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The sea ahead

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J.P. Morgan Italian Conference 2016

September 30, 2016

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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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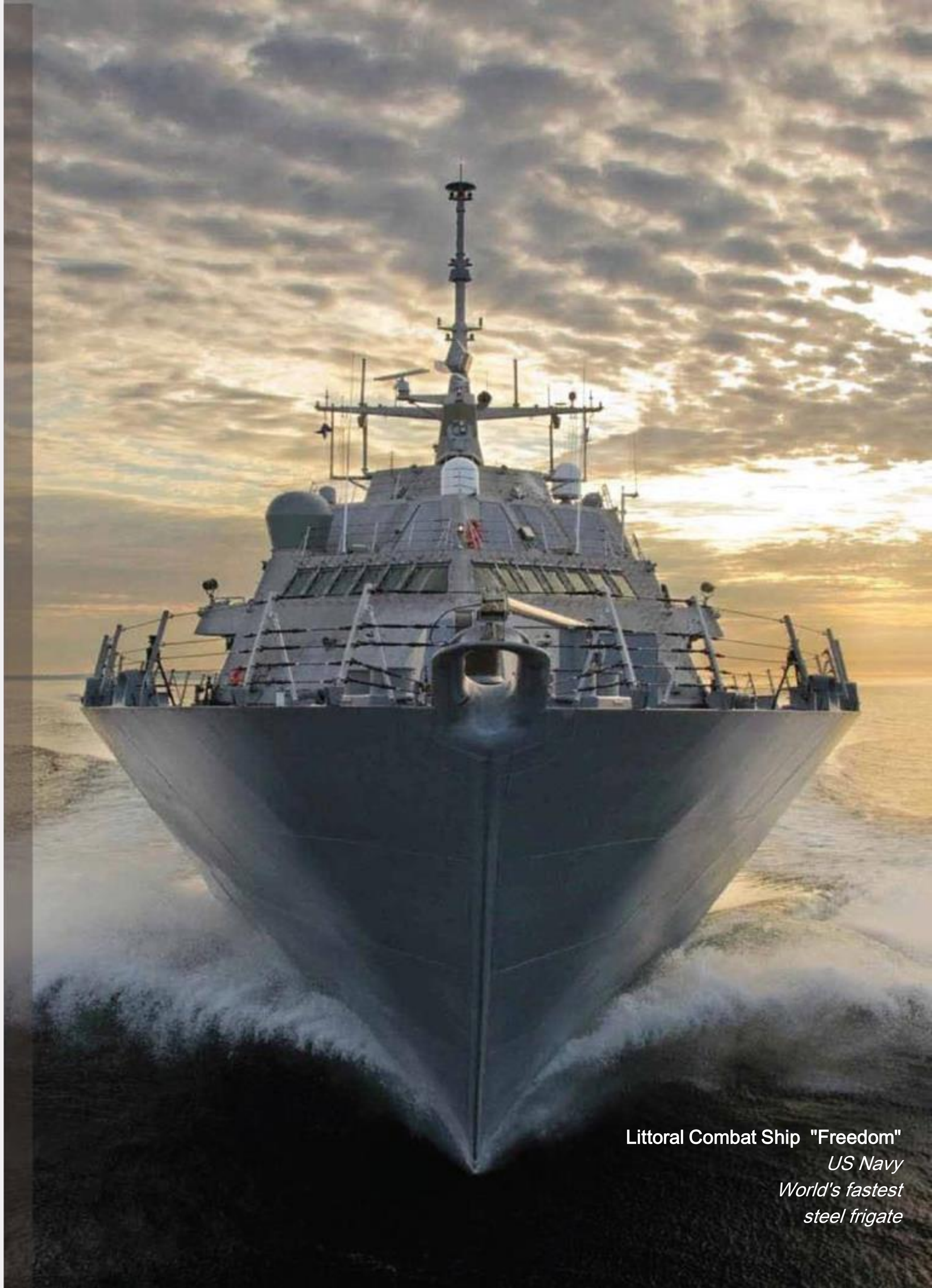
Section 1

Introduction



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

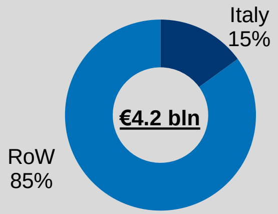
Fincantieri at a glance

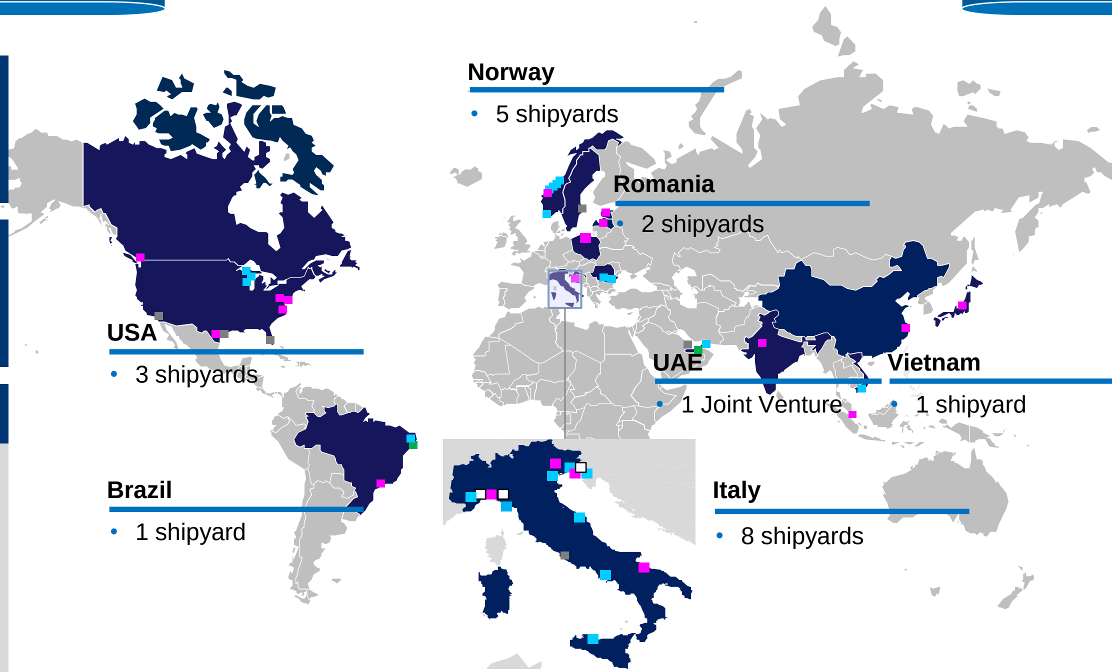
#1 Western designer & shipbuilder(1)
with 230 years of history & >7,000 ships built

€ 4,183 mln revenues

~ € 21.8 bln total backlog(2,3)
- **€ 19.3 bln backlog**
- **€ 2.5 bln soft backlog**

Revenues by geography

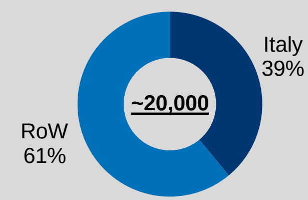




20 shipyards
4 continents

~ 20,000 employees
~ 80,000 subcontractors

Employees by location



Note: all figures reported at December 31, 2015, except for backlog and soft backlog which are referred to 1H 2016 (at June 30, 2016)
(1) By revenues, excluding naval contractors in the captive military segment. Based on Fincantieri estimates of shipbuilders' revenues in 2015
(2) At June 30, 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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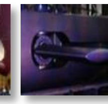
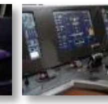
Products and end-markets

= *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** • **Drilling units** • **Fisheries/aquaculture** • **Offshore wind** • **Offshore Patrol Vessels** • **Expedition cruise** • **Special vessels**	• **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)*** – **Key supplier for Qatar Emiri Naval Forces**	• **Leader in:** – **High tech ferries** – **Large mega-yachts** – **Repair & conversion**	• **Leading player in high-end OSVs**	• **Leading player worldwide**
2015 Revenues *(% on total)(4)*	**€ 1,649 mln** *(39%)*	**€ 1,056 mln** *(25%)*	**€ 142 mln** *(3%)*	**€ 1,199 mln** *(28%)*	**€ 226 mln** *(5%)*
1H 2016 Backlog	**€ 17,565 mln**			**€ 1,266 mln**	**€ 873 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) Breakdown calculated based on revenues gross of consolidation effects

