AFTER SALES BUSINESS UNIT

Service and sustainability as innovation drivers for the maritime industry

Lyngby, 23rd September 2016
Fincantieri at a glance

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

€ 4,183 MM revenues

~ € 15.7 BN backlog
~ € 3.0 BN soft backlog(2)

Revenues by geography

- Italy 15%
- RoW 85%

- USA
  - 3 shipyards
- Brazil
  - 2 shipyards
- Norway
  - 5 shipyards
- Romania
  - 2 shipyards
- UAE
  - 1 Joint Venture
  - 1 shipyard
- Vietnam
- Italy
  - 8 shipyards

21 shipyards
4 continents

- ~ 20,000 employees
- ~ 80,000 subcontractors

Employees by location

- Italy 39%
- RoW 61%

Note: all figures reported at 31 December 2015

(1) By revenues, excluding naval contractors in the captive military segment. Based on Fincantieri estimates of shipbuilders’ revenues in 2015

(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
Sustainable PSS - keywords

- Integration
- Change Mgmt
- B2B & B2G
- Impact on Products & Services
- Mutual benefits

Sustainability
After Sales & Services – the circle of value

- Integrated Logistic Support (ILS)
- In-Service Support (ISS)
- Maintenance Repair Overhaul & Conversions (MRO&C)

**Product Life-Cycle Management**

**Integrated Logistic Support (ILS)**
- Spares provisioning
- Logistic engineering
- Technical documentation
- ILS management system
- Training

**In-Service Support (ISS)**
- Maintenance
- Follow-on training
- Spares replenishment
- Warranty
- Documentation update

**Maintenance Repair Overhaul & Conversions (MRO&C)**
- Modernization
- Overhaul & upgrade
- Middle life maintenance
- Conversions
- Refitting & Repair

**Engineering Services**
- Servizi ingegneristici

**Infrastructure and Naval Base**
- Infrastrutture e basi navali

**Technology Transfer**
- Trasferimento tecnologico

**Dismantling and Scrapping**
- Smantellamento e dismissione

**Training and Operational Assistance**
- Formazione e assistenza operativa

**Fincantieri Training Academy**

*Fincantieri*
### After Sales & Services – actual workload

<table>
<thead>
<tr>
<th>VESSELS</th>
<th>Domestic</th>
<th>Foreign</th>
<th>MRO&amp;C</th>
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<tbody>
<tr>
<td></td>
<td>ILS</td>
<td>ISS</td>
<td>Customer</td>
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<td><strong>Domestic</strong></td>
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<td>Aircarrier</td>
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<td>Destroyer</td>
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<td>Frigate</td>
<td>8+4</td>
<td>Fremm Maestrale</td>
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<td>Patrol &amp; OPV(1)</td>
<td>2 U212 2^a Batch</td>
<td>2 Falaj U.A.E. NAVY</td>
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<tr>
<td>Submarine</td>
<td>1 LSS</td>
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<td>LSV(2)</td>
<td>1 LHD</td>
<td>1 BDSL</td>
<td>ALGERIAN NAVY</td>
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<tr>
<td>LHD / LPD(3)</td>
<td></td>
<td>1 Polar</td>
<td>NORWAY</td>
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<td>Corvette</td>
<td>7 PPA</td>
<td>1 Abu Dhabi</td>
<td>U.A.E. NAVY</td>
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<td>Others(3)</td>
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<td>1 Polar Ponoon</td>
<td>RUSSIA</td>
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<td>Vespucci</td>
<td>ITALIAN NAVY</td>
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| Units | 11 | 19 | 6 | 5 | Total 41(4) |

(1) (OPV) Ocean Patrol Vessels
(2) (LSV) Logistic Support Vessels
(3) (LPD) Landing Platform Dock
(4) Units under contract
After Sales & Services – Life Cycle Management

**ILS**

1. **Engineering Activities**
   - Logistic Engineering
   - BOM & Configuration
   - Manuals & Tech.Spec.

2. **Training**
   - Fincantieri Training Academy
     - Base & Board Oper.
     - Computer-based

3. **Spare Parts provisioning**
   - On Board
   - Ashore/Base provisioning

**Transfer of Technology**

- Transfer of Project info and Training Package
- FoC in Italy or abroad
- FoS Support

**Integrated Logistic Support**

- Logistic Studies & Manuals
- On board spares
- Base spares

**In Service Support**

- Predictive Preventive & Corrective Maintenance

**ISS**

1. **Maintenance & Repair**
   - Preventive
   - Predictive
   - Corrective

2. **Change & obsolesc. Mgmt**

3. **Documentation Updates**

4. **Archives**

5. **Follow-on Training**

6. **Spare Replenishment**

**MRO & Conversions**

- Modernization & Conversions

**MRO&C**

*Sales of Second Hand Vessels*

1. Mid-life docking activities
2. Modernization
3. Platform Upgrade & Restoring
4. CS Upgrade & Restoring
5. Refurbishment & Revamping

**T.o.T.**

1. Transfer of Project Information
2. Product & Process support
3. First of Class production (in/out)
4. Follow on Ship Assistance

**LCM Services**

**Industrial Operations**
Thanks for your kind attention!

Questions?