

saipem

Presentation to the Financial Community

1H 2014 Consolidated Results

San Donato Milanese, July 29, 2014



Forward-Looking Statements

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent on upon circumstances which should or are considered likely to occur in the future and are outside of the Company's control. These include, but are not limited to: forex and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil and gas industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions.

Actual results could therefore differ materially from the forward-looking statements.

The Financial Reports contain in-depth analyses of some of the aforementioned risks.

Forward-looking statements are to be considered in the context of the date of their release. Saipem S.p.A. does not undertake to review, revise or correct forward-looking statements once they have been released, barring cases required by Law.

Forward-looking statements neither represent nor can be considered as estimates for legal, accounting, fiscal or investment purposes. Forward-looking statements are not intended to provide assurances and/or solicit investment.

Presentation Outline

1. Financial Results
2. Operational Update
3. Legacy Contracts
4. 2014 Guidance
5. Market Outlook
6. Medium Term Guidance
7. Q&A

1H 2014: further progress in year of transition

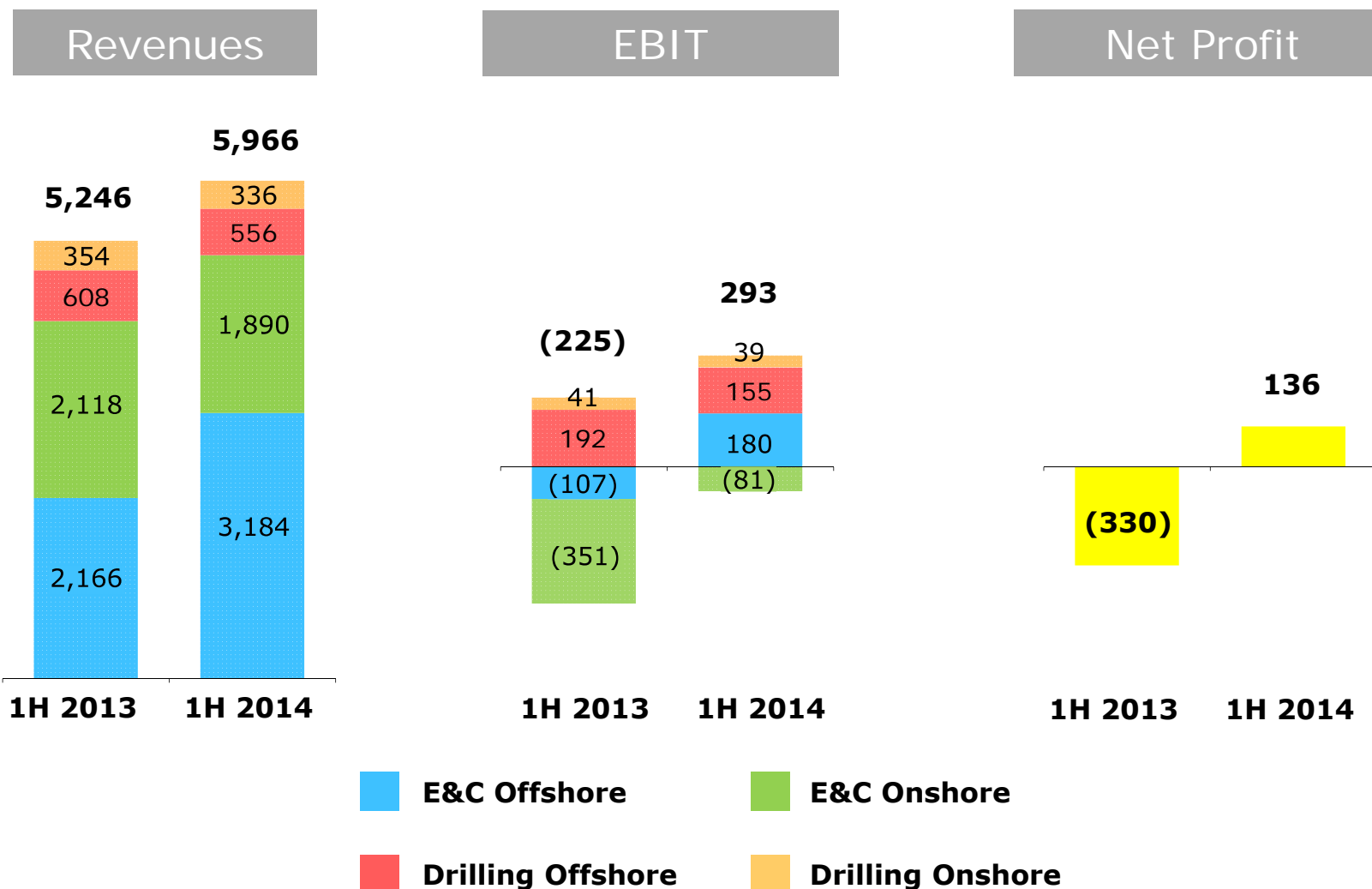
- Significant new business wins on sound commercial terms
- Focus on operational and commercial progress on legacy contracts remains intense
- Net debt reduction and working capital improvement achieved in Q2; further progress expected in H2
- Top end of 2014 guidance range slightly reduced
- Medium-term targets now set out for “normalised” Saipem

