Presentation to the Financial Community

Third Quarter 2014 Consolidated Results

Implementing our turnaround plan

San Donato Milanese, October 28, 2014

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.

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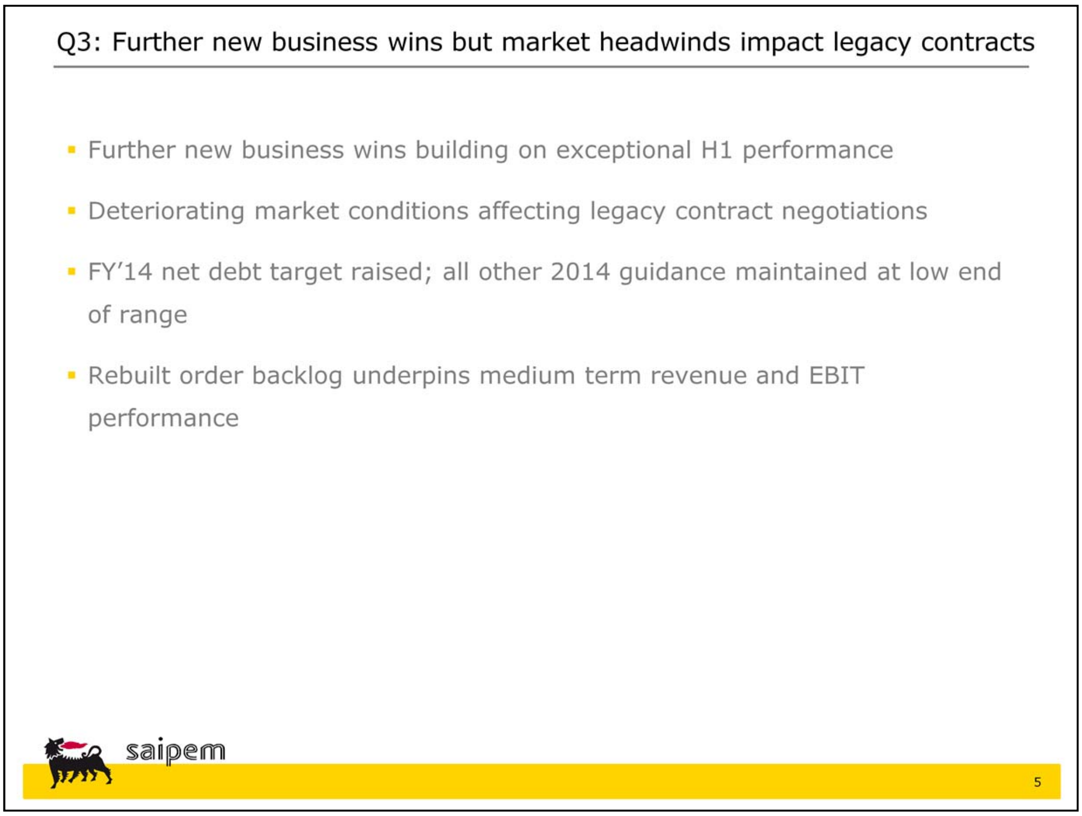
1. Introduction – implementing our turnaround plan



Good afternoon and welcome to the Q3 results conference call.

I’m here with Alberto Chiarini, Saipem’s Chief Financial and Compliance Officer and Vincenzo Maselli Campagna, Saipem’s new Head of Investor Relations. As some of you may know, Salvatore Colli has recently taken on a new opportunity within Saipem, becoming Head of Finance, following fourteen years in Investor Relations.

Today we will talk you through the financial results, as well as some operational highlights for the quarter and then we’ll be happy to take your questions.

As you know, management has been focused this year on two key objectives. The first is to build a new backlog of profitable business and the second is to resolve our legacy contracts whilst maintaining positive relationships with key clients.