Track record, top clients and technological leadership

	SHIPBUILDING		OFFSHORE
	Cruise	*Naval*	
Track record *ships deliveries*	• **1990 – 2001**: **23** • **2002 – 2015**: **47** • **1H 2016**: **4**	• **1990 – 2001**: **51(1)** • **2002 – 2015**: **50(1)** • **1H 2016**: **3**	• **1990 – 2001**: **72(2)** • **2002 – 2015**: **279(2)** • **1H 2016**: **8**
Top clients	• **Carnival Group(3)** • **MSC Crociere** • **Prestige Cruise Holdings** • **Silversea Cruises** • **Viking Ocean Cruises** • **Ponant** • **Virgin Cruises**	• **Italian Navy and Coast Guard** • **US Navy** • **Qatar Emiri Naval Forces** • **United Arab Emirates Navy** • **Algerian Navy** • **Indian Navy**	• **Topaz Energy and Marine** • **Technip** • **DOF** • **Solstad Offshore** • **Island Offshore** • **Farstad**
Technological leadership	• *Carnival Vista:* **“ECO Notation” by Lloyd‘s Register** for exceeding environmental regulatory standards • *Royal Princess:* **1st cruise ship fully compliant with new regulations** • *Costa Luminosa & Costa Pacifica:* **Guinness World Record** for joint-christening of 2 cruise ships	• *LCS Freedom:* **world’s fastest steel frigate**	• *Normand Maximus:* **largest offshore vessel ever built in Norway** • *Skandi Africa:* **“Ship of the Year 2015”(4)** • *AMC Connector:* **world’s largest cable layer(5)** • *Far Samson:* **most powerful offshore vessel(6)**

(1) 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
(2) Includes other products delivered by Offshore business unit. Includes VARD and predecessor companies
(3) Parent company of several brands: Carnival Cruise Lines, Costa Crociere, Cunard, Holland America Line, P&O Cruises, Princess Cruise Lines and Seabourn Cruise Lines
(4) Award instituted by the major Nordic shipping magazine Skipsrevyen
(5) In terms of loading capacity (2011)
(6) In terms of bollard pull at the date of construction (423 tons)

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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	1H 2015	1H 2016
Order intake	**5,639**	**10,087**	**4,170**	**5,851**
Backlog	**9,814**	**15,721**	**12,044**	**19,290**
Soft backlog	**5,000**	**3,000**	**7,200**	**2,500**
Revenues	**4,399**	**4,183**	**2,220**	**2,266**
EBITDA	**297**	**(26)**	**128**	**113**
As a % of revenues	*6.8%*	*-0.6%*	*5.8%*	*5.0%*
EBIT	**198**	**(137)**	**74**	**61**
As a % of revenues	*4.5%*	*-3.3%*	*3.3%*	*2.7%*
Net result before extr. and non recurring items[2]	**87**	**(252)**	**(7)**	**19**
Attributable to owners of the parent	*99*	*(141)*	*23*	*19*
Net result for the period	**55**	**(289)**	**(19)**	**5**
Attributable to owners of the parent	*67*	*(175)*	*12*	*7*
Net fixed assets	**1,417**	**1,453**	**1,485**	**1,528**
Net working capital[3]	**69**	**251**	**299**	**135**
Of which construction loans	*(847)*	*(1,103)*	*(868)*	*(937)*
Equity	**1,530**	**1,266**	**1,564**	**1,255**
Net financial position *Net cash/ (Net debt)*	**44**	**(438)**	**(220)**	**(408)**
Employees	**21,689**	**20,019**	**21,553**	**18,825**

(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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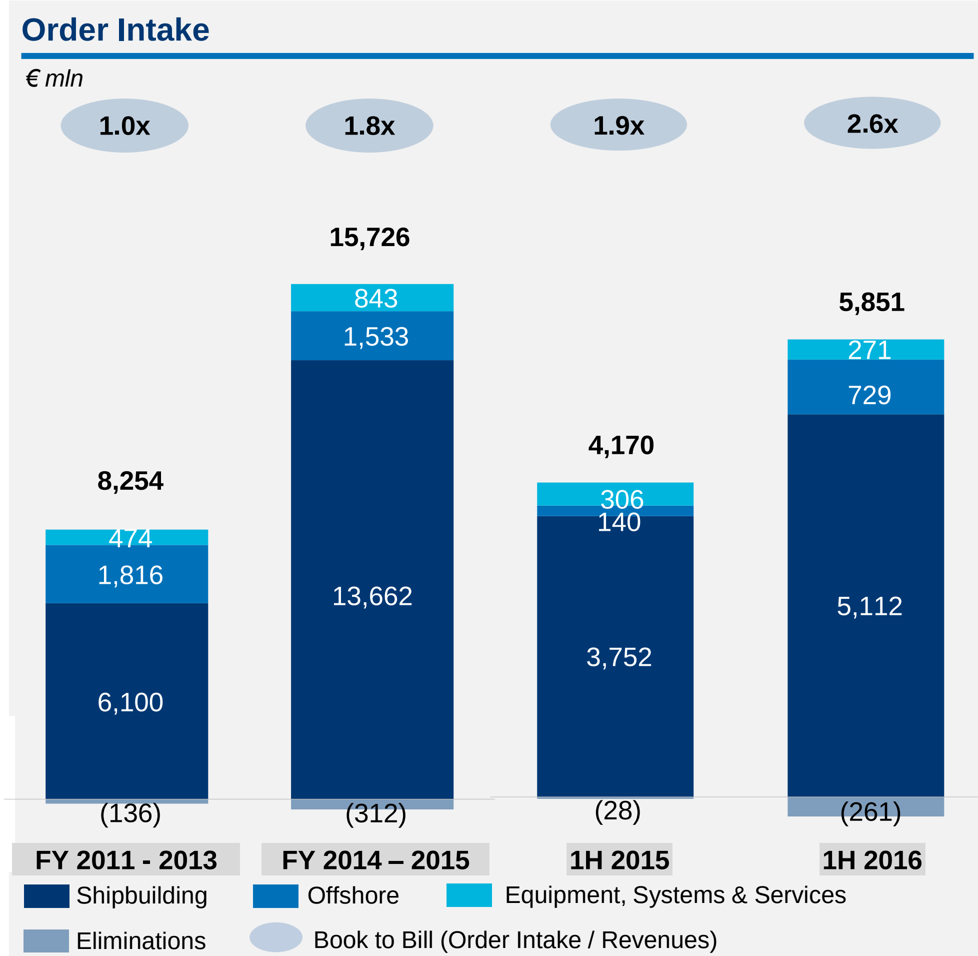
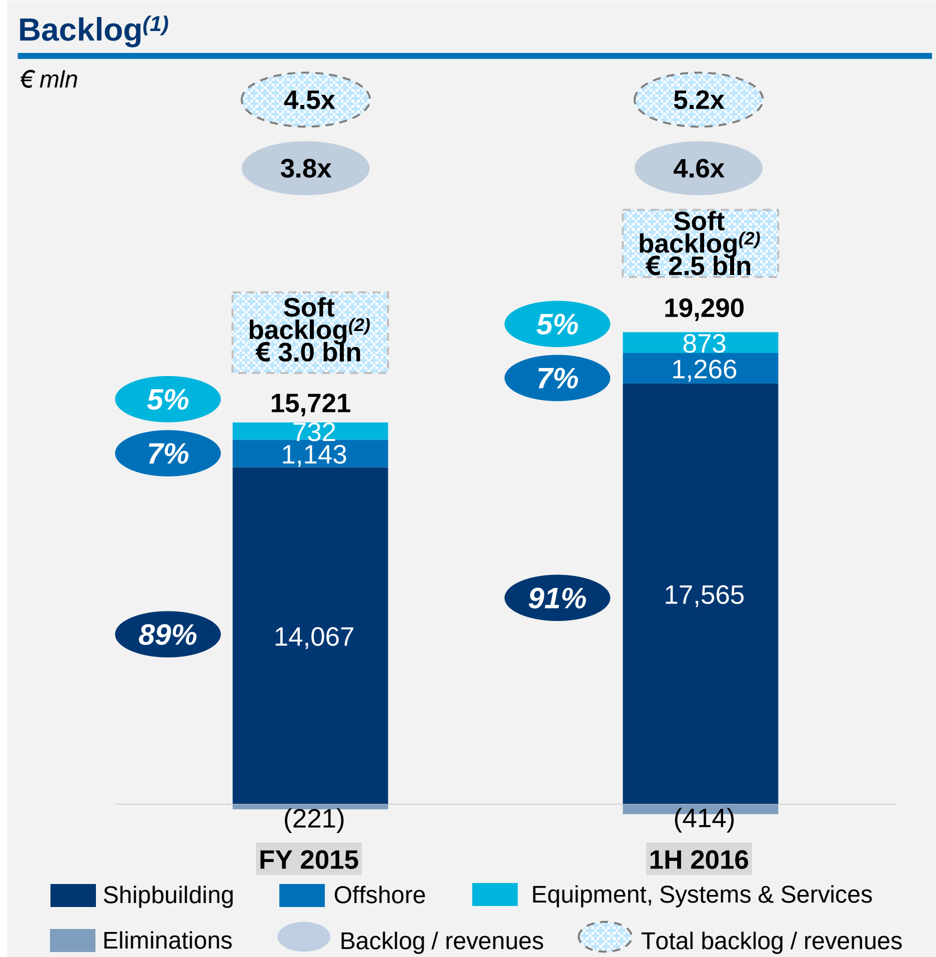
Order intake and backlog





