



saipem

## **Saipem: Board approves preliminary consolidated results 2010 ADJUSTED NET PROFIT, BACKLOG AND DIVIDENDS AT RECORD LEVELS**

- **Adjusted net profit for 2010 reached a record level of Euro 828 million, a 13.1% increase compared to 2009. Net profit amounted to Euro 844 million.**
- **Net profit for the fourth quarter of 2010 amounted to Euro 237 million, a 26.1% increase compared to the fourth quarter of 2009.**
- **New contracts won in 2010 amounted to Euro 12,935 million (Euro 9,917 million in 2009), while the backlog at December 31, 2010 stood at a record Euro 20,505 million (Euro 18,730 million at December 31, 2009).**
- **Investments in 2010 amounted to Euro 1,545 million, compared to Euro 1,615 million in 2009.**
- **Proposed dividend: Euro 0.63 per ordinary share and Euro 0.66 per savings share.**
- **Management outlook for 2011: further increase in revenues (approx. 5%), EBITDA (approx. 10%) and adjusted net profit (approx. 5%).**

*San Donato Milanese, February 10, 2011.* Today, the Board of Directors of Saipem S.p.A. reviewed the Saipem Group preliminary consolidated results at December 31, 2010 (not yet submitted to the Company Statutory Auditors and Independent Auditors), which have been prepared in compliance with the International Financial Reporting Standards (IFRS).

The Board of Directors will propose at the Annual Shareholders' Meeting, set to convene on April 27 and 28, 2011, first and second call respectively, the distribution of a dividend of Euro 0.63 per ordinary share<sup>(\*)</sup> (Euro 0.55 last year) and Euro 0.66 per savings share<sup>(\*)</sup> (Euro 0.58 last year). Dividends will be paid from May 26, 2011 (ex-dividend date: May 23, 2011).

This payout is in line with those of previous years and represents approximately one third of consolidated adjusted net profits.

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(\*) Following the fiscal reform effective from 1<sup>st</sup> January 2004, dividends do not benefit from any tax credit and, depending on the recipient, are taxed at source or are partially added to the taxable income.

(million euro)

Q4 2009	Q3 2010	Q4 2010	Q4 2010 vs Q4 2009 (%)		2009	2010	2010 vs 2009 (%)
2,592	2,818	2,957	14.1	Revenues	10,292	11,160	8.4
399	471	501	25.6	EBITDA	1,596	1,836	15.0
290	339	353	21.7	Operating profit	1,156	1,319	14.1
188	211	237	26.1	Adjusted net profit	732	828	13.1
188	227	237	26.1	Net profit	732	844	15.3
297	343	385	29.6	Adjusted cash flow	1,172	1,345	14.8
401	371	392	(2.2)	Investments	1,615	1,545	(4.3)
2,968	2,564	3,312	11.6	New contracts	9,917	12,935	30.4

*As previously stated, revenues and associated profit levels, particularly in the Engineering & Construction sectors, and, to a lesser extent, in the Drilling sectors, 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 2010 amounted to Euro 1,545 million (Euro 1,615 million in 2009) and included:

- Euro 713 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 25 million in the Onshore sector on maintenance of the existing asset base;
- Euro 553 million in the Offshore Drilling sector, mainly relating to the completion of an ultra-deepwater drill ship, the purchase of a jack-up under construction and its completion, construction of two semi-submersible rigs, in addition to maintenance and upgrading of the existing asset base;
- Euro 254 million in the Onshore Drilling sector mainly relating to the construction of three rigs, one of which started operations in 2010 and another that has already been mobilized for operations, in addition to the upgrading of the existing asset base.

The latest delivery schedule for major ongoing investments is as follows: the semi-submersible drilling platform Scarabeo 9 is due to complete commissioning at the Keppel Fels Shipyard in Singapore by the end of June, and will then be transferred to the Caribbean. As recently announced, Scarabeo 8 is to be completed in the fourth quarter of 2011.