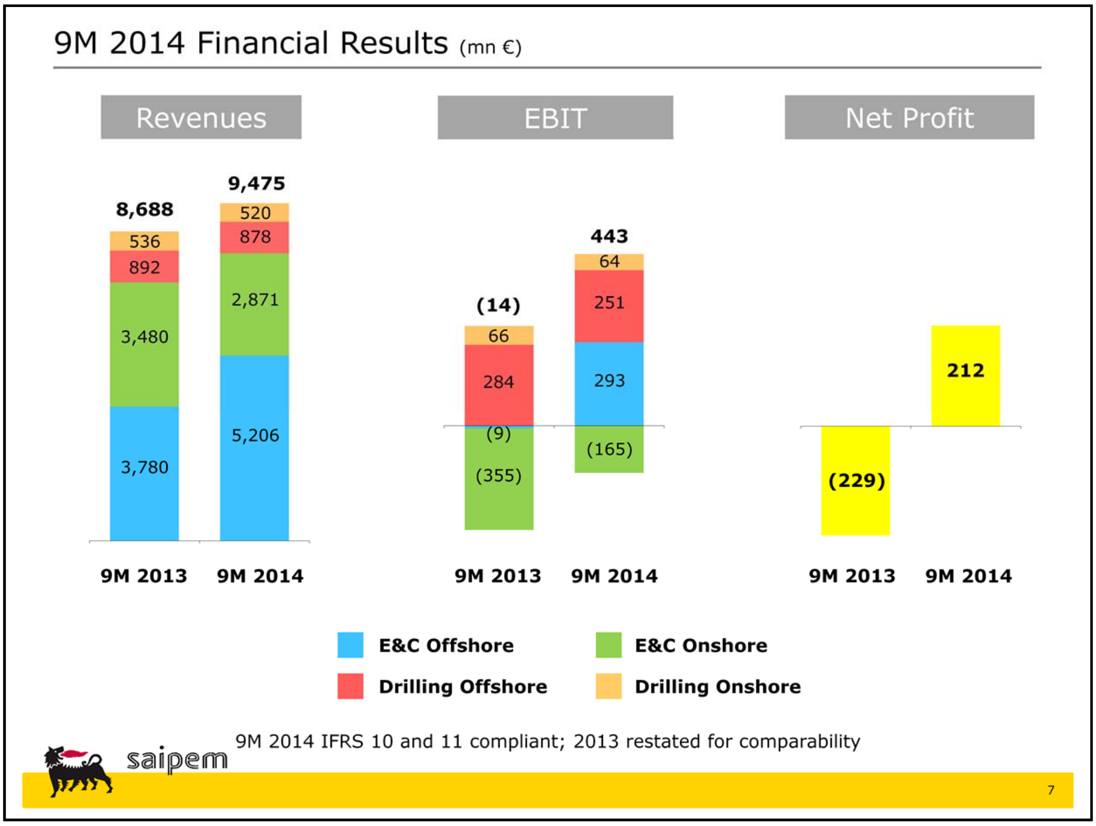
An area in which management continues to invest a significant amount of time and effort.

I’m pleased to say we’ve had another positive quarter of order intake, with new contract wins building on our exceptional success in the first half.

However, the industry has faced significant headwinds in the quarter with the oil price falling sharply to the lowest level since 2011. Regrettably, that deterioration in the market environment is impacting our ongoing negotiations with clients relating to payments on legacy contracts and we are adjusting our full year net debt target to €4.7bn as a result. We are maintaining the rest of our 2014 guidance at the lower end of the range.

Overall, Saipem's operational strengths and the work we have done over the course of this year have successfully rebuilt our backlog in line with our strict commercial strategy and this will underpin our path of recovery in the medium term. But the speed of this recovery will also depend on market conditions.

2. Financial Results



Turning to our financial results on slide 7, as a reminder, please note that all 2014 figures are compliant with new IFRS 10 and 11 accounting principles, governing the consolidation of joint ventures, and 2013 figures have therefore been restated for comparability. In addition 2013 numbers are restated in accordance with Consob indications pursuant to IAS 8.

In the first nine months of 2014, revenues have been approximately € 9.5 billion, on track to meet our year-end target of [€13bn], with more than 50% of the total coming from E&C Offshore, while E&C Onshore accounted for around 30%.

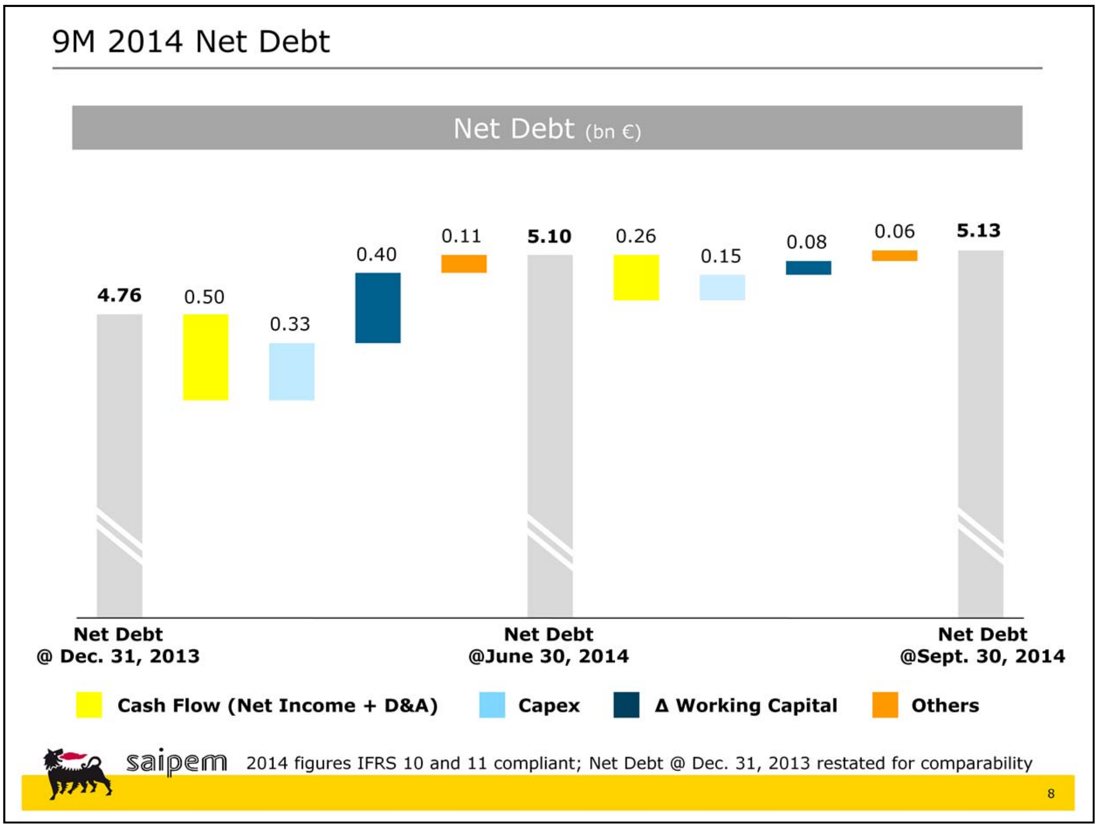
The E&C Onshore revenues stand at almost € 2.9 billion, around 20% lower than the same period in 2013. This is as a result of the more selective approach to new business acquisition we have taken, in line with our strategy of stricter commercial discipline.

