Saipem:
Board of Directors approves Interim Report as at March 31, 2010

- **Operating profit and net profit for the first quarter of 2010 amounted to Euro 296 and 182 million respectively (Euro 284 and Euro 186 million in the first quarter of 2009).**
- **New contracts won during the first quarter of 2010 amounted to Euro 2,678 million (Euro 2,518 million in the first quarter of 2009), while the backlog at March 31, 2010 stood at Euro 18,769 million (Euro 18,730 million at December 31, 2009).**
- **Investments in the first quarter of 2010 amounted to Euro 412 million (Euro 495 million in the first quarter of 2009).**

San Donato Milanese, April 22, 2010. The Board of Directors of Saipem S.p.A. today approved the Saipem Group's Interim Report as at March 31, 2010 (not subject to audit).

(million euro)

	Q1 2009	Q4 2009	Q1 2010	Q1 2010 vs Q1 2009 (%)
Revenues	2,578	2,592	2,639	2.4
Operating profit	284	290	296	4.2
Net profit	186	188	182	(2.2)
Cash flow	293	297	297	1.4
Investments	495	401	412	(16.8)
New contracts	2,518	2,968	2,678	6.4

As previously stated, revenues and associated profit levels, particularly in the Offshore and Onshore sectors, and, to a lesser extent, in the Drilling sector, are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules. Consequently, the results from any one particular fiscal period can vary significantly, thereby precluding a direct comparison with the same period in other fiscal years or extrapolation of figures from a single quarter to the entire year.

Investments in the first quarter of 2010 amounted to Euro 412 million (Euro 495 million in the first quarter of 2009) and included:

- Euro 164 million in the Offshore sector relating mainly to the construction of a new pipelayer (CastorOne), an ultra-deepwater field development ship (FDS2), the conversion of a tanker into an FPSO unit, the development of a new fabrication yard in Indonesia, and the maintenance and upgrading of the existing asset base;
- Euro 3 million in the Onshore sector on maintenance of the existing asset base.

- Euro 190 million in the Offshore Drilling sector, relating to the construction of two semi-submersible rigs and a new ultra-deepwater drillship, in addition to maintenance and upgrading of the existing asset base;
- Euro 55 million in the Onshore Drilling sector mainly comprising construction of three new rigs and upgrading of the existing asset base.

Fleet expansion is progressing according to plan; there are no significant changes to the delivery schedule for new vessels from the press release of February 10, 2010.

Net financial debt at March 31, 2010 amounted to Euro 3,010 million, representing an increase of Euro 165 million from December 31, 2009, mainly attributable to investments made during the period.

New contracts and backlog

During the first quarter of 2010, Saipem was awarded contracts amounting to Euro 2,678 million (Euro 2,518 million in the first quarter of 2009).
The most significant contracts awarded in the first quarter include:

In the Offshore sector:

- for Agip KCO in Kazakhstan, the extension of the Kashagan Piles and Flares contract for the installation of the marine infrastructure system for the experimental phase of the Kashagan field development. The contract involves the construction, assembly, transport and installation of subsea piles and flares in addition to the installation of 14 module barges;
- for Snam Rete Gas, a contract for the installation of a new onshore gas import system from a Floating Storage Re-gasification Unit to be installed off the coast of Livorno, Italy;

In the Onshore sector:

- for PEMEX in Mexico, the EPC contract for two desulphurisation units and two amine regeneration units to be built at two of the Client's refineries. The facilities will be built at the refineries of Miguel Hidalgo and Antonio M. Amor, located 2,000m and 1,700m above sea level, respectively;
- for Rivers State Government in Nigeria, the EPC contract, comprising engineering, procurement, construction and commissioning of an OCGT (open cycle gas turbine) power generation unit, in Port Harcourt.

In the Offshore Drilling sector:

- for Total E&P Congo and Addax Petroleum, two contracts for the lease of the semi-submersible platform Scarabeo 3, from January 2010 for a total period of 9 months with options to extend. Under the two contracts, the platform will be operating in Congolese and Nigerian waters;
- for IEOC, the extension until June 2013, of the contract for the utilization of the semi-submersible platform Scarabeo 4 in Egypt;
- for Harrington Dubai, the contract for the lease of the jack-up Perro Negro 3, to carry out drilling operations in the Persian Gulf for a period of 6 months, with the option of a further 18 months.

