



PRELIMINARY 2015 CONSOLIDATED RESULTS PRESENTATION

24 February 2016

Saipem. Engineering Energy



FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this presentation regarding future events and future results are based on current expectations, estimates, forecasts and projections about the industries in which Saipem S.p.A. (the “Company”) operates, as well as the beliefs and assumptions of the Company’s management.

These forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other factors beyond the Company’s control that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. 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.

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The Financial Reports contain analyses of some of the aforementioned risks.

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TODAY'S PRESENTATION

1	OPENING REMARKS
2	FY 2015 PRELIMINARY RESULTS
3	BUSINESS REVIEW
4	UPDATE ON DELIVERY OF STRATEGY
5	GUIDANCE

HIGHLIGHTS

- FY 2015 results confirm guidance
 - Q4 EBIT margin close to 6%
 - E&C Onshore at breakeven in 2H
- 2016 guidance confirmed
 - Underpinned by backlog coverage (~74%), visible near-term opportunities
 - Cost optimisation programme on track
- Deleveraging and refinancing process progressing
 - €3.5bn Rights issue completed
 - Successful debt syndication
 - Positive cash generation in 2016

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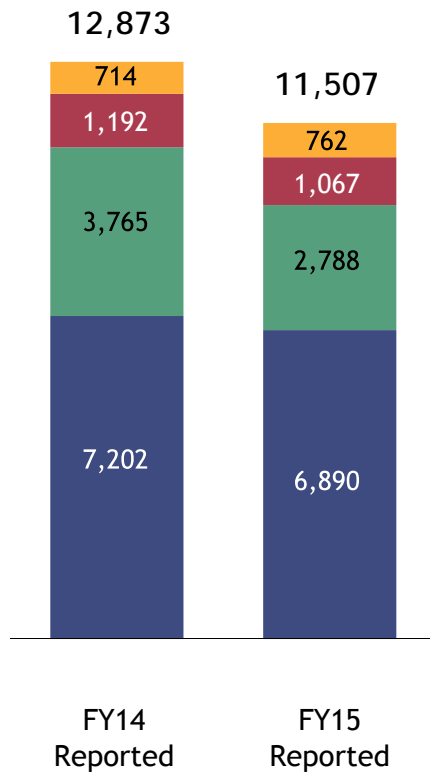
FY 2015 PRELIMINARY RESULTS



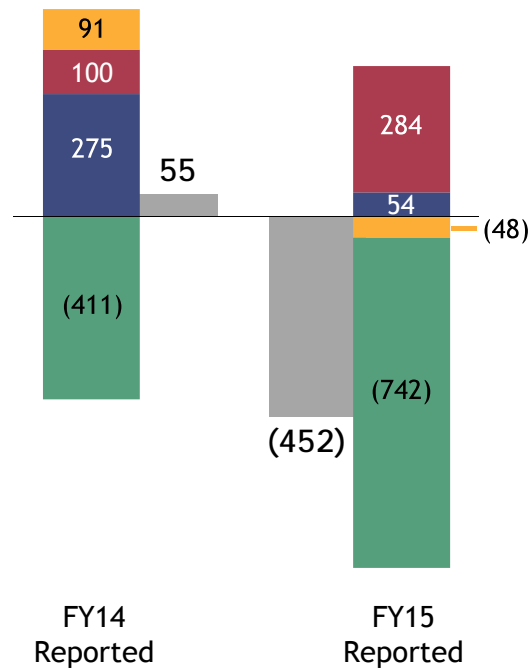
2015 FINANCIAL RESULTS

YoY comparison - Reported (€ mn)