Saipem's core technical and commercial expertise demonstrates underlying strength

saipem

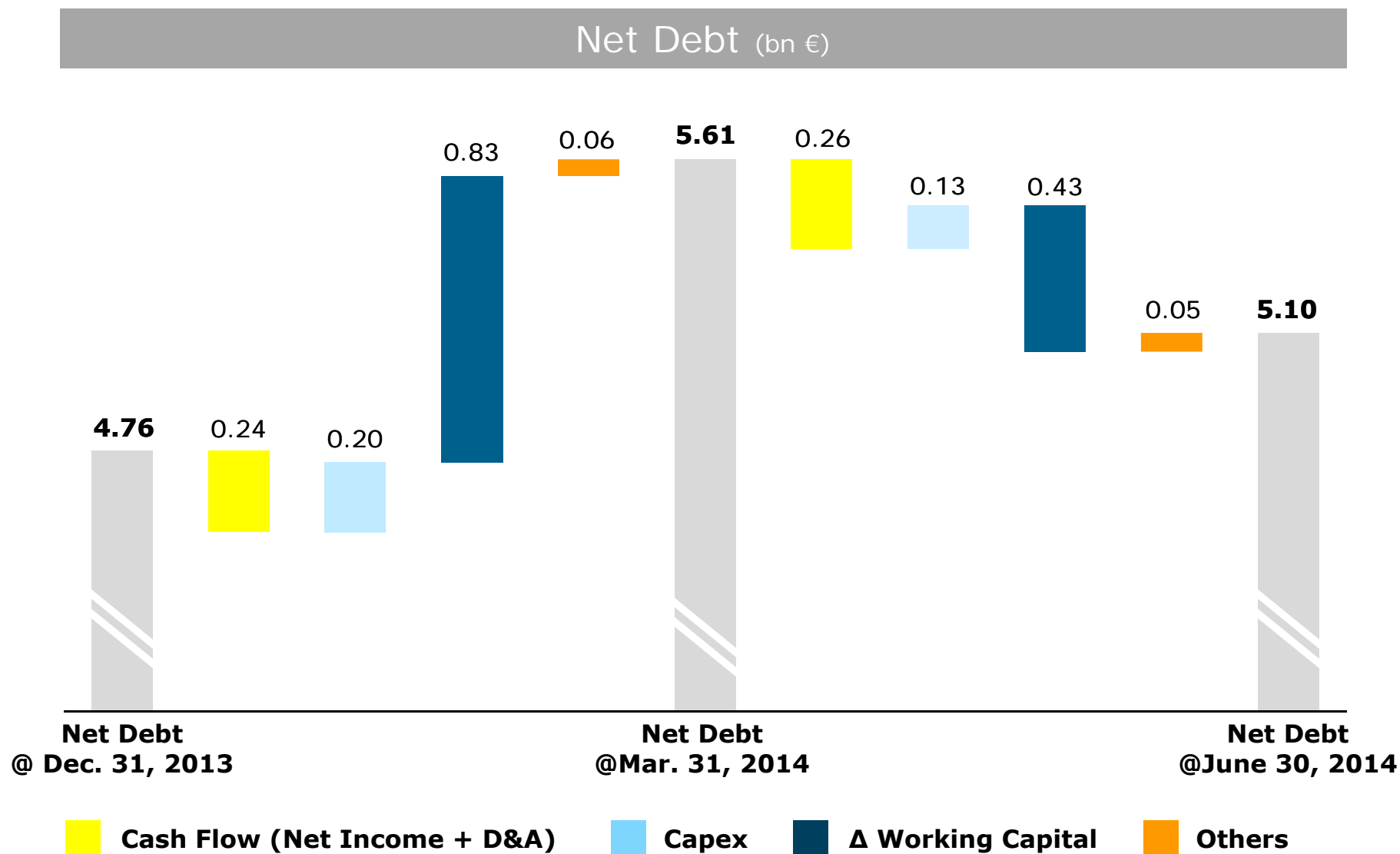
1. Financial Results

1H 2014 Financial Results (mn €)



1H 2014 IFRS 10 and 11 compliant; 2013 restated for comparability.
 1H 2013 restated in accordance with Consob indications pursuant to IAS 8.