In the Onshore Drilling sector:

- for ExxonMobil Kazakhstan Inc (EMKI), two contracts in Kazakhstan for the demobilization and transport of two Saipem operated rigs owned by the client, including the conversion works on one of the rigs;
- for various clients, new contracts for the utilization of four rigs in Algeria and Perù, two of which were idle at the time of contract award. Under these contracts, operations began in the first quarter of 2010 and have duration ranging from six months to two years.

The backlog of the Saipem Group at March 31, 2010 stood at Euro 18,769 million (Euro 5,522 million in the Offshore sector, Euro 7,972 million in the Onshore sector, Euro 5,275 million in the Drilling sectors), of which Euro 6,175 million is due to be realized in 2010.

Management outlook for 2010 and medium-term outlook

Oil industry spending is expected to recover in 2010, underpinning expectations of a gradual improvement in market prospects for the oil services industry, despite continued weakness in demand for hydrocarbons in general, and gas in particular, which will lead to oil companies delaying the launch of large infrastructure projects.

Whilst in 2009 the oil services industry executed contracts largely acquired in previous years, when the market was particularly favourable, in 2010 volumes and associated margins are expected to be affected by the negative market conditions experienced in 2009.

Saipem's business model articulated across various market sectors combined with a strong competitive position in frontier areas, which are traditionally less exposed to the cyclical nature of this market, have enabled the company to retain a high level of backlog through 2009 to the present.

The size and quality of the backlog and the strong operating performance on projects, underpin expectations for 2010 of again achieving largely positive results.

Revenues are expected to remain at the record levels attained in 2009; the increase in EBITDA is expected to be sufficient to compensate the increase in depreciation resulting from new assets starting operations, and EBIT is envisaged to remain at the record level achieved in 2009.

Investments for 2010 are forecast to be in the region of Euro 1.5 billion and will be spent on completing the expansion of the Drilling fleet and further progress towards strengthening the Offshore asset base.

New distinctive assets commencing operations in 2010 and 2011 coupled with a long-standing presence in geographical areas and sectors less exposed to the cyclical nature of the market, underpin expectations for a further significant strengthening of Saipem's competitive position in the medium term.

Saipem's Chief Financial Officer, Mr Giulio Bozzini, in his capacity as the manager responsible for the preparation of the Company's financial reports, certifies, pursuant to art. 154-bis paragraph 2 of Legislative Decree no. 58/1998, that data and information disclosed in this press release correspond to the Company's evidence and accounting books and entries.

Forward-looking statements are based on a number of assumptions and expectations that could ultimately prove inaccurate, as they are subject to risks and variables outside the company's control. These include: currency fluctuations, interest rate fluctuations, the level of capital expenditure in the oil and gas industry, as well as other industries, political instability in areas where the Group operates, and actions by competitors. Moreover, contract execution is also subject to variables outside the company's control, such as weather conditions. Actual results could therefore differ materially from the forward-looking statements.

Saipem is organised into three Business Units: Offshore, Onshore and Drilling, with a strong bias towards oil & gas related activities in remote areas and deepwater. Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and execution of large-scale offshore and onshore projects, and technological competences such as gas monetisation and heavy oil exploitation.

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Analysis by business sector

Offshore:

(million euro)

	Q1 2009	Q4 2009	Q1 2010	Q1 2010 vs Q1 2009 (%)
Revenues	1,005	1,008	1,013	0.8
Expenses	(816)	(818)	(827)	1.3
Depreciation and amortisation	(50)	(48)	(48)	(4.0)
Operating profit	139	142	138	(0.7)
EBITDA %	18.8	18.8	18.4	
EBIT %	13.8	14.1	13.6	
New contracts	561	1,681	1,105	

The backlog at March 31, 2010 amounted to Euro 5,522 million, of which Euro 2,213 million is due to be realised in 2010.

- Revenues for the first quarter of 2010 amounted to Euro 1,013 million, in line with the first quarter of 2009; operations took place mainly in West Africa and Kazakhstan.

- Operating profit for the first quarter of 2010 amounted to Euro 138 million, equal to 13.6% of revenues, versus Euro 139 million, equal to 13.8% of revenues, in the first quarter of 2009. EBITDA margin stood at 18.4%, a slight decrease from 18.8% recorded in the same period of 2009.

