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The sea ahead

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Unicredit & Kepler Italian Investment Conference 2016

9 June 2016

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

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Declaration of the Manager responsible for preparing financial reports

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

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Royal Princess
Princess Cruises
1° cruise ship fully compliant with the new safety and environmental rules

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Section 1

Introduction

Littoral Combat Ship "Freedom"
US Navy
World's fastest
steel frigate

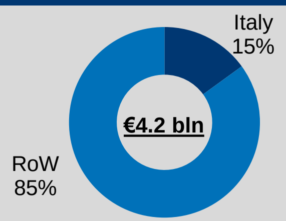
Fincantieri at a glance

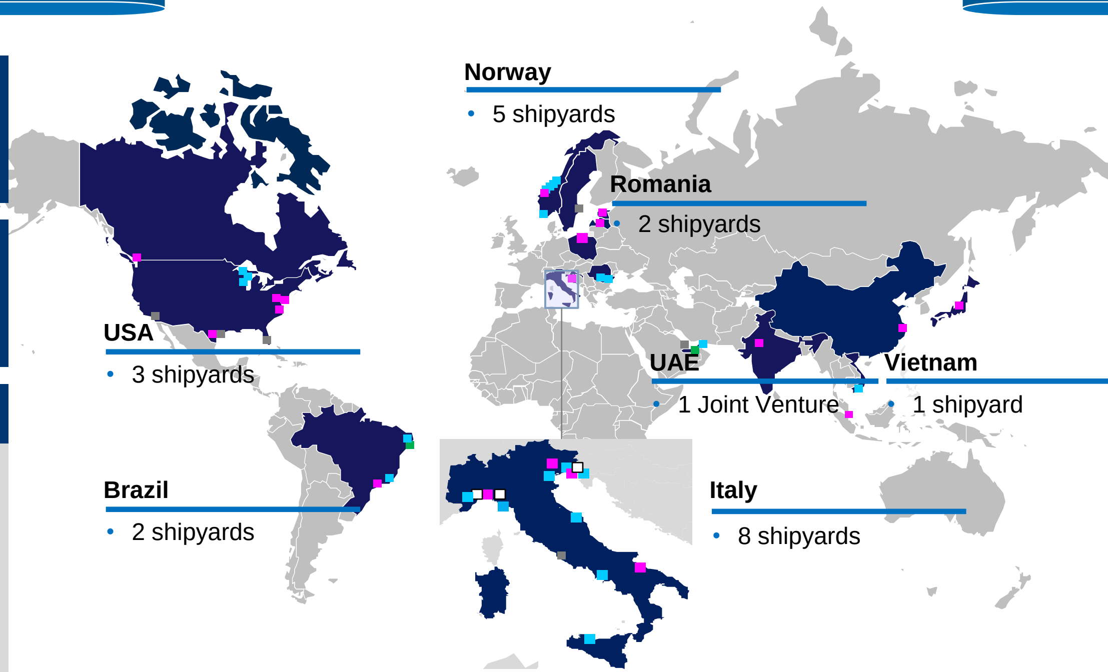
#1 Western designer & shipbuilder(1)
with 230 years of history & >7,000 ships built

€ 4,183 mln revenues

~ € 19.2 bln total backlog(2,3)
- **€ 15.4 bln backlog**
- **€ 3.8 bln soft backlog**

Revenues by geography

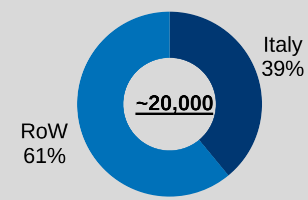




21 shipyards
4 continents

~ 20,000 employees
~ 80,000 subcontractors

Employees by location







Note: all figures reported at 31 December 2015, except for backlog and soft backlog which are referred to Q1 2016 (at 31 March 2016)
(1) By revenues, excluding naval contractors in the captive military segment. Based on Fincantieri estimates of shipbuilders' revenues in 2015
(2) At 31 March 2016
(3) Sum of backlog and soft backlog; soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog

Corporate/BU headquarters
Shipyard
Joint Venture
Operating subsidiary
Representative / Sales office

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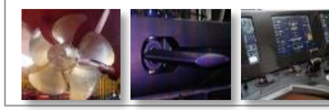
Products and end-markets

= *Key area*

	SHIPBUILDING			OFFSHORE	EQUIPMENT, SYSTEMS & SERVICES
	Cruise	*Naval*	*Others*		
End markets	***Leisure*** 	***Defence*** 	***Transportation / Luxury / Maintenance*** 	***Oil & Gas / Other*** 	***Equipment / Life Cycle Management*** 
Main products / Services	• **All cruise ships** *(from contemporary to luxury)*	• **All surface vessels** *(also stealth)* • **Support & Special vessels** • **Submarines**	• **High tech ferries** • **Large mega-yachts** • **Ship repair & conversion services**	• **Offshore Support Vessels** *(AHTS, PSV, OSCV)* • **Drillships** • **Specialized vessels** • **Aquaculture** • **Offshore wind**	• **Marine systems, components & turnkey solutions** • **After sales services**
Positioning	• **#1 worldwide (~50% market share[1])**	• **Leader:** – **#1 in Italy[2]** – **Key supplier for US Navy & Coast Guard[3]** – **Worldwide exporter**	• **Leader in:** – **High tech ferries** – **Large mega-yachts** – **Repair & conversion**	• **Leading player in high-end OSVs[4]**	• **Leading player worldwide**
2015 Revenues *(% on total)[5]*	**€ 1,649 mln** *(39%)*	**€ 1,056 mln** *(25%)*	**€ 142 mln** *(3%)*	**€ 1,199 mln** *(28%)*	**€ 226 mln** *(5%)*
Q1 2016 Backlog	**€ 13,976 mln**			**€ 900 mln**	**€ 881 mln**

(1) By oceangoing cruise ships > 10,000 gross tons ordered in the 2004 – 2015 period. Source: Fincantieri analysis based on IHS Lloyd's Fairplay – Shippax data (2015) and Company press releases
(2) For all the large ships and excluding minesweepers and small ships below 45 m in length (2015)
(3) For medium size ships, e.g. patrol vessels and corvettes
(4) Anchor Handling Tug Supply Vessels with BHP (Brake Horse Power) greater than 16,000, Platform Supply Vessels with DWT (Dead Weight Tonnes) greater than 2,500, Offshore Subsea Construction Vessels (OSCV). Source: Offshore Supply Vessels Fleet statistics provided by RS Platou Offshore Research (2015)
(5) Breakdown calculated based on revenues gross of consolidation effects

Track record, top clients and technological leadership

SHIPBUILDING

Cruise

Track record ships deliveries[1]

- **Since 1990** — **72**
- **Since 2002** — **49**
- **2015** — **3**
- **Q1 2016** — **2**

Top clients

- **Carnival Group[3]**
- **MSC Crociere**
- **Prestige Cruise Holdings**
- **Silversea Cruises**
- **Viking Ocean Cruises**
- **Ponant**
- **Virgin Cruises**

Technological leadership

- *Royal Princess:* **1st cruise ship fully compliant with new regulations**
- *Costa Luminosa & Costa Pacifica:* **Guinness World Record** for joint-christening of 2 cruise ships

Naval

Track record ships deliveries[1]

- **Since 1990** — **102[2]**
- **Since 2002** — **51[2]**
- **2015** — **5[2]**
- **Q1 2016** — **1**