- **Total backlog**[3] at June 30, 2016 **represents 5.2 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

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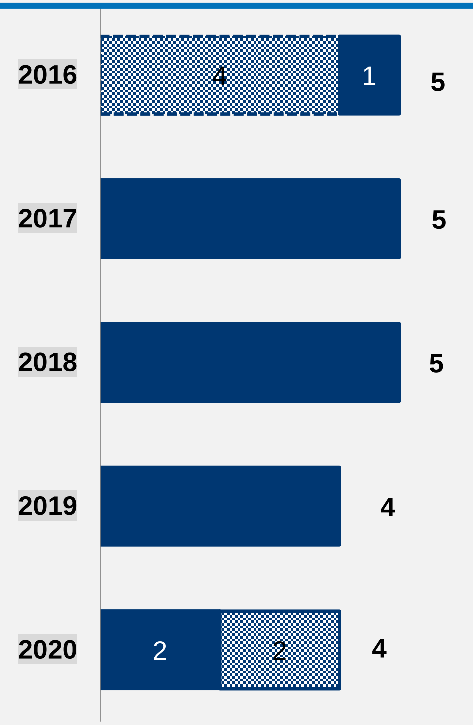
Backlog deployment

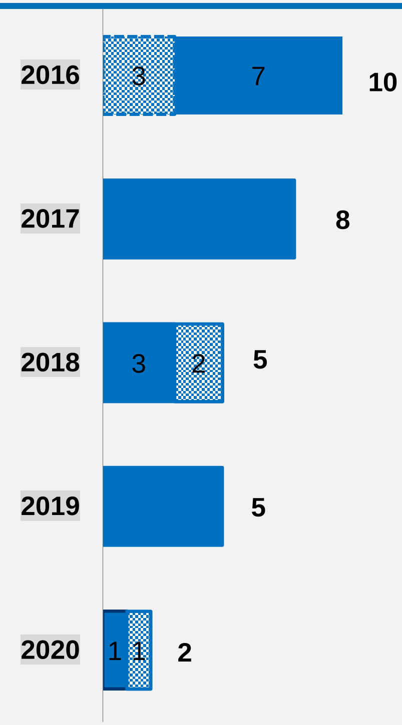
Shipbuilding

 # ships deliveries[(1)]

Cruise

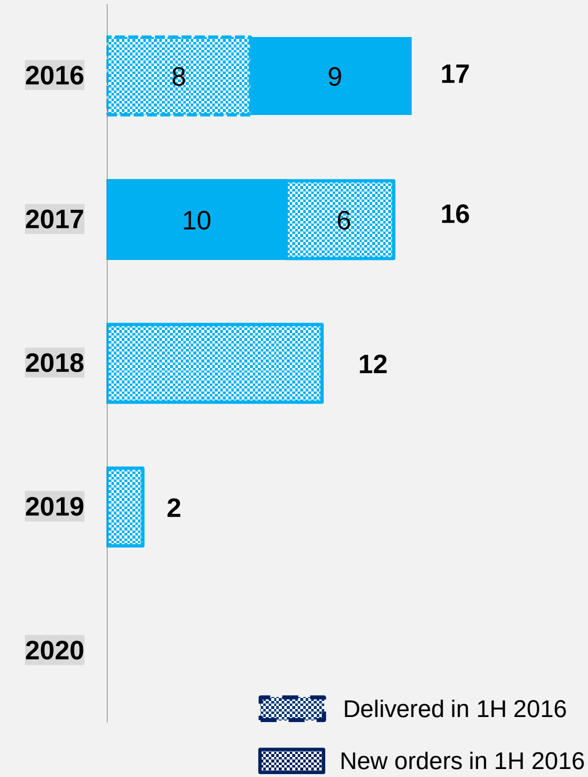


Naval[(2)]



Offshore

 # ships deliveries



- Additional 2 units scheduled after 2020
- **21 vessels in backlog**
- Visibility of deliveries up to 2022

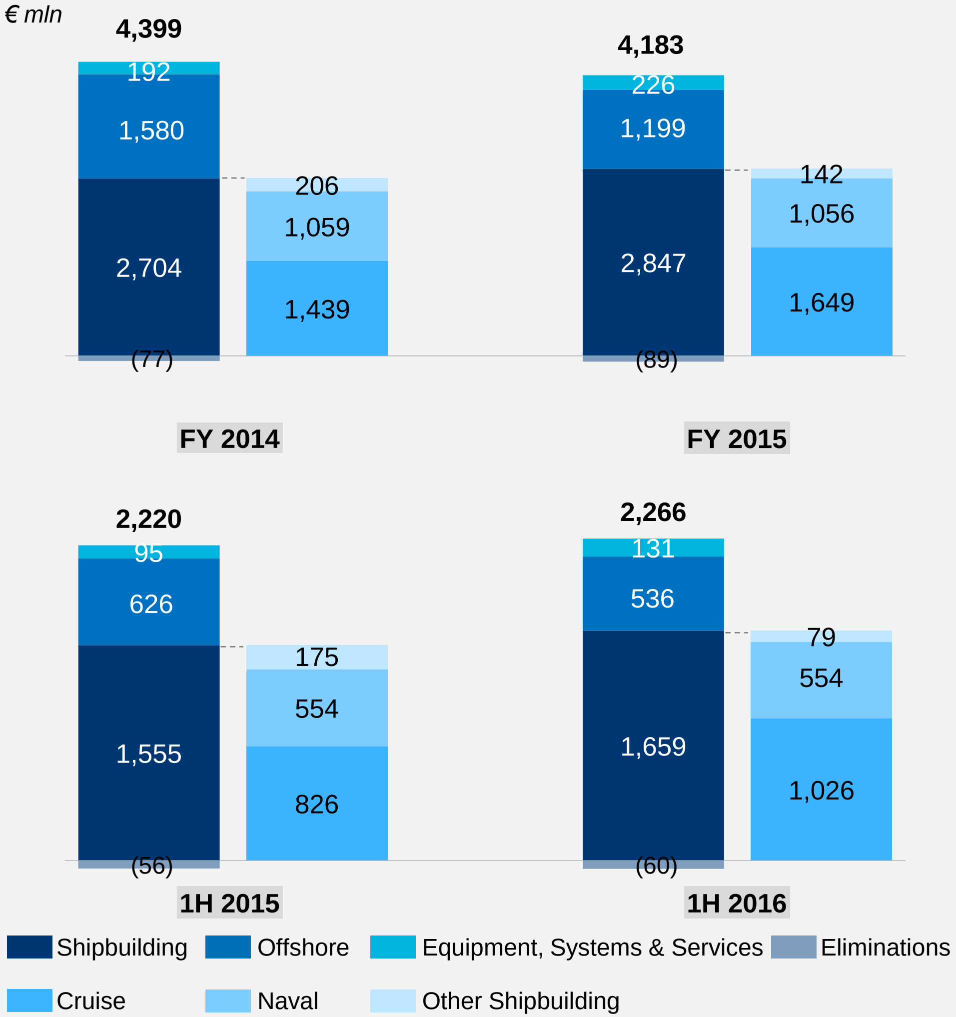
- Additional 16 units scheduled after 2020
- **43 vessels in backlog**
- Visibility of deliveries up to 2026