The deterioration of the market environment is impacting the stance that some of our clients are taking on negotiations, which is in turn affecting recognition of additional costs incurred by Saipem in the Quarter and therefore E&C Onshore EBIT performance. The ramp up of new E&C Onshore contracts that we have continued to see throughout this year is not yet able to offset the negative impact of legacy contracts.

In E&C Offshore, we experienced a growth in revenues of some 40% compared with the first nine months of 2013. We also saw further confirmation of the recovery in this division with EBIT of €293m in the first nine months of 2014 compared to a loss of €9m in the same period in 2013.

In Drilling, the results are in line with the first nine months of 2013, when taking into account the loss of Perro Negro 6 in July 2013 and the prolonged maintenance of Scarabeo 7 during first half 2014.

In a transition year for Saipem, we have delivered a recovery in the Offshore E&C business and a continued strong performance in Drilling. While we have made good progress in the quality and quantity of the E&C Onshore backlog, challenges continue and the timing of the recovery remains uncertain.



Turning to Net Debt, on slide 8, at the end of September the total stood at €5.1bn, approximately in line with the position at the end of June.

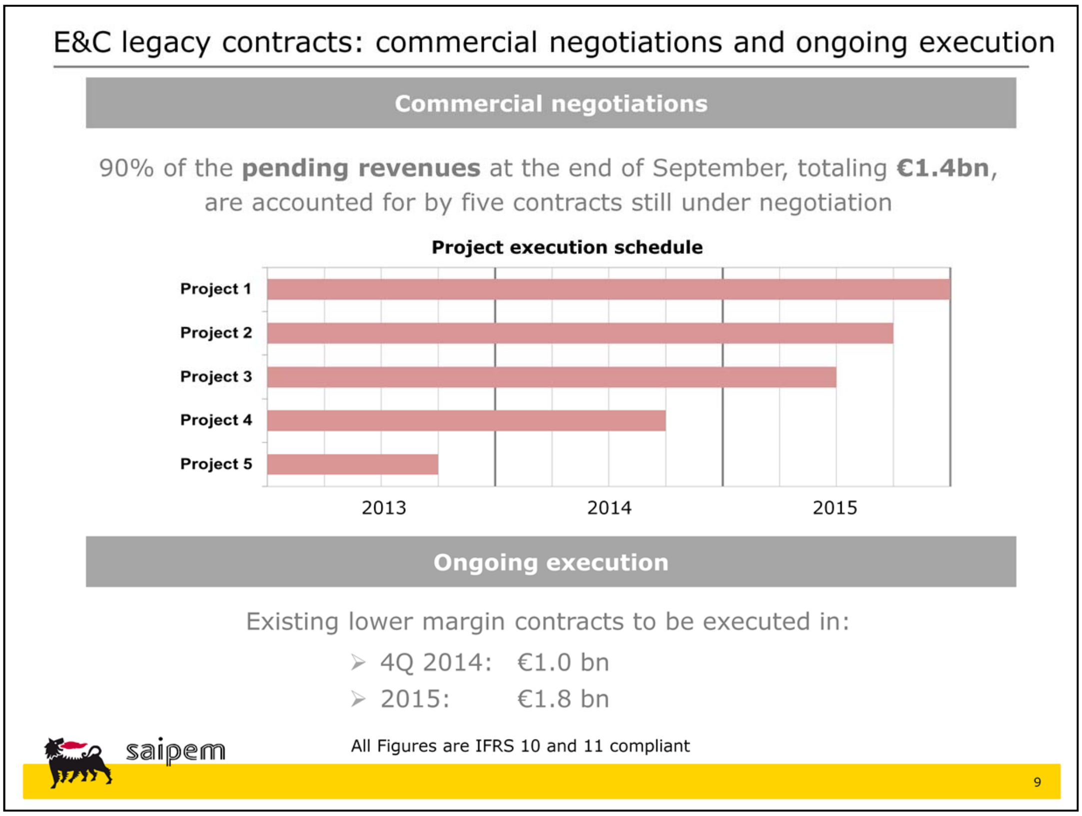
If we look at the evolution of net debt in the third Quarter, the cash flow generated broadly offset the investments and the slight increase in working capital.

As we will explain in the following slide Working Capital suffered from an increase in pending revenues related to legacy contracts and, with respect to our receivables, Venezuela remains a critical area, with exposure in the Country further increasing in the quarter.

It must be noted that a significant percentage of our pending revenues and receivables are denominated in US Dollars, and therefore the appreciation has also impacted working capital.

As anticipated, we are now adjusting the guidance for net debt to €4.7bn.