Top clients

- **Italian Navy and Coast Guard**
- **US Navy**
- **United Arab Emirates Navy**
- **Algerian Navy**
- **Indian Navy**
- **Bangladesh Coast Guard**

Technological leadership

- *LCS Freedom:* **world's fastest steel frigate**

OFFSHORE

Track record ships deliveries[1]

- **Since 1990** — **354[3]**
- **Since 2002** — **282[3]**
- **2015** — **12[3]**
- **Q1 2016** — **3**

Top clients

- **DOF**
- **Farstad**
- **Island Offshore**
- **Siem Offshore**
- **Solstad Offshore**
- **Technip**

Technological leadership

- *Far Samson:* **most powerful offshore vessel[5]**
- *Normand Prosper:* **1st AHTS** providing significantly higher stability (24m beam)
- *AMC Connector:* **world's largest cable layer[6]**
- *Skandi Africa:* **"Ship of the Year"[7]**

(1) At 31 March 2016
(2) Includes other products delivered by Naval business unit. Includes US subsidiaries pre Fincantieri acquisition, excluding 174 RB-M delivered since 2002, of which 28 in 2014 and 3 in 2015
(3) Includes other products delivered by Offshore business unit. Includes VARD and predecessor companies
(4) Parent company of several brands: Carnival Cruise Lines, Costa Crociere, Cunard, Holland America Line, P&O Cruises, Princess Cruise Lines and Seabourn Cruise Lines
(5) In terms of bollard pull at the date of construction (423 tons)
(6) In terms of loading capacity (2011)
(7) Award instituted by the major Nordic shipping magazine Skipsrevyen

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Section 2

Financial performance

AMC Connector

AMC Connector / Ezra

World's largest cable layer

Overview of financial performance indicators(1)

€ mln	FY 2014	FY 2015	Q1 2015	Q1 2016
Order intake	**5,639**	**10,087**	**85**	**713**
Backlog	**9,814**	**15,721**	**8,992**	**15,374**
Soft backlog	**5,000**	**3,000**	**9,200**	**3,800**
Revenues	**4,399**	**4,183**	**1,110**	**1,048**
EBITDA	**297**	**(26)**	**59**	**51**
As a % of revenues	*6.8%*	*-0.6%*	*5.3%*	*4.9%*
EBIT	**198**	**(137)**	**33**	**25**
As a % of revenues	*4.5%*	*-3.3%*	*2.9%*	*2.4%*
Profit/(loss) before extr. and non recurring items(2)	**87**	**(252)**	**(21)**	**5**
Attributable to owners of the parent	*99*	*(141)*	*-*	*3*
Profit/(loss) for the period	**55**	**(289)**	**(27)**	**-**
Attributable to owners of the parent	*67*	*(175)*	*(6)*	*(2)*
Net fixed capital	**1,417**	**1,453**	**1,463**	**1,480**
Net working capital(3)	**69**	**251**	**10**	**154**
Of which construction loans	*(847)*	*(1,103)*	*(859)*	*(1,098)*
Equity	**1,530**	**1,266**	**1,554**	**1,271**
Net financial position *Net cash/ (Net debt)*	**44**	**(438)**	**81**	**(363)**
Employees	**21,689**	**20,019**	**21,905**	**19,417**

(1) With the aim to provide a meaningful index to measure the Group financial results, the Group adopts an EBITDA definition which normalizes the trend of results over time, and increases the level of comparability of the same results by excluding the impact of non recurring and extraordinary operating items; for the same reason, the Group also monitors Net Income before non recurring and extraordinary items (both operating and financials)
(2) Excluding extraordinary and Non Recurring Items net of tax effect
(3) Construction loans are accounted for in Net working capital, not Net financial position, as they are not general purpose loans and can be a source of financing only in connection with ship contracts

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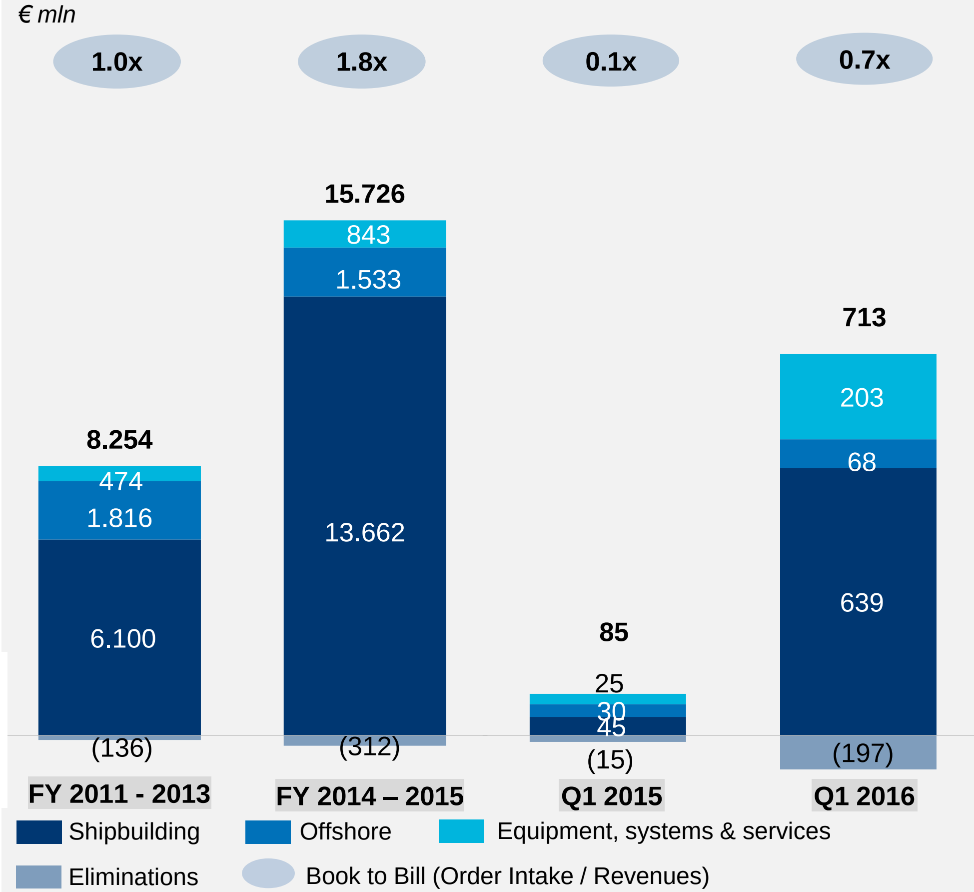
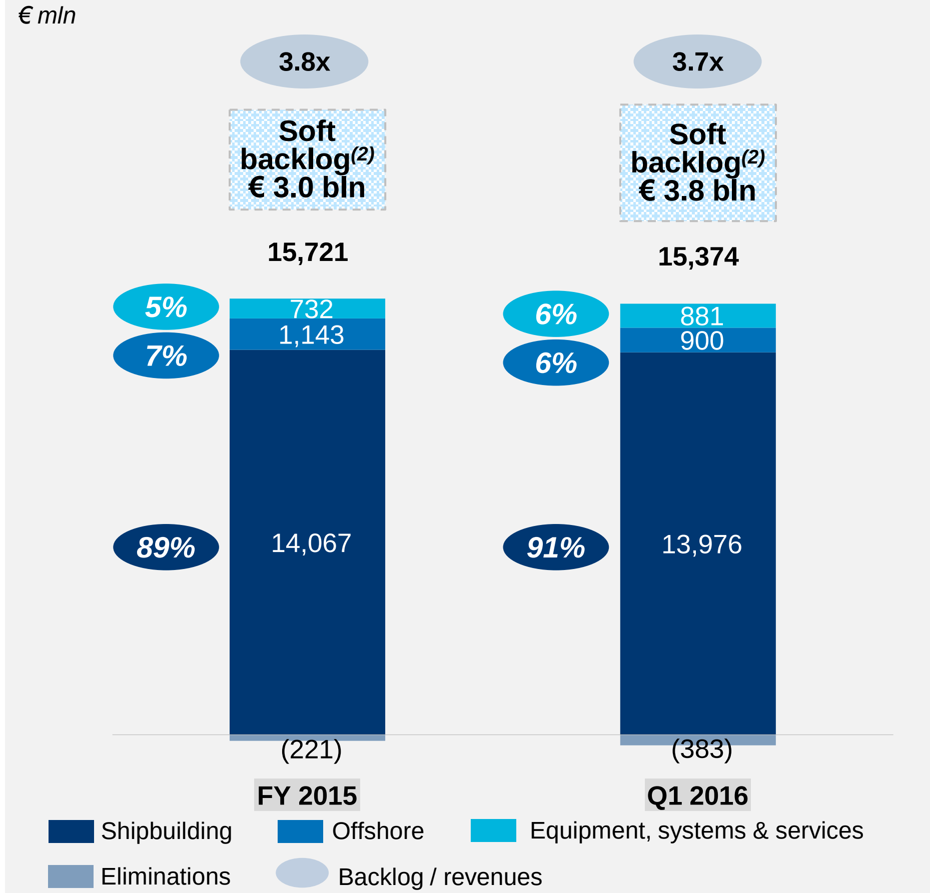
Order intake and backlog