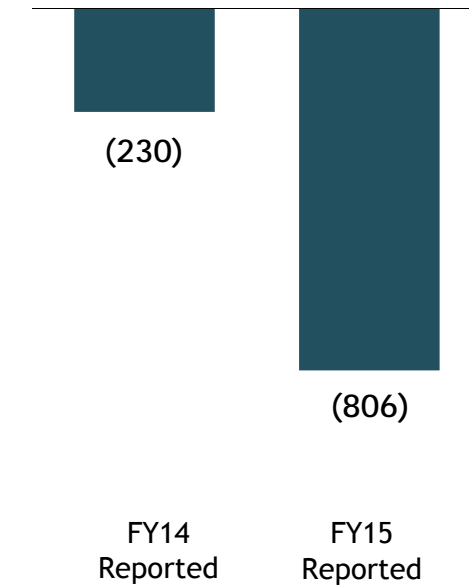
Revenues



EBIT



Net result

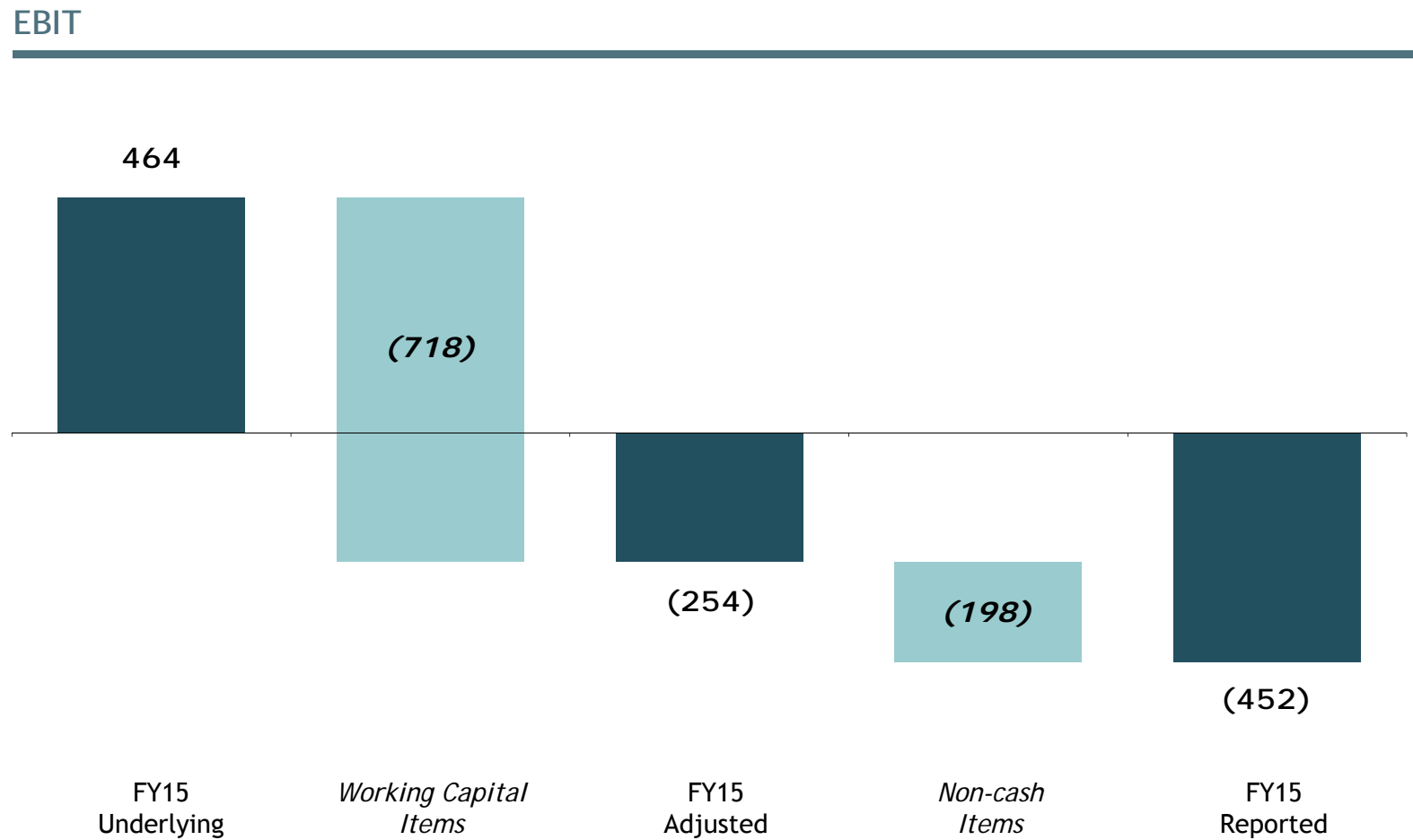


■ E&C Offshore
 ■ E&C Onshore
 ■ Drilling Offshore
 ■ Drilling Onshore

■ Total EBIT

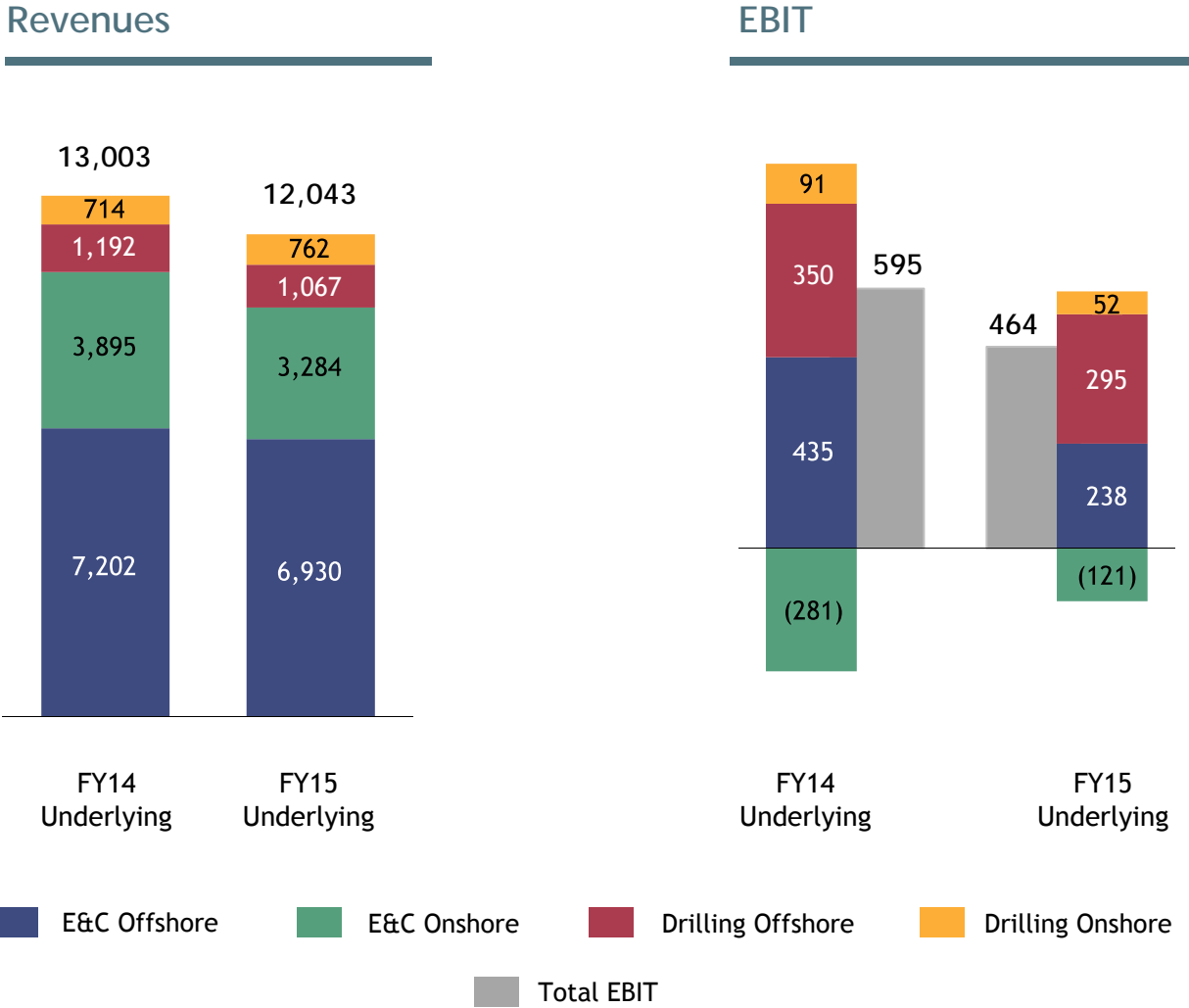
