

FINCANTIERI AWARDED A CONTRACT OF OVER 200 MILLION EUR BY WINDSTAR CRUISES

Three cruise ships of the Seattle based company will undergo an extensive transformation and modernization in Palermo

Trieste, November 15, 2018 – Fincantieri has signed a contract with **Windstar Cruises** (part of the Xanterra Travel Collection), owners and one of the main operators in the field of high-end small ship cruises, for **an impressive extension and modernization project which will involve three cruise ships of the Windstar fleet**, worth over 200 million euros, and which is expected to be partially financed through an export credit facility guaranteed by SACE, Italy's export credit agency.

The project will involve the cruise ships **“Star Breeze”**, **“Star Legend”** and **“Star Pride”** and will be carried out entirely by the Fincantieri “Ship Repair and Conversion” at the shipyard in Palermo. The works will start in spring of 2019, with the construction of the first mid-body section, and are scheduled for completion by November 2020, with the delivery of the third and final unit. The work will require an average stop of about four months per ship at the shipyard.

The program, called the “Star Plus Initiative”, will involve three main activity areas: **lengthening of the mid-body by approximately 26 meters; the total renewal of nearly all the propulsion machinery including main engines, replacement of electrical generators and automation systems and other equipment; and extensive modernization of public areas, passenger cabins and open decks.**

For the lengthening, a new mid-body section will be inserted in each of the ships which will comprise of some 50 additional passenger suites, **which represent 47% more than the current capacity**, 19 additional cabins for staff and crew, two new restaurants and additional space to be used as sun deck -pool area. The existing propulsion engines, gearboxes and diesel generators will be replaced with the latest generation of new IMO Tier III compliant engines with SCR's; new gearboxes, engine auxiliaries and a new main switchboard. The modernization will also involve Multiple internal and external areas, in particular the pool deck, the SPA which will also be completely rebuilt and extended, and the “Owner Suites”. Some common crew areas will also be upgraded.

The three ships involved in this program currently have a length of 134 meters, with a tonnage of approximately 10,000 tons and a capacity of 212 passengers. On completion of these projects each ship will have a length of approximately 160 meters, a tonnage of around 13,000 tons, and will have a capacity to accommodate 312 passengers.

Windstar President John Delaney commented: *"We are thrilled to announce this multi-million Star Plus Initiative, a significant investment in the future of Windstar Cruises. This exciting initiative is our 180 degree from ordinary solution to add new capacity and major enhancements to the guest experience in a very time efficient manner. The initiative not only creates beautiful new suites and public spaces, but we will also take the opportunity to re-engine the ships with a more fuel efficient and environmentally responsible propulsion system. This will be a true game changer for Windstar and our small ship cruise experience"*.

Giorgio Rizzo, Executive SVP of the Services Division of Fincantieri, commented: *"We are very pleased to have successfully concluded this complex negotiation with a prestigious client such as Windstar. These three projects have an extraordinary value for both companies from several aspects. From a strategic point of view, it is a program with great impact in the cruise industry which consolidates the position of Fincantieri Services and the one of Palermo shipyard as market leaders in the sector of ship repair and conversion; this segment is of great interest to us and one which we are seeking to develop. Also from a commercial perspective, we are very proud to have a new prestigious client who relies on us for the strategic expansion and modernization of half of their fleet. Lastly at a technological level, the execution of these contracts will require an extremely high level of engineering competence and project management which will be repeated three times in the space of one year and will demonstrate the full capability of our organization"*.

Thanks to the considerable experience gained with major naval projects designed and carried out on behalf of leading ship-owners such as MSC Cruises, Silversea Cruises and Grimaldi Group, **Fincantieri**, through the "Ship Repair & Conversion" part of the Services Division and its shipyard in Palermo, **has established itself as the reference point worldwide for this kind of highly sophisticated operation**, consolidating Fincantieri's leadership in the highly specialized naval transformation sector.

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Windstar Cruises, headquartered in Seattle, operates a six-ship fleet of small sailing and all-suite ships visiting approximately 300 ports and 80 countries sailing to Europe, the Caribbean, Mexico, Central America, Costa Rica and the Panama Canal, Asia, Alaska and British Columbia, Canada and New England, South Pacific and Tahiti. Windstar's fleet is

the market leader in small ship cruising. Calling on hidden harbors, off-the-beaten-path and popular ports, the boutique cruise line carries 148 to 312 passengers on six small ships and takes travelers on cruises that are 180 degrees from ordinary. Windstar is known for immersive experiences and destination authenticity, port-intensive itineraries, exceptional award-winning service, and an innovative culinary program with culinary-themed cruises as the Official Cruise Line of the James Beard Foundation. Windstar Cruises is a part of Xanterra Travel Collection, an award-winning, globally diversified travel company offering once-in-a-lifetime experiences in some of the most beautiful and iconic places on earth.

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

With over 230 years of history and more than 7,000 vessels built, Fincantieri has always kept its management offices, as well as all the engineering and production skills, in Italy. With over 8,400 employees and a supplier network that employs nearly 50,000 people, Fincantieri has enhanced a fragmented production capacity over several shipyards into a strength, acquiring the widest portfolio of clients and products in the cruise segment. To hold its own in relation to competition and assert itself at global level, Fincantieri has broadened its product portfolio becoming world leader in the sectors in which it operates.

With globalization, the Group has around 20 shipyards in 4 continents, over 19,000 employees and is the leading Western shipbuilder. It has among its clients the world's major cruise operators, the Italian and the US Navy, in addition to several foreign navies, and it is partner of some of the main European defense companies within supranational programs.

Fincantieri's business is widely diversified by end markets, geographical exposure and by client base, with revenue mainly generated from cruise ship, naval and offshore vessel construction. Compared with less diversified players, such diversification allows it to mitigate the effects of any fluctuations in demand on the end markets served.

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