The ultra-deepwater field development ship FDS2 is due for hand-over at the Samsung Heavy Industries Shipyard (South Korea) in April. The FPSO Aquila is expected to be completed at the Drydocks World Shipyard (Dubai) in the third quarter. The new pipelayer CastorOne has completed drydock mating at the Yantai CIMC Raffles Shipyard (China) and will be transferred to a new shipyard in Singapore towards the end of the month for its completion and commissioning. Work at the new shipyard is expected to take 14 months. The new fabrication yard in Karimun, Indonesia is due to be completed by the end of the year.

**Net financial debt** at December 31, 2010 amounted to Euro 3,263 million, representing an increase of Euro 418 million from December 31, 2009, mainly attributable to investments

made during the year and the distribution of dividends, partially offset by the cash flow generated during the period.

### **New contracts and backlog**

During the fourth quarter of 2010, Saipem was awarded contracts, net of reductions relating to contracts already in the backlog, amounting to Euro 3,312 million (Euro 2,968 million in the fourth quarter of 2009).

New contracts awarded to the Saipem Group during 2010, net of reductions relating to contracts already in the backlog, amounted to Euro 12,935 million (Euro 9,917 million in 2009).

The backlog of the Saipem Group at December 31, 2010 reached the record level of Euro 20,505 million (Euro 5,544 million in the Offshore sector, Euro 10,543 million in the Onshore sector, Euro 4,418 million in the Drilling sectors), of which Euro 9,029 million are due to be realised in 2011.

In January 2011, Saipem was awarded new contracts and negotiated variations to existing contracts amounting to a total of approximately Euro 1 billion. These can be broken down as follows:

- Onshore sector: approximately Euro 750 million for contracts detailed in the press release of January 14, 2011;
- Offshore and Onshore Drilling sectors: approximately Euro 240 million for contracts detailed in the press release of January 26, 2011.

### **Management outlook for 2011**

Oil industry spending is expected to increase in 2011, underpinning expectations of improved market prospects for the oil services industry. Specifically, Onshore sector spending is expected to experience similar high levels of investment as in 2010, whilst the Offshore sector spending is expected to increase. This should allow for a continued positive trend in the Onshore market and a gradual recovery in the Offshore market, a sector that has remained weak over the last two years. In the Drilling sectors, good demand is expected to lead to a gradual recovery of both utilization levels and daily rates.

As far as Saipem is concerned, the record level of the backlog, its size and quality, and the strong operating performance of the industrial model, underpin expectations of again achieving record results.

Specifically compared to 2010, revenues are expected to increase by 5% and EBITDA by 10%. Depreciation is forecast to increase in excess of Euro 100 million due to the asset base expansion. Financial expenses are expected to rise due to the charge to Income Statements of interests previously capitalised on investments completed in 2010 or to be completed in 2011. The tax rate is currently expected to remain in line with that of 2010. The increase in adjusted net profit is expected to be around 5% compared to the record level of 2010.

Investments for 2011 are forecast in the region of Euro 1 billion and will be spent on progressively strengthening the Offshore asset base and completing the expansion of the Drilling fleet. A further improvement in leverage is forecast.

### **Organisational changes**

With the aim of facilitating enhanced integration of the Engineering & Project Management competencies with those deriving from our powerful Asset Base, the Onshore and Offshore Business Units have been unified. The resulting single Business Unit, denominated 'Engineering & Construction', will be headed by Chief Operating Officer Pietro Varone. The Drilling Business Unit, headed by Chief Operating Officer Giuseppe

Caselli, already comprises both Onshore and Offshore segments. In consideration of the differences in terms of invested capital and margins, reporting of financial results will continue to be split by Onshore and Offshore segments, both for Drilling and Engineering & Construction.

In addition, responsibilities for development of new Assets, along with maintenance of Assets (which was previously a support function to the Business Units) have now been reallocated to the two Business Units - Engineering & Construction, and Drilling respectively - consistent with the type of Asset.

