

## PRESS RELEASE

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### **Fincantieri and Naval Group detail their Alliance with support of the French and Italian governments**

At the 34th Franco-Italian Summit held in Lyon on 27 September 2017, the French and Italian governments announced their intention to facilitate the creation of a more efficient and competitive European shipbuilding industry and to reinforce their military naval cooperation by initiating discussions with a view to establish an industrial Alliance between Fincantieri and Naval Group.

Fincantieri and Naval Group worked intensively since this date and submitted their proposal for such an Alliance in July 2018 to the competent French and Italian Ministers, encompassing an industrial project and its envisaged roadmap, along with a description of the key initiatives, which they propose to launch rapidly.

Acknowledging the declaration of support by the French and Italian governments, and subject to each company's Boards of Directors' approval, Fincantieri and Naval Group are ready to concretely launch the Alliance in particular with the aim of setting forth the terms and conditions for the incorporation of a 50/50 joint venture. The establishment of this JV represents a first step towards the creation of the Alliance.

Through this joint venture, Fincantieri and Naval Group intend :

- To jointly prepare winning offers for binational programs and export market;
- To foster a more efficient supply policy (cross-sourcing, best value for money, scale effect, etc.);
- To jointly conduct selected research and innovation activities aiming at providing operational superiority to customers;
- To encourage cross-fertilization between the two companies, with sharing of testing facilities/tools and expertise networks.

As of today, Naval Group and Fincantieri have already engaged in a common industrial collaboration to provide the French Navy with four logistic support ships (LSS), based on the design of the Italian Vulcano LSS. Furthermore, as of 2019 and with the support of both Ministries of Defense, Naval Group and Fincantieri contemplate to present a common offer for the first studies for the Mid-Life Upgrade of the French and Italian Horizon-class destroyers with a common Combat Management System (CMS).

A Government-to-Government Agreement would be needed to ensure the protection of sovereign assets, a fluid collaboration between the French and Italian teams and encourage further coherence of the National assistance programs, which provide a framework and support export sales.

Fincantieri and Naval Group consider that this Alliance represents a great opportunity for both groups and their eco-systems, by enhancing their ability to better serve the Italian and French navies, to capture new export contracts, to increase research funding and, ultimately, improve the competitiveness of both French and Italian naval sectors.

## About Fincantieri

Fincantieri is one of the world's largest shipbuilding groups and number one by diversification and innovation. It is leader in cruise ship design and construction and a reference player in all high-tech shipbuilding industry's sectors, from naval to offshore vessels, from high-complexity special vessels and ferries to mega-yachts, ship repairs and conversions, systems and components production and after-sales services.

Headquartered in Trieste (Italy), the group has built more than 7,000 vessels in over 230 years of maritime history. With more than 19,000 employees, of whom more than 8,400 in Italy, 20 shipyards in 4 continents, today Fincantieri is the leading Western shipbuilder. It has among its clients the major cruise operators, the Italian and the U.S. Navy, in addition to several foreign navies, and it is partner of some of the main European defense companies within supranational programs.

[www.fincantieri.com](http://www.fincantieri.com)

## About Naval Group

Naval Group is the European leader in naval defense. A high-tech company, Naval Group uses its exceptional know-how, unique industrial resources and ability to establish innovative strategic partnerships to meet its clients' requirements. The Group designs, produces and maintains submarines and surface vessels. It also provides services for naval shipyards and bases. Always at the forefront of innovation, in recent years the company has led various developments regarding drones, their integration and their supervision on vessels. Committed to corporate social responsibility challenges, Naval Group is a member of the United Nations Global Compact. In 2017, the Group generated revenue of €3.7 billion and had 13,429 employees.

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