

# saipem

Presentation to the Financial Community

2012 Consolidated Results  
and 2013 Outlook

# Forward-Looking Statements

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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: 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 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

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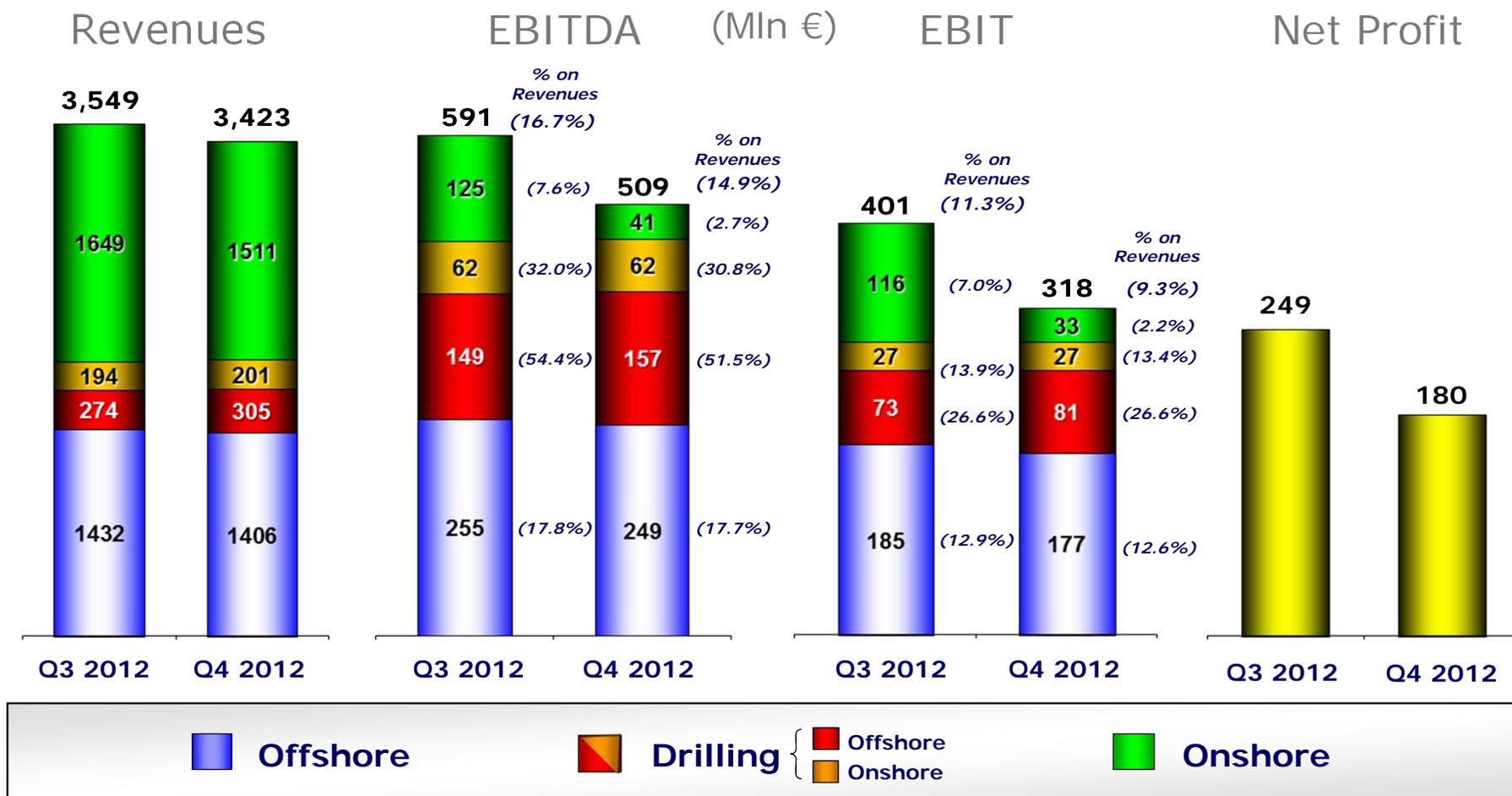
- 2012 Financial Results
- Backlog Analysis
- Net Debt and Working Capital evolution
- 2013 Guidance
- Looking Ahead

