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Presentation to the Financial Community 1H 2015 Consolidated Results

San Donato Milanese, July 28, 2015



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. Opening Remarks: 90 days in the job
2. 1H 2015 Financial Results
3. Business Review
4. Guidance
5. Q&A

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1. Opening Remarks: 90 days in the job

90 Days into the Job: a Foundation of Core Strengths

- Strong HSE culture and unmatched technical capabilities
- Global leader in the sector with a well diversified business portfolio
- Brand image, clients portfolio and industry relationships
- Competence, pride and commitment of people
- Excellence of Engineering know-how, highly geared to innovation
- Superior track record of complex project execution in challenging environments
- State of the art offshore fleet
- Best in class and resilient Drilling business model

90 Days into the Job: Main Challenges

Market

- Oil price driving Clients' capex cut and pressure on supply chain
- Worsening scenario in specific geographic areas/market segments
- Reduced visibility on new awards/delayed FIDs
- Increasing confrontational attitude of Clients, in some cases leading to litigation
- Offshore fleet overcapacity

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- Adapt the mindset to the new oil order
- Pressure on cash flow generation
- Pending revenues related to legacy contracts
- South Stream termination
- Ongoing legal proceedings

90 Days into the Job: Actions Undertaken

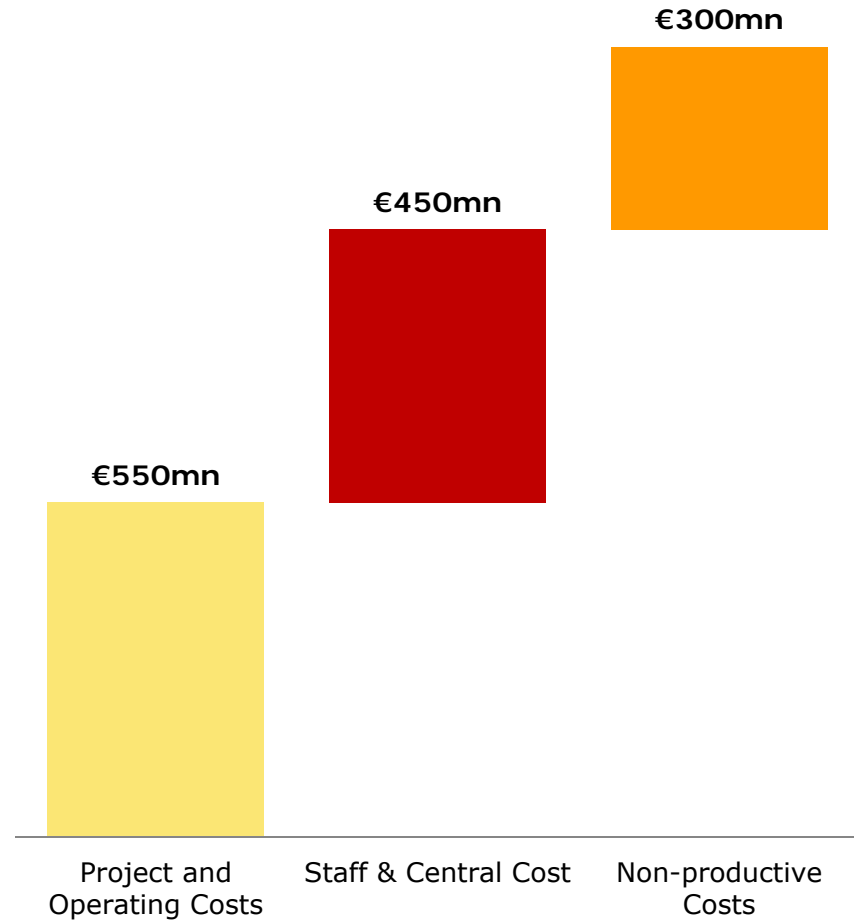
- **“Fit for the Future”**: shaping Saipem to the new oil order
 - Overall cost saving target of €1.3 billion over 3Y
 - Asset base rationalisation
 - Impairment and write downs on asset for €211 million
 - Review of capex plan ongoing, saving > €50 million already in 2015
- **Pending revenues and working capital normalisation**
 - Review of risk evaluation, driven by further worsening of market environment
 - Selective and sensible approach to litigation
 - Write off for €718 million
- **Strategic Review**
 - Accelerated strategic and planning cycle update
 - Strategic update presented by Q3 results announcement