- Total backlog[3] at 31 March 2016 represents 4.6 years of work in relation to revenue generated in 2015 – Group's ability to finalize contracts under negotiation, contract options and commercial opportunities and to transform them into backlog

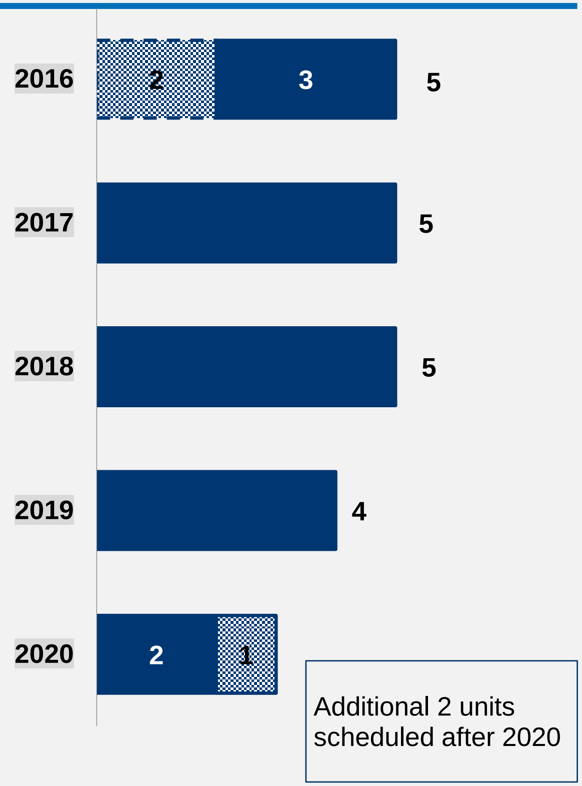
(1) Breakdown calculated based on total backlog (after eliminations)
(2) Soft backlog represents the value of existing contract options and letters of intent as well as contracts in advanced negotiation, none of which yet reflected in the order backlog
(3) Sum of backlog and soft backlog

Backlog deployment

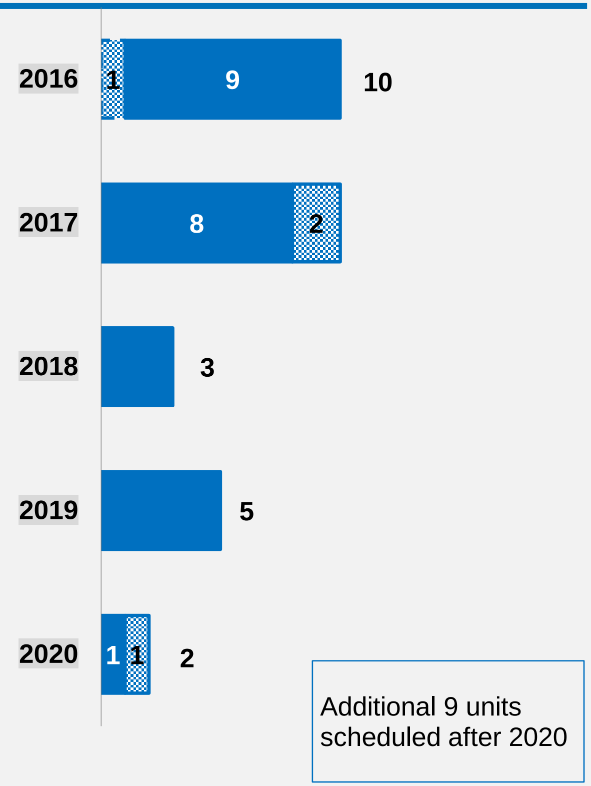
Shipbuilding

 # ships deliveries[1]

Cruise

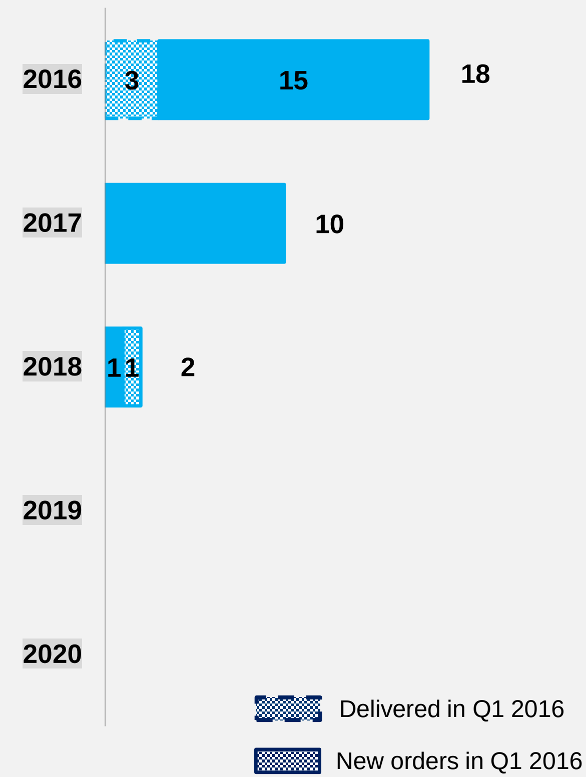


Naval[2]