Onshore:

(million euro)

	Q1 2009	Q4 2009	Q1 2010	Q1 2010 vs Q1 2009 (%)
Revenues	1,307	1,295	1,310	0.2
Expenses	(1,217)	(1,198)	(1,212)	(0.4)
Depreciation and amortisation	(12)	(10)	(9)	(25.0)
Operating profit	78	87	89	14.1
EBITDA %	6.9	7.5	7.5	
EBIT %	6.0	6.7	6.8	
New contracts	1,621	891	1,247	

The backlog at March 31, 2010 amounted to Euro 7,972 million, of which Euro 3,051 million is due to be realised in 2010.

- Revenues for the first quarter of 2010 amounted to Euro 1,310 million, in line with the first quarter of 2009; operations took place mainly in North and West Africa.

- Operating profit for the first quarter of 2010 amounted to Euro 89 million, compared to Euro 78 million in the first quarter of 2009, with the margin on revenues rising from 6.0% to 6.8%. EBITDA margin stood at 7.5% compared to 6.9% in the same period of 2009. This increase in margin is attributable to strong operational performance.

Drilling Offshore:

(million euro)

	Q1 2009	Q4 2009	Q1 2010	Q1 2010 vs Q1 2009 (%)
Revenues	137	137	160	16.8
Expenses	(66)	(66)	(76)	15.2
Depreciation and amortisation	(23)	(25)	(31)	34.8
Operating profit	48	46	53	10.4
EBITDA %	51.8	51.8	52.5	
EBIT %	35.0	33.6	33.1	
New contracts	316	355	140	

The backlog at March 31, 2010 amounted to Euro 3,758 million, of which Euro 536 million is due to be realised in 2010.

- Revenues for the first quarter of 2010 amounted to Euro 160 million, representing a 16.8% increase on the same period of 2009, attributable mainly to the full-scale activities of the jack-up Perro Negro 6 and the semi-submersible platform Scarabeo 4.

- Operating profit for the first quarter of 2010 amounted to Euro 53 million, compared to Euro 48 million in the first quarter of 2009, with the margin on revenues decreasing from 35.0% to 33.1%. EBITDA margin stood at 52.5% a slight increase on 51.8% recorded in the same period of 2009.

- Fleet utilisation in the first quarter of 2010 and the impact of planned maintenance for 2010 are as follows:

Vessel	***Q1 2010***		***Year 2010***
	Under contract (days)	***Idle***	***Idle due to class reinstatement works (days)***
Semi-submersible platform Scarabeo 3	90	–	–
Semi-submersible platform Scarabeo 4	90	–	–
Semi-submersible platform Scarabeo 5	90	–	–
Semi-submersible platform Scarabeo 6	72	18 **a**	18 **a**
Semi-submersible platform Scarabeo 7	90	–	–
Drillship Saipem 10000	90	–	108 **a**
Jack-up Perro Negro 2	79	11 **a**	11 **a**
Jack-up Perro Negro 3	59	31 **a**	31 **a**
Jack-up Perro Negro 4	90	–	–
Jack-up Perro Negro 5	90	–	92 **a**
Jack-up Perro Negro 6	90	–	–
Jack-up Perro Negro 7	90	–	–
Tender Assisted Drilling Barge	90	–	92 **a**

a = the vessel underwent/shall undergo class reinstatement works and/or preparation works for a new contract.

Drilling Onshore:

(million euro)

	Q1 2009	Q4 2009	Q1 2010	Q1 2010 vs Q1 2009 (%)
Revenues	129	152	156	20.9
Expenses	(88)	(111)	(113)	28.4
Depreciation and amortisation	(22)	(26)	(27)	22.7
Operating profit	19	15	16	(15.8)
EBITDA %	31.8	27.0	27.6	
EBIT %	14.7	9.9	10.3	
New contracts	20	41	186	

The backlog at March 31, 2010 amounted to Euro 1,517 million, of which Euro 375 million is due to be realised in 2010.

- Revenues for the first quarter of 2010 amounted to Euro 156 million, representing a 20.9% increase compared to the same period of 2009, mainly due to new rigs beginning operations in South America and refurbishment works on two client-owned rigs in Kazakhstan.

- Operating profit for the first quarter of 2010 amounted to Euro 16 million, compared to Euro 19 million in the first quarter of 2009, with a margin on revenues decreasing from 14.7% to 10.3%. EBITDA margin stood at 27.6% compared to 31.8% of the same period of 2009. The increase in depreciation and amortisation is due to new rigs beginning operations.

