

Fincantieri announces multiple Australian initiatives

28 September 2017, Canberra – In association with our tendered proposal to the Australian Government for Project Sea 5000 Future Frigate, Fincantieri is pleased to announce that upon reaching the appropriate business content, Fincantieri will list its Australian business unit on the ASX (Australian stock exchange).

Mr Dario Deste, Chairman of Fincantieri Australia said, “This initiative allows Australian investor participation in Fincantieri Australia and ensures that decisions will be taken locally and in the best interests of Australia.”

Fincantieri presently lists two businesses within the group on public stock exchanges, being Fincantieri on the Italian exchange and Vard on the Singaporean exchange.

Listing on the ASX will allow Australian investors to participate in Australia’s continuous naval shipbuilding industry, ensuring a share of the profits remain in Australia and decisions are taken in Australia for Australia’s interests. This announcement follows previous confirmation by Fincantieri that an Australian shipbuilding workforce will be used to build all the Future Frigates in Adelaide, Australia.

Fincantieri also announces the following activities to start-up local operations in anticipation of commencing the Future Frigate Project in 2018.

An office of Fincantieri Australia will open in Adelaide on the 10th of October 2017. “This facility expands Fincantieri’s operations into Adelaide as we mobilise Australian industry, activate the Adelaide shipyard with the proven digital tools used to build the Italian FREMM Frigates on time and on budget in Italy and recruit and train the Australian shipbuilding workforce for the Project,” Mr Deste said.

Fincantieri has placed Pilot orders with Australian industry and these successful companies now join Fincantieri’s global base of 80,000 subcontractors around the world. “Pilot orders provide the real work necessary to gain the return on experience needed for complex industrial cooperation,” Mr Deste said. The successful vendors to date are:

- Hoffmann Engineering to manufacture in Australia a bow thruster for a Landing Platform Dock for a Middle Eastern Navy. Hoffman Engineering will maximise the use of Australian industry in the manufacture of components and sourcing of raw materials for the thruster. “This work not only provides an advanced ship equipment item to an export customer, but provides valuable return on experience for Fincantieri to plan further technology transfer into the Australian manufacturing industry,” Mr Deste said.
- Additionally, Fincantieri and Hoffman Engineering have entered a Memorandum of Understanding to jointly cooperate in the development of Fincantieri’s \$250 million global market (over 5 years) for the manufacture of marine systems and components. “Whenever a new supplier joins Fincantieri, it’s always about joining a new market as well as participating in a one-off project,” Mr Deste said.
- BlueScope Steel to supply steel for use in cruise ships and future test blocks of cruise ships constructed in Australia. “This order will ensure that cruise ships blocks built in Australia as part of our start-up activities will train an Australian shipbuilding workforce and use Australian steel,” Mr Deste said.

- Calibre for the preliminary design of an advanced manufacturing facility in Adelaide for the integration of mechanical equipment to the Future Frigates, as well as ships built in Fincantieri's 20 shipyards globally and other ships in Australia's fleet. "The integration and manufacturing facilities we plan to bring to Australia will significantly contribute to Australia's continuous naval shipbuilding industry," Mr Deste said.

Recruitment activities for Australian engineers, supervisors and technicians has commenced. Over 150 Australians will join the Italian FREMM Project from 2018 in Italy to train with Fincantieri before returning to Australia to lead the Future Frigate Project, supported by Italian subject matter experts. "I encourage Australian engineers and shipbuilders seeking a long-term career in Australia's naval industry to register their interest with Fincantieri now, as our first team leaves for Italy next year," Mr Deste said.

Fincantieri, and selected sub-contractors, will construct cruise ship blocks in Australia from 2018 to commence training the Australian shipbuilding workforce in Fincantieri tools and methods. These training activities lead into the start of production of the Future Frigate from 2020. "These initiatives demonstrate the size and strength of Fincantieri, with 20 shipyards on four continents, we can bring our own work to start up operations locally and create new markets for Australian industry," Mr Deste said.

The cruise ship blocks will be constructed by both Fincantieri's own shipbuilding workforce and potential sub-contractors to the Future Frigate Project, who will be invited to submit quotes in coming months to construct selected blocks.

Of special note, Vard, a Fincantieri company, has secured an order for an expedition cruise vessel for Coral Sea Expeditions of Australia and a number of the blocks for this ship will be built here in Australia as part of Fincantieri's mobilisation initiatives. "Building blocks of the Coral Sea Expeditions cruise ship here in Australia shows how Fincantieri's size and strength can join new opportunities in the market and the shipbuilding industry together," Mr Deste said.

"Vard offers exciting opportunities for joint venture partners in Australia's offshore oil and gas industry," Mr Deste said, "And these opportunities flow directly from the engineering know-how Fincantieri contributes to Australia's naval industry."

"These initiatives demonstrate Fincantieri's vision for Australia, where Australian citizens and Australian companies work together as an industry to design and build advanced naval vessels on a sustainable, global and sovereign basis," Mr Deste said.

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