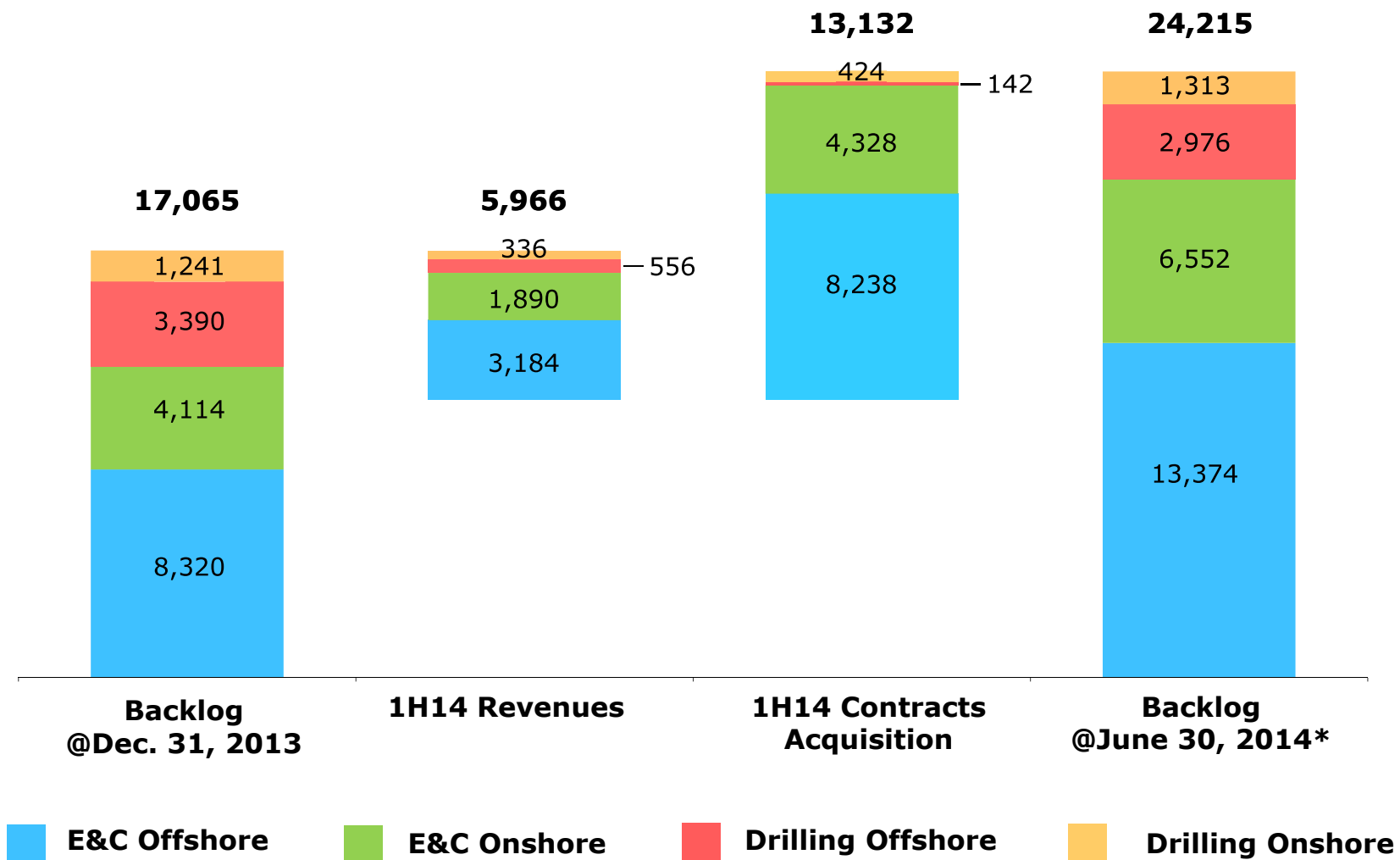
1H 2014 Net Debt driven by Working Capital



saipem

1H 2014 IFRS 10 and 11 compliant; Net Debt @ Dec. 31, 2013 restated for comparability.