*Saipem's Chief Financial Officer, Mr Giulio Bozzini, in his capacity as 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.*

*By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent 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: monetary exchange 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 is organised into two Business Units: Engineering & Construction 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

### Engineering & Construction:Offshore

(million euro)

Q4 2009	Q3 2010	Q4 2010	Q4 2010 vs Q4 2009 (%)		2009	2010	2010 vs 2009 (%)
1,008	1,150	1,177	16.8	Revenues	4,341	4,486	3.3
(818)	(933)	(960)	17.4	Expenses	(3,531)	(3,654)	3.5
(48)	(56)	(63)	31.3	Depreciation and amortisation	(195)	(219)	12.3
142	161	154	8.5	Operating profit	615	613	(0.3)
18.8	18.9	18.4		EBITDA %	18.7	18.5	
14.1	14.0	13.1		EBIT %	14.2	13.7	
1,681	1,436	1,241		New contracts	5,089	4,600	

The backlog at December 31, 2010 stood at Euro 5,544 million, of which Euro 3,156 million is due to be realised in 2011.

- Revenues for 2010 amounted to Euro 4,486 million, representing a 3.3% increase compared to 2009, mainly due to higher levels of activity in West Africa and Kazakhstan.
- Operating profit for 2010 amounted to Euro 613 million, equal to 13.7% of revenues, compared to Euro 615 million, equal to 14.2% of revenues, in 2009. EBITDA margin stood at 18.5% slightly down from 18.7% in 2009, due to a rise in idle costs which were partially offset by improved margins from contracts under execution.
- The most significant contracts awarded in the fourth quarter 2010 include:
  - for Nord Stream AG, in the Baltic Sea, as part of the Nord Stream contract for the laying of twin gas pipelines, the scope of work was extended to include rock placement, dredging, backfilling, testing and pre-commissioning activities;
  - for Agip KCO, in Kazakhstan, an extension of the Kashagan Piles and Flares contract, for activities to be carried out in 2011, for the installation of the offshore facilities system relating to the experimental phase of the Kashagan field development;
  - for Mobil Producing Nigeria Unlimited, the Critical Crude Pipeline Replacement project in Nigeria, involving fabrication, transportation, installation and testing of 6 replacement pipelines connecting 6 platforms; including shore approach and subsea safety structures.
  - for Amberjack Pipeline LLC (a partnership between Chevron Pipe Line Company and Shell Pipeline Company LP), the contract for transport and installation of the Walker Ridge export pipeline in the Gulf of Mexico;
  - for UTE ACS Cobra Castor, the Offshore Construction Gas Pipeline contract in Spain, for the installation of an offshore pipeline connecting the Spanish coast to a well head platform.

## Engineering & Construction:Onshore

(million euro)

Q4 2009	Q3 2010	Q4 2010	Q4 2010 vs Q4 2009 (%)		2009	2010	2010 vs 2009 (%)
1,295	1,306	1,375	6.2	Revenues	4,831	5,236	8.4
(1,198)	(1,202)	(1,264)	5.5	Expenses	(4,493)	(4,827)	7.4
(10)	(11)	(10)	–	– Depreciation and amortisation	(48)	(39)	(18.8)
87	93	101	16.1	Operating profit	290	370	27.6
7.5	8.0	8.1		EBITDA %	7.0	7.8	
6.7	7.1	7.3		EBIT %	6.0	7.1	
891	913	2,050		New contracts	3,665 (*)	7,744	

(\*) new contracts awarded in 2009 amounted to Euro 3,765 million, which have been reduced by Euro 100 million in respect of estimated decreased revenues on the Manifa project

The backlog at December 31, 2010 stood at Euro 10,543 million, of which Euro 4,757 million is due to be realised in 2011.

- Revenues for 2010 amounted to Euro 5,236 million, representing an 8.4% increase compared to 2009, attributable mainly to the resumption of activities on the Manifa project in Saudi Arabia and higher levels of activity in North and West Africa.
- Operating profit for 2010 amounted to Euro 370 million, compared to Euro 290 million in 2009, with the margin on revenues rising from 6.0% to 7.1%. EBITDA margin stood at 7.8% compared to 7.0% in 2009. This increase in margin is attributable to strong operational performance.
- The most significant awards in the fourth quarter of 2010 include:
  - for Husky Oil, the “Sunrise” EPC contract in Canada, comprising engineering, procurement and construction of central processing facilities for two plants;
  - for Kharafi National, the EPC contract comprising engineering, procurement and construction and commissioning of oil and gas treatment facilities for the development of the Jurassic in northern Kuwait;
  - for Dijla Petroleum Company, the turnkey contract for the engineering, procurement and construction of the central processing facilities for the Khurbert East field in Syria.

