



Saipem

Presentation to the Financial Community

1H 2008 Results



Saipem

July 2008

Forward-Looking Statements

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, that could cause actual results to differ materially, including currency fluctuations, the level of capital expenditure in the oil and gas industry as well as other industries, the timing of development of energy resources, construction and project risks, armed conflict or political instability in the Arabic Gulf or other regions, the strength of competition and interest rate fluctuations.

Presentation Outline

- 1H 2008 Financial Results
 - Growth in the Present
 - Growth for the Future
 - 1. Capex Update
 - 2. Addressing Weaknesses
 - Disposal Programme Update and US Dollar Devaluation Impact
 - Conclusions



1H 2008 Financial Results



Financials

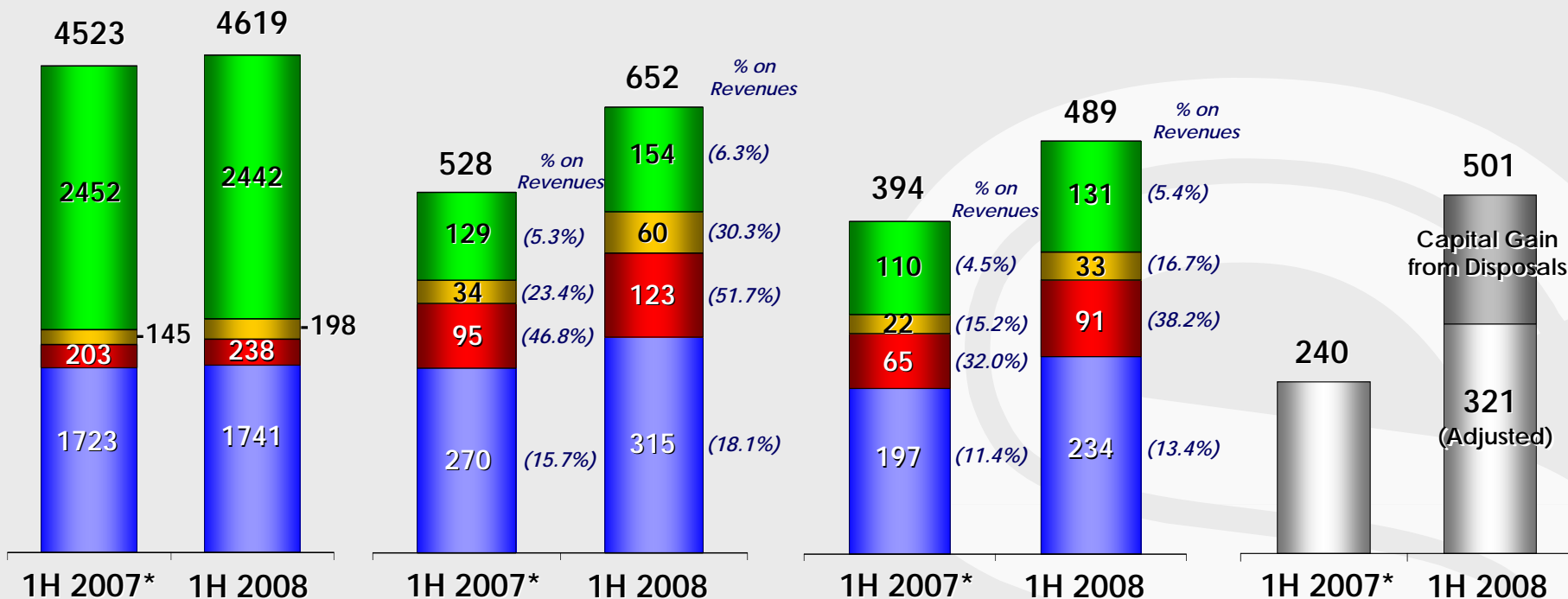
(MIn €)

Revenues

EBITDA

EBIT

Net Profit



(*) 1H 2007 figures have been restated to reflect the effects of disposals of Camom, Haldor Topsøe, GTT and Fertinetro's reclassification to "Net assets available for disposal".