This as result of the increased difficulties faced by the industry that are impacting the timing of resolution of ongoing negotiations on legacy contracts and relevant payments.



Moving to slide 9, I will now give you an update on the legacy contracts in our backlog.

As indicated due to unstable and worsening market conditions, recently we have seen a progressive change of attitude amongst clients and negotiations have become more challenging. During the Quarter, the total pending revenues has increased to €1.4 bn from €1.2 bn.

The increase is mainly due to 3 factors:

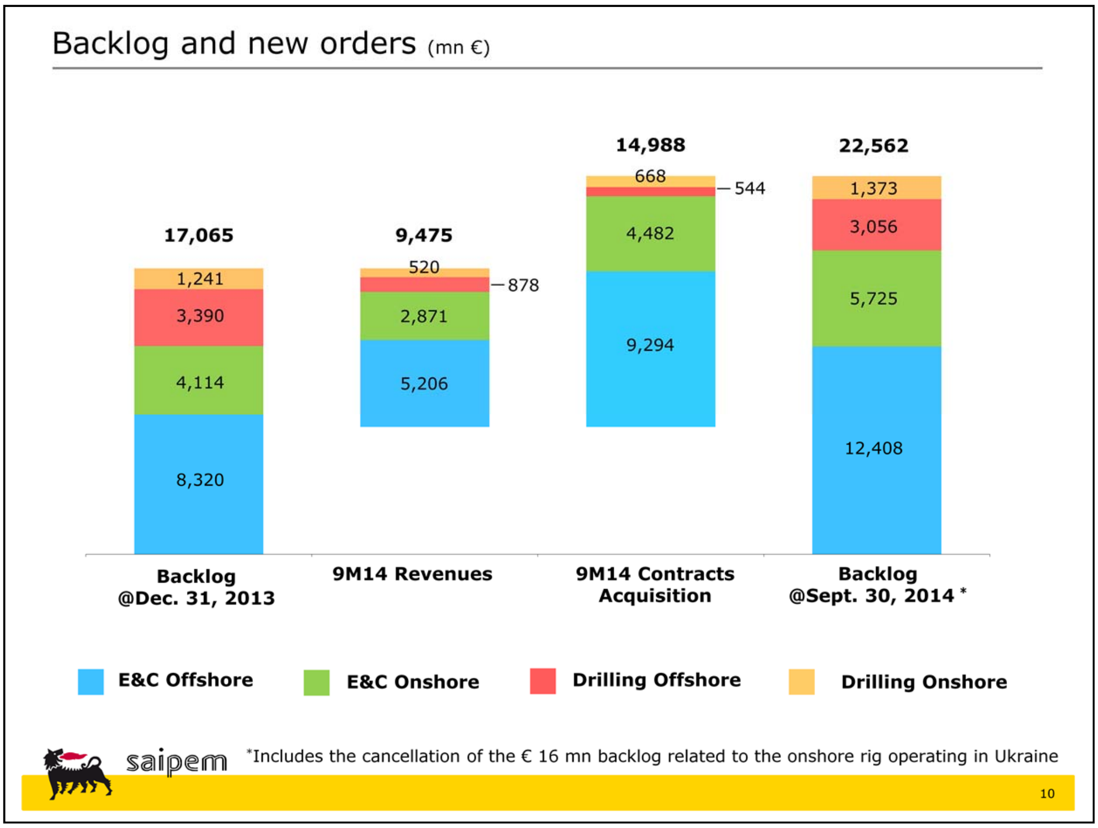
- a further deterioration in the relationship with Sonatrach,
- the recent sharp appreciation of the US Dollar, as around 60% of the pending revenues are denominated in Dollars, and
- additional costs incurred as contracts move closer to completion.

As set out in detail at the half year presentation, the majority of the value of legacy contracts is accounted for by five projects. Of these, work on two projects has now been completed, one of which is on arbitration process.

I would like to stress that we still believe that the value of pending revenues we have accounted for is a fair assessment of what is recoverable on these contracts, but I must recognize that the timetable is now more uncertain due to the more rigid approach clients are taking to negotiations.

Our priorities are to maintain strong relationships with clients who continue to award us new contracts or the opportunity to tender for further business, while at the same time robustly keep defending our shareholders' interests.

Saipem has made continuous progress in executing its legacy contracts throughout the year. As result of bad weather conditions, we experienced some postponement and now we are expecting to have €1.8 bn worth of low margin contracts still to execute during 2015, which is the last year in which these legacy contracts will account for a sizeable portion of our E&C activity, as they are now progressively replaced by new higher margin contracts.