Fit for the Future: preliminary cost savings

Preliminary Impacts (Cumulative 2015-17)

Actions	Cost saving	FTE reduction
Geographic Footprint Optimization	€500 mn	5,000
Complexity Reduction And Process Optimization	€400 mn	400
Fleet and Assets Optimization	€200 mn	900
SG&A Spend Reduction	€200 mn	300
Total Targeted Saving	€1.3 bn*	6,600*
<i>Demobilisation of ending projects</i>		2,200
Total FTE Reduction		8,800*

Cost Reduction by Allocation



€1,300 mn cost savings by 2017, 50% within 2016
8,800 FTE workforce reduction



* Vs. 2014

Fit for the future: asset base optimisation – preliminary results

Actions

Dismissal of obsolete vessels with expensive running costs and rationalization of fabrication yards

Area of focus

- Offshore Fleet:
 - 4 Construction vessels
 - 1 Drilling vessel

- Yards:
 - Downsize/exit from non strategic areas
 - Moving from local content to local supply on selected areas

Impact on 1H 2015

- Non cash impairments and write downs for a total amount of €211 million in 2015 (vessels, Canada and Brazil yards)

Strategic Review Key Guidelines

**Business Portfolio
Refocus and Relaunch**

**Cost Optimisation and
Process Efficiency**

Business De-Risking

Technology and Innovation



Evolving for a renewed leadership

Focus on technology and innovation

“Top Five” priority areas

- **SURF Technologies:**
 - New systems/solutions for risers and flowlines (including flow assurance)
 - Heavy items subsea installation, reeling and related vessel/equipment

- **Materials Technologies:**
 - New and faster pipeline welding technologies

- **Export Lines and Trunklines:**
 - Solutions for optimizing installation techniques, especially in ultra-deep water
 - Trenching technologies, especially in shallow waters

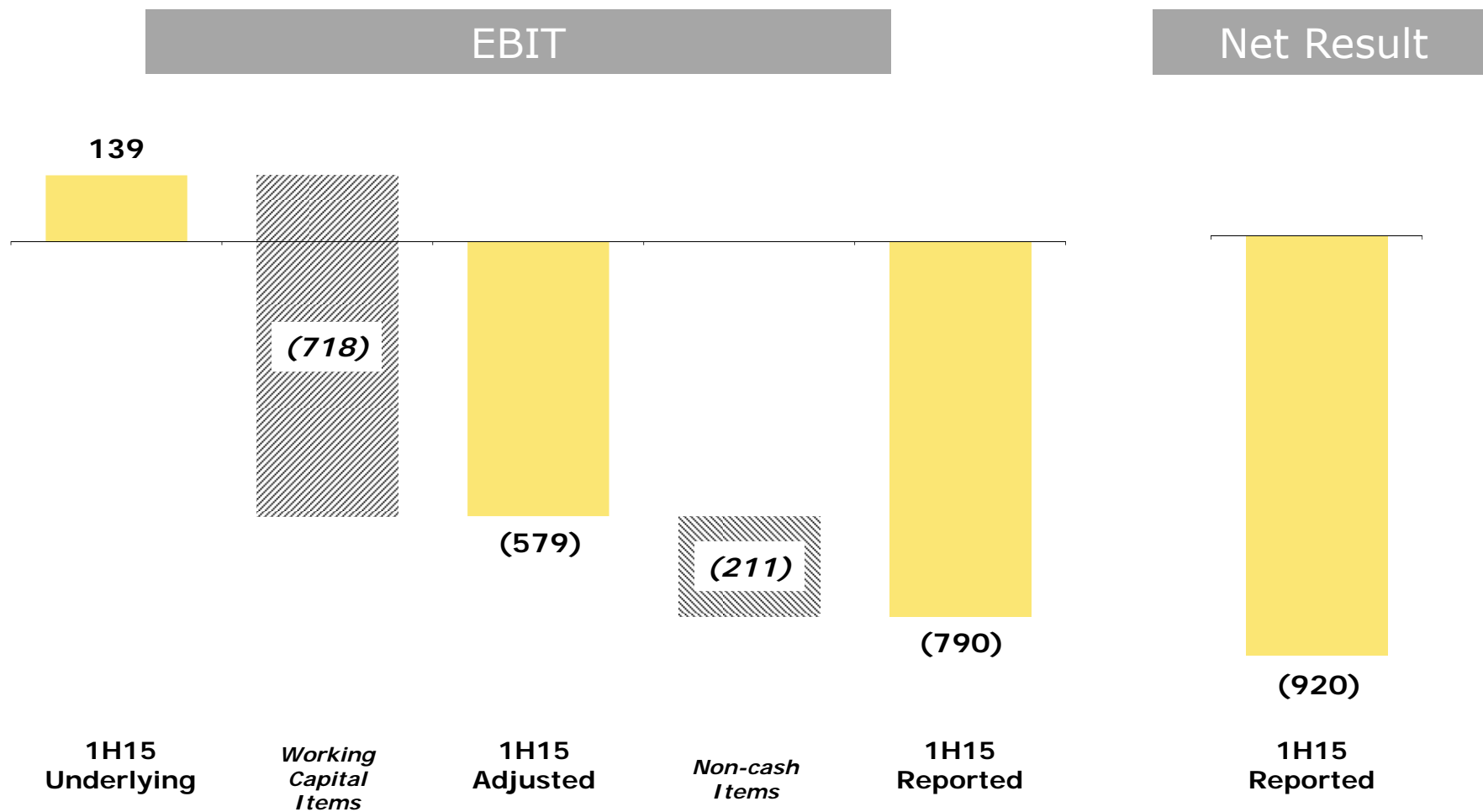
- **Urea proprietary process Technology:**
 - Supercups plates, new more resistant reactor materials
 - “Zero-emissions” process