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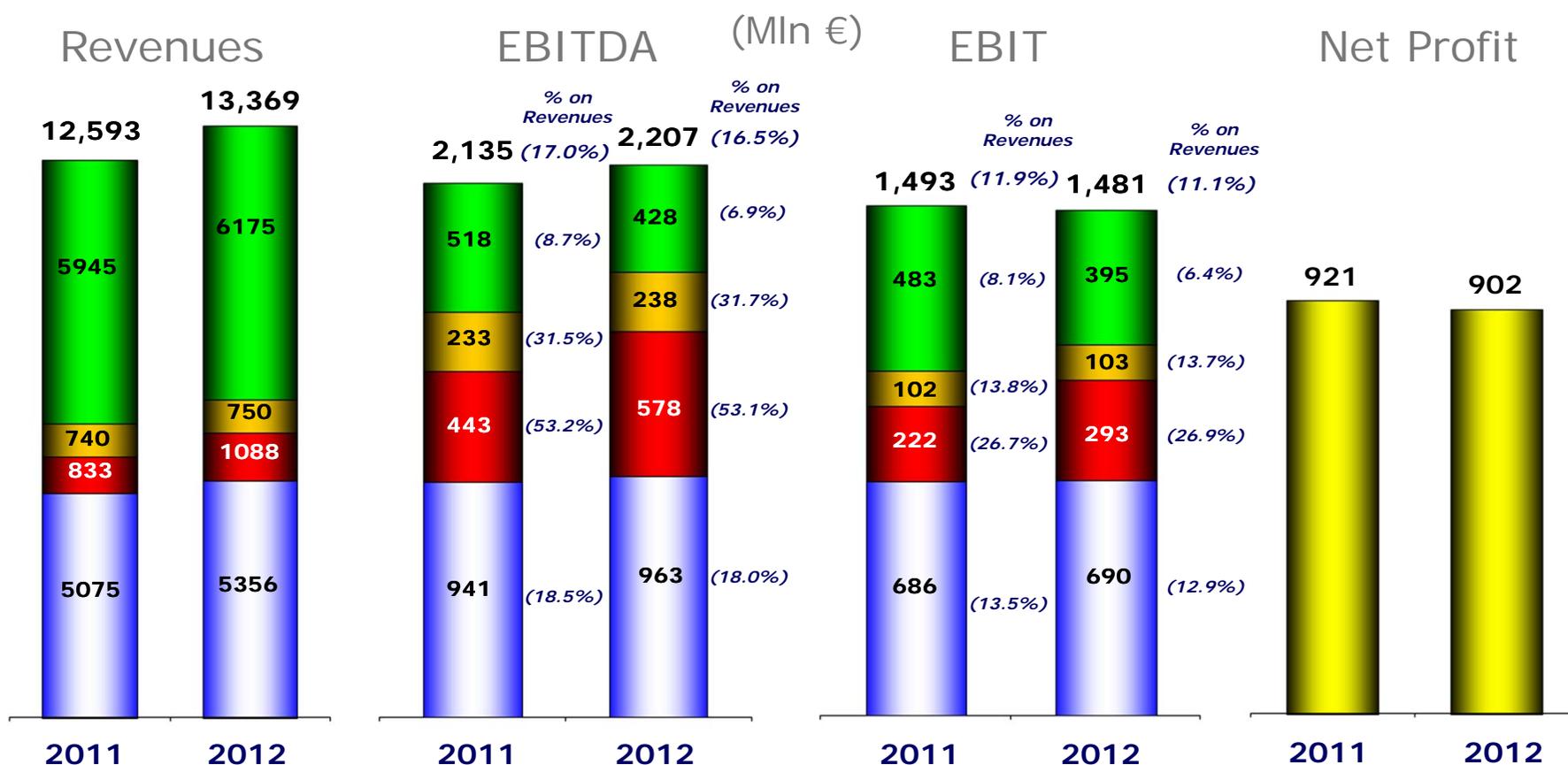
2012 Financial Results

# Q4 2012 Financial Results



- Impact of completion of higher margin contracts
- Lower than expected recovery of claims from clients in E&C, mainly in onshore
- Slower activity during the last quarter of the year across E&C

# FY 2012 Preliminary Financial Results



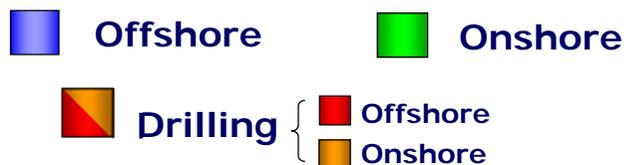
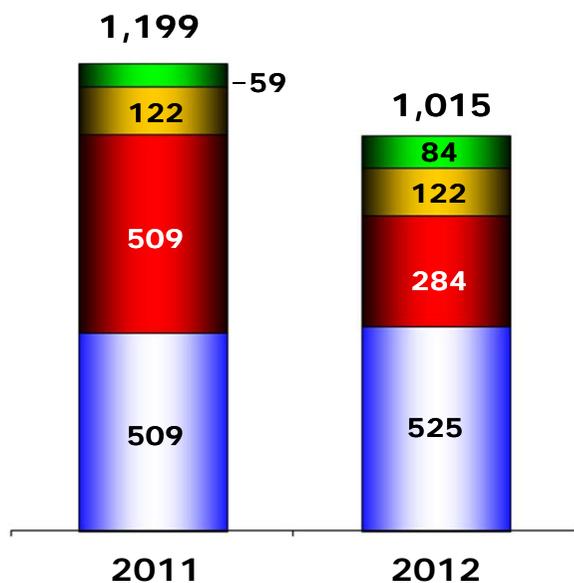
Dividend policy confirmed; €0.68 per share proposed for 2012