2015 FINANCIAL RESULTS

Reconciliation (€ mn)



2015 FINANCIAL RESULTS

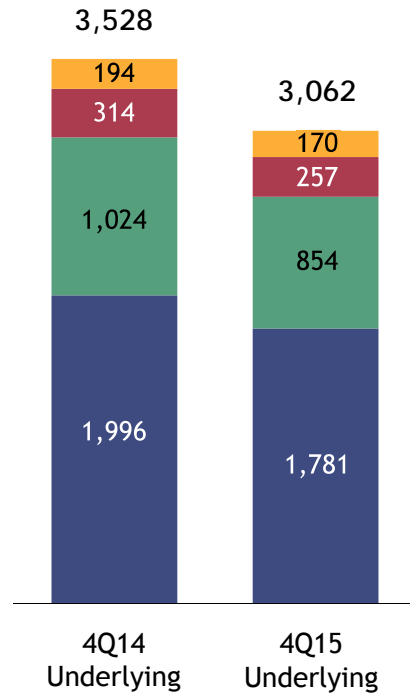
YoY comparison - Underlying (€ mn)



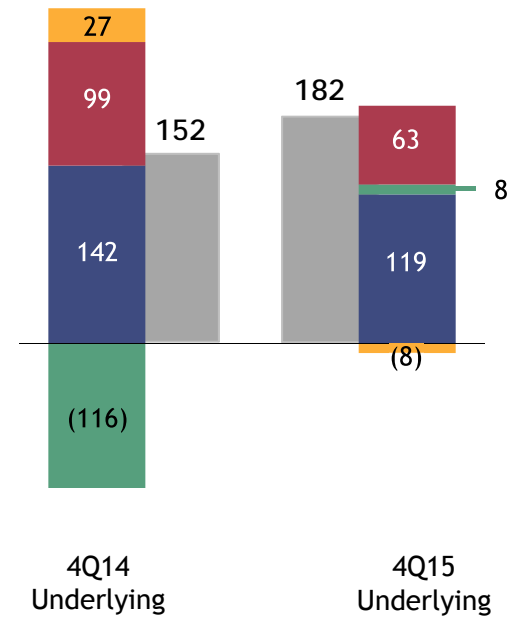
2015 FINANCIAL RESULTS

4Q YoY comparison - Underlying (€ mn)