- **FLNG / Subsea Processing:**
 - FLNG - offshore offloading systems and other solutions for improving liquefaction process
 - Subsea Processing: SPRINGS – water purification process allowing enhanced oil recovery, as an entry point to SSF/SPS market

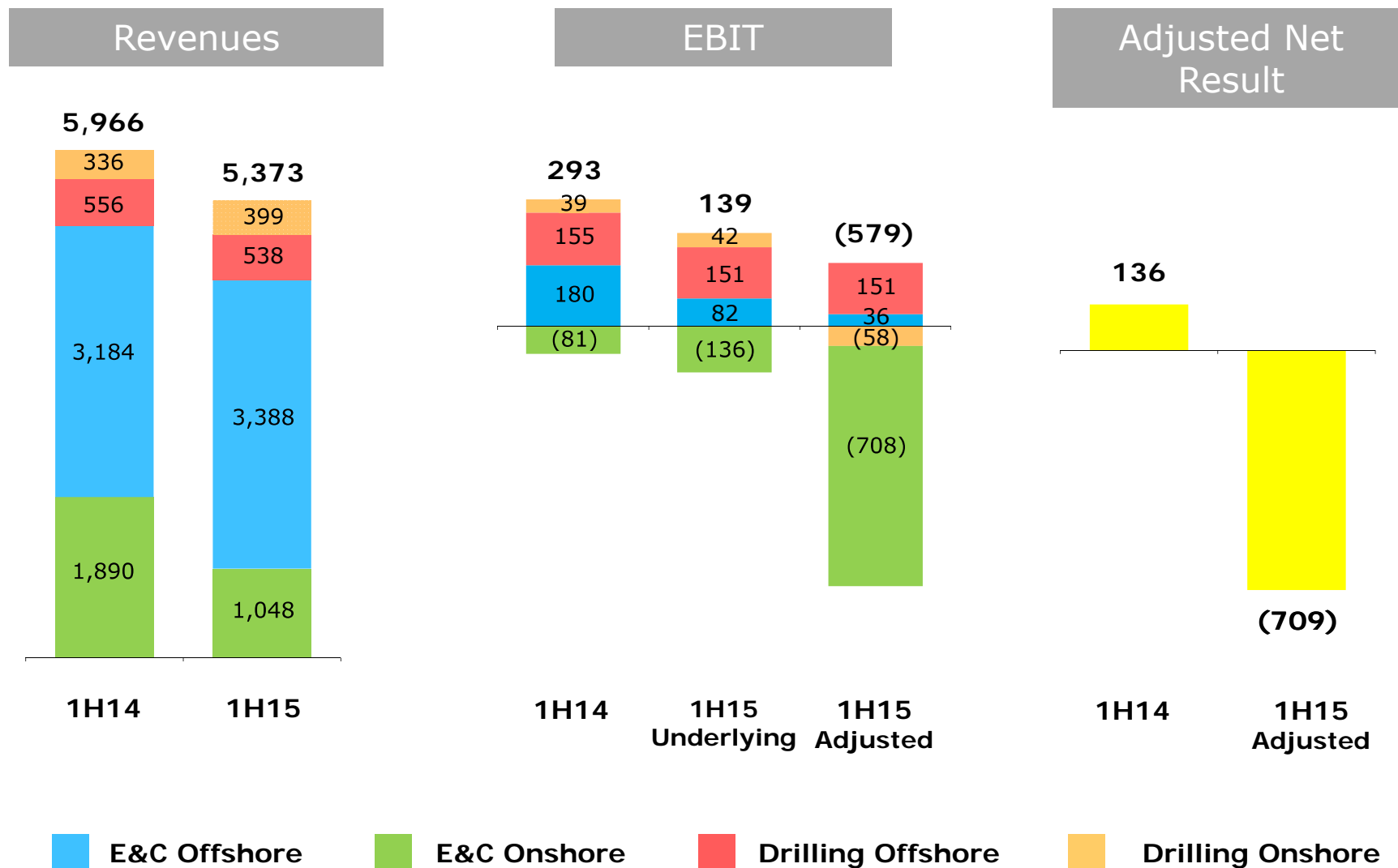
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2. 1H 2015 Financial Results

