PRESS RELEASE

SAIPEM: Board of Directors approves Interim Report as at March 31, 2013, results in line with expectations.

- **Confirmation of results guidance 2013 released on January 29, 2013.**
- **Despite uncertainty in the market, management confirms Saipem's competitive positioning and new contracts won in Q1 of €2,883 million (€3,116 million in Q1 2012).**
- **Backlog at March 31, 2013 stood at €19,533 million (€19,739 million at December 31, 2012).**
- **Revenues of €3,089 million: -1.4% versus Q1 2012.**
- **Operating profit of to €202 million: -45.8% versus Q1 2012.**
- **Net profit of to €110 million: -52.4% versus Q1 2012.**
- **Investments of €340 million (€316 million in Q1 2012).**

San Donato Milanese, April 23, 2013. The Board of Directors of Saipem S.p.A. today approved Saipem Group's Interim Report as at March 31, 2013 (not subject to audit).

(million euro)

	Q1 2012	**Q4 2012**	**Q1 2013**	**Q1 2013 vs Q1 2012 (%)**
Revenues	3,132	3,423	3,089	(1,4)
EBITDA	544	509	380	(30.1)
Operating profit	373	318	202	(45.8)
Net profit	231	180	110	(52.4)
Cash flow	402	371	288	(28.4)
Investments	316	237	340	7.6
New contracts	3,116	4,251	2,883	(7.5)

Revenues and associated profit levels, particularly in the Engineering and Construction sector, and, to a lesser extent, in the Drilling sector, 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 the first quarter of 2013 amounted to €340 million (€316 million in the first quarter of 2012) and included:

– €154 million in the Offshore Engineering & Construction sector relating mainly to the completion of a new pipelayer, the continuation of development of a new fabrication yard in Brazil and the maintenance and upgrading of the existing asset base;
– €63 million in the Onshore Engineering & Construction sector relating to the purchase of equipment and facilities for the yard in Canada, in addition to the maintenance of existing assets;
– €53 million in the Offshore Drilling sector, relating mainly to the maintenance and upgrading of the existing asset base, and to class reinstatement works for the Jack-up Perro Negro 3;
– €70 million in the Onshore Drilling sector relating to preparation works on five new rigs due to operate in Saudi Arabia, in addition to the upgrading of the existing asset base.

Net financial debt at March 31, 2013 amounted to €4,845 million, an increase of €567 million from December 31, 2012. This increase is ascribed to the evolution of investments over the quarter, and to a increase in working capital resulting specifically from the lack of significant downpayments from new contracts; to ongoing or settled negotiations with clients whose payments are still outstanding; to the full scale operation of projects with a penalizing financial profile; and to investigation in Algeria, which is causing significant delays in the approval of progress reports of Algerian projects, of invoices and their payments.

New contracts and backlog

During the first quarter of 2013, Saipem was awarded contracts amounting to €2,883 million (€3,116 million in the first quarter of 2012).

As at March 31, 2013, Saipem Group's backlog stood at €19,533 million (€8,438 million in the Offshore Engineering and Construction sector, €6,304 million in the Onshore Engineering and Construction sector and €4,791 million in the Drilling sectors), of which approximately €7,950 million is due to be realized in 2013.

In April 2013, the Saipem Group was awarded new contracts amounting to $500 million in the Offshore E&C sector as detailed in the press release of April 22, 2013.

Algeria: the internal audit launched by the Board of Directors on December 5, 2012 is progressing, with the support of external consultants, following the notification that Saipem S.p.A. is under investigation, pursuant to Law Decree 231/2001, carried out by the Milan Public Prosecutor’s Office in relation to alleged corruption offences committed before March 2010 on some contracts entered into in Algeria.
The Supreme Court of Algiers upheld the freezing of Saipem Contracting Algerie’s bank accounts holding approximately €80 million equivalent as indicated in the Financial Statements of 2010, 2011 and 2012. Furthermore, the Company is informed of a possible extension to the ongoing investigation by the Algerian Prosecutor, although it has no evidence regarding the status of the investigation or of the people involved.

Management Outlook for 2013

Protracted uncertainty over the global economy together with the commercial evaluation of specific Oil Companies' initiatives continue to negatively affect investment decisions including the timing for the start of various projects.

Despite this increase in short term uncertainty across our activities, particularly E&C Onshore, Saipem remains confident on its prospects.