Backlog and new orders (mn €)



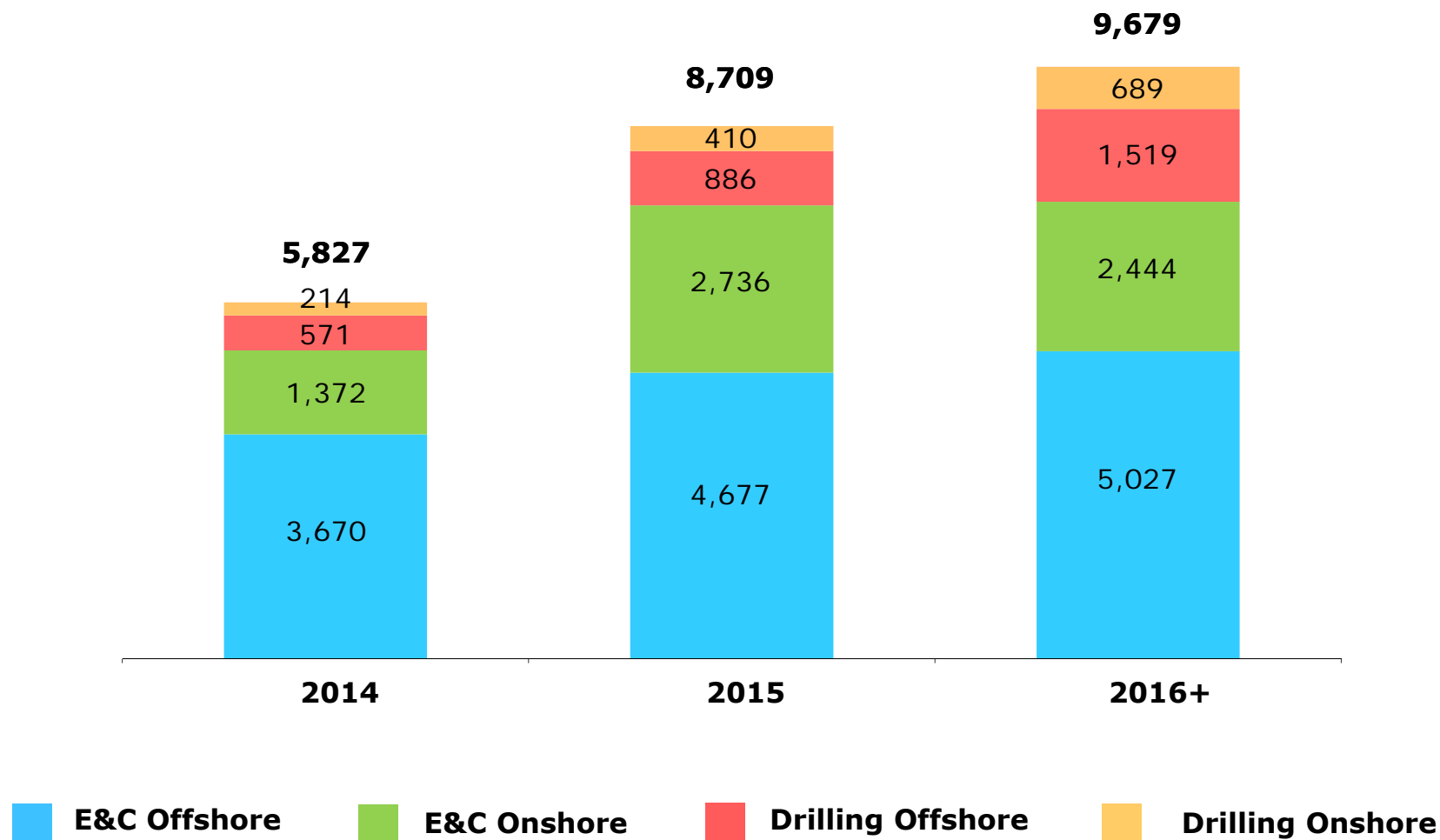
All Figures are IFRS 10 and 11 compliant.



saipem

*Includes the cancellation of the € 16 mn backlog related to the onshore rig operating in Ukraine.

Backlog @June 30, 2014 by year of execution (mn €)



All Figures are IFRS 10 and 11 compliant.

saipem

2. Operational Update

Update on Drilling

Offshore Drilling fleet commitment

			CLIENT	LOCATION
DEEP-WATER		Saipem 12000	Total	Angola
		Saipem 10000	Eni	Worldwide
		Scarabeo 9	Eni	Angola
		Scarabeo 8	Eni	North Sea
		Scarabeo 7	Eni	Angola/Indonesia
		Scarabeo 6	Burullus	Egypt
		Scarabeo 5	Statoil	North Sea
MID WATER		Scarabeo 4	Ieoc	Egypt
		Scarabeo 3	Addax	Nigeria
SHALLOW-WATER	HI SPEC	Perro Negro 8	Eni	Italia
		Perro Negro 7	Saudi Aramco	Saudi Arabia
	STANDARD	Perro Negro 5	Saudi Aramco	Saudi Arabia
		Perro Negro 4	Petrobel	Egypt
		Perro Negro 3	NDC	Abu Dhabi
		Perro Negro 2	NDC	Abu Dhabi
		TAD	Eni	Congo