- **39 vessels in backlog**

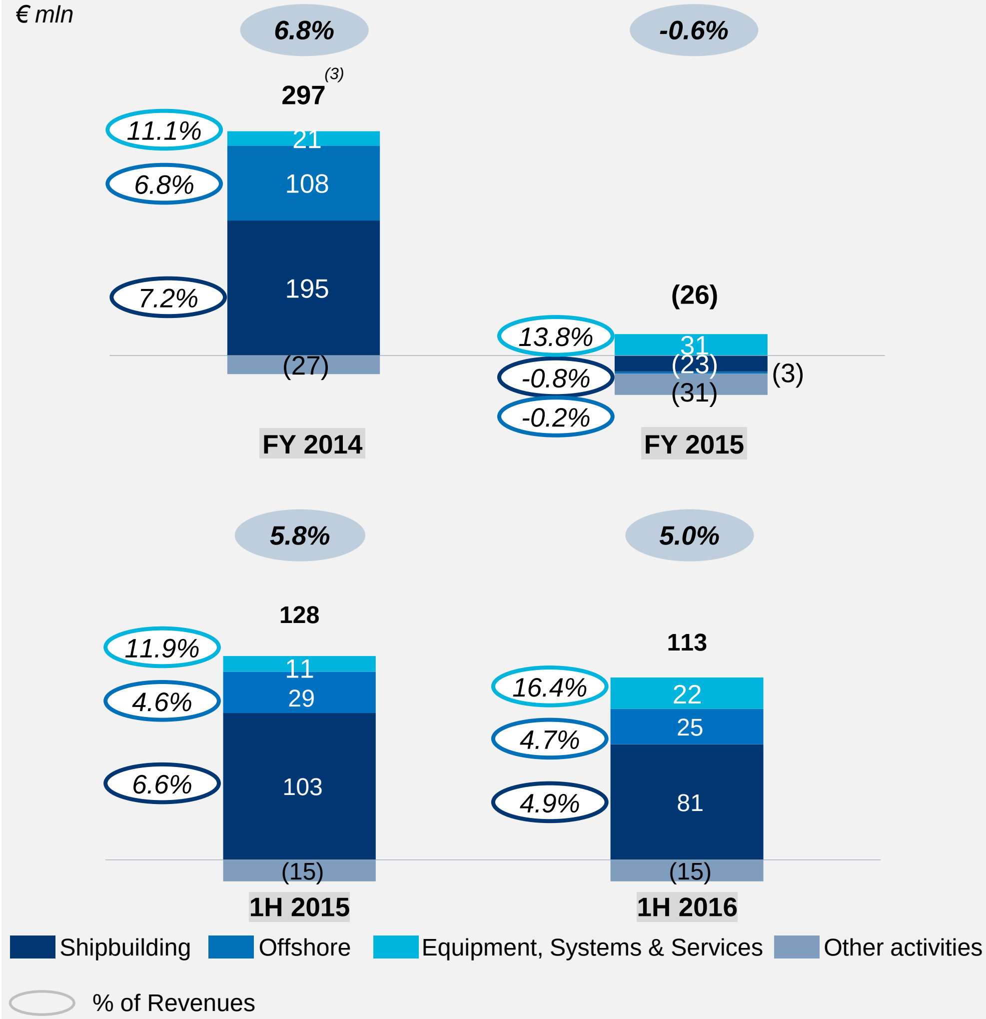
(1) Articulated Tug Barge (ATB) is an articulated unit consisting of a barge and a tug, thus being counted as two vessels in one unit
(2) Ships with length > 40 m

Financial performance

Revenues(1)



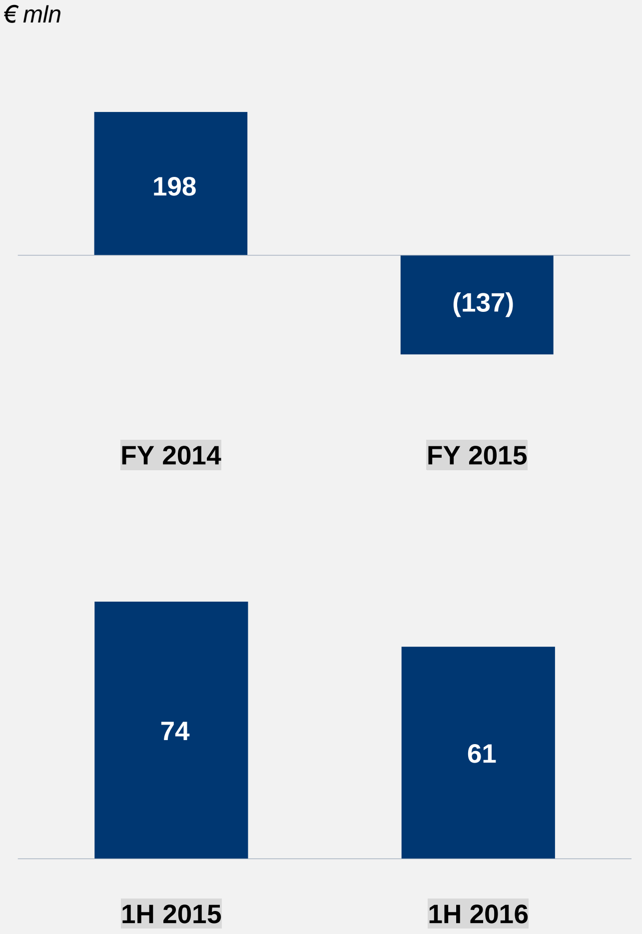
EBITDA / margins(2)



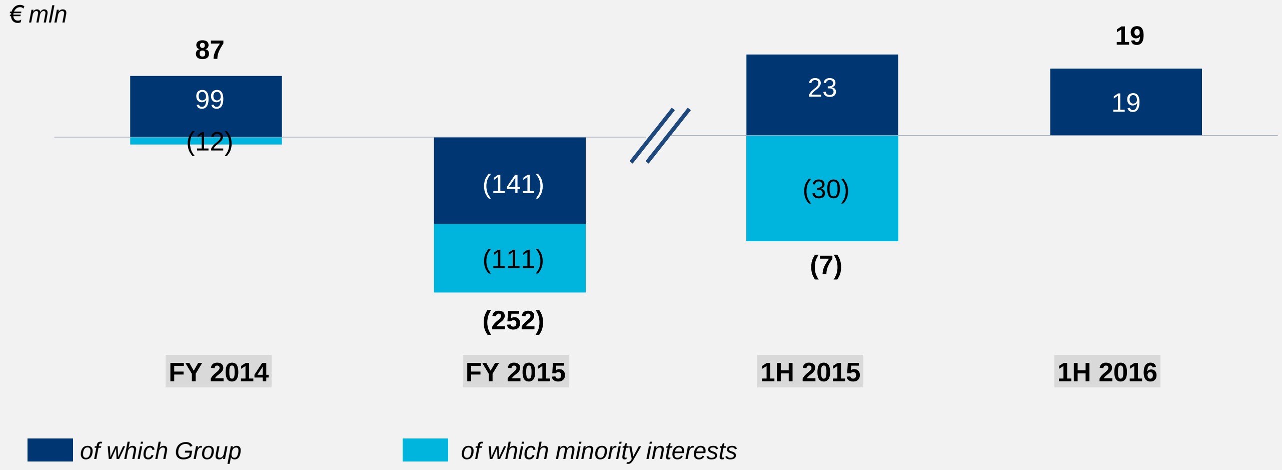
(1) Breakdown calculated gross of consolidation effects
(2) EBITDA is a Non-GAAP Financial Measure. The Company defines EBITDA as profit/(loss) for the period before (i) income taxes, (ii) share of profit/(loss) from equity investments, (iii) income/expense from investments, (iv) finance costs, (v) finance 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 orders risk fund referred to the provisions accrued at VARD business combination for expected losses on construction contracts in Brazil (€ 35 mln in 2014)