- Average utilisation of rigs in the first quarter of 2010 stood at 91.3% (93.9% in the first quarter of 2009). At the end of March 2010, the Company owned 84 rigs (in addition to 3 rigs under construction) located as follows: 28 in Venezuela, 19 in Peru, 8 in Saudi Arabia, 7 in Algeria, 6 in Colombia, 3 in Kazakhstan, 3 in Brazil, 3 in Italy, 2 in Ukraine, 2 in Congo, 2 in Ecuador and 1 in Bolivia. In addition, 5 third-party rigs were deployed in Peru, 4 rigs by the joint-venture company SaiPar and 2 third-party rigs in Kazakhstan.

Attachments:

Reclassified consolidated balance sheet, consolidated income statements reclassified by nature and function of expenses and reclassified statement of cash flow.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euro)

	December 31, 2009		March 31, 2010	
Net tangible fixed assets		6,295		6,672
Net intangible fixed assets		756		757
		7,051		7,429
- Offshore	3,105		3,251	
- Onshore	464		465	
- Offshore Drilling	2,750		2,941	
- Onshore Drilling	732		772	
Financial investments		118		119
Non-current assets		**7,169**		**7,548**
Net current assets		**(647)**		**(737)**
Employee termination indemnities		**(182)**		**(184)**
CAPITAL EMPLOYED		**6,340**		**6,627**
Shareholders' equity		**3,434**		**3,539**
Minority interest in net equity		**61**		**78**
Net debt		**2,845**		**3,010**
COVER		**6,340**		**6,627**
Leverage (net debt/shareholders' equity)		**0.83**		**0.85**
SHARES ISSUED AND OUTSTANDING		**441,410,900**		**441,410,900**

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million euro)

Q4 2009		Q1 2009	Q1 2010
2,592	Operating revenues	2,578	2,639
3	Other revenues and income	3	1
(1,840)	Purchases, services and other costs	(1,817)	(1,851)
(356)	Payroll and related costs	(373)	(378)
399	**GROSS OPERATING PROFIT**	**391**	**411**
(109)	Amortisation, depreciation and write-downs	(107)	(115)
290	**OPERATING PROFIT**	**284**	**296**
(18)	Financial expenses	(26)	(28)
(6)	Income from investments	3	1
266	**INCOME BEFORE INCOME TAXES**	**261**	**269**
(72)	Income taxes	(70)	(75)
194	**INCOME BEFORE MINORITY INTEREST**	**191**	**194**
(6)	Minority interest	(5)	(12)
188	**NET PROFIT**	**186**	**182**
297	**CASH FLOW (Net profit + Depreciation and amortisation)**	**293**	**297**

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
FUNCTION OF EXPENSES

(million euro)

Q4 2009		Q1 2009	Q1 2010
2,592	Operating revenues	2,578	2,639
(2,189)	Production costs	(2,206)	(2,227)
(32)	Idle costs	(13)	(31)
(27)	Selling expenses	(26)	(33)
(5)	Research and development costs	(3)	(4)
(3)	Other operating income (expenses), net	(1)	(3)
336	**CONTRIBUTION FROM OPERATIONS**	**329**	**341**
(46)	General and administrative expenses	(45)	(45)
290	**OPERATING PROFIT**	**284**	**296**
(18)	Financial expenses	(26)	(28)
(6)	Income from investments	3	1
266	**INCOME BEFORE INCOME TAXES**	**261**	**269**
(72)	Income taxes	(70)	(75)
194	**INCOME BEFORE MINORITY INTEREST**	**191**	**194**
(6)	Minority interest	(5)	(12)
188	**NET PROFIT**	**186**	**182**
297	**CASH FLOW (Net profit + Depreciation and amortisation)**	**293**	**297**

RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

Q4 2009		Q1 2009	Q1 2010
188	Net profit	186	182
6	Minority interest	5	12
	Adjustments to reconcile cash generated from operating income before changes in working capital:		
181	Depreciation, amortisation and other non-monetary items	107	115
39	Variation in working capital relating to operations	(271)	(46)
414	**Net cash flow from operations**	**27**	**263**
(401)	Investments in tangible and intangible fixed assets	(495)	(412)
(15)	Disposals	–	–
(2)	**Free cash flow**	**(468)**	**(149)**
4	Buy-back of treasury shares	–	–
–	Cash flow from share capital and reserves	–	–
1	Effect of exchange rate differences and other changes on net debt	(14)	(16)
3	**Change in net debt**	**(482)**	**(165)**
2,848	**Net debt at beginning of period**	**2,032**	**2,845**
2,845	**Net debt at end of period**	**2,514**	**3,010**