

PRESS RELEASE

14 June 2019

Fincantieri and Naval Group sign a joint venture agreement

The “Poseidon” project takes shape

Following the announcement made on 23 October 2018, today Fincantieri and Naval Group signed the Alliance Cooperation Agreement, which sets out the operational terms for the incorporation of a 50/50 owned joint venture.

The agreement, which follows the approval by the Boards of Directors of the two companies, embodies the contents of the “Poseidon” project and paves the way towards a broader alliance aimed at reinforcing their military naval cooperation for creating a more efficient and competitive European shipbuilding industry.

The agreement has been signed by the CEOs of the two companies, Giuseppe Bono and Hervé Guillou, on board of the frigate “Federico Martinengo”, moored at the Naval Base of the Italian Navy in La Spezia. The vessel is part of the Italian-French FREMM program, which underlines the soundness of the twenty-year collaboration between the two countries, their industries and the national navies.

The incorporation of the JV, expected in the coming months and in any case before the end of the year, will be subject to customary conditions for this kind of transactions and to obtaining the necessary authorizations from the relevant authorities.

Through the joint venture, Fincantieri and Naval Group will:

- share **best practices** between the two companies;
- jointly conduct selected **Research and Development** activities;
- optimize **procurement** processes;
- jointly prepare offers for **binational programs** and **export markets**.

Based on the agreement the company will be headquartered in Genoa with a subsidiary in Ollioules, France. The governance of the JV, as regulated in a shareholders' agreement, envisages a Board of Directors of 6 members, 3 appointed by each company. For the first three-year term, Fincantieri will appoint the Chairman and the Chief Operational Officer, while Naval Group will appoint the Chief Executive Officer and the Chief Financial Officer..

Underlining the strategic value attributed by Fincantieri and Naval Group to this operation, Members of the Board will include Giuseppe Bono, appointed Chairman of the JV, and Hervé Guillou.

The Alliance represents a great opportunity for both groups and their ecosystems to enhance their ability to better serve the French and Italian navies, to capture new export contracts, to develop new technologies and, ultimately, to improve the competitiveness of the naval sectors of both countries.

On the sidelines of the signing Giuseppe Bono and Hervé Guillou stated: “*We are very satisfied with the results achieved and, above all, we would like to thank our Governments which in the last few months have worked side-by-side with us, and continue to do so, with the aim of finalizing an agreement that will ensure the protection of sovereign assets while promoting cooperation between the two teams. This commitment will allow us to better serve our Navies, provide the appropriate*

support for common export operations and effectively lay the foundations for the consolidation of the European defense industry”.

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 8,600 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

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 2018, the Group generated revenue of €3.6 billion and had 14,860 employees.

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