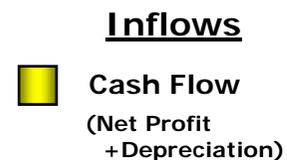
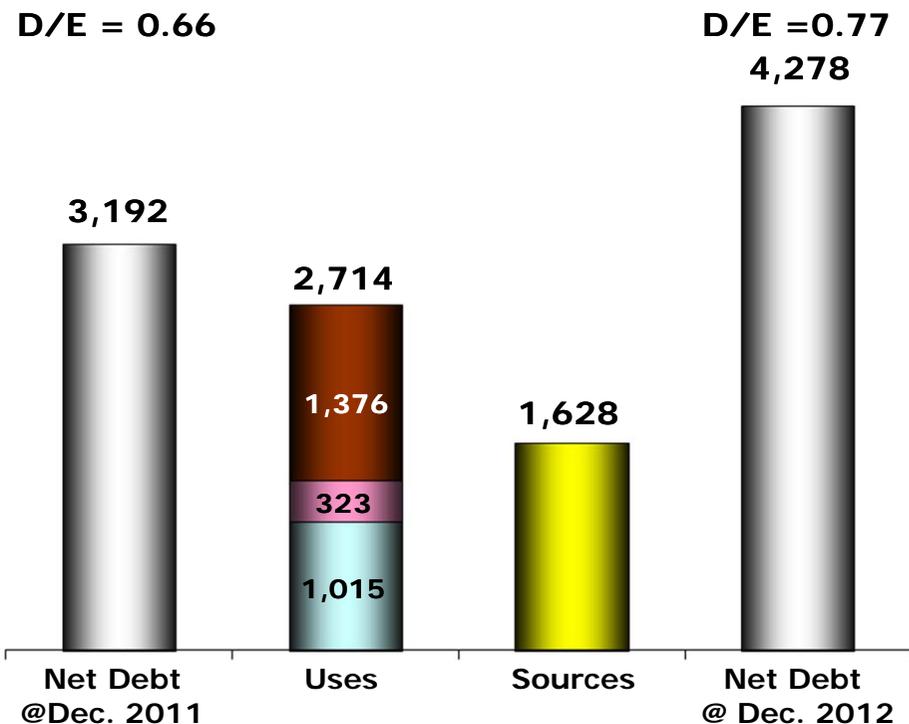
# FY 2012 Preliminary Financial Results

## Capex

(Mln €)



## Sources and uses of funds, Net Debt & D/E Ratio



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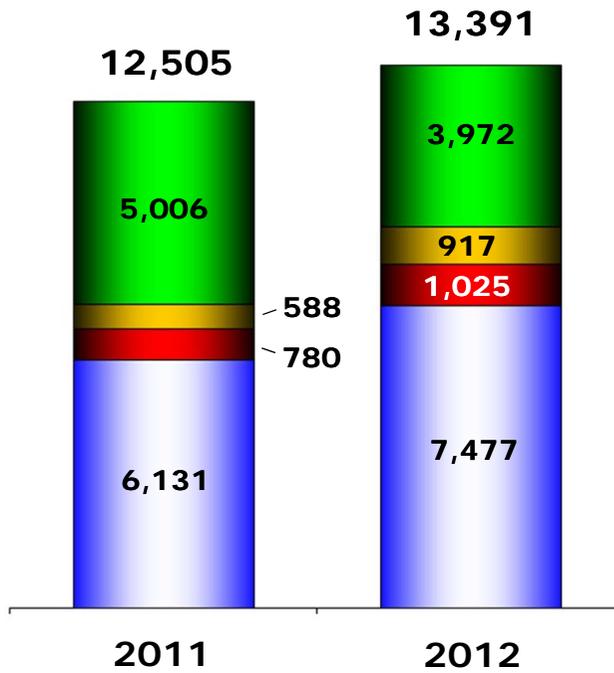
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Backlog Analysis

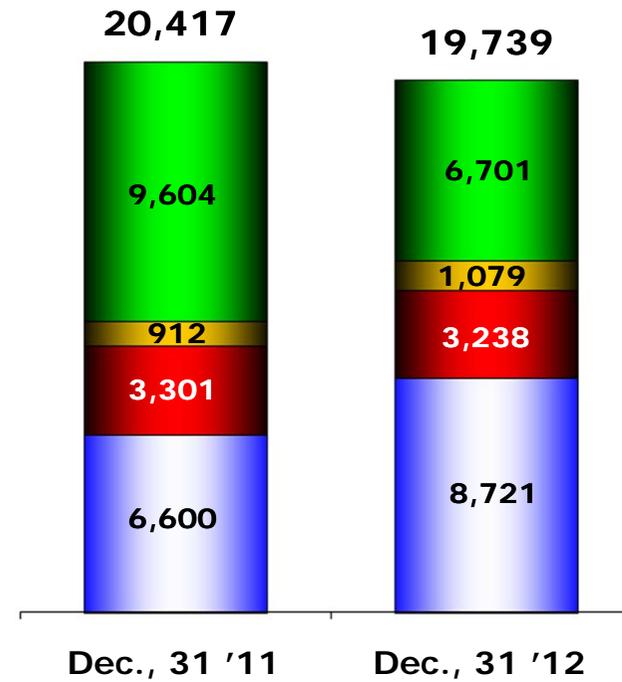
# FY 2012 Contract Acquisitions & Backlog

(Mln €)