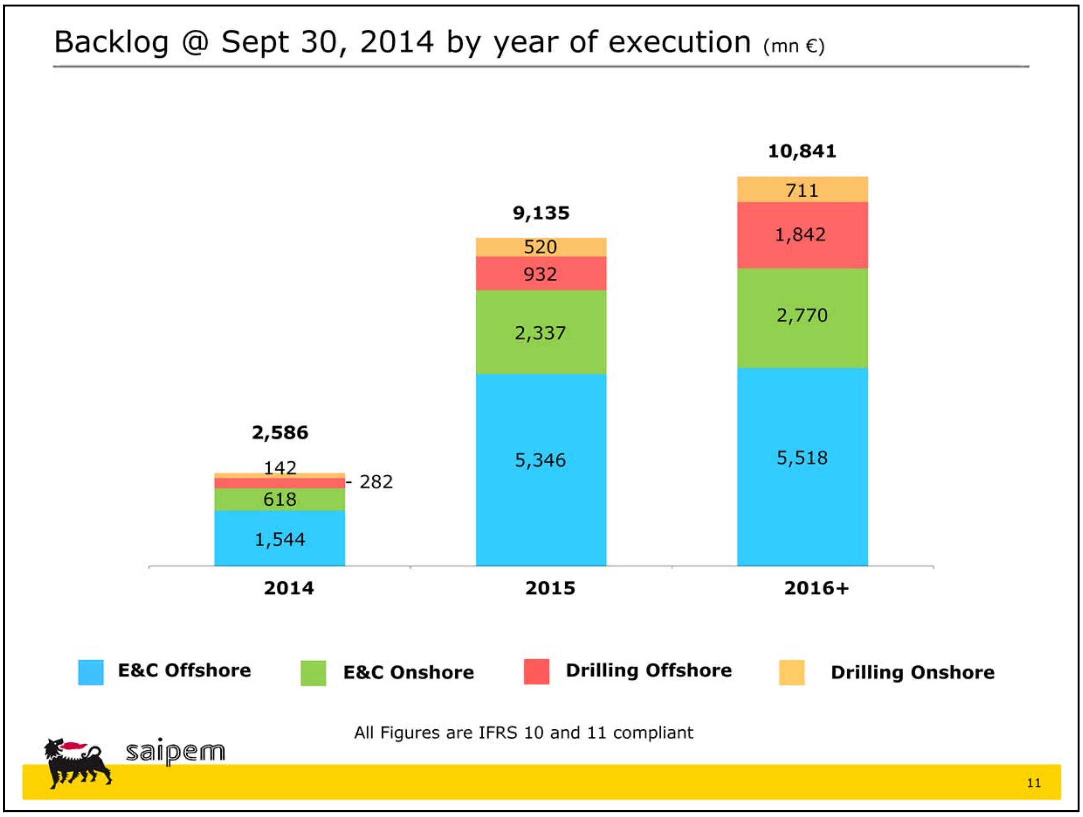


As we said in July, we did not expect the pace of new contract awards to continue at the unprecedented level we saw in the first half of the year. Nevertheless, in the third quarter we were awarded in excess of € 1.8 billion of new contracts, mainly in E&C Offshore.

At the end of September, the backlog amounted to € 22.6 billion, with more than 50% represented by E&C Offshore.

These figures do not include the contracts announced yesterday, amounting to $ 2 billion.

I will give you an update on ongoing opportunities we are pursuing later in the presentation.



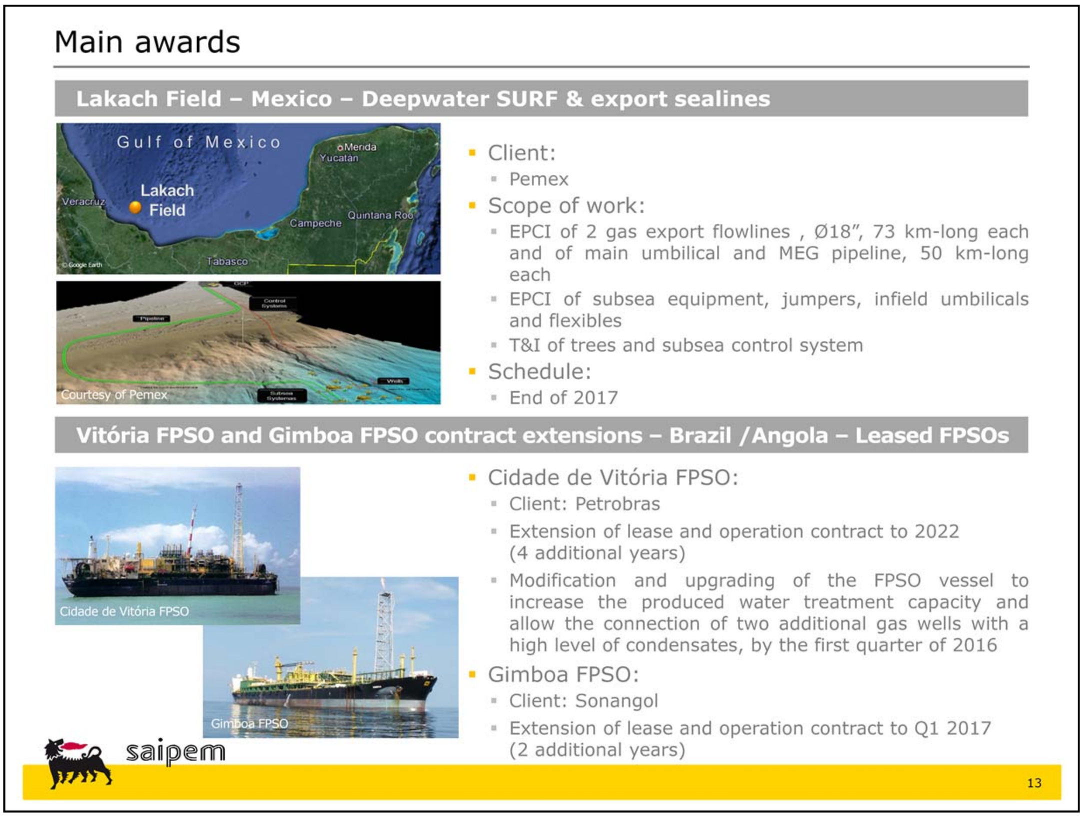
Looking now at the current backlog by year of execution on slide 11, 40% will be booked in 2015 and some 50% in 2016 and onwards.