Offshore

 # ships deliveries



- 22 vessels
- Visibility of deliveries up to 2022

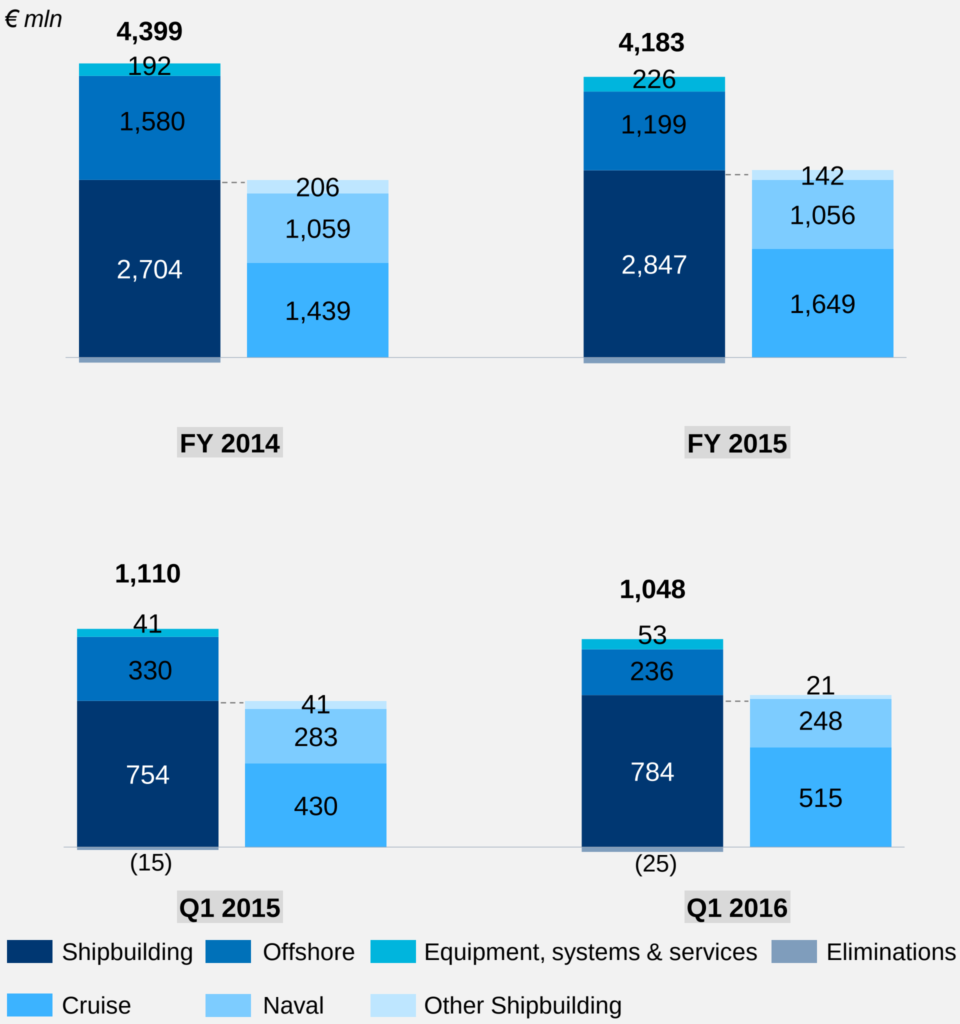
- 38 vessels
- Visibility of deliveries up to 2026

- 27 vessels
- Production schedules adjusted following extension of delivery dates on several projects, resulting in improved workload balance

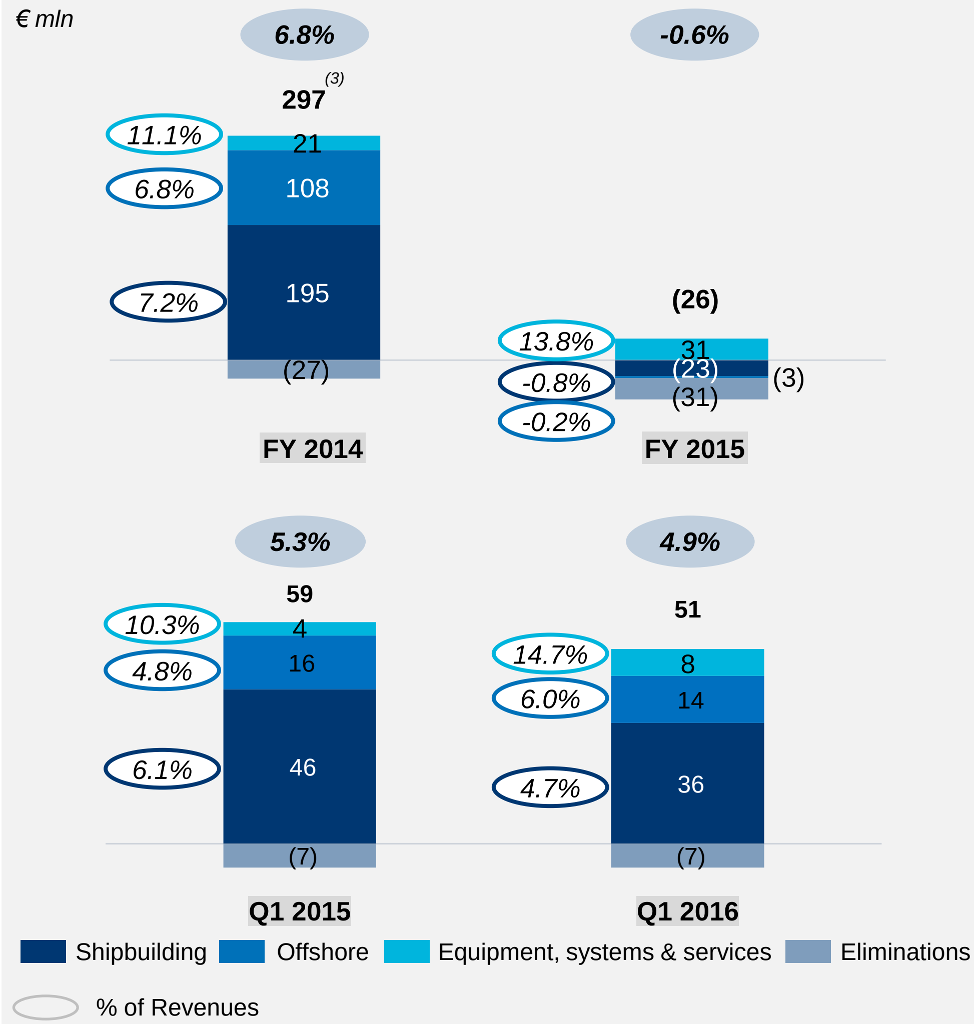
(1) Articulated Tug Barge (ATB) is an articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit
(2) Ships with length > 40 m

Financial performance

Revenues[(1)]



EBITDA / margins[(2)]