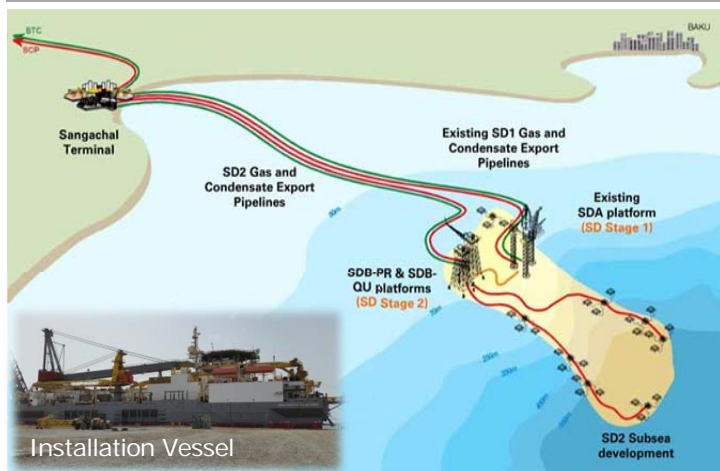
Onshore Drilling fleet utilisation rate: 96%

Fleet profitability sheltered from declining market by long-term contracts and long-standing relationships with key clients



Record E&C order intake on sound commercial terms...

Shah Deniz Stage 2 – Caspian Area – Harsh & Remote Environment



Shah Deniz Field general layout

- Client:
 - BP (on behalf of Shah Deniz Consortium)
- Scope of work:
 - T&I of jackets, topsides and subsea production systems and subsea structures; laying of over 360 km of pipelines; diving support services; upgrading of main installation vessels
- Schedule:
 - End of 2017 (with further options for additional works)

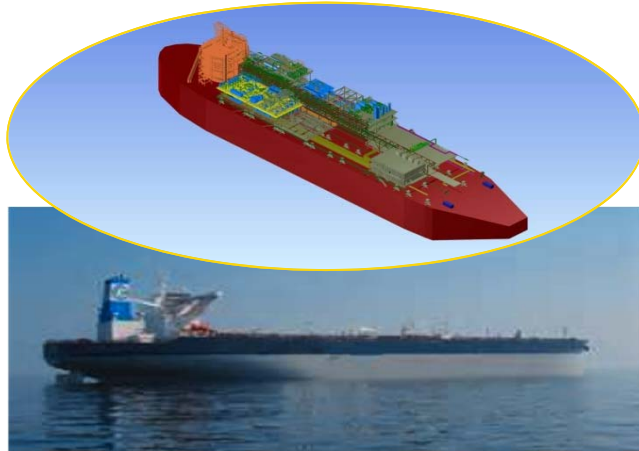
Lula Norte, Lula Sul and Extremo Sul Project – Brazil - SURF



- Client:
 - Petrobras
- Scope of work:
 - EPCI of three offshore pipelines with related terminations (PLETs) and free standing hybrid risers (FSHRs)
- Schedule:
 - Marine activities performed by FDS2 in 1H2016

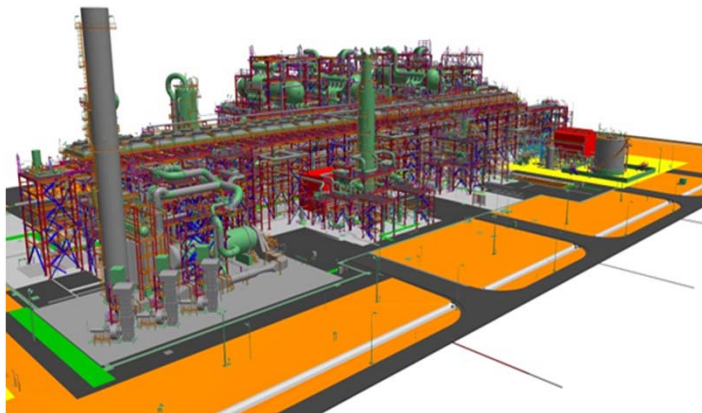
...as evidence of strong relationships and operational expertise

Kaombo FPSOs – Angola - Floaters



- Client:
 - Total
- Scope of work:
 - EPCI of 2 converted turret-moored FPSOs
 - 7-Years contract for operation and maintenance services
- Schedule:
 - first FPSO unit operational by 1Q 2017
 - second FPSO unit operational by 2Q 2017