## Contract Acquisitions



## Backlog



 Offshore

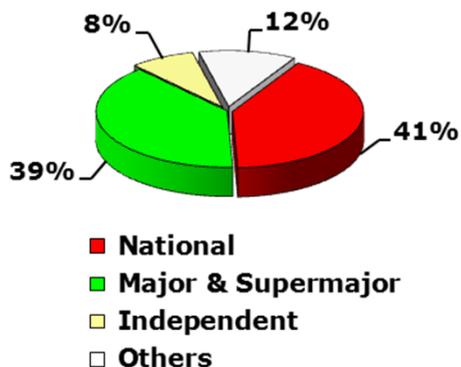
 Drilling } 
Offshore  
Onshore

 Onshore

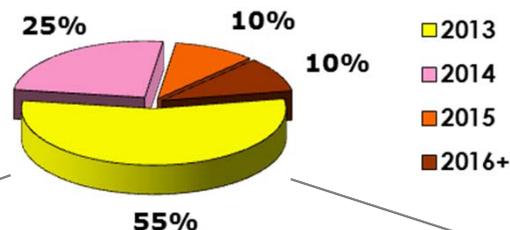
# Backlog Analysis

Saipem Backlog € 19.7 Bln @ Dec., 31 2012

by Client



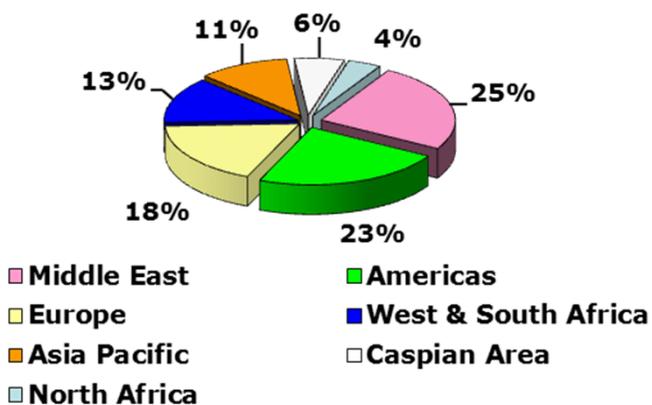
by Year of Execution



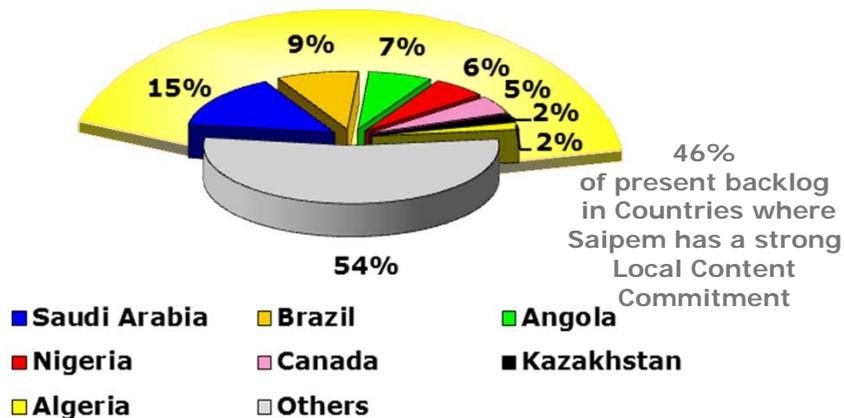
2013 Backlog split by Business Unit



by Geo Area



by Country – Local Content Focus

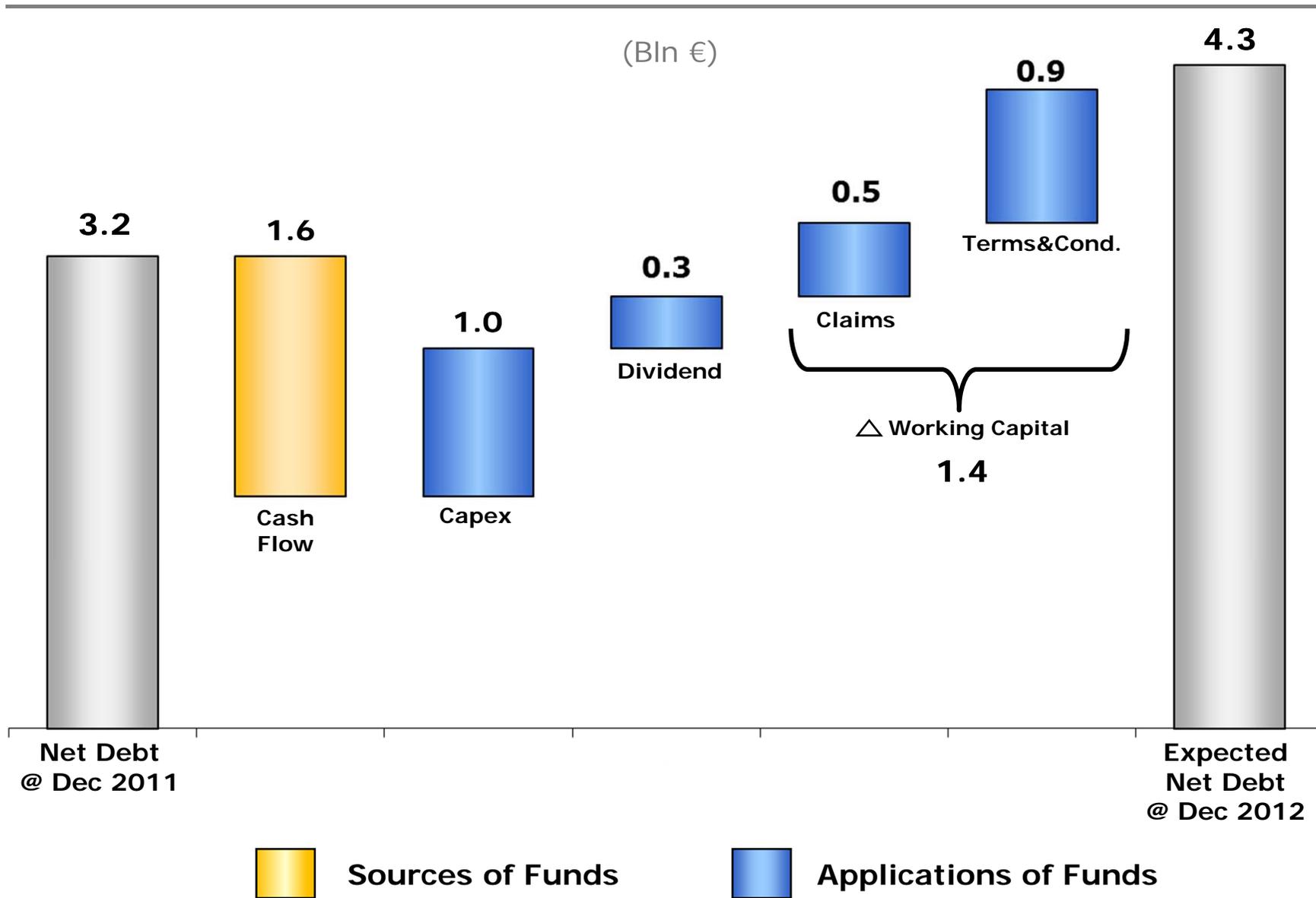


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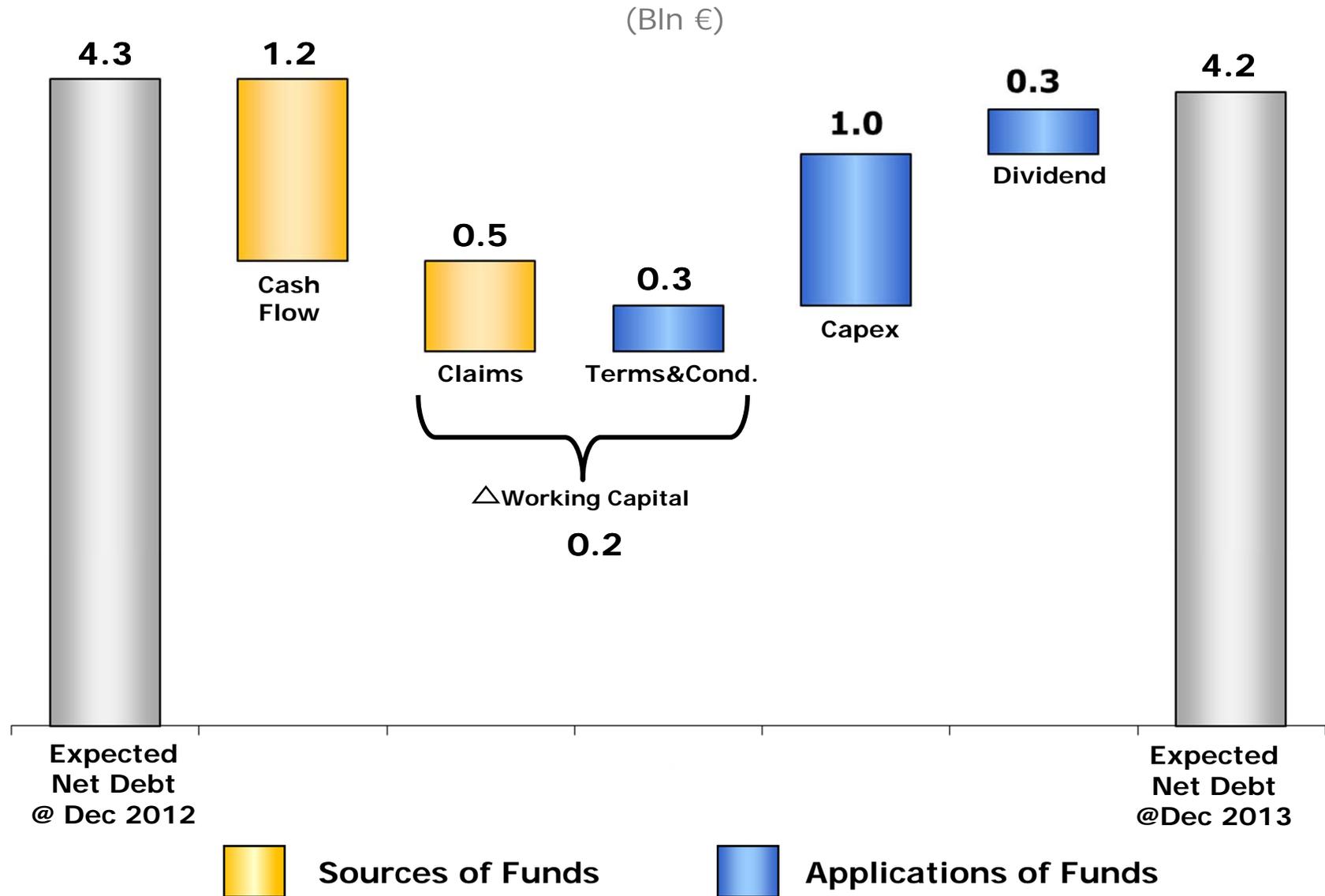
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Net Debt and Working Capital evolution

# Net Debt in 2012



# Net Debt in 2013E



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2013 Guidance

Revenues: ~ € 13.5 bln

EBIT: ~ € 750 mln

Net profit: ~ € 450 mln

Capex: € 0.9 bln - € 1 bln

## 2013 Drilling Outlook

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- Positive and solid outlook for Drilling business based on the Saipem fleet's long-term contractual commitment
- EBIT: 20% increase compared to 2012
- In Offshore Drilling, revenues and margins are expected to increase thanks to:
  - Full year contribution of new-built DW semisubs Scarabeo 8 and Scarabeo 9
  - Full year contribution of Scarabeo 6
  - Short time to full operational efficiency of new-built rigs
- In Onshore Drilling, outlook continues to be positive thanks to:
  - Increasing market day-rates
  - Continued high utilisation of the fleet

