrical installation	Norway	NOK	100,000.00	100.00	Multifag AS	55.63

COMPANY NAME Principal activity	Registered office		Share capital		(%) interest held	% consolidated by Group
VARD MARINE INC. Ship design and marine engineering	Canada	CAD	12,783,700.00	100.00	Vard Group AS	55.63
VARD MARINE US INC. Ship design and marine engineering	Texas (TX – USA)	USD	10,000.00	100.00	Vard Marine Inc.	55.63
Joint ventures consolidated using the equity method						
ORIZZONTE SISTEMI NAVALI S.p.A. Management of contracts to supply large naval vessels	Genoa (Italy)	EUR	20,000,000.00	51.00	Fincantieri S.p.A.	51.00
ETIHAD SHIP BUILDING LLC. Design, production and sale of civilian and naval ships	Arab Emirates	AED	2,500,000.00	35.00	Fincantieri S.p.A.	35.00

Associates consolidated using the equity method						
CASTOR DRILLING SOLUTION AS Offshore drilling technology	Norway	NOK	196,082.00	34.00	Seaonics AS	9.65
OLYMPIC SUBSEA KS Shipping	Norway	NOK	84,000,000.00	35.00	Vard Group AS	19.47
BRIDGE EIENDOM AS Real estate	Norway	NOK	3,100,000.00	50.00	Vard Brevik Holding AS	27.82
BREVIK TECHNOLOGY AS Holding of technology licenses and patents	Norway	NOK	45,000.00	34.00	Vard Brevik Holding AS	18.91
MOKSTER SUPPLY AS Shipping	Norway	NOK	13,295,000.00	40.00	Vard Group AS	22.25
MOKSTER SUPPLY KS Shipping	Norway	NOK	120,000,000.00	36.00	Vard Group AS	20.03
ISLAND OFFSHORE LNG AS Shipping	Norway	NOK	6,500,000.00	30.00	Vard Group AS	16.69
ISLAND OFFSHORE LNG KS Shipping	Norway	NOK	310,400,000.00	27.00	Vard Group AS	15.02
REM SUPPLY AS Shipping	Norway	NOK	265,000,000.00	26.66	Vard Group AS	14.83
OLYMPIC GREEN ENERGY KS Shipping	Norway	NOK	125,000,000.00	30.00	Vard Group AS	16.69
DOF ICEMAN AS Shipping	Norway	NOK	23,600,000.00	50.00	Vard Group AS	27.82
TAKLIFT AS Floating cranes	Norway	NOK	2,450,000.00	25.47	Vard Brevik Holding AS	14.17
DAMECO AS Servizi di manutenzione	Norway	NOK	606,000.00	34.00	Vard Offshore Brevik AS	18.91

declaration by the manager responsible for preparing financial reports on the interim management report at 30 september 2014 pursuant to art. 154-bis, par. 2 of italian legislative decree no. 58/98 as amended

The undersigned Carlo Gainelli, as the Manager Responsible for Preparing Financial Reports of FINCANTIERI S.p.A. ("Fincantieri") declares, in accordance with the provisions of art. 154-bis, par. 2 of Italian Legislative Decree no. 58/1998, as amended, that the Interim Management Report at 30 September 2014 corresponds to the underlying accounting records and books of account.

10 November 2014

manager responsible for
preparing financial reports

Carlo Gainelli

FINCANTIERI

Parent Company
Registered office Via Genova no. 1, 34121 Trieste, Italy
Tel: +39 040 3193111 Fax: +39 040 3192305
fincantieri.com
Share capital Euro 862,980,725.70
Trieste Company Registry and Tax No. 00397130584
VAT No. 00629440322
Company subject to direction and coordination by Fintecna S.p.A. until 3 july 2014

graphic design & photocomposition
Sintesi/HUB Trieste

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