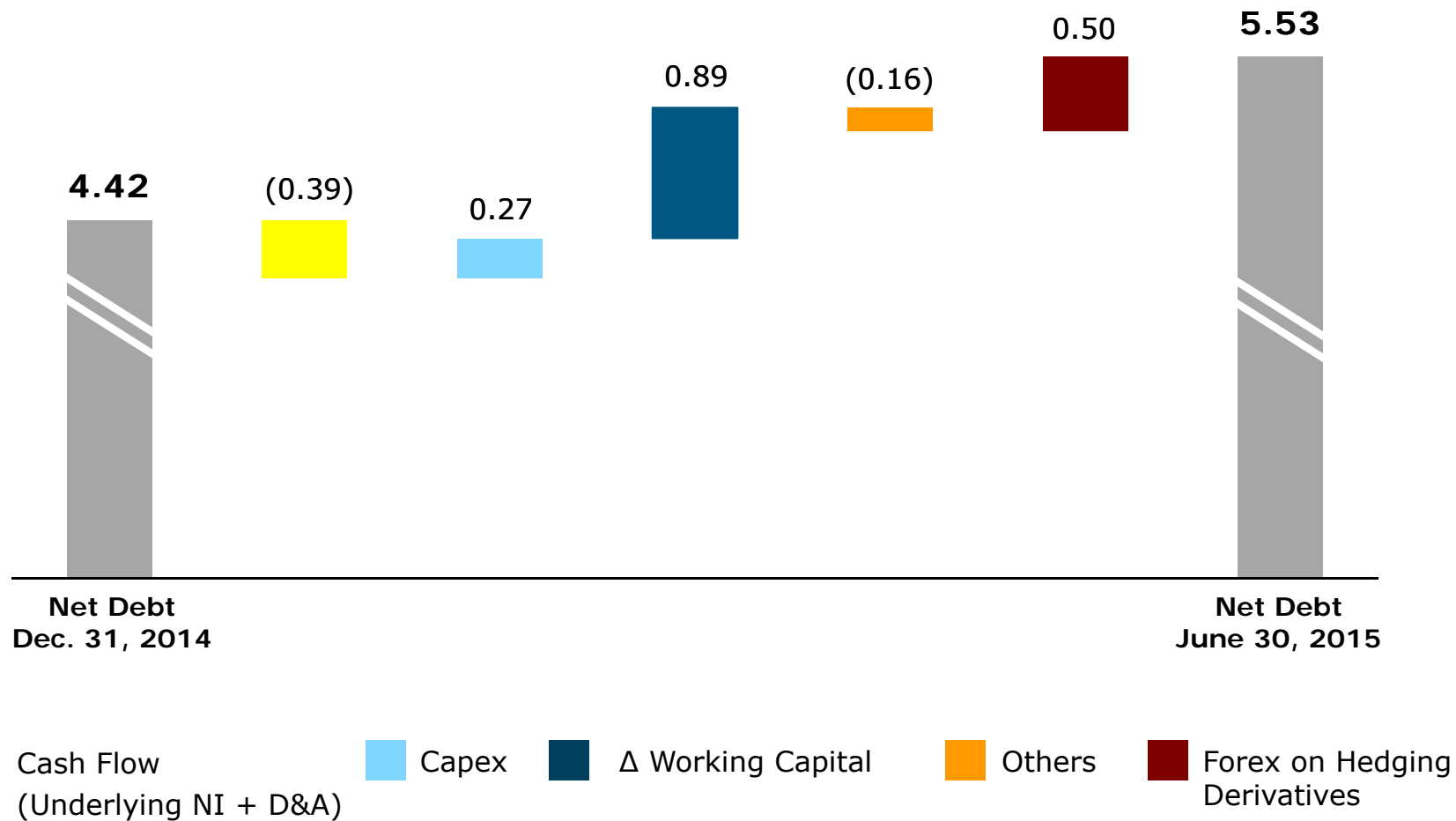
1H15 Financial Results (mn €)