Saipem Group Business Units

Offshore

Drilling

Offshore
 Onshore

Onshore

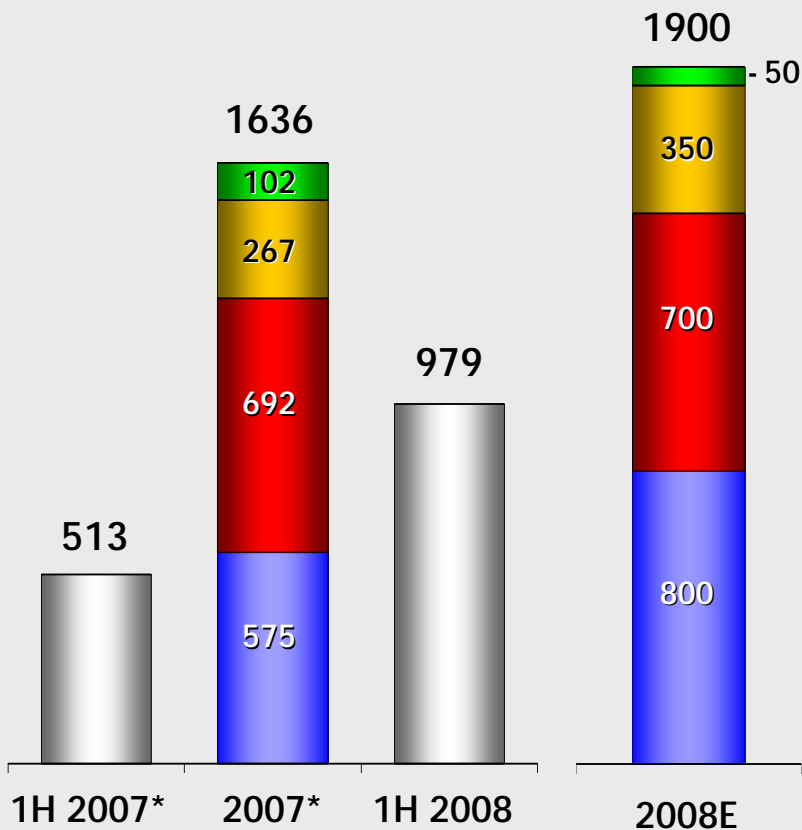
Strong execution leads to a EBIT and adjusted Net Profit Record both in Q2 and 1H



Financials

(MIn €)