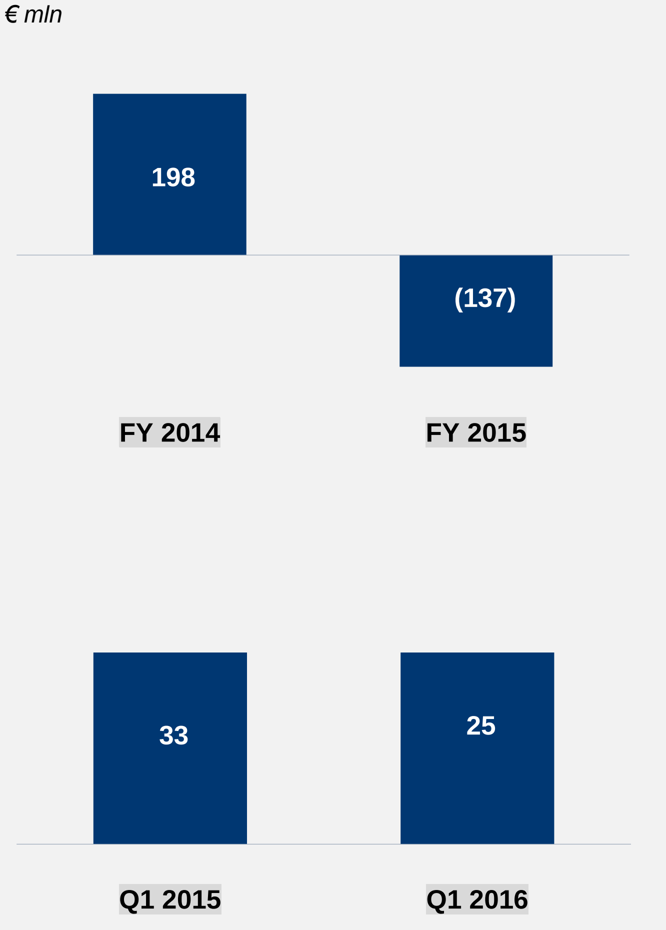


(1) Breakdown calculated gross of consolidation effects
(2) EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance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

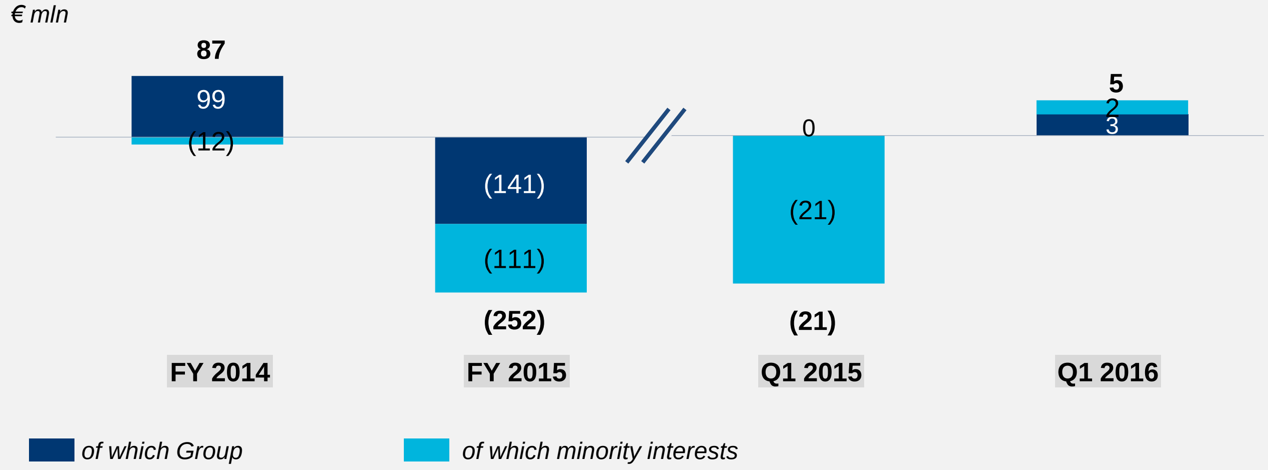
(3) Including the release of PPA (Purchase Price Allocation) fund referred to the provisions accrued at VARD business combination for expected losses on construction contracts in Brazil (€ 35 mln in 2014)

Financial performance

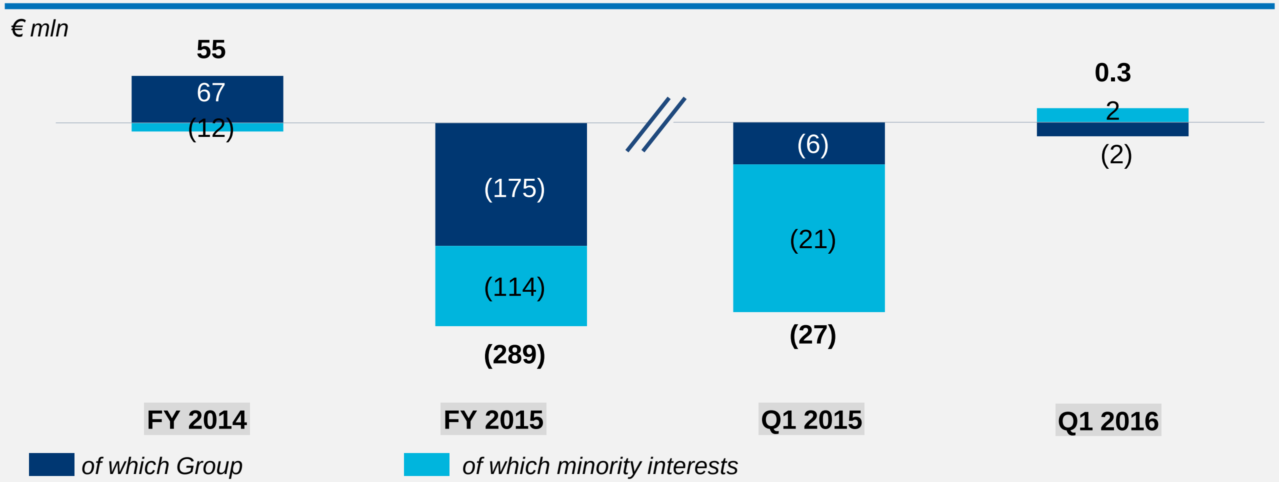
EBIT / margins



Net Income before extraordinary and non recurring items[(1)]



Net Income



(1) Extraordinary and non recurring costs net of tax effect amounted to €52 mln and €32 mln in 2013 and 2014 respectively. Both in Q1 2014 and Q1 2015 this item amounted to €6 mln

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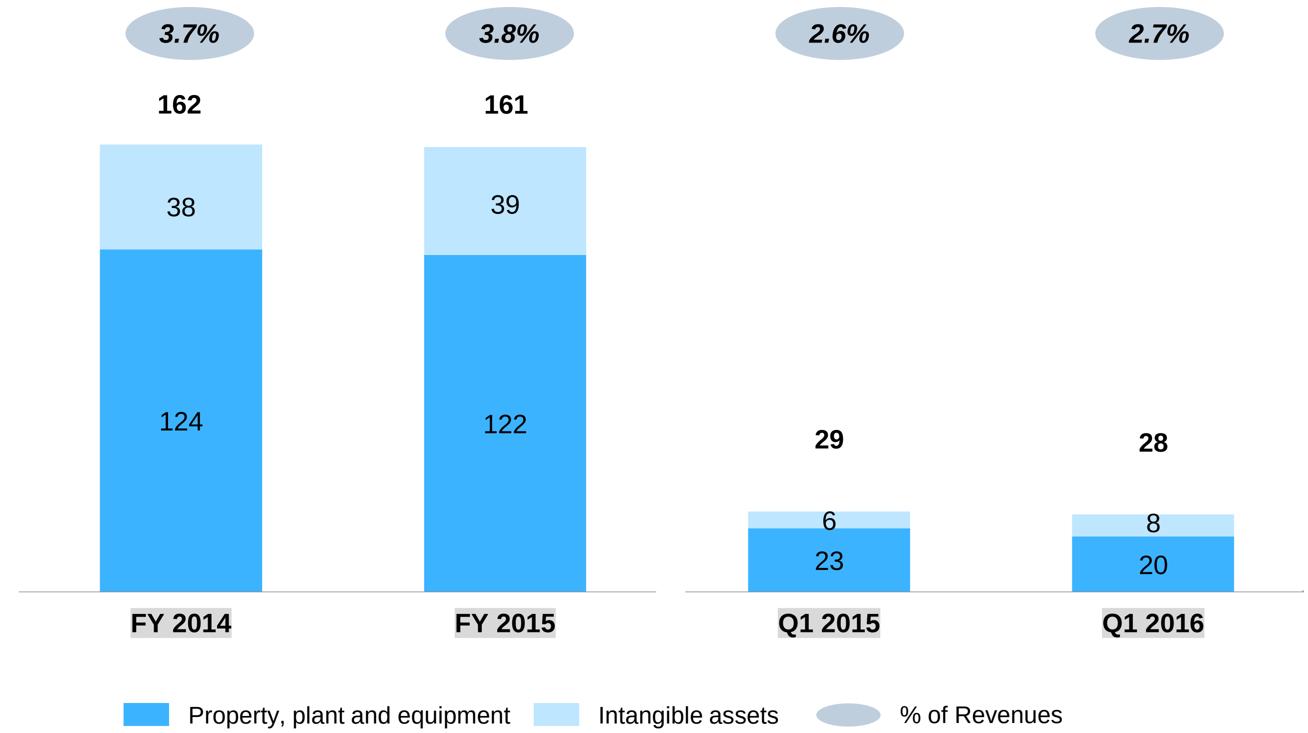
Capex