Revenues



EBIT

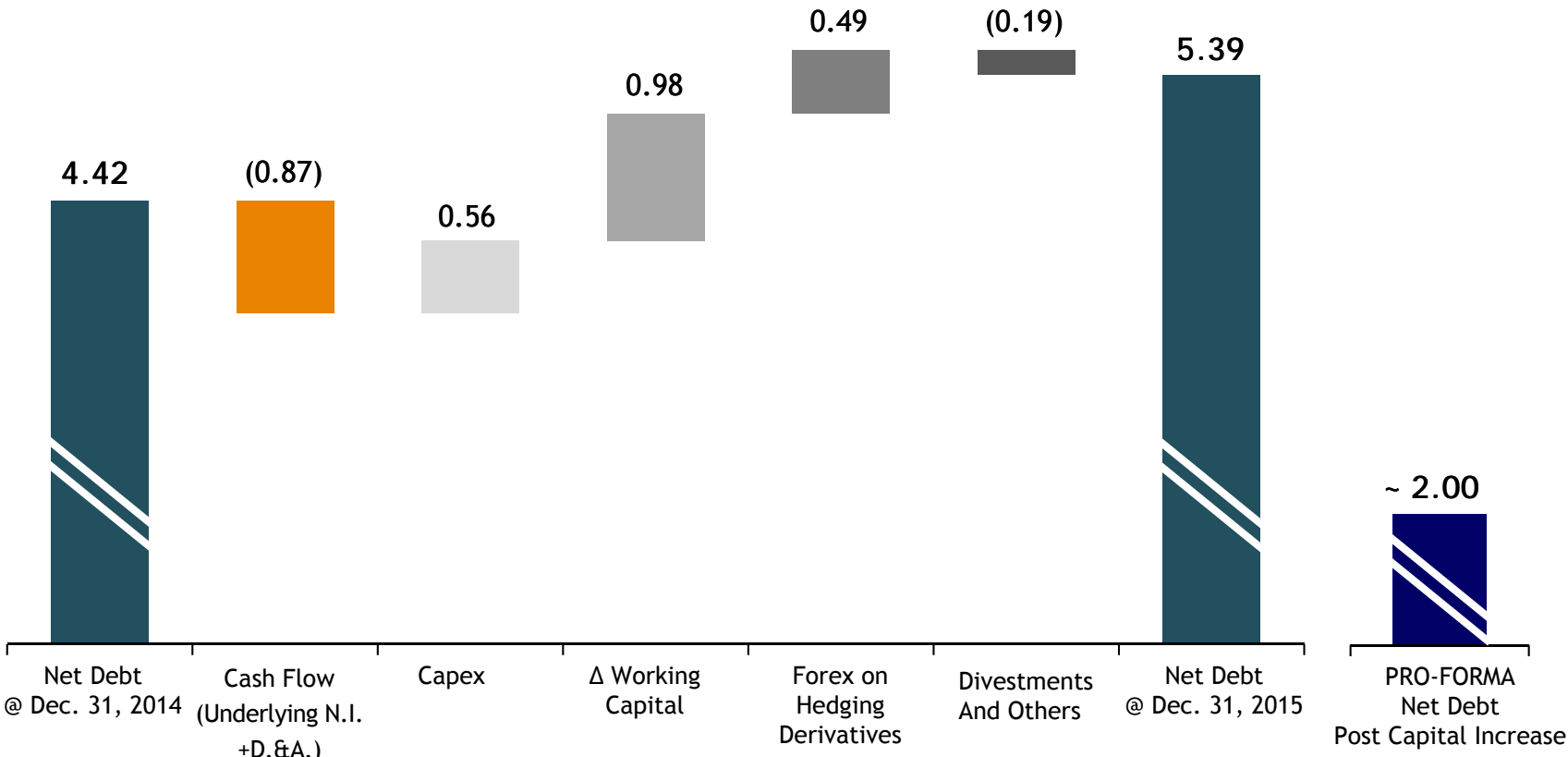


■ E&C Offshore
 ■ E&C Onshore
 ■ Drilling Offshore
 ■ Drilling Onshore

■ Total EBIT

2015 NET DEBT EVOLUTION

(€ bn)