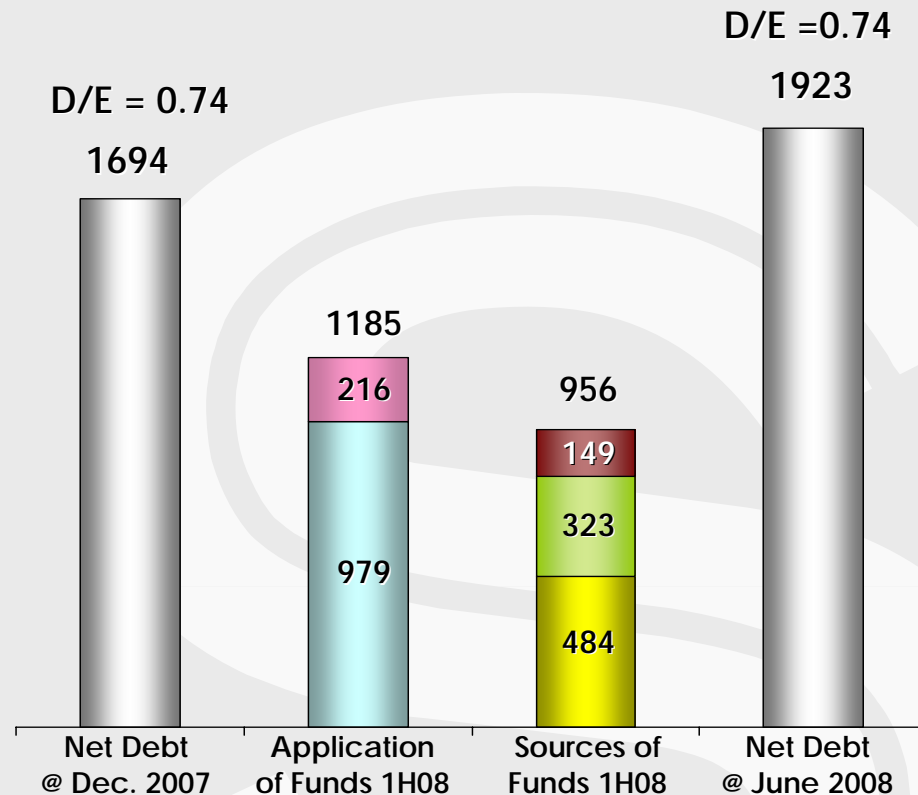
Capex



(*) 2007 figures have been restated to reflect the effects of disposals of Camom and Haldor Topsøe.



Sources and Application of Funds, Net Debt & D/E Ratio



Outflows

- Dividends & Shares Buyback
- Investments

Inflows

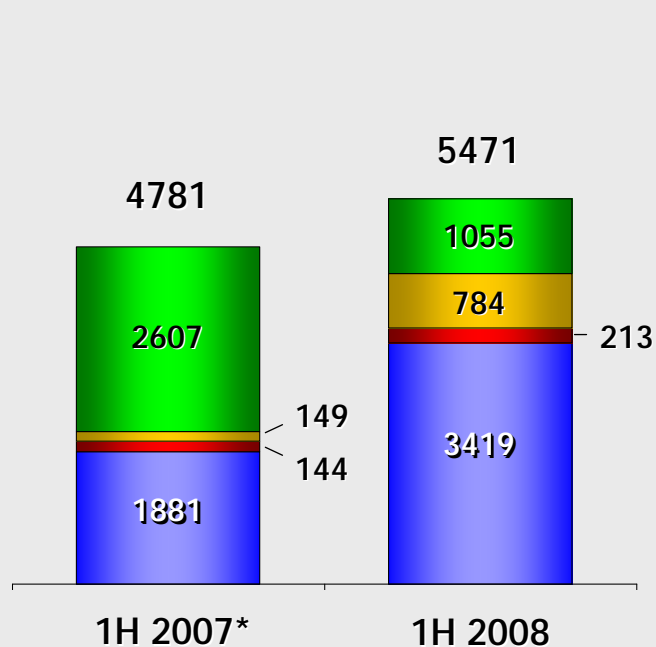
- Working Capital and Others
- Cash from Disposals
- Adjusted Cash Flow (Adjusted Net Profit + Depreciation)



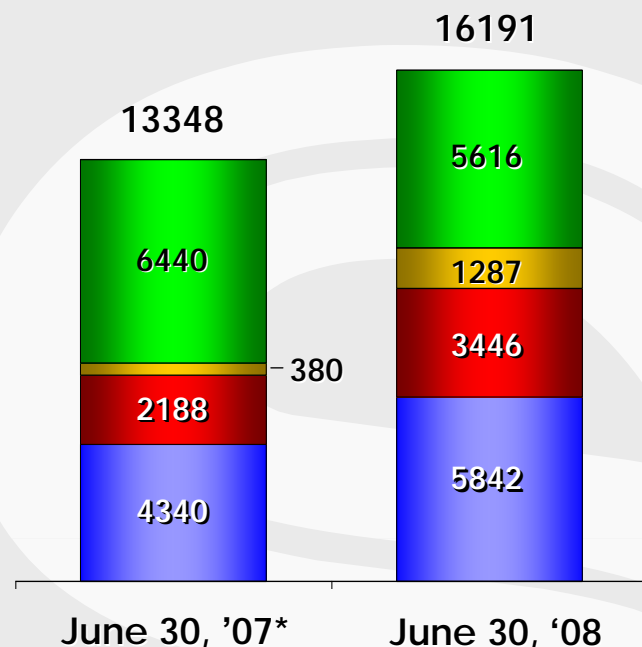
Contract Acquisitions & Backlog

(Mln €)

New Contract Acquisitions



Backlog



(*) 1H 2007 figures have been restated to reflect the effects of disposals of Camom and Haldor Topsøe.