Jazan IGCC – Saudi Arabia – Large & Complex Onshore Plant



View of a Sulphur Recovery Unit

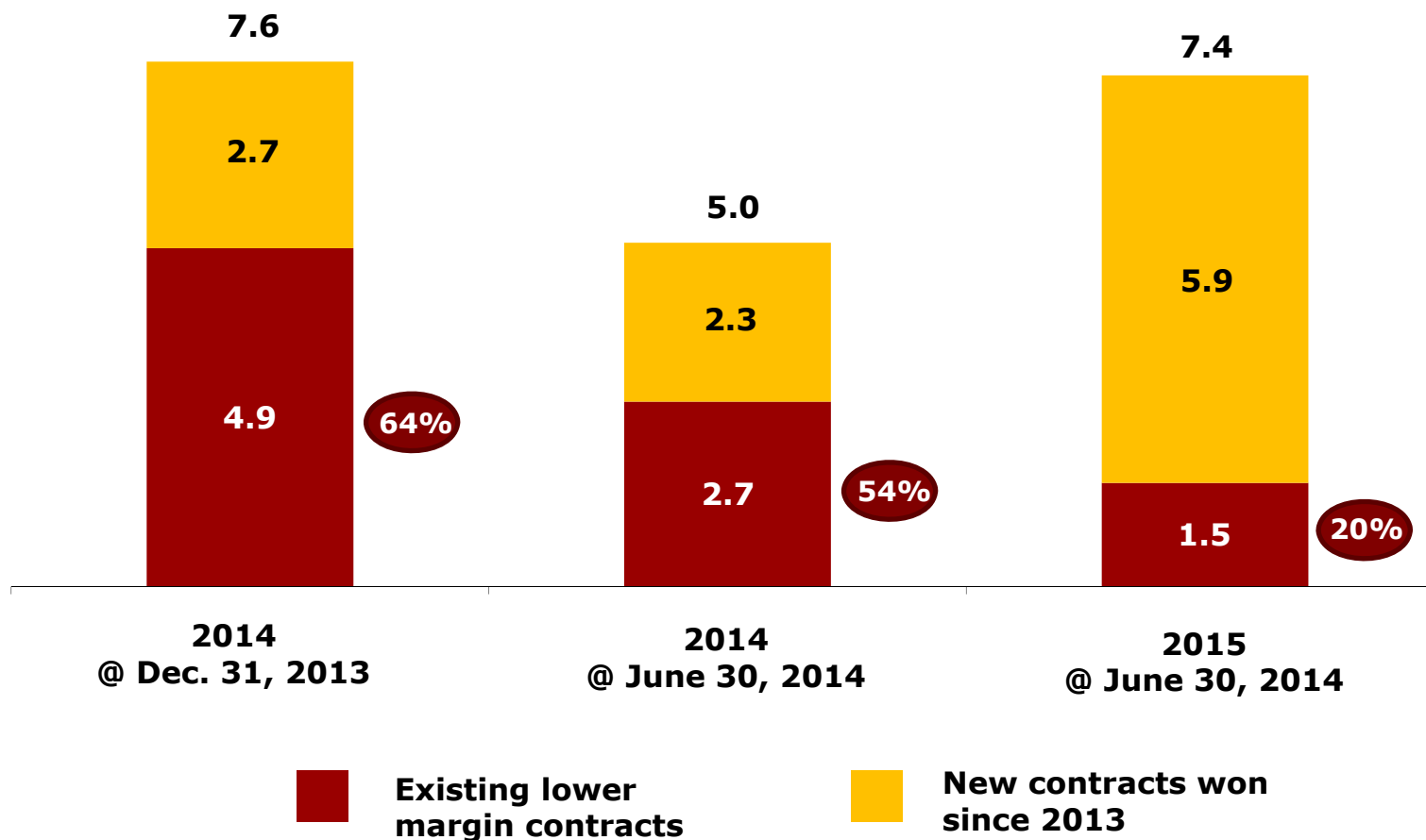
- Client:
 - Saudi Aramco
- Scope of work:
 - Package 1: EPCI of the gasification unit, the soot/ash removal unit, the acid gas removal and the hydrogen recovery units
 - Package 2: EPCI of 6 sulphur recovery unit (SRU) trains and relevant storage facilities