1H15 Financial Results – YoY comparison (mn €)



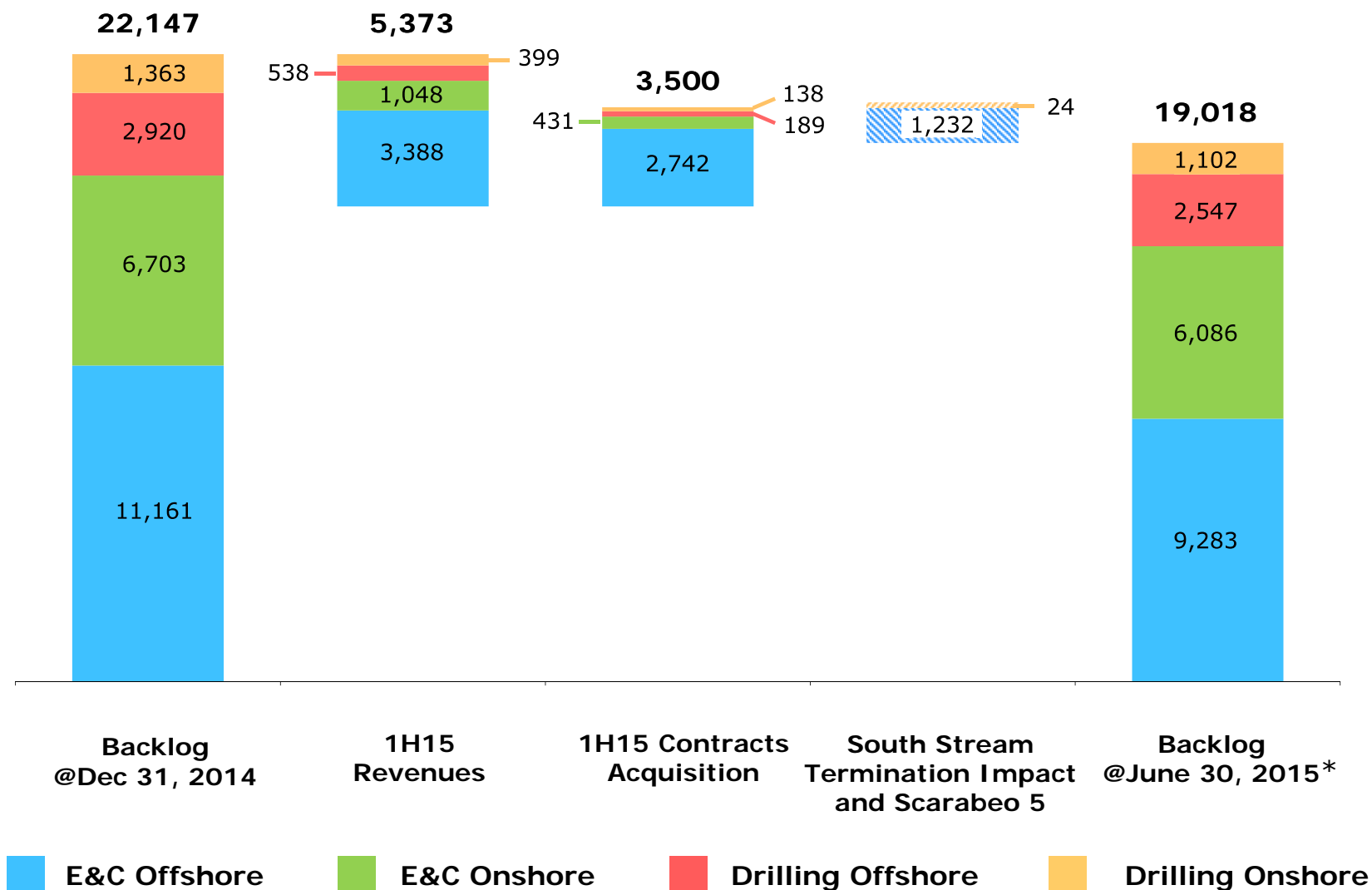
1H15 Net Debt Evolution (bn €)