New contracts won in the first quarter on an increasingly selective basis and Saipem's strong competitive positioning underpin Saipem's expectation for both the two Business Units, E&C and Drilling.

Although it is difficult to predict the quarterly trend in working capital due to the evolution of the same factors that caused it to worsen in the first quarter, management expects the net financial position of the Company at year end to be slightly improved when compared to that at the end of 2012.

As announced on 29th January 2013, Saipem expects to achieve revenues amounting to approximately €13.5 billion, EBIT in the region of €750 million, a net income of approximately €450 million, with investments amounting to approximately €1billion.

Conference call and webcast

This press release will be illustrated during a conference call and webcast hosted today at 3.30pm CEST by Saipem's CEO Umberto Vergine.

The conference call can be followed on Saipem's website www.saipem.com by clicking on the 'upcoming events' banner on the home page, or through the following URL: http://www.media-server.com/m/p/8h6hxb2i .

Saipem's Chief Financial Officer, Mr. Stefano Goberti, 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 corresponds 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 organized into two Business Units: Engineering & Construction and Drilling, with a strong bias towards oil & gas-related activities in remote areas and deep-waters. 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 monetization and heavy oil exploitation.

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Analysis by business sector

Engineering & Construction: Offshore

(million euro)

	Q1 2012	Q4 2012	Q1 2013	Q1 2013 vs Q1 2012 (%)
Revenues	1,223	1,406	1,288	5.3
Expenses	(997)	(1,157)	(1,154)	15.7
Depreciation and amortisation	(67)	(72)	(68)	1.5
Operating profit	159	177	66	(58.5)
EBITDA %	18.5	17.7	10.4	
EBIT %	13.0	12.6	5.1	
New contracts	2,606	1,816	1,005	

The backlog at March 31, 2013 stood at €8,438 million, of which €3,422 million is due to be realised in 2013.

- Revenues for the first quarter of 2013 amounted to €1,288 million, representing a 5.3% increase compared to the first quarter of 2012, mainly due to higher levels of activity in the Middle East.

- Operating profit for the first quarter of 2013 amounted to €66 million, equal to 5.1% of revenues, compared to €159 million, equal to 13% of revenues, in the first quarter of 2012. EBITDA margin stood at 10.4% compared to the 18.5% margin recorded in the same period of 2012.

- The main contracts acquired in the first quarter of 2013 include:

– for Burullus Gas Company, a contract for the development of the West Delta Deep Marine Phase IXa Project in Egypt, comprising engineering, procurement, installation, pre-commissioning and commissioning support of subsea facilities;

– an EPCI contract for subsea facilities in Angola, comprising engineering, procurement, construction and installation of production and water injection pipelines and flowlines, rigid jumpers and other related subsea structures.

Engineering & Construction: Onshore

(million euro)

	Q1 2012	Q4 2012	Q1 2013	Q1 2013 vs Q1 2012 (%)
Revenues	1,489	1,511	1,310	(12.0)
Expenses	(1,359)	(1,470)	(1,287)	(5.3)
Depreciation and amortisation	(8)	(8)	(9)	12.5
Operating profit	122	33	14	(88.5)
EBITDA %	8.7	2.7	1.8	
EBIT %	8.2	2.2	1.1	
New contracts	275	1,516	913	

The backlog at March 31, 2013 stood at €6,304 million, of which €3,403 million is due to be realised in 2013.

- Revenues for the first quarter of 2013 amounted to €1,310 million, representing a 12% decrease compared to the first quarter of 2012, mainly attributable to lower levels of activity in North and West Africa.

- Operating profit for the first quarter of 2013 amounted to €14 million, compared to €122 million in the first quarter of 2012, with the margin on revenues falling from 8.2% to 1.1%. EBITDA margin stood at 1.8% down from 8.7% in the same period of 2012.

- The main contracts acquired in the first quarter of 2013 was:
  - for Dangote Fertilizer Ltd, an EPC contract for a new ammonia and urea production complex to be realized in the Edo State, Nigeria. The scope of work comprises engineering, procurement and construction of two twin production streams and related utilities and off-site facilities.