Saipem Group Business Units

Offshore

Drilling

Offshore
 Onshore

Onshore



Growth in the Present

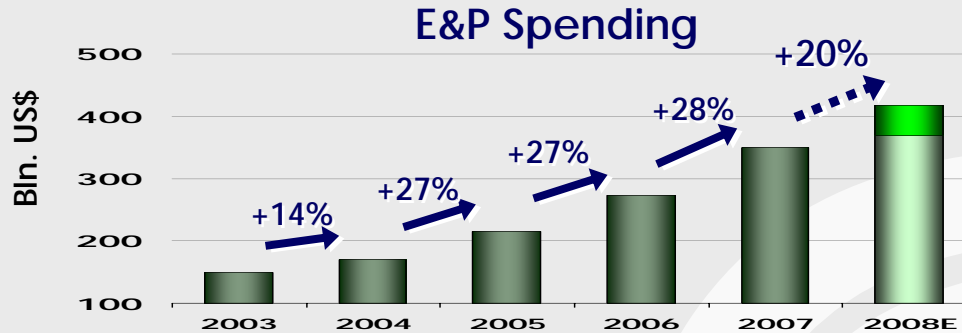


Growth in the present

Global Upstream Capex Growth

LEGEND

- Forecast @ June '08
- Forecast @ Dec. '07
- Actual



Further Improvement in '08
from +11% y/y
Forecast @Dec. '07
to

**+20% y/y
Forecast @June '08**

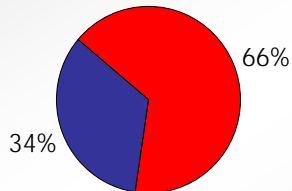
Source: Lehman Brothers

Backlog Growth: Saipem vs Competitors

Peers Panel Backlog

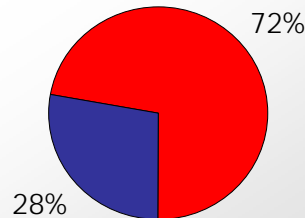
Oil Services Peer Group* AVG Backlog

June 30, 2006
€ 5.6 Bln



+5%

March 31, 2008
€ 5.9 Bln



*Peer Group of 13 Companies:
4 Offshore; 1 Offshore&Onshore;
5 Onshore; 3 Drilling