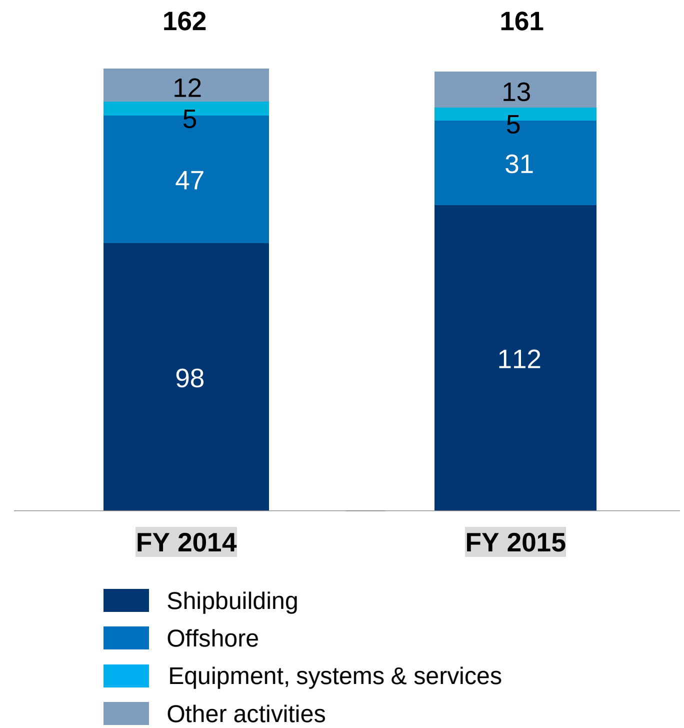
Capex evolution

€ mln



Capex by segment

€ mln



- **2014 and 2015 Capex mainly related to:**
  - Property, plant and equipment - aimed at supporting the development of production volumes and improving safety conditions and compliance with environmental regulations within the production sites
  - Intangible assets – mainly related to the development of new technologies for cruise business (€ 5 mln) and IT systems

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Section 3

Working capital, Net financial position and key ratios

Serene
Private owner
2012 World Super Yacht Award
(134 meters)

Working capital dynamics

Indicative payment terms	Main phases of the shipbuilding process[1]			Impact on net working capital
	Signing A / *First Cut* B	*Launch* C	*Delivery* D	
	Design / Project Development	Hull Assembly and Pre-Outfitting	Outfitting and Sea Trials	

Cruise

- 20% during construction
- 80% on delivery

	Design / Project Development	Hull Assembly and Pre-Outfitting	Outfitting and Sea Trials
Duration (months)	10-12	10-17	8-12
POC[2]	3%-5%	50%-55%	40%-45%

- Increases during construction
- Impact on net debt

Naval[3]

- According to % of completion

	Design / Project Development	Hull Assembly and Pre-Outfitting	Outfitting and Sea Trials
Duration (months)	6-15	23-30	6-10
POC[2]	3%-5%	65%-75%	20%-30%

- Neutral profile

Offshore[3]

- 20% during construction
- 80% on delivery

	Design / Project Development	Hull Assembly and Pre-Outfitting	Outfitting and Sea Trials
Duration (months)	3-6	5-26	6-15
POC[2]	3%-5%	35%-40%	55%-60%

- Increases during construction
- VARD generally uses construction loans (guaranteed by the ship as collateral)

(1) Phases and durations may be subject to changes depending on circumstances, regions and vessels specificity, production geographical area and type of construction
(2) Percentage of Completion
(3) Illustrative for frigates and support vessels

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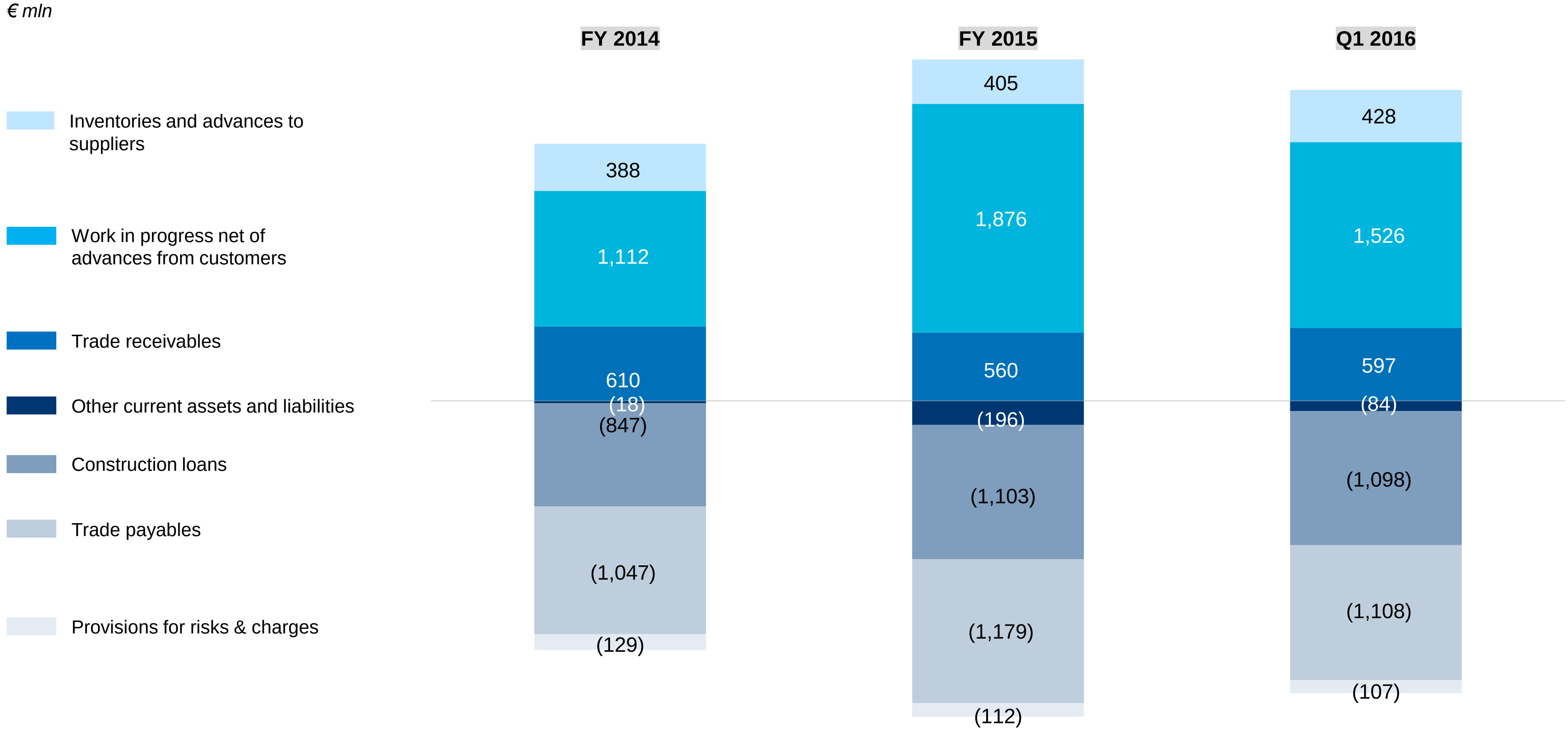
Net working capital(1)