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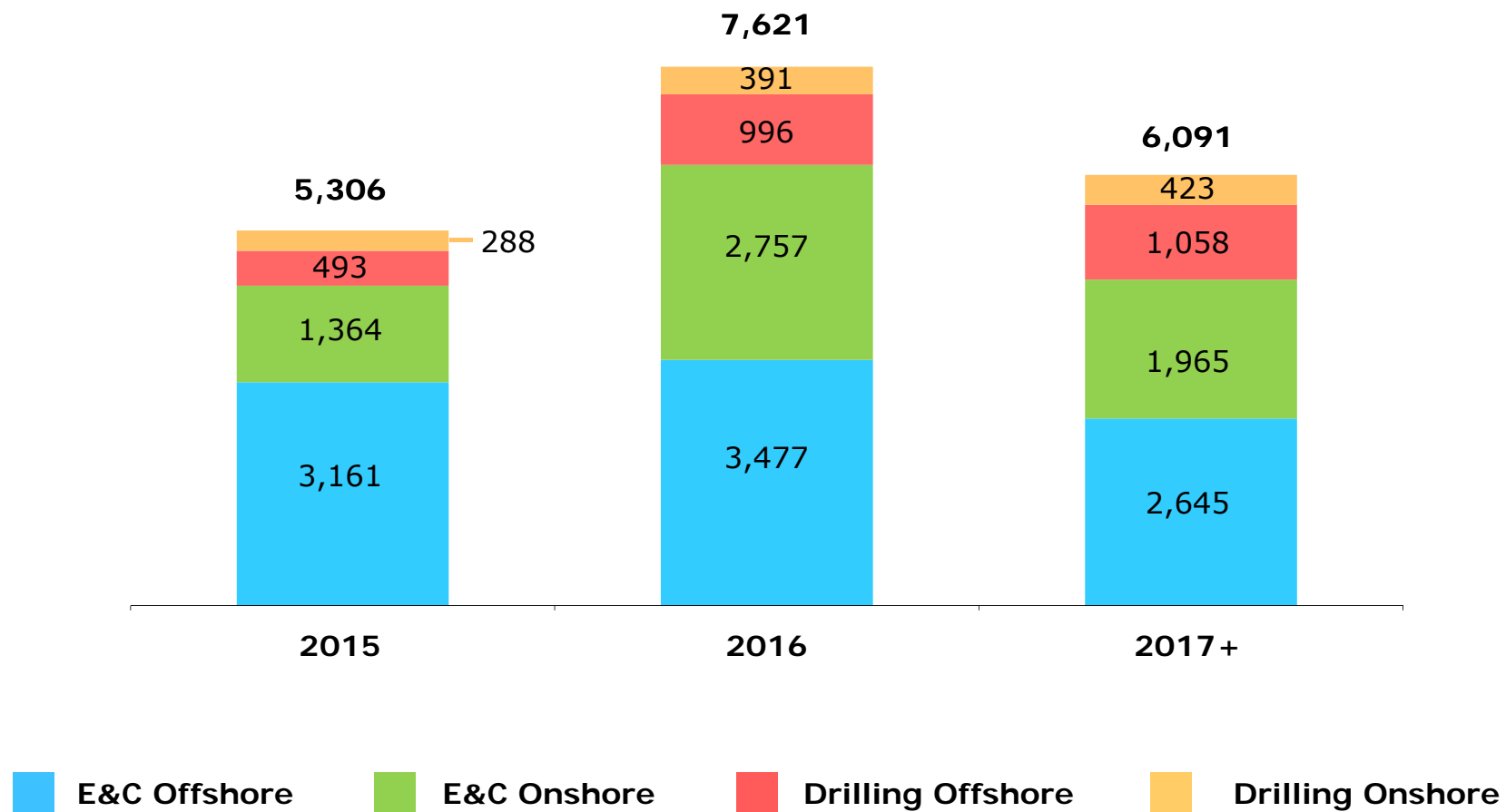
3. Business Review