Financial performance

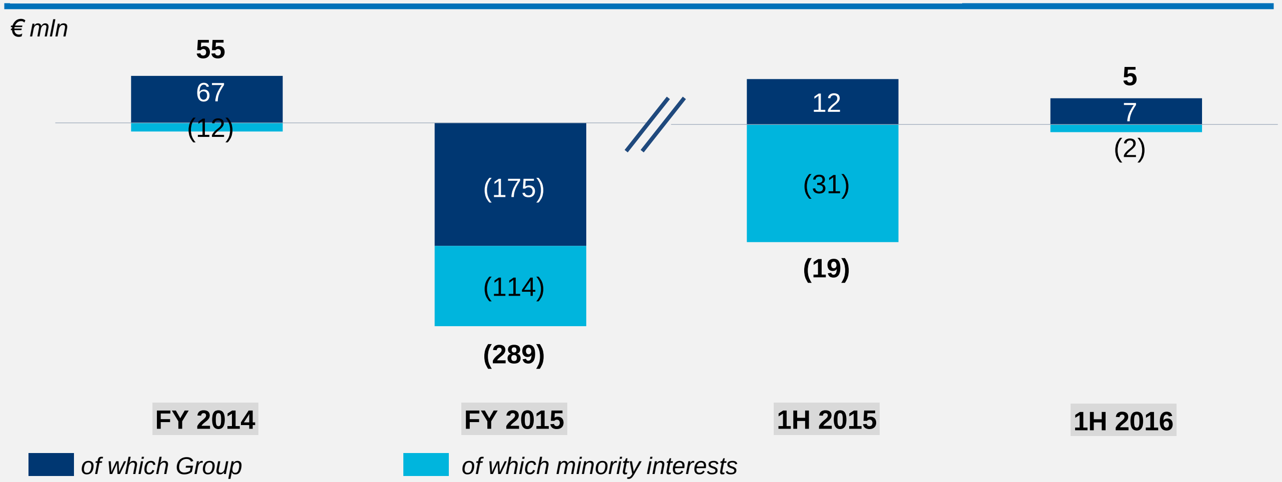
EBIT / margins



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



Net result



(1) Extraordinary and non recurring costs net of tax effect amounted to € 32 mln in 2014, € 37 mln in 2015, € 12 mln in 1H 2015 and € 14 mln in 1H 2016

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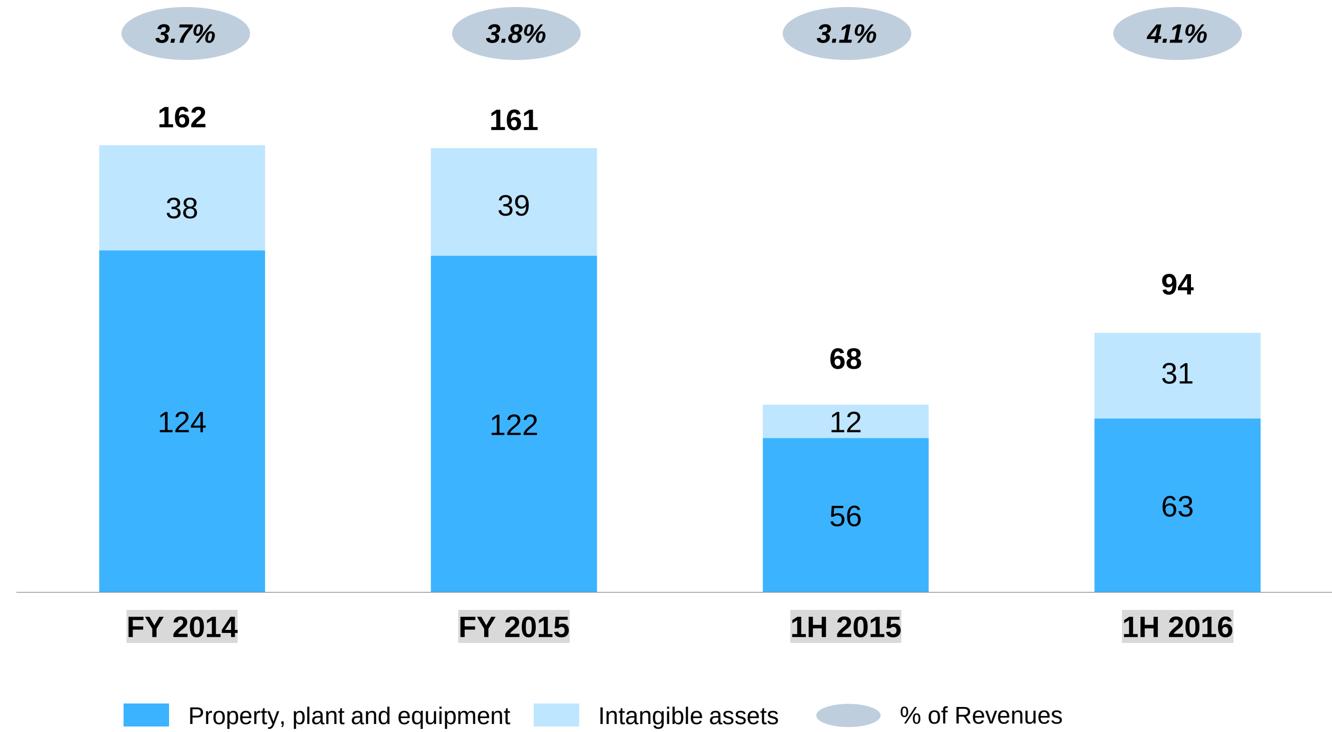
Capex

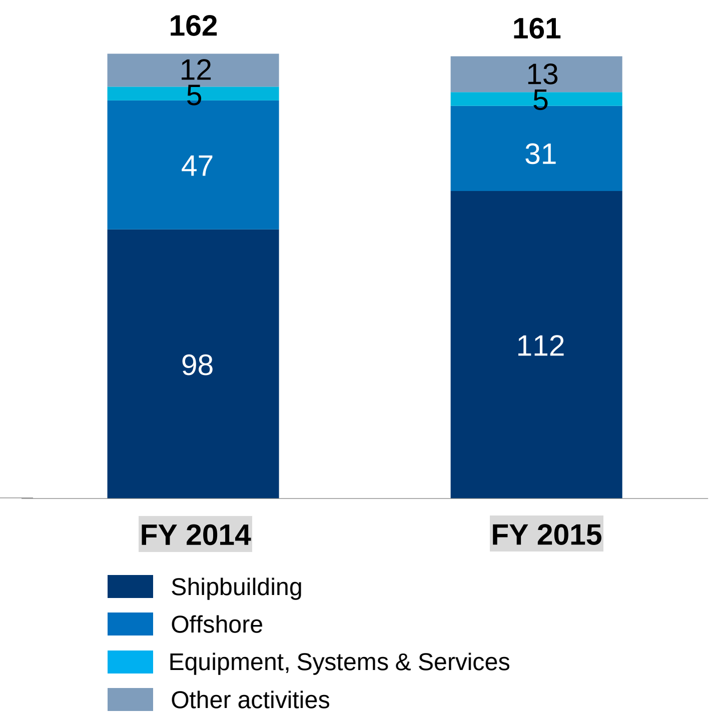
Capex evolution

€ 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 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	*Duration (months)*	10-12	10-17	8-12	• Increases during construction • Impact on net debt
	POC[2]	3%-5%	50%-55%	40%-45%	
Naval[3]  • According to % of completion	*Duration (months)*	6-15	23-30	6-10	• Neutral profile
	POC[2]	3%-5%	65%-75%	20%-30%	
Offshore[3]  • 20% during construction • 80% on delivery	*Duration (months)*	3-6	5-26	6-15	• Increases during construction • VARD generally uses construction loans (guaranteed by the ship as collateral)
	POC[2]	3%-5%	35%-40%	55%-60%	