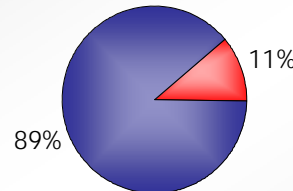
Source: Company Data

LEGEND

- E&C
- Drilling

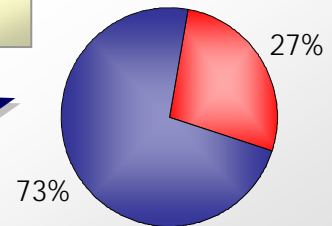
Saipem Backlog

June 30, 2006
€ 12.3 Bln



+25%

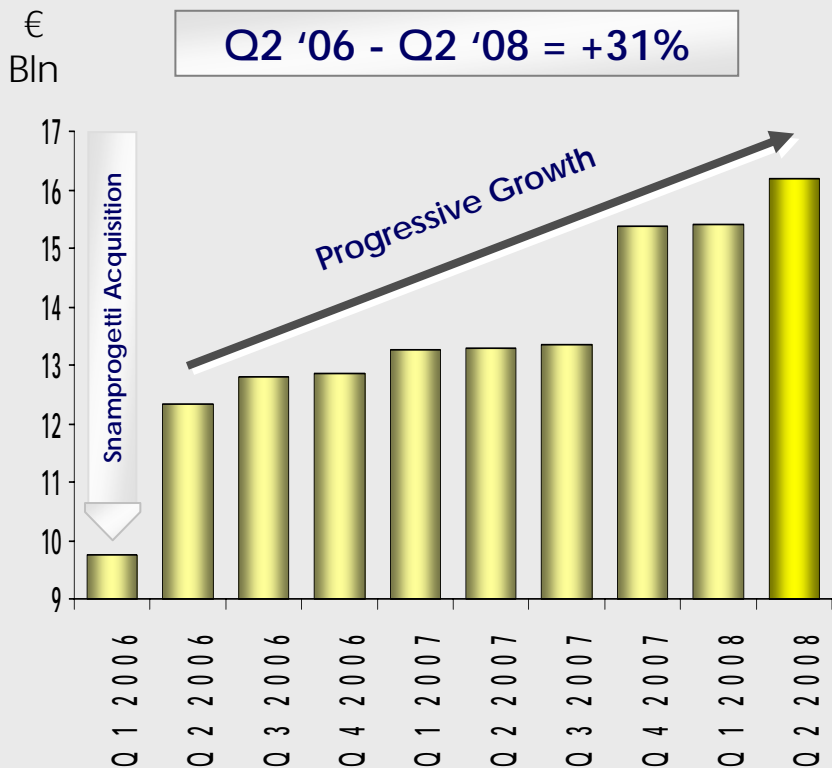
March 31, 2008
€ 15.4 Bln



**Saipem backlog evolution compares well with Peers
in an improved market environment**

Saipem Backlog: Growth and Quality

Saipem Backlog



New All-time Record Backlog
€ 16,191 Mln

Boosted by
€ 5,491 Mln New Orders Awarded in 1H '08

1H 2008 Major Awards examples:

Project	Business	Geo Area	Client
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- USAN - Offshore - West Africa - Major
- NORD STREAM - Offshore - Europe - National
- ONSHORE DRILLING - 32 Rigs contracted - mainly South America - mainly National
- BS 160 - Onshore - Middle East - National

Post 1H awards: € 4,400 Mln

- MANIFA - Onshore - Middle East - National
- ARZEW LNG - Onshore - North Africa - National

Strong Growth across all the Business Units
Securing near-term Revenue and Profitability delivery in Euros
notwithstanding further USD devaluation



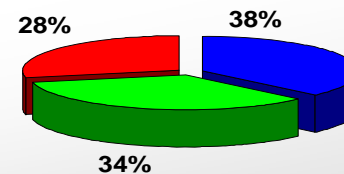
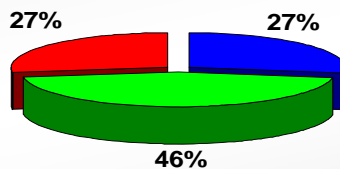
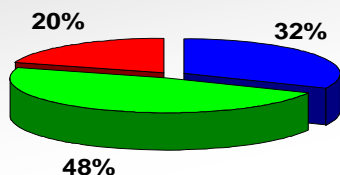
Saipem Backlog Resilience

Dec. 31, 2006

Dec. 31, 2007

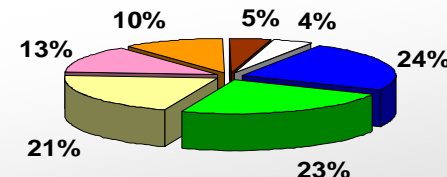
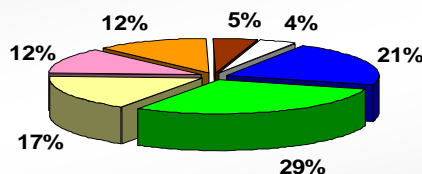
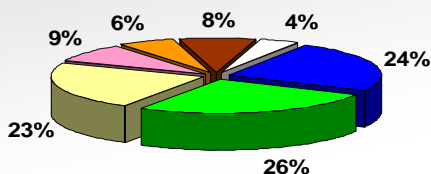
June 30, 2008