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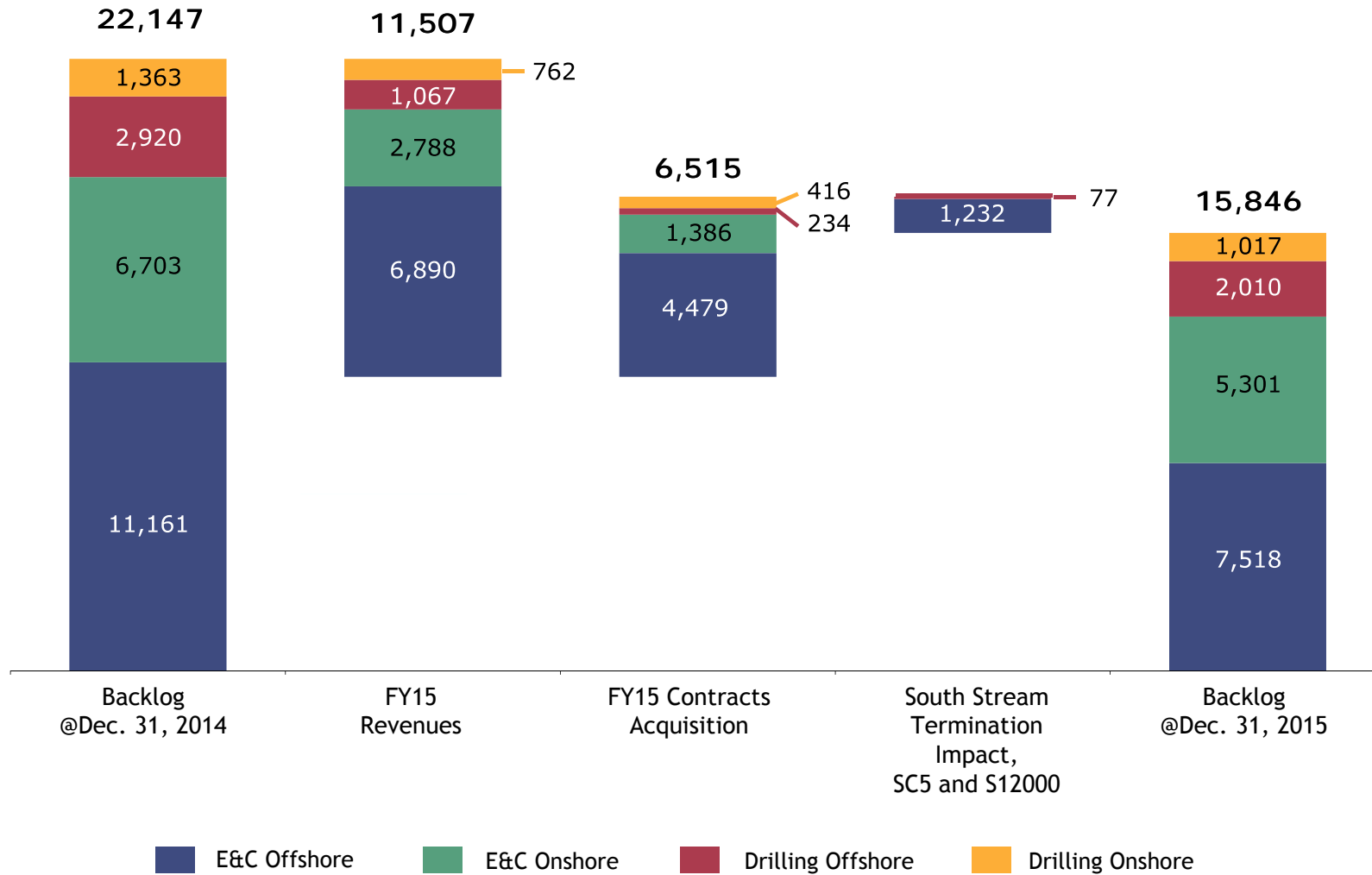