(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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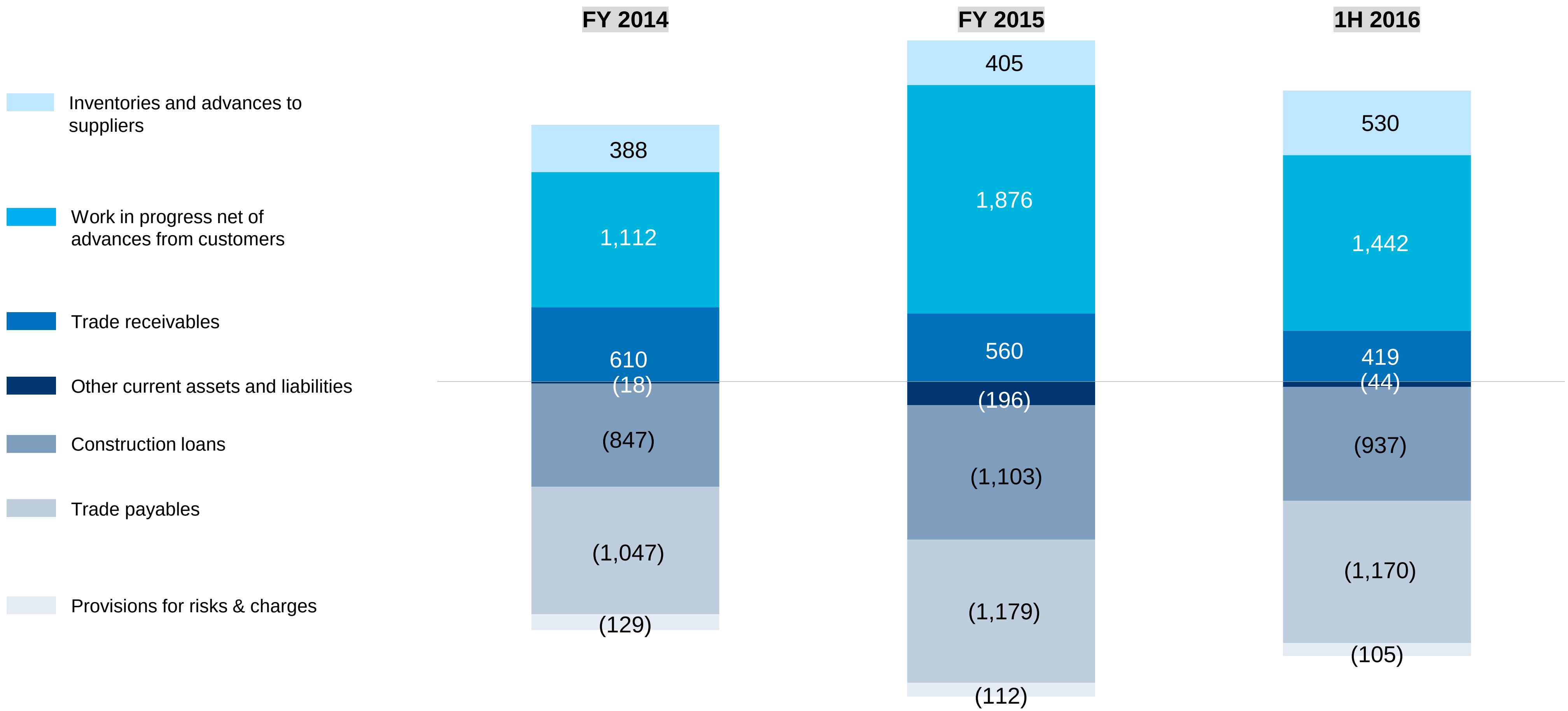
Net working capital[(1)]

Breakdown by main components

€ mln



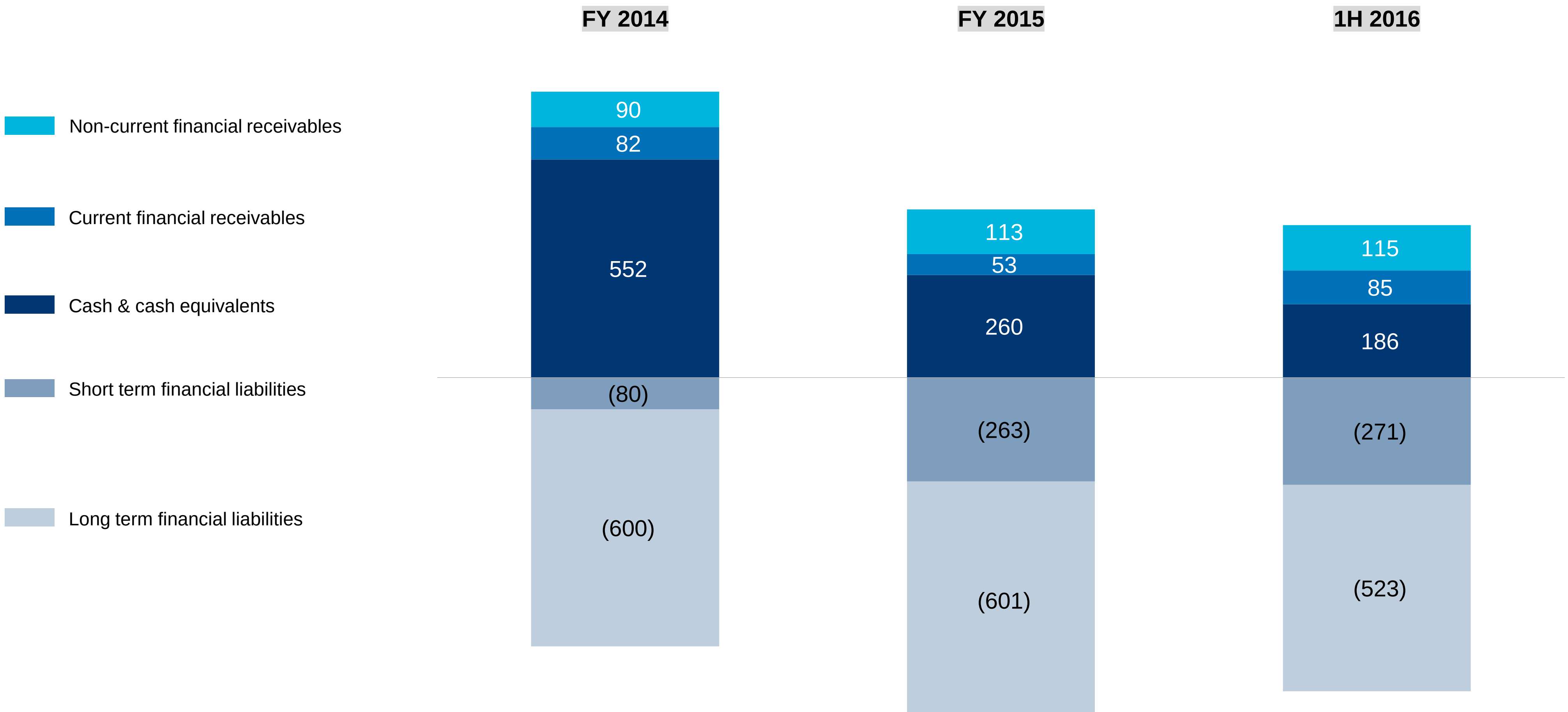
Net working capital	**69**	**251**	**135**

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

Net financial position(1)

Breakdown by main components

€ mln – Net cash / (Net debt)



Net financial position	44	(438)	(408)

(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

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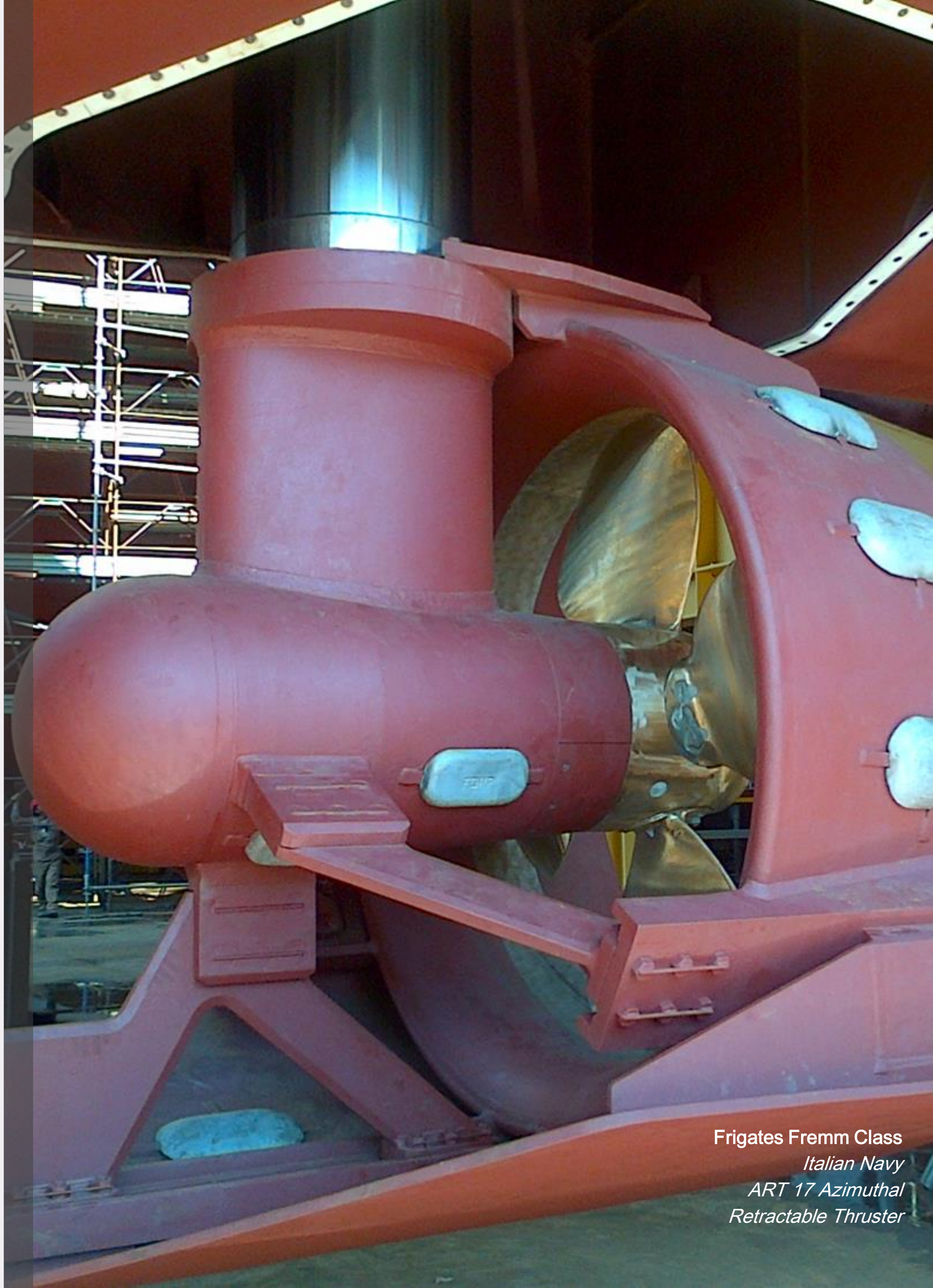
Q&A