1H15 Backlog and new orders (mn €)



*Including the effects of the cancellation of South Stream occurred after June 30, 2015

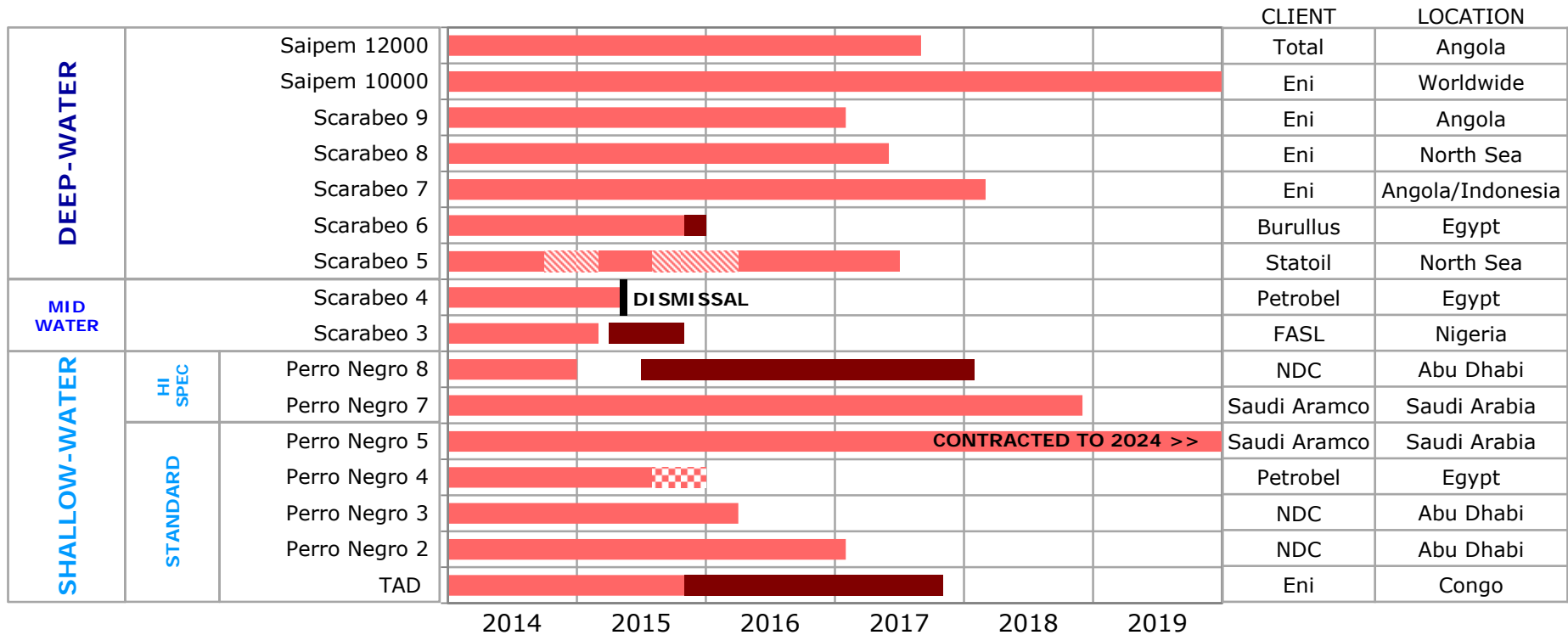
1H15 Backlog by year of execution (mn €)