Breakdown by main components



	FY 2014	FY 2015	Q1 2016
Net working capital	**69**	**251**	**154**

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

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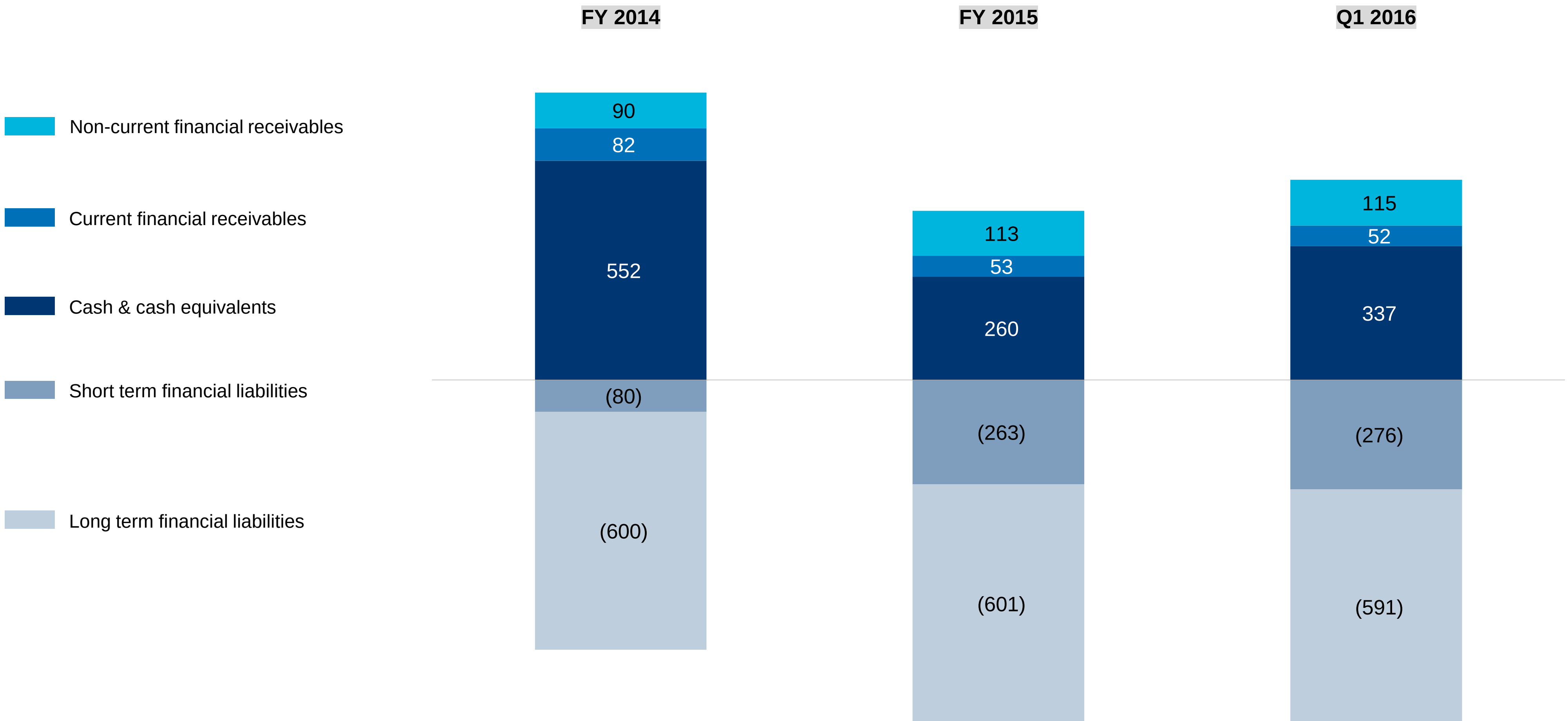
Net financial position[1]

Breakdown by main components

€ mln – Net cash / (Net debt)



Net financial position	**44**	**(438)**	**(363)**

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

Q&A

Frigates Fremm Class
Italian Navy
ART 17 Azimuthal
Retractable Thruster

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Appendix
Q1 2016 results

Q1 2016 Key Messages

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

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

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

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

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

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Q1 2016 main orders

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

Q1 2016 main deliveries

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

(1) Contract announced on 1 April 2016

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Outlook

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

Shipbuilding

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

Offshore

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

Equipment, Systems & Services

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

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

Shipbuilding

Highlights

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

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

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

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

Comments

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

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

Offshore

Highlights

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

- 1 Stern Trawler for Havfisk ASA

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

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

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

Comments

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

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Equipment, Systems and Services