Overall we have already in house € 9,1 bln for 2015, guaranteeing a comfortable level of workload expected for next year. Of this amount, notwithstanding the slight increase vs June, 23% of current E&C backlog to be executed in 2015 is made up by low margin contracts, confirming the trend towards recovery.

The strong level of order intake year to date supports the improvement in visibility and quality across all the businesses beyond 2014.

I would now like to give some of the operational details starting with slide 13.

3. Operational & Commercial Update



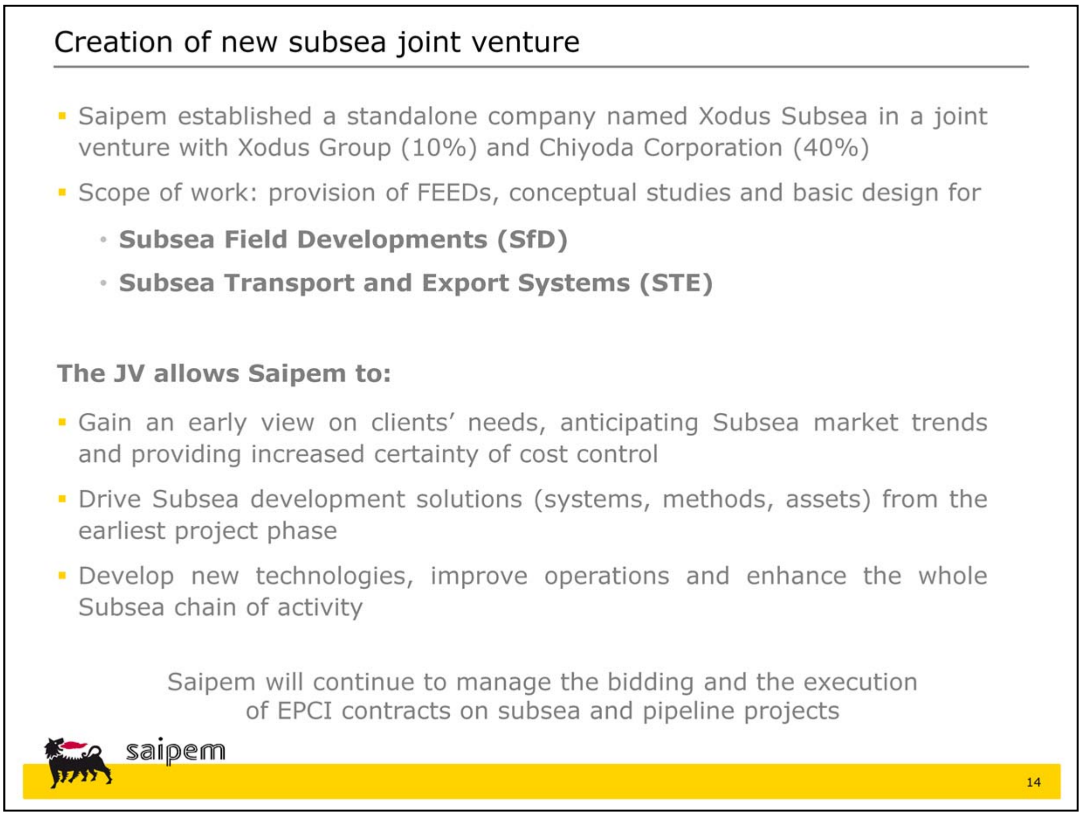
We already said that Q3 has been another good quarter of order intake, although as we said at the half year, the pace of new contract awards would not continue at the unprecedented level we saw during the first half.

Another important point for me is that the contracts awarded have demonstrated that we are maintaining strong relationships with our key clients, while continuing negotiations on legacy contracts.

The first contract I want to highlight is a deepwater SURF project on the Lakach field in Mexico. This is an important first win for us since it positions Saipem as a pioneer in a new SURF market and in a key region, both of which offer significant growth potential. It is also confirmation of the restored relationship with Pemex following the issues we had last year.

In addition we have been able to extend the contracts we have for two FPSOs in Brazil and Angola.

Finally, yesterday we have announced the award of the contract for the expansion of the onshore production centers at the Khurais field in Saudi Arabia, together with new Drilling contracts in the Middle East and in Latin America, cumulatively valued approximately $ 2 billion.