BUSINESS REVIEW



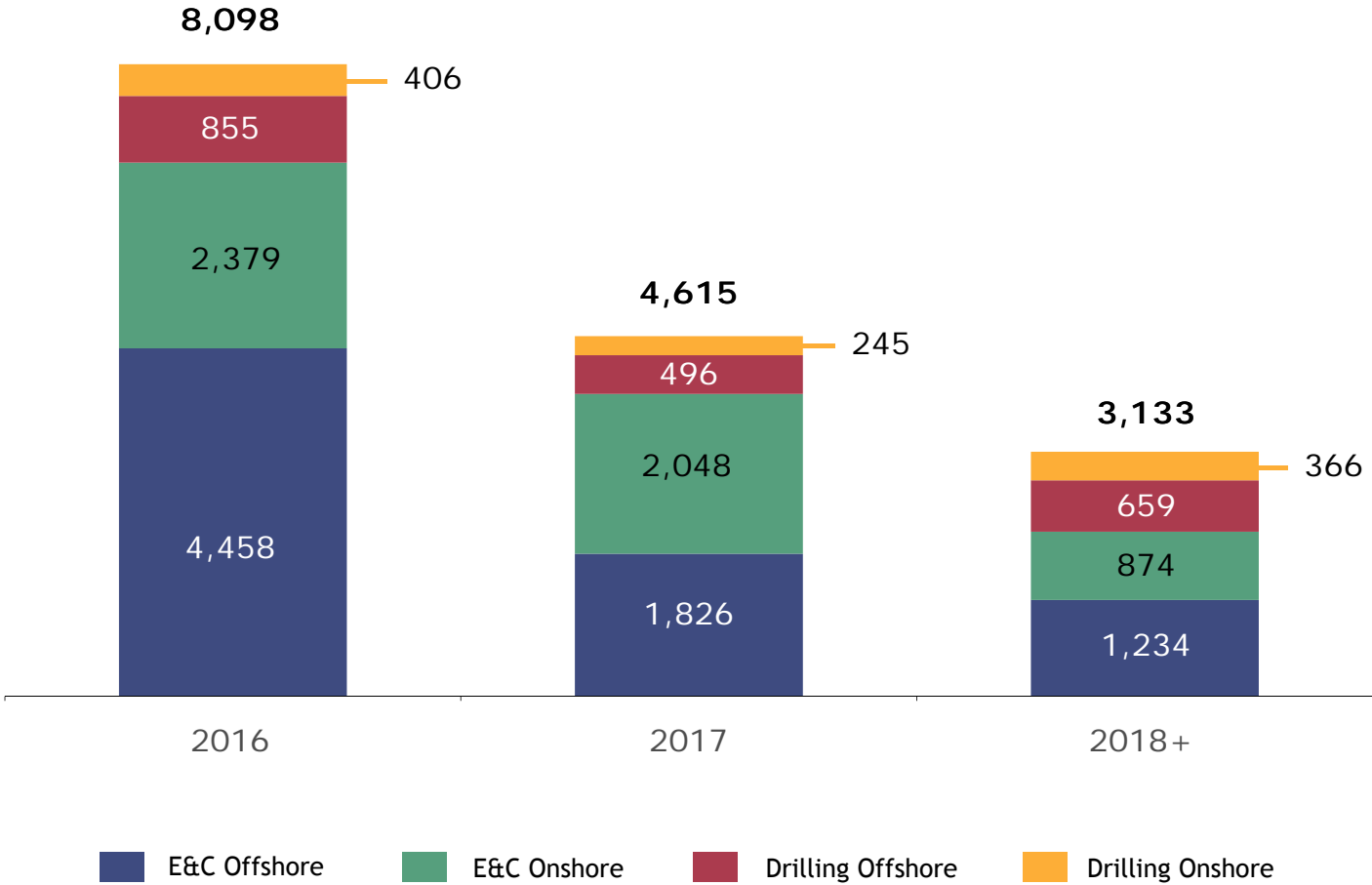
2015 BACKLOG AND NEW ORDERS

(€ mn)



BACKLOG BY YEAR OF EXECUTION

(€ mn)



E&C OPPORTUNITIES

LEGEND

- OPPORTUNITY OFFSHORE
- OPPORTUNITY ONSHORE
- ✓ SAIPEM AWARD / SAIPEM AWARD
- NEW OPPORTUNITY

Americas

- CFE Gulf Mex - offshore pipelines
- ExxonMobil Liza - subsea - **New (post 2016)**
- Kinder Morgan - onshore pipelines - **New**
- ✓ Codelco Rodomiro Tomic¹ - onshore pipelines
- CFE/Transcanada pipelines - onshore pipelines - **New**
- ✓ Shell LNG Canada - LNG²

West and North Africa

- Eni Shorouk (Zohr) development Phase 1 - subsea/pipelines
- Eni Shorouk future dev. - subsea/pipelines - **New (post 2016)**
- BG Burullus Phase IXB - subsea
- Namcor Kudu Gas Line - offshore pipelines
- Eni Zabazaba - FPSO and subsea - **New (Post 2016)**
- Eni Loango field development - fixed facilities - **New**
- BP Platina URF - subsea - **New (Post 2016)**
- Exxon Qua Iboe Power Plant - downstream
- ✓ Quantum Methanol (early works) - downstream³
- E-Chem Petrochemical Complex - downstream - **New**

Central Asia/Europe

- Lukoil Filanovsky Phase 2 - offshore fixed facilities
- BP Shah Deniz Ph. 2 Operational Construction Vessel - subsea
- TAP / TANAP - offshore pipelines
- NCOC Kashagan Trunklines Add. Repair 18'' - off. Pipelines - **New**
- INA Refinery - downstream
- Gazprom Moscow Refinery Upgrading FEED - downstream
- BUP Ammonia Urea - downstream - **New**
- Re-gas LNG Terminal - LNG - **New**

Asia Pacific

- BP Tangguh - offshore fixed facilities and pipelines
- PTTEP Zawtika Phase 1C - offshore fixed facilities - **New**
- Hess Equus - subsea/offshore pipelines - **New (post 2016)**
- Chevron Gehem Gendalo - FPU and subsea (post 2016)
- Shell Inpex Masela FEED - FLNG and subsea (post 2016)
- Petronas RAPID - downstream
- BP Tangguh - LNG
- Agri Nutrients Balance Ammonia/Urea - downstream - **New**
- Pertamina CEPU - upstream - **New**

Middle East

- S. Aramco Hasbah - offshore fixed facilities
- S. Aramco 4 CRPOs LTA - offshore fixed facilities - **New**
- S. Aramco Safanya LTA development - offshore fixed facilities - **New**
- QP Bul Hanine EPCI - off. fixed facilities - **New**
- KNPC New Refinery pipeline - onshore pipelines
- ADCO BAB Integrated Facilities - upstream
- BGC Ar Ratawi NGL Gas Plant - upstream (post 2016)
- S. Aramco Uthmaniyah Gas Plant - upstream - **New**
- KOC GC32 - upstream - **New (post 2016)**
- ADCO Al Dabbiya ASR Development - upstream - **New**
- DUQM Refinery - downstream - **New**
- Oman TTC Ras Markaz Terminal - downstream - **New (post 2016)**