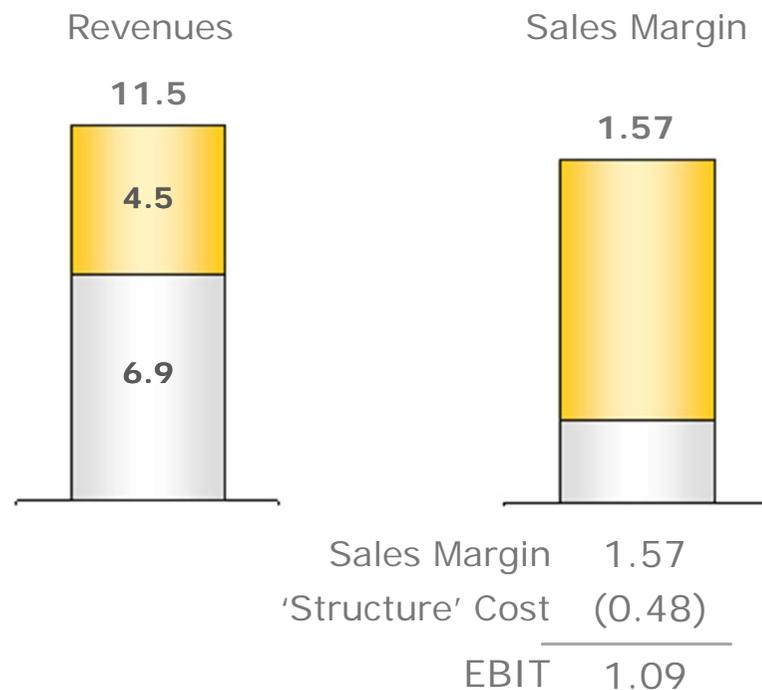
E&C EBIT reduction vs 2012 due to a combination of factors:

- A number of contracts with higher profitability have been completed in 2012 or are very close to completion
- The majority of contracts to be executed in 2013 are lower margin and this reflects the highly competitive market conditions faced since 2009, after which these contracts were entered into
- New large contract awards delayed with respect to previous expectations
- The new management team has taken a more conservative approach to reflect market trends occurring in the second half of 2012, with particular reference to:
  - timing of new contract awards
  - timing of new project execution
  - estimates on margins
- No provision judged necessary in relations to Algerian investigation to date

# Comparison with FY2012 guidance for E&C

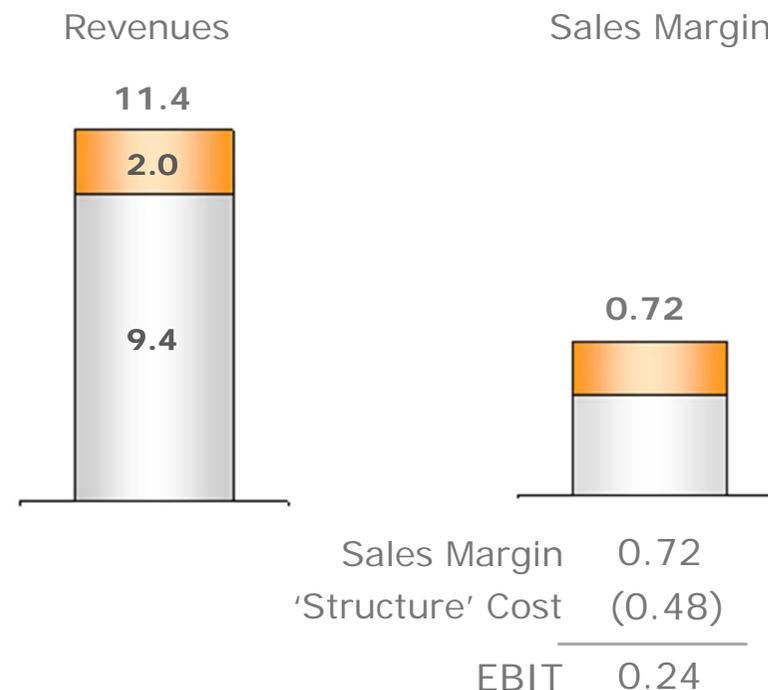
(Bln €)

## E&C 2012



- Contracts completed in 2012 or close to completion
- Contracts continuing in 2013 and beyond

## E&C 2013E



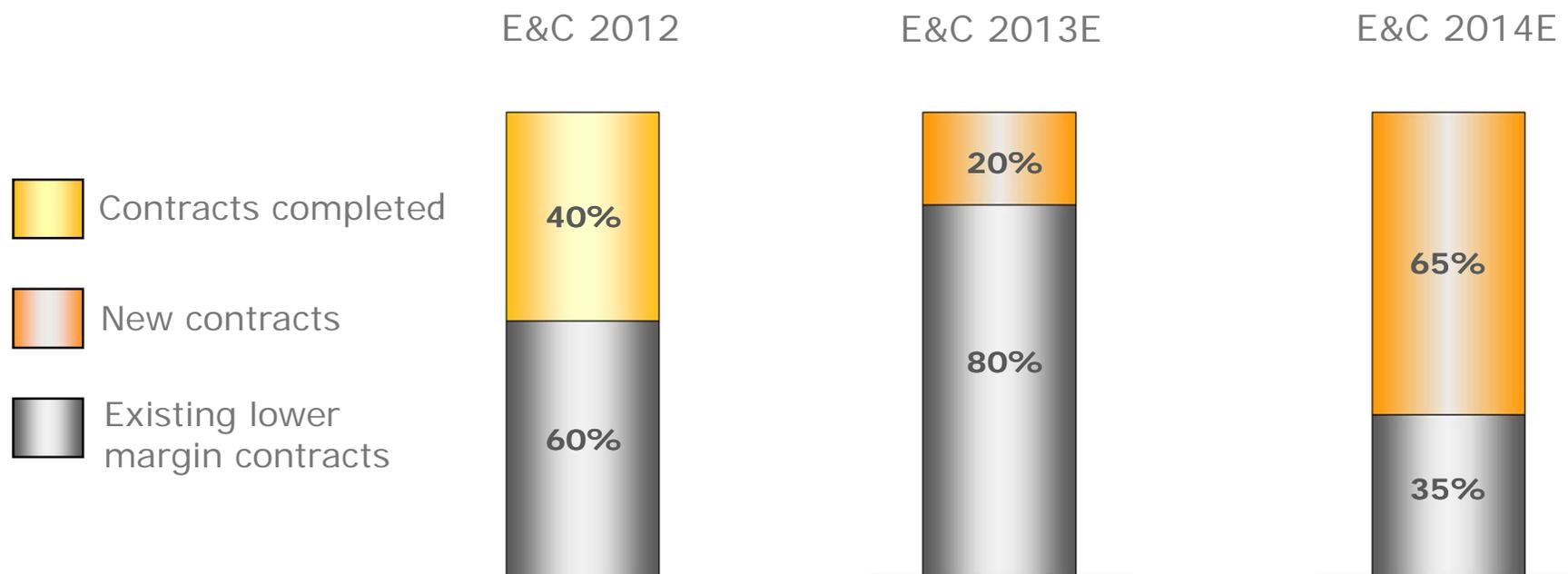
- New expected contract awards reflecting the historical mix of margins
- Contracts awarded before 2013