## Drilling: Offshore

(million euro)

Q4 2009	Q3 2010	Q4 2010	Q4 2010 vs Q4 2009 (%)		2009	2010	2010 vs 2009 (%)
137	179	225	64.2	Revenues	566	750	32.5
(66)	(80)	(104)	57.6	Expenses	(279)	(348)	24.7
(25)	(35)	(45)	80.0	Depreciation and amortisation	(95)	(144)	51.6
46	64	76	65.2	Operating profit	192	258	34.4
51.8	55.3	53.8		EBITDA %	50.7	53.6	
33.6	35.8	33.8		EBIT %	33.9	34.4	
355	167	10		New contracts	585 (*)	326	

(\*) new contracts awarded in 2009 amounted to Euro 718 million, which have been reduced by Euro 133 million in respect of the cancellation, in the third quarter, of the ADDAX contract for Scarabeo 3.

The backlog at December 31, 2010 stood at Euro 3,354 million, of which Euro 704 million is due to be realised in 2011.

- Revenues for 2010 amounted to Euro 750 million, representing a 32.5% increase on 2009, attributable mainly to the full-scale activities of the jack-ups Perro Negro 6 and the semi-submersible platforms Scarabeo 3 and Scarabeo 4, in addition to the start of operation for the drillship Saipem 12000 and the jack-up Perro Negro 8.
- Operating profit for 2010 amounted to Euro 258 million, compared to Euro 192 million in 2009, with the margin on revenues increasing from 33.9% to 34.4%. EBITDA margin stood at 53.6% compared to 50.7% in 2009. The increase in depreciation is attributed to new rigs starting operations.
- Vessel utilisation in 2010 and the impact of programmed maintenance for 2011 are as follows:

Vessel	December 2010		Year 2011
	Under contract (days)	Idle	Idle due to class reinstatement works (days)
Semi-submersible platform Scarabeo 3	365	–	–
Semi-submersible platform Scarabeo 4	365	–	–
Semi-submersible platform Scarabeo 5	365	–	31 *
Semi-submersible platform Scarabeo 6	347	18 *	92 *
Semi-submersible platform Scarabeo 7	365	–	15 *
Drillship Saipem 10000	269	96 *	–
Drillship Saipem 12000	147	–	–
Jack-up Perro Negro 2	354	11 *	–
Jack-up Perro Negro 3	334	31 *	31 *
Jack-up Perro Negro 4	365	–	61 *
Jack-up Perro Negro 5	256	109 *	–
Jack-up Perro Negro 6	365	–	–
Jack-up Perro Negro 7	365	–	31 *
Jack-up Perro Negro 8	40	–	–
Tender Assisted Drilling Barge	263	102 *	–

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

## Drilling: Onshore

(million euro)

Q4 2009	Q3 2010	Q4 2010	Q4 2010 vs Q4 2009 (%)		2009	2010	2010 vs 2009 (%)
152	183	180	18.4	Revenues	554	688	24.2
(111)	(132)	(128)	15.3	Expenses	(393)	(495)	26.0
(26)	(30)	(30)	15.4	Depreciation and amortisation	(102)	(115)	12.7
15	21	22	46.7	Operating profit	59	78	32.2
27.0	27.9	28.9		EBITDA %	29.1	28.1	
9.9	11.5	12.2		EBIT %	10.6	11.3	
41	48	11 (*)		New contracts	578	265 (*)	

(\*) new contracts awarded in 2010 amounted to Euro 338 million and those awarded in the quarter amounted to Euro 84 million, which have been reduced by Euro 73 million in respect of the cancellation of the contract for two rigs with Regal Petroleum in Ukraine.

The backlog at December 31, 2010 stood at Euro 1,064 million, of which Euro 412 million is due to be realised in 2011.