East Africa

- Eni Mamba - subsea - **New (post 2016)**
- Anadarko Golfinho - subsea
- ✓ Anadarko Onshore - LNG⁴

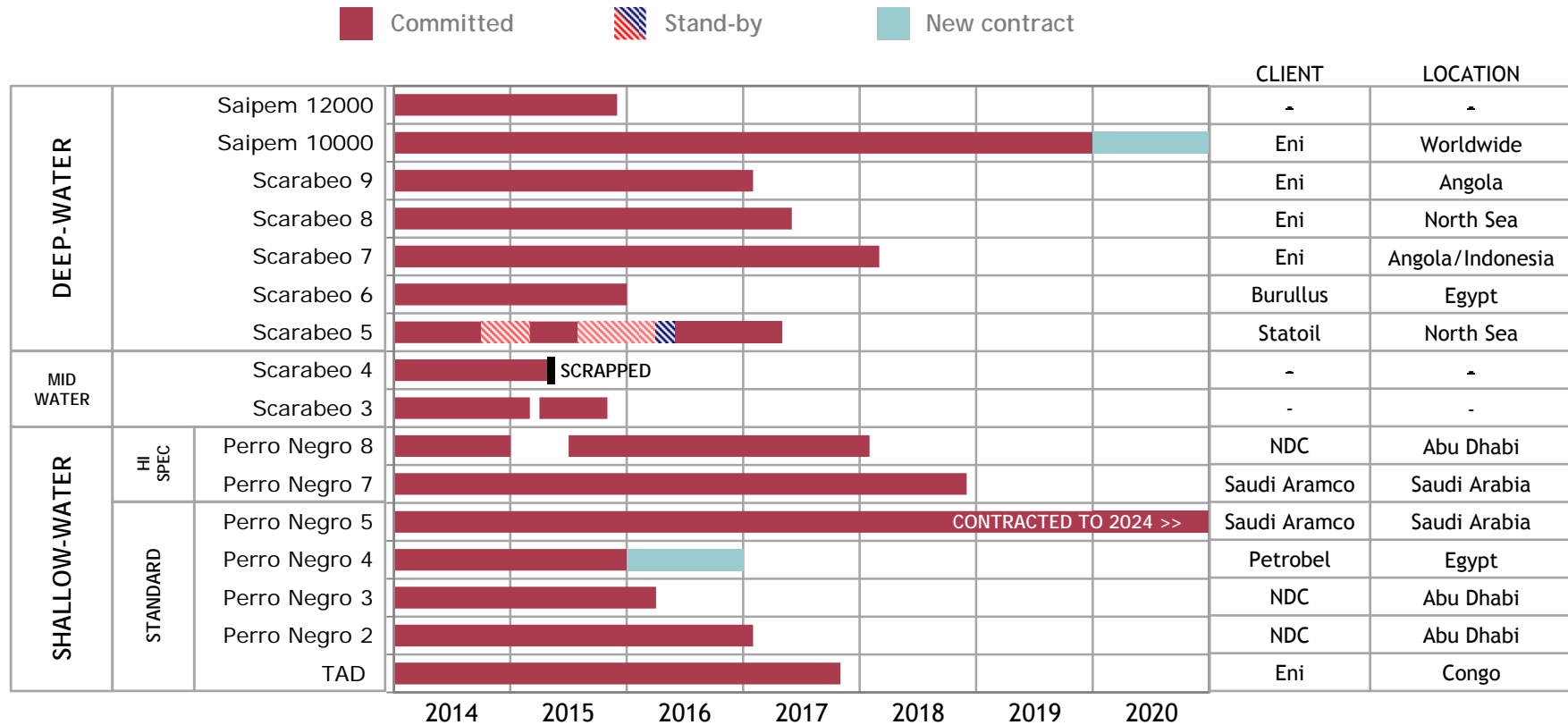
Total Value of opportunities: approx. €38 bn



1. Engineering phase ongoing. Execution phase subject to obtainment of environmental permits. 2. Preselected contractor for FEED and EPCM execution. Ongoing OBE updating to consolidate basis for client final investment decision. 3. Early Works awarded. 4. Selected contractor, award subject to client final investment decision.