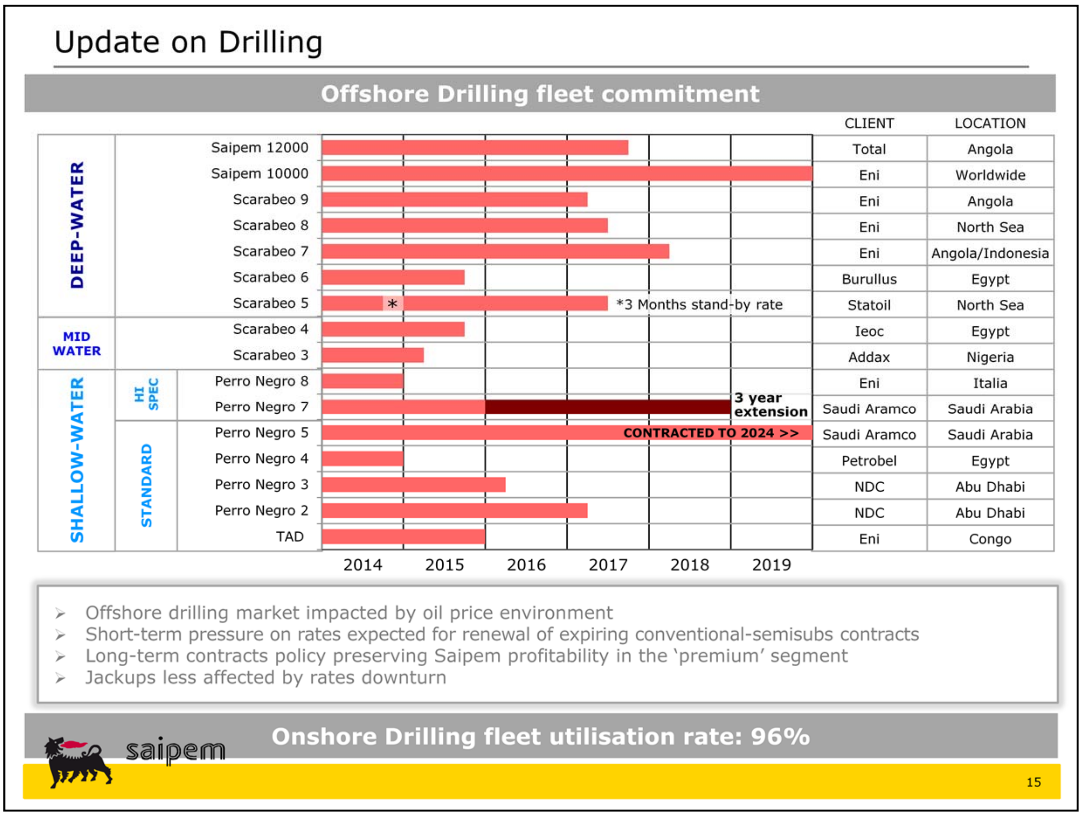


As we highlighted previously, our clients are taking a more disciplined approach to capex together with a focus on cost control and also are looking at the option of contractors to be involved from the inception of the project in order to better derisk the projects, providing end to end solutions.

In order to respond to these growing needs, Saipem recently entered into a joint venture with Xodus Group and Chiyoda, to establish Xodus Subsea.

Headquartered in London, this new standalone company will enable us to provide fully integrated subsea solutions for our E&C and Offshore Drilling clients, to offer increased certainty on project execution and, also important, to give Saipem an early view of market opportunities.

The subsea market is expected to grow at very attractive rates over the next few years, particularly in the key areas of West and East Africa, the Pre-salt regions in Brazil and Angola and certain remote and isolated areas in which Saipem has an excellent track record.



With slide 15, which you are familiar with, we provide and update on the contract schedule in our Drilling business.

Looking at this chart, you can see that 85% of our deep-water fleet is contracted until the end of 2016. In shallow-water, we are pleased that we have been awarded by Saudi Aramco a three year extension for Perro Negro 7, which sees the vessel fully utilised until the end of 2018, at improved day rates, and further strengthens our relationship with this client.

Discussions are ongoing for the renewal of contracts on Perro Negro 4, Perro Negro 8 and Scarabeo 3, which could impact utilisation rates in the short term.

As already mentioned, Scarabeo 7 is now returned to service, after a prolonged dry dock maintenance period during the first half.

As reported three months ago, Scarabeo 5 will be on stand-by during the Q4 at the lower standby day rate, as requested by Statoil. Full operations are expected to resume in January next year.

Overall, the sharp fall in the oil price has created uncertainty in the market, which will remain for as long as oil prices remain depressed. The long term commitment we have secured to date should protect us from significant business fluctuations.

In Onshore Drilling, we achieved fleet utilisation in excess of 96% and for the remainder of the year utilisation is expected to remain stable.

During Q3 we signed new contracts for about one third of the fleet, mainly in Latin America, with durations ranging from 3 months to 2 years. Moreover, as anticipated in our press release yesterday, we signed new contracts for 9 onshore drilling rigs operating in the Middle East and in Latin America with a length ranging from three months to three years.

You will remember also this slide n° 16, illustrating the principal E&C projects for which we have tendered and the opportunities in the market in the short term, indicatively up to the middle of next year.