Large Balanced Business Portfolio in Core Sectors



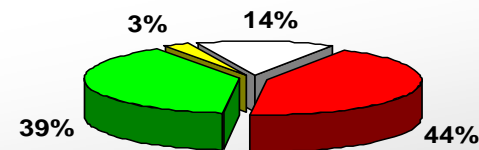
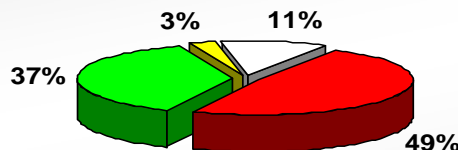
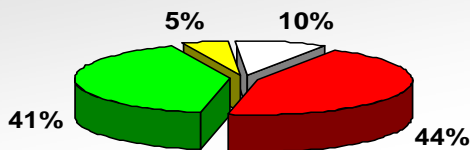
■ Offshore ■ Onshore ■ Drilling

Wide Geographic Spread of Activities



■ West Africa ■ Middle East ■ Europe ■ America ■ North Africa ■ Asia Pacific ■ CIS

Strong Strategic Client Base



■ Major and Supermajor ■ National ■ Independent □ Others*

* Mainly-downstream, Smaller and Others



Growth for the Future

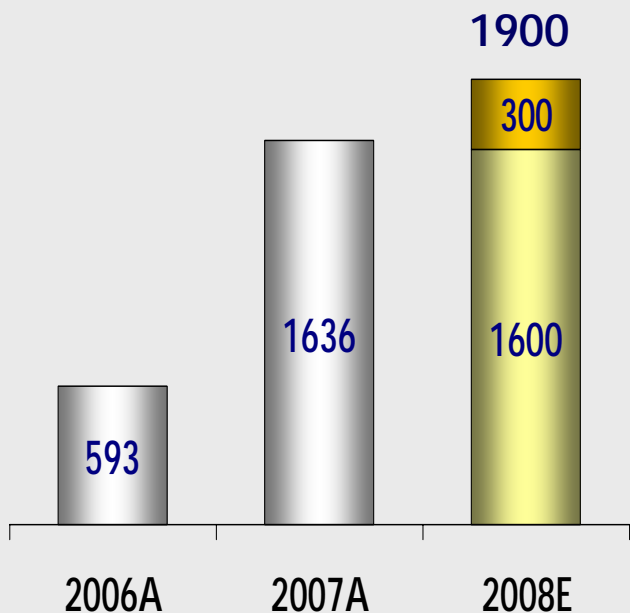


Growth for the Future

1 - Capex Update -

Saipem Capex Plan 06-08

€ 4130 Mln



Planned at beginning of 2008
 Additional Capex Planned in 1H 08

Not Including € 680 Mln Investment for Snamprogetti acquisition

Major Capex Items

Offshore

New Pipelayer

Leased FPSO Gimboa

Saipem FDS 2

Local Content Development

Diving Support Vessel

Fabrication Yard

2008 Milestones

Delivery Q3
Operational Q4

Caspian Fleet:
Ersai 2 - Mobilised
Ersai 400 - Under
Navigation

Drilling

2 New Jackups 350 ft W.D.

Almost doubling existing
Onshore Fleet

Tender Assisted Drilling Unit

2 New 6th generation Semisubs

1 New Ultra-deepwater Drillship

1st Jackup
Perro Negro 7
Operational Q3



27 New Rigs
Delivery in '08

Delivery Q2

Growth for the Future

1 - Capex Update -

Additional 2008 Capex: € 300 Mln

Main Changes	Details	Rationale
 <p data-bbox="236 558 576 708">Saipem 7000 J-lay System</p>	<ul style="list-style-type: none"> ➤ Enhancement of Saipem 7000 J-Lay System for pipelaying in 3,000 meters Water Depth 	<ul style="list-style-type: none"> ▶ Focus on Future Challenges ▶ Fleet Primacy: cutting edge technology
 <p data-bbox="236 822 576 972">Leased FPSOs</p>	<ul style="list-style-type: none"> ➤ Hull acquired for future FPSO conversion 	<ul style="list-style-type: none"> ▶ Leased FPSO Market Opportunistic Approach
 <p data-bbox="236 1086 576 1236">13 Newbuilt Onshore Rigs</p>	<ul style="list-style-type: none"> ➤ Long-term Contracts, mainly in South America ➤ Capex almost repaid within first contract ➤ Conservative depreciation plan 	<ul style="list-style-type: none"> ▶ Reinforcing Long-standing Strategic Presence in Selected Markets