- Revenues for 2010 amounted to Euro 688 million, representing a 24.2% increase compared to 2009, mainly due to the start of operations of new rigs in South America and Congo, and to refurbishment activities on two client-owned rigs in Kazakhstan.
- Operating profit for 2010 amounted to Euro 78 million, up from Euro 59 million in 2009, with a margin on revenues increasing from 10.6% to 11.3%. EBITDA margin stood at 28.1%, down from 29.1% in 2009. The increase in depreciation is due to new rigs entering the fleet.
- Average utilisation of rigs in 2010 stood at 94% (91% in 2009). At the end of December 2010, the Company owned 86 rigs (in addition to 1 rig under construction and 1 already on site ready to start operations) located as follows: 28 in Venezuela, 19 in Peru, 8 in Saudi Arabia, 7 in Algeria, 6 in Colombia, 4 in Italy, 3 in Kazakhstan, 3 in Brazil, 3 in Ecuador, 2 in Ukraine, 2 in Congo and 1 in Bolivia. In addition, 6 third-party rigs were deployed in Peru, 3 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	December 31, 2010
Net tangible fixed assets	6,295	7,403
Net intangible fixed assets	<u>756</u>	<u>760</u>
	7,051	8,163
- Engineering & Construction: Offshore	3,105	3,617
- Engineering & Construction: Onshore	464	444
- Drilling: Offshore	2,750	3,204
- Drilling: Onshore	732	898
Financial investments	118	105
<b>Non-current assets</b>	<b>7,169</b>	<b>8,268</b>
<b>Net current assets</b>	<b>(647)</b>	<b>(658)</b>
<b>Employee termination indemnities</b>	<b>(182)</b>	<b>(193)</b>
<b>CAPITAL EMPLOYED</b>	<b><u>6,340</u></b>	<b><u>7,417</u></b>
<b>Shareholders' equity</b>	<b>3,434</b>	<b>4,060</b>
<b>Minority interest in net equity</b>	<b>61</b>	<b>94</b>
<b>Net debt</b>	<b>2,845</b>	<b>3,263</b>
<b>COVER</b>	<b><u>6,340</u></b>	<b><u>7,417</u></b>
<b>Leverage (net debt/shareholders' equity)</b>	<b>0.83</b>	<b>0.80</b>
<b>SHARES ISSUED AND OUTSTANDING</b>	<b>441,410,900</b>	<b>441,410,900</b>

**CONSOLIDATED INCOME STATEMENT  
RECLASSIFIED BY  
NATURE OF EXPENSES**

(million euro)

Q4 2009	Q3 2010	Q4 2010		year	
				2009	2010
2,592	2,818	2,957	Operating revenues	10,292	11,160
3	4	5	Other revenues and income	14	14
(1,843)	(1,956)	(2,015)	Purchases, services and other costs	(7,230)	(7,711)
(353)	(395)	(446)	Payroll and related costs	(1,480)	(1,627)
<b>399</b>	<b>471</b>	<b>501</b>	<b>GROSS OPERATING PROFIT</b>	<b>1,596</b>	<b>1,836</b>
(109)	(132)	(148)	Amortisation, depreciation and write-downs	(440)	(517)
<b>290</b>	<b>339</b>	<b>353</b>	<b>OPERATING PROFIT</b>	<b>1,156</b>	<b>1,319</b>
(18)	(27)	(20)	Financial expenses	(100)	(110)
(6)	4	5	Income from investments	7	13
<b>266</b>	<b>316</b>	<b>338</b>	<b>INCOME BEFORE INCOME TAXES</b>	<b>1,063</b>	<b>1,222</b>
(72)	(90)	(96)	Income taxes	(288)	(344)
<b>194</b>	<b>226</b>	<b>242</b>	<b>INCOME BEFORE MINORITY INTEREST</b>	<b>775</b>	<b>878</b>
(6)	(15)	(5)	Minority interest	(43)	(50)
<b>188</b>	<b>211</b>	<b>237</b>	<b>ADJUSTED NET PROFIT</b>	<b>732</b>	<b>828</b>
–	17	–	Capital gain from the disposal of non-core assets	–	17
–	(1)	–	Tax charge	–	(1)
<b>188</b>	<b>227</b>	<b>237</b>	<b>NET PROFIT</b>	<b>732</b>	<b>844</b>
<b>297</b>	<b>343</b>	<b>385</b>	<b>CASH FLOW (Net profit + Depreciation and amortisation)</b>	<b>1,172</b>	<b>1,345</b>