Highlights

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

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

Expected confirmation of positive margin trend

Comments

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

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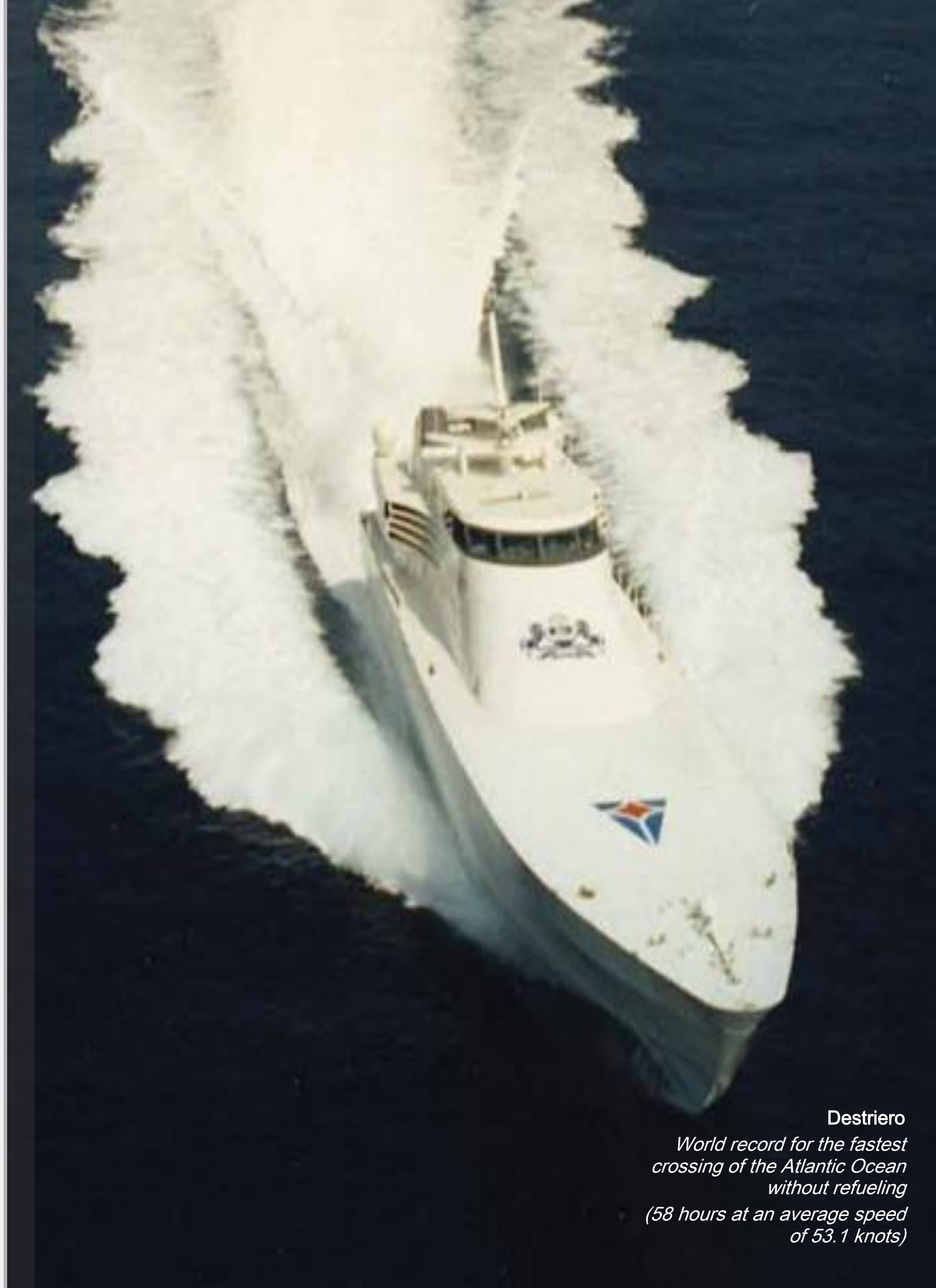
Financial Appendix



Destriero

World record for the fastest crossing of the Atlantic Ocean without refueling

(58 hours at an average speed of 53.1 knots)

Profit & Loss and Cash flow statement

Profit & Loss statement (€ mln)	FY 2014	FY 2015	Q1 2015	Q1 2016
Revenues	**4,399**	**4,183**	**1,110**	**1,048**
Materials, services and other costs	(3,234)	(3,337)	(818)	(769)
Personnel costs	(843)	(865)	(237)	(223)
Provisions[(1)]	(25)	(7)	4	(5)
EBITDA	**297**	**(26)**	**59**	**51**
Depreciation, amortization and impairment	(99)	(111)	(26)	(26)
EBIT	**198**	**(137)**	**33**	**25**
Finance income / (expense)[(2)]	(66)	(135)	(42)	(20)
Income / (expense) from investments	6	(3)	-	-
Income taxes[(3)]	(51)	23	(12)	-
Profit / (loss) before extraordinary and non recurring items	**87**	**(252)**	**(21)**	**5**
Attributable to owners of the parent	*99*	*(141)*	*-*	*3*
Extraordinary and non recurring items[(4)]	(44)	(50)	(8)	(6)
Tax effect on extraordinary and non recurring items	12	13	2	1
Profit / (loss) for the period	**55**	**(289)**	**(27)**	**-**
Attributable to owners of the parent	67	(175)	*(6)*	*(2)*

Cash flow statement (€ mln)	FY 2014	FY 2015	Q1 2015	Q1 2016
Beginning cash balance	**385**	**552**	**552**	**260**
Cash flow from operating activities	33	(287)	54	105
Cash flow from investing activities	(157)	(172)	(29)	(28)
Free cash flow	**(124)**	**(459)**	**25**	**77**
Cash flow from financing activities	303	167	56	(1)
Net cash flow for the period	**179**	**(292)**	**81**	**76**
Exchange rate differences on beginning cash balance	(12)	-	10	1
Ending cash balance	**552**	**260**	**643**	**337**

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

Net income before extraordinary and non recurring items[(1)]

Net income before extraordinary and non recurring items (€ mln)	FY 2014	FY 2015	Q1 2015	Q1 2016
A Net profit/(loss) for the period	55	(289)	(27)	-
B Extraordinary and non recurring items gross of tax effect	44	50	8	6
– *Of which extraordinary wages*	*10*	*30*	*1*	*4*
– *Of which restructuring costs*	*9*	*17*	*2*	*2*
– *Of which asbestos claims*	*21*	*3*	*5*	*-*
– *Of which other non recurring items*	*4*[(2)]	*-*	*-*	*-*
Tax effect on extraordinary and non recurring items	(12)	(13)	(2)	(1)
C **Net income before extraordinary and non recurring items**[(1)]	**87**	**(252)**	**(21)**	**5**
A + B + C *Of which Group*	*99*	*(141)*	*-*	*3*

- **Extraordinary wages** - costs related to CIGS (Cassa Integrazione Guadagni Straordinaria) for employees in temporary layoff
- **Restructuring costs** - extraordinary costs, such as severance, related to workforce reduction under the Reorganization Plan in Italy and Vard
- **Asbestos claims** - provisions or costs for asbestos related to claims by employees
- **Other non recurring items** - mainly write-downs; in 2014 IPO related costs

(1) Extraordinary and non recurring items net of tax effect
(2) Mainly IPO related costs

Balance sheet

Balance sheet (€ mln)	FY 2014	FY 2015	Q1 2016
Intangible assets	508	518	522
Property, plant and equipment	959	974	974
Investments	60	62	63
Other non-current assets and liabilities	(48)	(44)	(23)
Employee benefits	(62)	(57)	(56)
Net fixed capital	**1,417**	**1,453**	**1,480**
Inventories and advances	388	405	428
Construction contracts and advances from customers	1,112	1,876	1,526
Construction loans	(847)	(1,103)	(1,098)
Trade receivables	610	560	597
Trade payables	(1,047)	(1,179)	(1,108)
Provisions for risks and charges	(129)	(112)	(107)
Other current assets and liabilities	(18)	(196)	(84)
Net working capital	**69**	**251**	**154**
Net invested capital	**1,486**	**1,704**	**1,634**
Equity attributable to Group	*1,310*	*1,137*	*1,146*
Non-controlling interests in equity	*220*	*129*	*125*
Equity	**1,530**	**1,266**	**1,271**
Cash and cash equivalents	(552)	(260)	(337)
Current financial receivables	(82)	(53)	(52)
Non-current financial receivables	(90)	(113)	(115)
Short term financial liabilities	80	263	276
Long term financial liabilities	600	601	591
Net debt / (Net cash)	**(44)**	**438**	**363**
Sources of financing	**1,486**	**1,704**	**1,634**

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