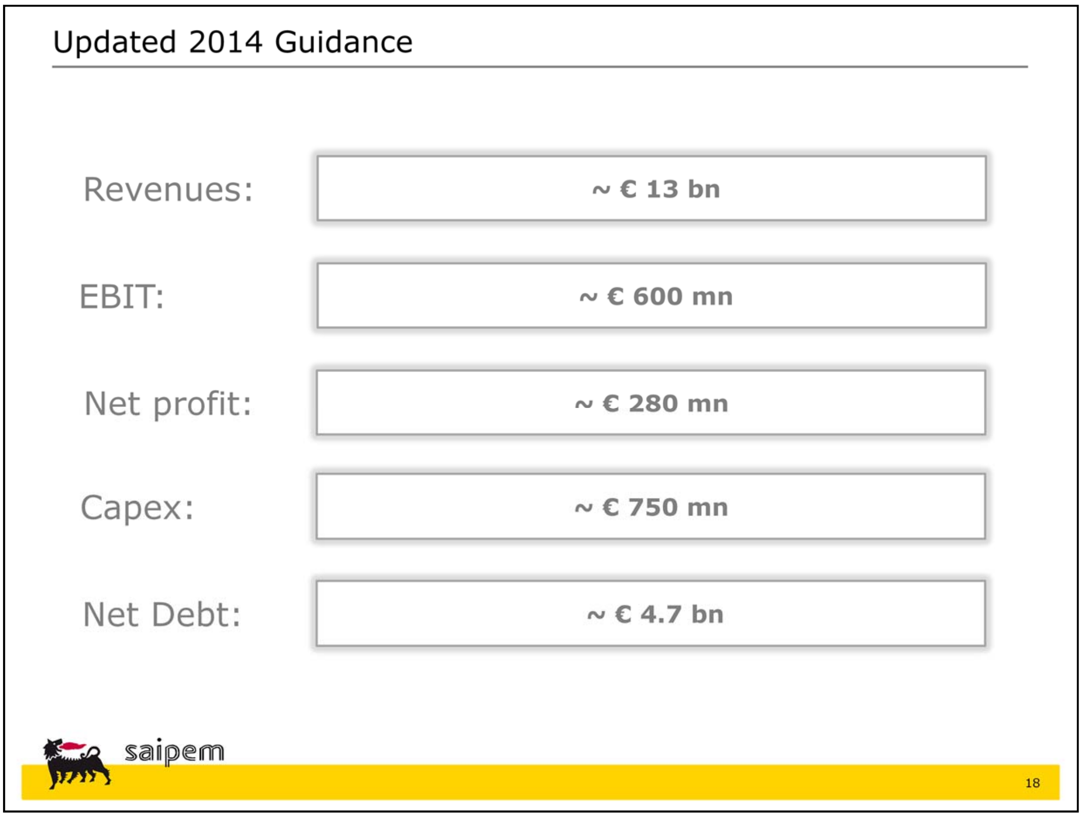
The aggregate value of €14 bn of new contracts awarded to Saipem during the first nine months of 2014 confirms our strong position in the key business areas of trunklines, FPSO construction, field development and complex onshore projects, as you can see with the green ticks.

There is no shortage of opportunities and Saipem is targeting an increasing number of projects around the world. The opportunities are for a broad mix of clients and there is a good balance between onshore and offshore.

In particular, we are seeing a growing LNG market in the Americas, alongside legacy projects in Asia Pacific. In the Americas, Saipem has applied an increased commercial focus compared to the past, in particular in downstream and major pipelines.

Whilst presently there are a number of contracts out for tender, the more uncertain market environment means it will be more difficult to predict the pace of tenders for future projects while the oil price remains subdued.

4. 2014 Guidance



Guidance provided in February for 2014 was driven by the uncertainty around the resolution of legacy contracts on the one hand and the overall operational improvement of the business on the other.

As the year has unfolded, we won an unprecedented level of new business, and we have made strong operational progress; however the original difficulties we anticipated have been exacerbated by challenging market conditions, impacting the pace of resolution of legacy contracts, and by a number of one-off events that negatively impacted the profitability of the Company, such as, in the E&C, the accident occurred on the P55 project, and in Drilling the request of a standby period for the Scarabeo 5 and the longer than expected maintenance of the Scarabeo 7.

With this in mind, I will now take you through our updated 2014 guidance on slide 18.

On Revenues, we maintain guidance of €13bn.

EBIT will be at the low end of our guidance range, at around €600m.

We expect Net Profit to be around €280m.

Additionally, we confirm Capex for the year of €750m.

Finally, we have revised our previous Net Debt target of €4.2-4.5bn to €4.7bn. As stated at the half year, our full year Net Debt guidance was predicated on the timing of legacy contract payments which, as discussed, are taking longer to resolve than hoped due to current market conditions.

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5. Conclusion – implementing our turnaround plan

New order backlog underpins recovery in a deteriorating environment

- Challenging quarter with increased headwinds for sector
- New business wins continue to demonstrate commercial strength
- Ongoing commitment to resolving legacy contracts, although timing still uncertain and tougher negotiations
- Renewed backlog creates resilience to manage legacy contracts and remain disciplined in new business acquisition

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We continue to implement the turnaround plan for Saipem. As we do so, it has been a challenging quarter for the oil services sector and there is no certainty as to how long these conditions will remain.

While our continued success in winning new business highlights our commercial strength and competitive advantages, and as our highly skilled engineers continue to execute complex projects around the world, the market environment has changed. The sharp fall in the oil price is impacting clients' willingness to commit to new capex and the stance they are taking on negotiations for ongoing and/or completed contracts.

There is a possibility that the more challenging market conditions that have arisen in Q3 will continue into 2015. However, the strong order backlog we have already put in place underpins Saipem's resilience and enables us to execute our strategy with discipline as we manage our legacy backlog and remain selective in new business acquisition.

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Q&A