2. Addressing Weaknesses: Entering the LNG market

Arzew LNG-3 Awarded to Saipem - July 2008

For the First Time

Saipem is the Main Contractor of a Large Gas Liquefaction (LNG) Plant

- | | |
|--|-----------------------------------|
| <ul style="list-style-type: none"> ✓ Client: Sonatrach ✓ Lump-sum turn key contract ✓ EPC of a single-train gas liquefaction (LNG) plant ✓ Capacity of 4.6 tons of LNG per annum ✓ Location: near the Algerian city of Arzew, about 400 kilometres west of Algiers ✓ Works to be completed in the first half of 2013 | <p><i>PROJECT DESCRIPTION</i></p> |
|--|-----------------------------------|

Entering the Exclusive LNG Market 'Major League'

Saipem Long-standing Deep-rooted Presence in Algeria



- Saipem Present since 1975
- Personnel in the Country: 780, of which about 80% Algerian
- Projects Ongoing: ONSHORE: LZ2 Hassi R'Mel, UTBS ; OFFSHORE: Medgaz ; ONSHORE DRILLING.
- Operational Engineering Centre Alger, Hassi Messaoud Base

Backlog in Algeria @ June 30
€ 820 mln (excluding Medgaz)



*A Key Country in Saipem
Local Content Strategy*



Disposal Programme Update and US Dollar Devaluation Impact

Disposal Programme Update

2008 Disposals Programme

Disposed Share (Representing entire Saipem shareholdings)	Company	Status	Proceeds	Pre-tax capital gain:
30%		Finalised	<i>Overall expected proceeds:</i> € 400 million	<i>Overall expected pre-tax capital gain:</i> € 200 million
20%		Under Negotiation		

Reminder: 2007 contribution of assets disposed and held for sale, as of 2007 year end



Revenues:
€ 212 Mln

EBIT:
€ 15 Mln

Income from
investments:
€ 46 Mln

Net Profit:
€ 45 Mln



Saipem hedging policy:
Hedge "currency exposure"
(revenues less costs) at contract acquisition

Typical Revenue 'Mix':
~ 70% USD ~ 30% Euro

2008 Expected Revenues accounting exchange rate
Mix of contracts: {
➤ Already in Backlog and Hedged
➤ Yet to be acquired

EBIT Sensitivity: △ 10% Euro/USD Exch. rate ➡ △ -7% EBIT


	2007	2008E Forecast @ Feb.	2008E Forecast @ July
Accounting Exchange Rate EUR/USD	1.34	1.41	1.46
Impact on Revenues € Mln		-400	-600
Impact on Operating Income € Mln		-40	-60



Conclusions

Conclusions

2008 Guidance - <i>CONFIRMED</i>	Revenues	Around € 10 Bln (despite <u>further</u> USD devaluation) Growth across Business Units		
		Onshore Despite Camom and Haldor Topsøe disposals (-212 €Mln vs 2007) underpinned by strong backlog	Offshore Underpinned by large projects progress in West Africa and Mediterranean	Drilling Planned maintenance to temper Offshore Drilling growth; New rigs entering operations boosting Onshore Drilling revenues
	Depreciation	Increase of some € 100 Mln mainly driven by project specific capex depreciated over the life of the projects		
	EBIT and Net Profit Adjusted	Growth of at least 20% over 2007 restated * despite higher depreciation and USD devaluation		
	Backlog	Higher than 2007 record		



2008 Guidance Reconfirmed

Given the Good Execution Delivery and the Positive Market Conditions