Sales Margin = project revenues – project costs;

'Structure' Cost = commercial, idleness, R&D and G&A costs.

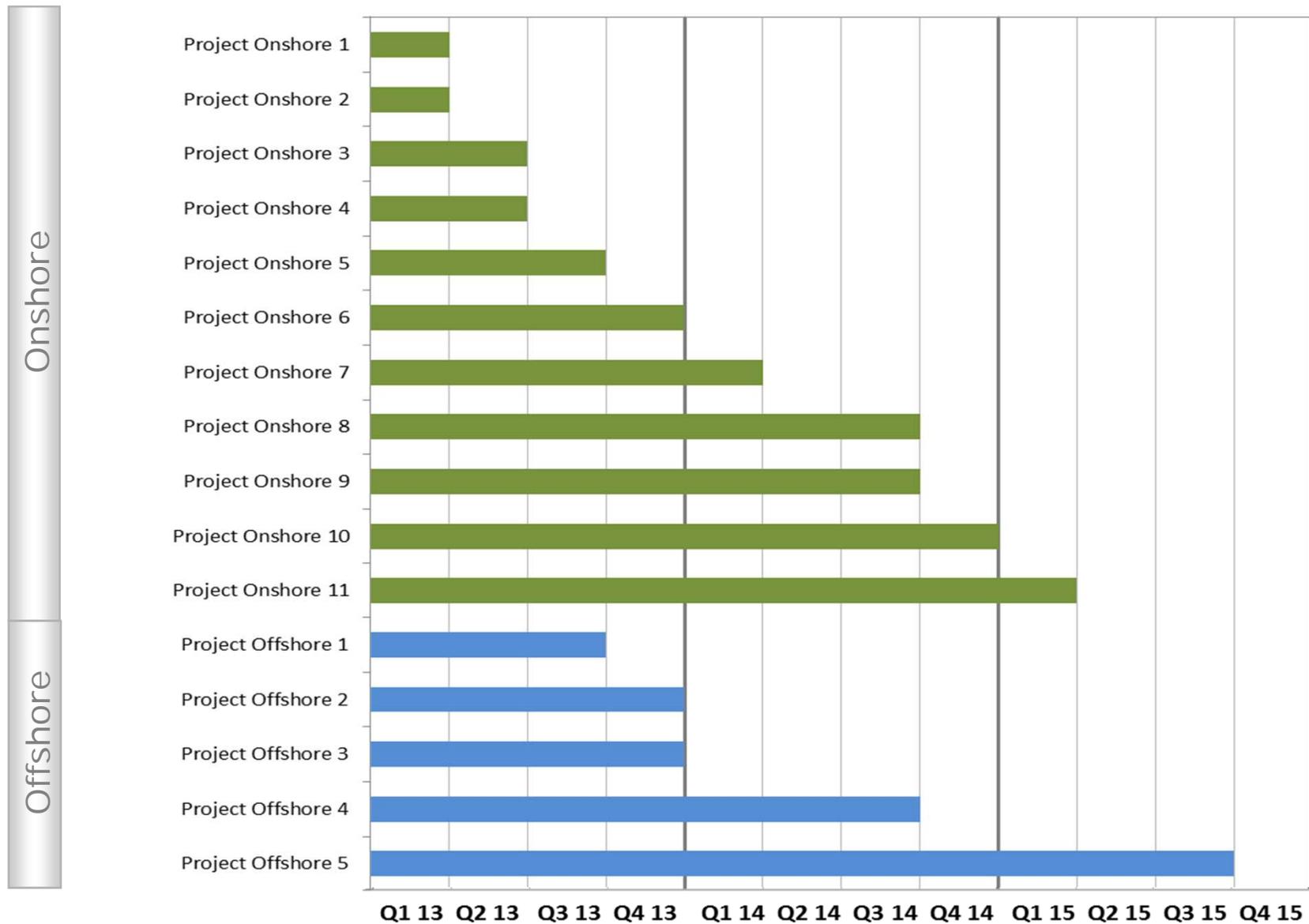
## Evolution of portfolio mix in E&C

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- Higher proportion of lower margin contracts
- Previously expected new contracts currently delayed
- Management projects a balanced profitability mix of new contracts