saipem

3. Legacy Contracts

Ongoing execution of E&C legacy contracts

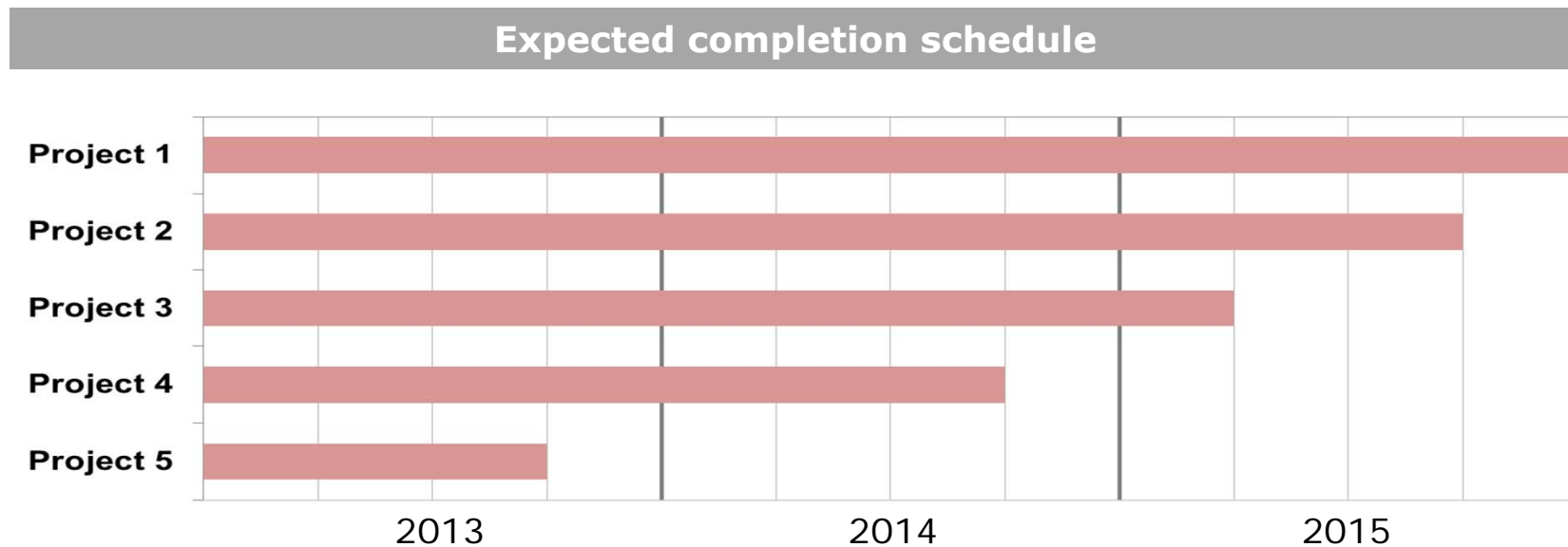
E&C Backlog to be executed in 2014 and 2015 (bn €)



All Figures are IFRS 10 and 11 compliant.

E&C legacy contracts: progress on negotiations

- 21 projects identified as critical in 2013:
 - Commercial negotiations for 14 have now been satisfactorily resolved
 - 90% of the pending revenues at the end of June, totaling €1.2bn, are accounted for by five contracts still under negotiation



saipem

4. 2014 Guidance

Overview of 2014 Guidance

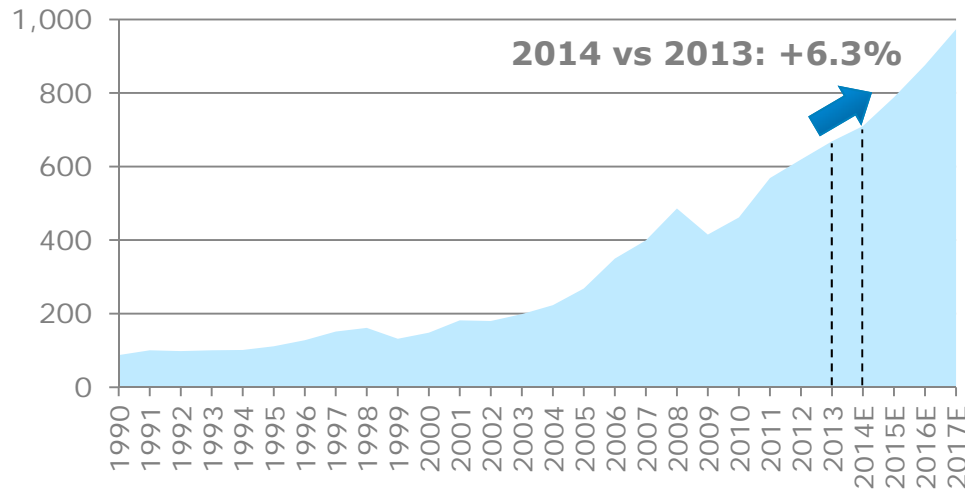
	2014 Guidance (as at FY'13)	Updated 2014 Guidance
Revenues:	€ 12.5 – 13.6 bn	~ € 13 bn
EBIT:	€ 600 – 750 mn	€ 600 – 700 mn
Net profit:	€ 280 – 380 mn	€ 280 – 330 mn
Capex:	~ € 750 mn	~ € 750 mn
Net Debt:	~ € 4.2 bn	€ 4.2 – 4.5 bn

saipem

5. Market Outlook

Market Outlook

E&P Spending Forecast (bn \$)