Update on Drilling

Offshore Drilling fleet contracts

■ Committed
 ▨ Stand-by
 ■ New contract
 ▣ Under rolling negotiations



- New contract award for PN8 with NDC for 30 months activities in UAE
- SC5 temporary suspension by Statoil until march 2016

Onshore Drilling fleet utilization rate: 93.5%

- New contracts and extensions for 14 land rigs



Update on E&C business new opportunities

Central Asia / Europe:

- ✓ NCOC Kashagan early production pipelines
- Lukoil Filanovsky Phase 2 – fixed facilities
- BP Shah Deniz Ph. 2 Operational Construction Vessel - SURF
- ✗ Lotos Delayed Coker – downstream
- RFI AV Brescia Verona – infrastructures
- Gazprom Moscow Refinery Upgrading – downstream

Americas:

- Transcanada Prince Rupert – offshore pipelines
- Transcanada Prince Rupert Pack 2, 3 – onshore pipelines¹
- Codelco Radomiro Tomic – onshore pipelines²
- ✓ Fermaca Compression Station – upstream
- CFE Samalayuca - Sásabe – onshore pipelines
- CFE Tuxpan - Tula – onshore pipelines

West and North Africa:

- Eni Bahr Essalam Fields – SURF
- Shell Bonga South West – SURF
- Eni Block 15-06 (East Hub) – SURF
- BG Burullus Phase IXB – SURF
- Eni Nenè EPC - fixed facilities
- Eni OCTP Sankofa - SURF
- Namcor Kudu Gas Line – offshore pipelines
- Exxon Qua Iboe Power Plant – downstream
- Quantum Methanol – downstream

East Africa:

- Eni Coral North & South – SURF
- Eni Coral – FLNG
- ✓ Anadarko Onshore – LNG³

Middle East:

- ✓ S. Aramco LTA – fixed facilities
- S. Aramco LTA Karan – fixed facilities
- ✗ S. Aramco Jazan Package 3 ASU – downstream
- ✗ KNPC New Refinery Pkg 1,2,3 - downstream
- KNPC New Refinery Pkg 4 – downstream⁴
- KNPC New Refinery Pkg 5 – maritime works⁵
- KNPC New Refinery pipeline – onshore pipelines
- S. Aramco Fadhili Gas Plant – upstream
- ✗ ADCO BAB Integrated Facilities – upstream
- S. Aramco MGS Pipelines – onshore pipelines
- S. Aramco Nth Arabia Unconv. Gas Facilities – upstream
- BGC Ar Ratawi NGL Gas Plant - upstream
- Oman Rail (Segment 1) - infrastructures

Asia Pacific:

- Petronas Kasawari – fixed facilities
- PTTEP Bundled Ph. 2 – fixed facilities
- Exxon Scarborough – FLNG⁶
- Chevron Gehem Gendalo - FPU
- Petronas RAPID Petrochemical – downstream

Total Value of Opportunities: approx. €31bn

Update on E&C business new opportunities

1. Transcanada Prince Rupert Pack. 2-3: shortlisted contractor. Obtainment of permits by Client ongoing.
2. Radomiro Codelco Tomic: negotiations ongoing with Client.
3. Anadarko Onshore LNG: selected contractor. Award subject to Client Final Investment Decision.
4. KNPC Package 4: lowest bidder from the bid opening.
5. KNPC Package 5: lowest bidder from the bid opening.
6. Scarborough: minimum level of engineering in 2015.

Potential project awards in excess of €5bn

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4. Guidance

Update on 2015 Guidance

Revenues: €12 bn

EBIT adjusted: €(250) mn

EBIT: €(450) mn

Net Result: €(800) mn

Capex: < €600 mn

Net Debt: €5.0 bn (*)

Key Takeaways

- Current trading and short term expectations impacted by the context
- Saipem is built on solid foundation of competences and values to overcome market challenges
- Fundamental actions have been taken to tackle immediate priorities
- New strategic approach to create a positive discontinuity and strengthen competitive positioning for a renewed leadership

Looking forward to seeing you all at our strategic session

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5. Q&A

Saipem: incontri con la comunità finanziaria settembre 2015

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