# Existing E&C lower margin projects are phasing out



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Looking Ahead

## Operational review

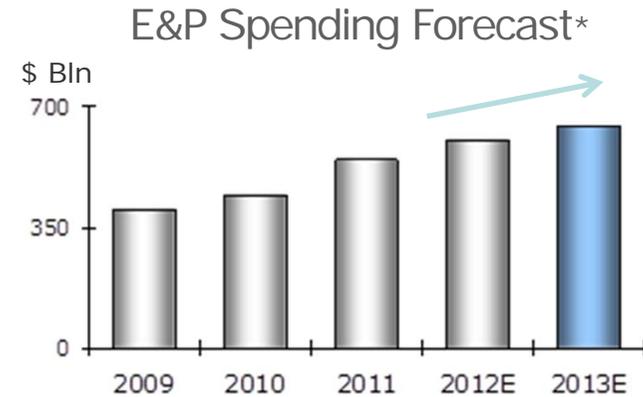
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- The new management team has commenced a comprehensive operational review of the entire business
- The objective is to quickly ensure an operating structure to deliver:
  - improved execution to capture project upsides
    - closeness to clients across all project phases
    - responsibility/accountability of decentralised operations
  - improved risk management
  - greater commercial discipline to protect margin and cash flow profile
- The outcome of this review will be presented at a seminar in early Spring 2013

## Market Opportunities

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- Global E&P spending is set to further increase in 2013 by 7%\* versus 2012 supporting ongoing opportunities for the Oil Services industry



\* Source: Barclays Research, Global 2013 E&P Spending Outlook, December 2012

- Over 50% of giant discoveries took place in deep water over the last six years
- Increased focus on gas monetisation and LNG industry
- More exploration and development drilling in ultra deep water and harsh environments

# Large number of identified E&C Offshore opportunities - examples

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## SURF/Subsea

- Bonga (Nigeria)
- Burullus 9B (Egypt)
- Carioca (Brazil)
- Egina (Nigeria)
- Jangkrik (Indonesia)
- Kaombo - Block 32 (Angola)
- Lula 2 fields (Brazil)
- Moho North (Congo)
- Mozambique - Anadarko (Mozambique)
- Mozambique - Eni (Mozambique)
- OPL 245 (Nigeria)
- Rabicoes (Brazil)
- Scarborough URF (Australia)

## Floaters

- Gendalo-Gehem FPU 2 units (Indonesia)
- Kaombo (Block 32) FPSO (Angola)
- Masela FLNG (Indonesia)
- Moho FPU (Congo)
- Mozambique FLNG (Mozambique)
- Scarborough FLNG (Australia)

## Pipelines

- Argo Cluster (Italy)
- Browse Package 1 (Australia)
- Kepodang (Indonesia)
- Rota 3 (Brazil)
- Shah Deniz Stage 2 (Azerbaijan)
- South Stream

## Fixed Facilities

- Dragon-Patao (Venezuela)
- Lucapa (Angola)
- South Ndola (Angola)
- Tangguh (Indonesia)

# Large number of identified E&C Onshore opportunities - examples

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## LNG Onshore

- Browse LNG (Australia)
- Kitimat LNG (Canada)
- Mozambique LNG Plant (Mozambique)
- Shtockman 2+3 (Russia)
- Tangguh LNG (Indonesia)
- Yamal LNG (Russia)

## Upstream Onshore

- Dgs ffd (Iraq)
- Eastern Urengoy Gas PF (Russia)
- Ebocha (Nigeria)
- Midyan Gas Plant (Saudi)
- Petrojunin CPF (Venezuela)
- Rabab - Harweel Integrated Gas Plant (Oman)
- Rumaitha Phase 3 (UAE)

## Pipelines

- Arrow Pipeline (Australia)
- Explotación Sulfuros Radomiro Tomic – Ph. II (Chile)
- Junin 5 Pipelines (Venezuela)
- OPL 245 (Nigeria)
- Strategic Pipeline (Iraq)

## Downstream

- 4th Refinery (Kuwait)
- CFP Refinery (Kuwait)
- EuroChem Fertilizer (Russia)
- Refineries Upgrade (Nigeria)
- STAR Refinery (Turkey)
- Yara Belle Plaine (Canada)

## Marine Works

- Brass LNG (Nigeria)
- Browse LNG (Australia)
- Coastal Highway for La Réunion (France)

## Drivers for recovery

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- Strengthening of the Oil&Gas market and growing number of opportunities
- Increased focus on new contracts from a profitability rather than revenue point of view
  - Expected positive impact from the operational review
- Saipem strong competitive position for attractive E&C bidding opportunities in high value areas
- Continued sustained drilling fleet utilization coupled with new day rates benefiting from a strengthened market outlook

**Saipem is very well positioned to build a high quality order backlog**

# Saipem Meetings - February 2013

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Mon	Tue	Wed	Thu	Fri	Sat	Sun
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19 London Barclays 1:1s (UV, HOD, SG, SC)	20 London Barclays 1:1s (UV, HOD, SG, SC)	21	22	23	24
25	26	27	28			

# Saipem Meetings - March 2013

lun	mar	mer	gio	ven	sab	dom
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15 <i>Milan Equita 1-1s</i>	16	17
18 <i>Paris (afternoon) Citi 1-1s</i>	19 <i>Paris (afternoon) Citi 1-1s</i>	20	21 <i>London UBS Conference Presentation, 1-1s</i>	22	23	24
25 <i>NY Mediobanca 1-1s</i>	26 <i>NY Mediobanca 1-1s</i>	27 <i>Boston Morgan Stanley 1-1s</i>	28	29	30	31