**CONSOLIDATED INCOME STATEMENT  
RECLASSIFIED BY  
FUNCTION OF EXPENSES**

Q4 2009	Q3 2010	Q4 2010		year	
				2009	2010
2,592	2,818	2,957	Operating revenues	10,292	11,160
(2,189)	(2,373)	(2,474)	Production costs	(8,714)	(9,361)
(32)	(32)	(37)	Idle costs	(100)	(131)
(27)	(30)	(39)	Selling expenses	(114)	(143)
(5)	(3)	(3)	Research and development costs	(17)	(12)
(3)	5	(5)	Other operating income (expenses), net	(9)	(10)
<b>336</b>	<b>385</b>	<b>399</b>	<b>CONTRIBUTION FROM OPERATIONS</b>	<b>1,338</b>	<b>1,503</b>
(46)	(46)	(46)	General and administrative expenses	(182)	(184)
<b>290</b>	<b>339</b>	<b>353</b>	<b>OPERATING PROFIT</b>	<b>1,156</b>	<b>1,319</b>
(18)	(27)	(20)	Financial expenses	(100)	(110)
(6)	4	5	Income from investments	7	13
<b>266</b>	<b>316</b>	<b>338</b>	<b>INCOME BEFORE INCOME TAXES</b>	<b>1,063</b>	<b>1,222</b>
(72)	(90)	(96)	Income taxes	(288)	(344)
<b>194</b>	<b>226</b>	<b>242</b>	<b>INCOME BEFORE MINORITY INTEREST</b>	<b>775</b>	<b>878</b>
(6)	(15)	(5)	Minority interest	(43)	(50)
<b>188</b>	<b>211</b>	<b>237</b>	<b>ADJUSTED NET PROFIT</b>	<b>732</b>	<b>828</b>
–	17	–	Capital gain from the disposal of non-core assets	–	17
–	(1)	–	Tax charge	–	(1)
<b>188</b>	<b>227</b>	<b>237</b>	<b>NET PROFIT</b>	<b>732</b>	<b>844</b>
<b>297</b>	<b>343</b>	<b>385</b>	<b>CASH FLOW (Net profit + Depreciation and amortisation)</b>	<b>1,172</b>	<b>1,345</b>

## RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

Q4 2009	Q3 2010	Q4 2010		year	
				2009	2010
188	211	237	Net profit	732	844
6	15	5	Minority interest	43	50
			<i>Adjustments to reconcile cash generated from operating income before changes in working capital:</i>		
107	114	145	Depreciation, amortisation and other non-monetary items	428	496
143	(144)	138	Variation in working capital relating to operations	(206)	(70)
<b>444</b>	<b>196</b>	<b>525</b>	<b>Net cash flow from operations</b>	<b>997</b>	<b>1,320</b>
(401)	(371)	(392)	Investments in tangible and intangible fixed assets	(1,615)	(1,545)
3	30	20	Disposals	38	53
<b>46</b>	<b>(145)</b>	<b>153</b>	<b>Free cash flow</b>	<b>(580)</b>	<b>(172)</b>
4	4	15	Buy-back of treasury shares/Exercise of stock options	7	35
—	—	(23)	Cash flow from share capital and reserves	(239)	(263)
(47)	49	(5)	Effect of exchange rate differences and other changes on net debt	(1)	(18)
<b>3</b>	<b>(92)</b>	<b>142</b>	<b>Change in net debt</b>	<b>(813)</b>	<b>(418)</b>
<b>2,848</b>	<b>3,313</b>	<b>3,405</b>	<b>Net debt at beginning of period</b>	<b>2,032</b>	<b>2,845</b>
<b>2,845</b>	<b>3,405</b>	<b>3,263</b>	<b>Net debt at end of period</b>	<b>2,845</b>	<b>3,263</b>