UPDATE ON DRILLING

Offshore Drilling fleet contracts



Onshore drilling fleet utilization rate 2015: 90.5%



UPDATE ON DELIVERY OF STRATEGY

UPDATE ON DELIVERY OF STRATEGIC OBJECTIVES

Saipem's Strategic pillars

Progress as of today

1 Business portfolio refocus

- Progress in downsizing Canada, Brazil, UK and Australia
- Environmental Services and Roma-Vibo engineering sold
- Strategic review of Italian infrastructure activities and leased FPSOs ongoing

2 De-risking the business model

- Strengthened project screening process
- Low-margin legacy contracts run off (4% of 2016 revenues)

3 Cost optimisation & process efficiency

- €150m of EBIT improvements achieved in H2/15, strong headcount reduction
- Ongoing review to identify additional savings

4 Technology and innovation

- Alliance between Saipem and Aker
- New organisation to enhance innovation focus

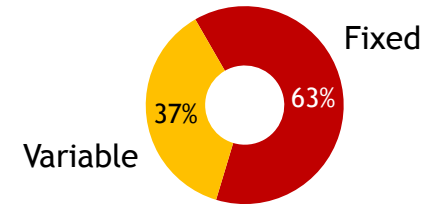
5 Debt reduction and capital discipline

- €3.5bn rights issue completed
- Successful debt syndication achieved

UPDATE ON COST OPTIMISATION PROGRAMME

Programme ongoing, progress as scheduled

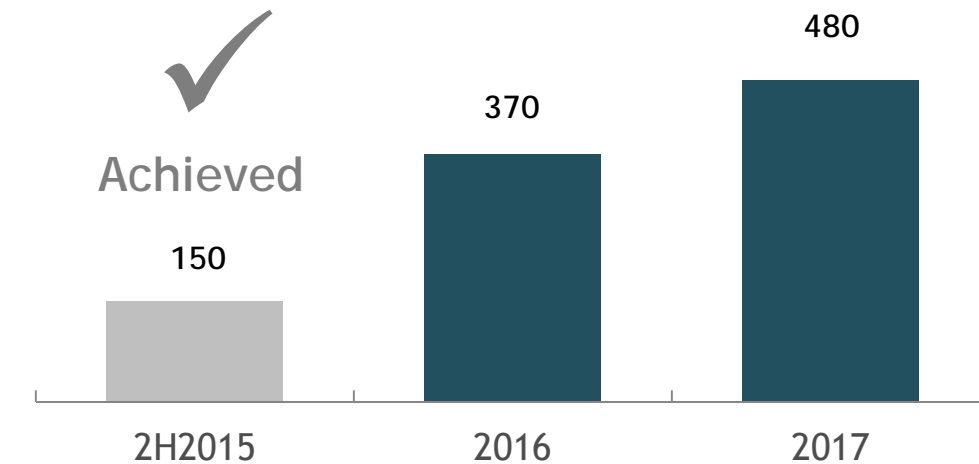
Cumulative Cost Savings €1.5bn



Staff & Central Costs €0.45bn

Project & Operation Costs €0.55bn

Planned EBIT improvements



Avoided Costs €0.5bn, including additional savings of ~€200mm identified in October 2015

COST OPTIMISATION PROGRAMME ON TRACK

Total savings €1.5bn	2015 Achievements	2016/2017 Actions
Staff & Central Costs €0.45bn	<ul style="list-style-type: none"> Yard rightsizing (Angola, Canada) Optimization of peripheral operating centres Review of HR policies 	<ul style="list-style-type: none"> Rightsize overseas support functions (local and expat personnel) Offshoring IT services Group legal entity streamlining
Project & Operation Costs €0.55bn	<ul style="list-style-type: none"> Fabrication improvement program Supplier renegotiations Vessel maintenance and manning optimisation 	<ul style="list-style-type: none"> Review construction supervision model Optimize rig logistics Supply chain optimization
Avoided Costs €0.5bn	<ul style="list-style-type: none"> Reduction of engineering overcapacity Scrap of obsolete drilling and offshore vessels 	<ul style="list-style-type: none"> Additional engineering footprint optimization Optimization of external services Further rightsizing of assets and resources
Headcount reduction 8,800 FTEs	<ul style="list-style-type: none"> Workforce at YE 2015: 43,600 FTE Overall reduction of ~7,000 FTE 	<ul style="list-style-type: none"> Target confirmed Further reduction being pursued

SNAPSHOT OF SAIPEM-AKER ALLIANCE

Two leaders in their respective markets



SURF EPCI contractor *leveraging on* engineering, assets, local content, subsea technologies

SPS technology driven manufacturer *leveraging on* engineering and products

Vertical integration of complementary SPS/SURF

'Delivery and Life-of-Field Service' model

Strategic Advantages

- **Leverage technology** by coordinated approach and deployment of own products and systems and development of new and innovative solutions
- **Early engagement, fit for purpose solutions and cost reduction**
- **Expand market perimeter** accessing high value segments: SPS and Life of Field
- **Extend / optimise geographical presence**



GUIDANCE

2016 GUIDANCE

Metrics	FY 2016
Revenues	<ul style="list-style-type: none">>€11bn74% covered by backlog
EBIT <i>% margin</i>	<ul style="list-style-type: none">>€600mm~5.5%
Net profit	<ul style="list-style-type: none">~ €300mm
CAPEX	<ul style="list-style-type: none">~ €500mm
Net financial position	<ul style="list-style-type: none"><€1.5bn



TAKEAWAYS

TAKEAWAYS

2015 guidance met

Strengthened balance sheet

2016 guidance underpinned by backlog, opportunities and efficiencies

Continuous review of costs, disciplined commercial effort