Frigates Fremm Class
Italian Navy
ART 17 Azimuthal
Retractable Thruster

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Appendix
1H 2016 results

Amerigo Vespucci
Italian Navy
One of the most ancient training ships

1H 2016 Key Messages

- **Guidance 2016 and medium term targets confirmed:** solid 1H 2016 results, with positive net result at € 5 mln after extraordinary and non recurring items and 5.0% EBITDA margin, mark a turning point for the Group compared to the second half of 2015 (margin of 5.0% in 1H 2016 vs -7.8% in 2H 2015) and are in line with the Business Plan 2016-2020
- **All time high total backlog[(1)] at € 21.8 bln covering ~5.2 years of work if compared to 2015 revenues:** the Group confirms its ability to finalize commercial opportunities and consistently convert them into backlog; **backlog at € 19.3 bln** (€ 12.0 bln in 1H 2015 and € 15.7 bln in FY 2015) **with 103 ships in orderbook** and **soft backlog[(2)] at € 2.5 bln** (€ 7.2 bln in 1H 2015 and € 3.0 bln in FY 2015)
- **Group's ability to deliver highly complex prototype vessels on time confirmed:** 4 cruise ships delivered from 4 different shipyards to 4 different clients, including 3 prototypes “Koningsdam”, “Carnival Vista” and “Seven Seas Explorer”
- **Vard Business Plan execution ahead of schedule**, with the shut down of Vard Niterói yard in Brazil, significant synergies with cruise business and **relevant commercial achievements** within its diversification strategy
- **Contract with the Qatari Ministry of Defence: a true commercial milestone.** Qatar Emiri Naval Forces chose Fincantieri for the national naval acquisition programme; the contract value is close to € 4.0 bln and includes the supply of 7 naval vessels and support services for 15 years after delivery. It is the largest order in naval business acquired by Fincantieri over the last 30 years
- **Strategic agreement aimed at developing the Chinese and Asian cruise industry signed** just after first half close: the agreement for the **set-up of a China based JV with China State Shipbuilding Corporation** follows the historic ones signed with CSSC and Carnival Corporation in November 2014

(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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Contract with Qatari Ministry of Defence: a true commercial milestone

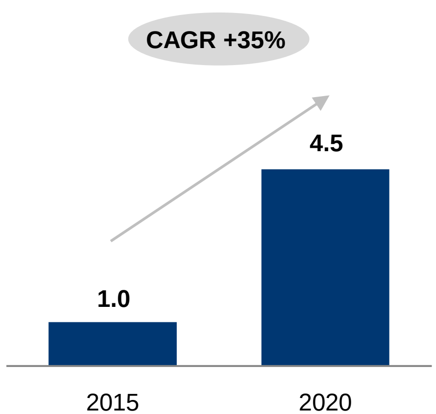
- In June 2016 Fincantieri and the Qatari Ministry of Defence have signed a contract for the construction of **seven new generation surface vessels** included in the national naval acquisition programme of the Qatar Emiri Naval Forces:
  - **Four corvettes** of over 100 meters in length
  - **One amphibious vessel** (LPD - Landing Platform Dock)
  - **Two patrol vessels** (OPV - Offshore Patrol Vessel)
  - **Support services** in Qatar for 15 years after the delivery of the vessels
- All the units will be entirely built in Fincantieri Italian shipyards starting from 2018
- **Value for Fincantieri close to € 4.0 bln**

- **This large program falls within the company's strategy to expand into new naval markets, leveraging well-proven expertise with new potential clients**
- **It is the largest order in naval business acquired by Fincantieri over the last 30 years**

JV agreement with China State Shipbuilding Corporation

The Chinese cruise market attractiveness

- The **Chinese Ministry of Transport** (MOT) estimates **cruise passengers to grow from 1 mln**[(1)] **in 2015 to 4.5 mln in 2020**
- China is expected to become the **world's second largest cruise market** after US with **8-10 mln cruise passengers in 2030**



Description

- In July 2016, Fincantieri and China State Shipbuilding Corporation (CSSC) have signed an **agreement for the constitution of a joint venture** aimed at **developing and supporting the growth of the Chinese cruise industry**
- The agreement **follows the historic ones signed with CSSC and Carnival Corporation** in November 2014

Highlights of the JV agreement

- **First mover advantage in a high potential market**
- **Intellectual property protection guarantee**
- **No execution risks**
- **Growing stream of revenues in the future**

(1) Source: CLIA - Asia Cruise Trends 2016

1H 2016 main orders

Orders acquired in Q2

		Vessel	Client	Delivery
Shipbuilding		**1 ultra-luxury cruise ship (“Seven Seas Explorer” sister ship)**	*Regent Seven Seas Cruises (Norwegian Cruise Line Holdings)*	2020
		**1 Littoral Combat Ship**	*US Navy*	2020
		**1 cruise ship (fifth “Royal Princess” class vessel)**	*Princess Cruises (Carnival Corporation)*	2020
	CONFIDENTIAL	**7 new generation surface vessels (4 corvettes, 1 amphibious vessel, 2 Offshore Patrol Vessels)**	*Qatari Ministry of Defence*	after 2020
Offshore (Vard)		**1 Stern Trawler**	*Havfisk ASA*	2018
		**4 expedition cruise vessels**	*Ponant*	2018 - 2019
		**15 Module Carrier Vessels**	*Topaz Energy and Marine*	2017 - 2018

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1H 2016 main deliveries

Deliveries in Q2

	Vessel		Client	Shipyard
Shipbuilding		**Cruise ship “Viking Sea”**	*Viking Ocean Cruises*	Ancona
		**Cruise ship “Koningsdam”**	*Holland America Line (Carnival Corporation)*	Marghera
		**Cruise ship “Carnival Vista”**	*Carnival Cruise Lines*	Monfalcone
		**Cruise ship “Seven Seas Explorer”**	*Regent Seven Seas Cruises (Norwegian Cruise Line Holdings)*	Sestri Ponente
Offshore (Vard)		**2 LPG carriers “Barbosa Lima Sobrinho”(1) and “Darcy Ribeiro”**	*Transpetro*	Vard Promar
		**OSCV “Skandi Açu”**	*Techdof Brasil*	Vard Søviknes
		**AHTS “Skandi Paraty”**	*DOF*	Vard Niterói

(1) Delivered in Q1 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

- **Further progress of backlog de-risking with 1 prototype delivery remaining for 2016** (4 ships already delivered) **and continuing effort, on track with expectations, to develop significant production synergies with VARD** through the utilisation of Tulcea shipyard to support Italian facilities
- **Gradual recovery in naval volumes** with the construction of the first unit of the Italian Navy's fleet renewal program and the start of the design activities related to Qatar order
- Potential benefits over the coming semesters from strategic initiatives currently being finalized

Offshore

- **Offshore Oil & Gas market continues to be challenging,** with limited opportunities for new contracts in near term
- **Implementation of the business plan ahead of schedule: completed the reorganization in Brazil concentrating operations in one yard; clear commercial success of the diversification strategy**

Equipment, Systems & Services

- **Expected confirmation of positive results achieved in 1H 2016 with the consolidation of the growth trend both in terms of revenues and margins**

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

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Shipbuilding

Highlights

€ mln	FY 2015	1H 2015	1H 2016
Order intake	**9,262**	**3,752**	**5,112**
Order book	**18,540**	**12,353**	**21,804**
Backlog	**14,067**	**9,995**	**17,565**
Revenues	**2,847**	**1,555**	**1,659**
EBITDA	**(23)**	**103**	**81**
% on revenues	*-0.8%*	*6.6%*	*4.9%*
Capex	**112**	**46**	**75**
Ships delivered	**9**	**6**	**7(1)**