Source: Barclays Capital, June 2014

- 2014 Global E&P spending to surpass **\$700bn**
- 5th consecutive year of annual worldwide spending gains since 2009
- Slight slowdown by Majors (-0,4% Y/Y) more than offset by National and Independent

- Changing Oil Companies attitude towards “Capital Discipline”: some “Cost-cutting” but mainly “Cost-control”
- Involvement of Oil Services companies since the very early stages to streamline projects avoiding cost overrun and delays experienced in recent years
- Contractors who can offer the entire EPC to be Oil Companies’ partners of choice

New business wins and opportunities

Main E&C bids ongoing examples / Year-to-date update

Central Asia / Europe:

- ✓ South Stream trunkline (First line and associated facilities for the four lines)
- ✓ Shah Deniz - fixed facilities/pipelines/IMR
- ✓ SCPX – pipeline
- ✓ Versalis EPDM – downstream
- Argo Cluster - SURF
- Sibur/Tobolsk Petrochemical Plant – downstream
- TANAP – pipeline
- Baltic Ammonia – downstream
- Tengiz TCO Ph.3 - upstream

Americas:

- ✓ Lula Estremo Sul - SURF
- ✓ Shell Canada FEED – LNG (EPC award subject to FID)
- ✗ Rota 3 – pipelines
- ✗ Ayatsil T&I - pipelines
- ✗ Los Ramones – pipeline
- Lakach – SURF
- Statoil Corner – oil sands
- Salamanca Refinery Upgrade – downstream
- Peru Gasoducto – pipeline
- Spiritwood Nitrogen Proj. – downstream
- Prince Rupert gas transmission - pipeline
- Pacific Northwest - LNG

Middle East:

- ✓ Jizan Refinery – downstream
- ✗ Nasr - fixed facilities
- KOC Heavy Oil – upstream
- Al Dabb'iyah – upstream
- Khurais Expansion – upstream
- Master Gas System – upstream

East Africa:

- Anadarko – SURF
- Eni FEED – FLNG
- Anadarko – LNG
- Eni Onshore FEED - LNG

West Africa:

- ✓ Kaombo - FPSOs
- ✗ Kaombo - SURF
- ✗ Banda Gas Export Pipeline
- ✗ Banda Gas Onshore Plant - upstream
- Bonga South West - SURF
- Block 15-06 – SURF
- Qua Iboe Power Plant - downstream

Asia Pacific:

- ✓ Jangkrik FPU
- ✓ Masela FLNG FEED
- ✓ Scarborough Opt. Phase
- ✓ Tangguh LNG FEED
- West Sepat - fixed facilities
- Scarborough FLNG FEED
- Kasawari - fixed facilities



E&C Offshore E&C Onshore

✓ Saipem Award ✗ Competitors' Award ● New

saipem

6. Medium Term Guidance

Medium term targets – “normalised” business

E&C Offshore

Revenues: € 6.0 – 7.0 bn;
EBIT %: mid teens
Floaters EBIT %: high single digit

E&C Onshore

Revenues: € 3.5 – 4.5 bn; EBIT %: 5%

Drilling

Stable evolution of revenues and margins

Capex for fleet upgrade & maintenance

~ € 750 mn

Net Debt

~ € 2 bn by end 2017

1H 2014 – further progress in year of transition

- Components for sustained recovery now in place
- Strong competitive position as integrated end-to-end contractor
- Range of market opportunities in H2 and beyond
- Risk levels reduced but task yet to be completed

saipem

7. Q&A

Saipem Meetings with the Financial Community

September 2014

MON	TUE	WED	THU	FRI	SAT	SUN
15	16 <i>London</i> Morgan Stanley 1-1s	17 <i>London</i> Morgan Stanley 1-1s	18	19	20	21
22	23	24	25	26	27	28
29	30					

October 2014

MON	TUE	WED	THU	FRI	SAT	SUN
		1	2 <i>Paris</i> Natixis 1-1s	3	4	5
6	7	8	9	10	11	12