- 1 cruise ship for Princess Cruises
- 1 cruise ship for Regent Seven Seas Cruises (Norwegian Cruise Line Holdings)
- 7 naval vessels for Qatar Emiri Naval Forces
- 1 LCS unit for US Navy
- 1 ATB unit to be built in US

Further progress of backlog de-risking with 1 prototype delivery remaining for 2016 (4 ships already delivered) **and continuing effort, on track with expectations, to develop significant production synergies with VARD** through the utilisation of Tulcea shipyard to support Italian facilities

Gradual recovery in naval volumes with the construction of the first unit of the Italian Navy's fleet renewal program and the start of the design activities related to Qatar order

Potential benefits over the coming semesters from strategic initiatives currently being finalized

Comments

- Orders: order intake at € 5,112 mln taking backlog to € 17,565 mln
- Revenues: at € 1,659 mln, up 6.7%
  - Growth of volumes in cruise (13 units under construction) now representing 44% of total Group revenues
  - Decrease in other activities primarily due to the lower contribution of repairs and conversions
- EBITDA at € 81 mln, margin at 4.9%
  - Gradual margin recovery with the delivery of highly complex prototypes (3 already delivered out of 4 scheduled for 2016)
  - Potential benefits over the coming semesters from the increase in naval volumes and the strategic initiatives currently being finalized
- Capex: at € 75 mln

(1) *4 cruise ships (Viking Sea for Viking Ocean Cruises, Koningsdam for Holland America Line, Carnival Vista for Carnival Cruise Lines and Several Seas Explorer for Regent Seven Seas Cruises), 1 semisubmersible floating platform (Itarus for the Russian RosRAO) and 2 vessels for petrol-chemical transportation*

Offshore

Highlights

€ mln	FY 2015	1H 2015	1H 2016
Order intake	**402**	**140**	**729**
Order book	**2,729**	**2,917**	**2,447**
Backlog	**1,143**	**1,609**	**1,266**
Revenues	**1,199**	**626**	**536**
EBITDA	**(3)**	**29**	**25**
% on revenues	*-0.2%*	*4.6%*	*4.7%*
Capex	**31**	**16**	**11**
Ships delivered	**12**	**9**	**8**

- 4 small-sized cruise vessels for Ponant
- 15 module carrier vessels for Topaz Energy & Marine
- 1 Stern Trawler for Havfisk ASA

Offshore Oil & Gas market continues to be challenging, with limited opportunities for new contracts in near term

Implementation of the business plan ahead of schedule: completed the reorganization in Brazil concentrating operations in one yard; clear commercial success of the diversification strategy

Comments

- Orders: order intake at € 729 mln taking backlog to € 1,266 mln
- Revenues: at € 536 mln, down 14.4%
  - Revenue decrease driven by the reduction of activities at VARD yards: in Europe, affected by order slowdown experienced in recent quarters pending the start of production of small-sized cruise ships, and in Brazil where Niterói yard has been phased out
  - Negative effect of NOK/EUR exchange rate
- EBITDA: at € 25 mln, with margin at 4.7%
  - De-risking of activities in Brazil continues in line with business plan forecasts, with the delivery of 3 vessels and phasing out of Niterói yard
  - Margins in Europe affected by order slowdown started in Q4 2014 pending the effects of the diversification strategy
- Capex: at € 11 mln

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Equipment, Systems and Services

Highlights

€ mln	FY 2015	1H 2015	1H 2016
Order intake	**639**	**306**	**271**
Order book	**1,181**	**932**	**1,390**
Backlog	**732**	**513**	**873**
Revenues	**226**	**95**	**131**
EBITDA	**31**	**11**	**22**
% on revenues	*13.8%*	*11.9%*	*16.4%*
Capex	**5**	**3**	**1**

Expected confirmation of positive result achieved in 1H 2016 with the consolidation of the growth trend both in terms of revenues and margins

Comments

- Orders: order intake at € 271 mln taking backlog at € 873 mln
- Revenues: up to € 131 mln
  - Increase of volumes both in after sales services for naval vessels and sale of automation systems
- EBITDA: at € 22 mln with margin at 16.4%
  - Continuing positive trend in all business areas

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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	1H 2015	1H 2016
Revenues	**4,399**	**4,183**	**2,220**	**2,266**
Materials, services and other costs	(3,234)	(3,337)	(1,636)	(1,712)
Personnel costs	(843)	(865)	(459)	(431)
Provisions(1)	(25)	(7)	3	(10)
EBITDA	**297**	**(26)**	**128**	**113**
Depreciation, amortization and impairment	(99)	(111)	(54)	(52)
EBIT	**198**	**(137)**	**74**	**61**
Finance income / (expense)(2)	(66)	(135)	(62)	(32)
Income / (expense) from investments	6	(3)	-	(4)
Income taxes(3)	(51)	23	(19)	(6)
Net result before extraordinary and non recurring items	**87**	**(252)**	**(7)**	**19**
Attributable to owners of the parent	*99*	*(141)*	*23*	*19*
Extraordinary and non recurring items(4)	(44)	(50)	(16)	(18)
Tax effect on extraordinary and non recurring items	12	13	4	4
Net result for the period	**55**	**(289)**	**(19)**	**5**
Attributable to owners of the parent	*67*	*(175)*	*12*	*7*

Cash flow statement (€ mln)	FY 2014	FY 2015	1H 2015	1H 2016
Beginning cash balance	**385**	**552**	**552**	**260**
Cash flow from operating activities	33	(287)	(177)	131
Cash flow from investing activities	(157)	(172)	(79)	(94)
Free cash flow	**(124)**	**(459)**	**(256)**	**37**
Cash flow from financing activities	303	167	100	(117)
Net cash flow for the period	**179**	**(292)**	**(156)**	**(80)**
Exchange rate differences on beginning cash balance	(12)	-	10	6
Ending cash balance	**552**	**260**	**406**	**186**

(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 € 18 mln in 1H 2015 and € 20 mln in 1H 2016
(3) Excluding tax effect on extraordinary and non recurring items
(4) Extraordinary and non recurring items gross of tax effect

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

Net result before extraordinary and non recurring items (€ mln)	FY 2014	FY 2015	1H 2015	1H 2016
A **Net result before extraordinary and non recurring items[(1)]**	**87**	**(252)**	**(7)**	**19**
Attributable to owners of the parent	*99*	*(141)*	*23*	*19*
B Extraordinary and non recurring items gross of tax effect	(44)	(50)	(16)	(18)
– *Of which extraordinary wages*	*(10)*	*(3)*	*(2)*	-
– *Of which restructuring costs*	*(9)*	*(17)*	*(4)*	*(6)*
– *Of which asbestos claims*	*(21)*	*(30)*	*(10)*	*(12)*
– *Of which other non recurring items*	*(4)[(2)]*	-	-	-
C Tax effect on extraordinary and non recurring items	12	13	4	4
A + B + C **Net result for the period**	**55**	**(289)**	**(19)**	**5**
Attributable to owners of the parent	*67*	*(175)*	*12*	*7*

- **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

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Balance sheet

Balance sheet (€ mln)	FY 2014	FY 2015	1H 2016
Intangible assets	508	518	546
Property, plant and equipment	959	974	1,014
Investments	60	62	57
Other non-current assets and liabilities	(48)	(44)	(28)
Employee benefits	(62)	(57)	(61)
Net fixed assets	**1,417**	**1,453**	**1,528**
Inventories and advances	388	405	530
Construction contracts and advances from customers	1,112	1,876	1,442
Construction loans	(847)	(1,103)	(937)
Trade receivables	610	560	419
Trade payables	(1,047)	(1,179)	(1,170)
Provisions for risks and charges	(129)	(112)	(105)
Other current assets and liabilities	(18)	(196)	(44)
Net working capital	**69**	**251**	**135**
Net invested capital	**1,486**	**1,704**	**1,663**
Equity attributable to Group	*1,310*	*1,137*	*1,149*
Non-controlling interests in equity	*220*	*129*	*106*
Equity	**1,530**	**1,266**	**1,255**
Cash and cash equivalents	(552)	(260)	(186)
Current financial receivables	(82)	(53)	(85)
Non-current financial receivables	(90)	(113)	(115)
Short term financial liabilities	80	263	271
Long term financial liabilities	600	601	523
Net debt / (Net cash)	**(44)**	**438**	**408**
Sources of financing	**1,486**	**1,704**	**1,663**