Drilling: Offshore

(million euro)

	Q1 2012	Q4 2012	Q1 2013	Q1 2013 vs Q1 2012 (%)
Revenues	243	305	304	25.1
Expenses	(112)	(148)	(142)	26.8
Depreciation and amortisation	(64)	(76)	(66)	3.1
Operating profit	67	81	96	43.3
EBITDA %	53.9	51.5	53.3	
EBIT %	27.6	26.6	31.6	
New contracts	148	494	905	

The backlog at March 31, 2013 stood at €3,839 million, of which €856 million is due to be realised in 2013.

- Revenues for the first quarter of 2013 amounted to €304 million, representing a 25.1% increase on the first quarter of 2012, mainly attributable to the operations of the semi-submersible rig Scarabeo 8, which was under construction in the first quarter of 2012 and to the start of operations of the vessel Ocean Spur leased from third parties.

- Operating profit for the first quarter of 2013 amounted to €96 million, compared to €67 million in the first quarter of 2012, with the margin on revenues increasing from 27.6% to 31.6%. EBITDA margin stood at 53.3%, a slight decrease from 53.9% for the same period of 2012, mainly as a result of increased operational efficiency.

- The main contracts acquired in the first quarter of 2013 include:

– for Eni, the extension of the charter of the drillship Saipem 10000 to carry out drilling operations in various countries;

– for IEOC (International Egyptian Oil Company), the extension of the charter of the rig Scarabeo 4 to carry out drilling operations in Egyptian Waters.

– Vessel utilisation in the first quarter of 2013 and the impact of programmed maintenance for 2013 are as follows:

Vessel	***Q1 2013***		***Year 2013***
	Under contract	***Idle***	***Idle***
	(days)		***(days)***
Semi-submersible rig Scarabeo 3	83	7 (b)	7 (b)
Semi-submersible rig Scarabeo 4	90	–	–
Semi-submersible rig Scarabeo 5	84	6 (b)	128 (a+b)
Semi-submersible rig Scarabeo 6	68	22 (a+b)	22 (a+b)
Semi-submersible rig Scarabeo 7	90	–	31 (a)
Semi-submersible rig Scarabeo 8	88	2 (b)	9 (a+b)
Semi-submersible rig Scarabeo 9	77	13 (b)	13 (b)
Drillship Saipem 10000	90	–	–
Drillship Saipem 12000	90	–	10 (a)
Jack-up Perro Negro 2	80	10 (a)	10 (a)
Jack-up Perro Negro 3	15	75 (a+b)	75 (a+b)
Jack-up Perro Negro 4	90	–	91 (a)
Jack-up Perro Negro 5	90	–	30 (a)
Jack-up Perro Negro 6	90	–	8 (a)
Jack-up Perro Negro 7	90	–	20 (a)
Jack-up Perro Negro 8	90	–	20 (a)
Tender Assisted Drilling Barge	82	8 (b)	8 (b)
Ocean Spur	90	–	10 (a)

(a) = the vessel underwent/shall undergo class reinstatement works and/or preparation works for a new contract.
(b) = the vessel underwent maintenance works to address technical problems.

Drilling: Onshore

(million euro)

	Q1 2012	Q4 2012	Q1 2013	Q1 2013 vs Q1 2012 (%)
Revenues	177	201	187	5.6
Expenses	(120)	(139)	(126)	5.0
Depreciation and amortisation	(32)	(35)	(35)	9.4
Operating profit	25	27	26	4.0
EBITDA %	32.2	30.8	32.6	
EBIT %	14.1	13.4	13.9	
New contracts	87	425	60	

The backlog at March 31, 2013 stood at €952 million, of which €266 million is due to be realised in 2013.

- Revenues for the first quarter of 2013 amounted to €187 million, representing a 5.6% increase compared to the first quarter of 2012, mainly due to the full-scale operations of rigs in South America and Kazakhstan.

- Operating profit for the first quarter of 2013 amounted to €26 million, up from €25 million in the first quarter of 2012, with the margin on revenues falling from 14.1% to 13.9%. EBITDA margin reached 32.6%, up from 32.2% in the same period of 2012.

Average utilization of assets in the first quarter of 2013 stood at 95.9% (98.2% in the first quarter of 2012). At March 31, 2013, the Company owned 92 rigs (in addition to 5 rigs under completion) located as follows: 28 in Venezuela, 18 in Peru, 12 in Saudi Arabia, 7 in Colombia, 6 in Algeria, 5 in Kazakhstan, 4 in Bolivia, 3 in Ecuador, 2 in Brazil, 2 in Congo, 2 in Chile, 1 in Italy, 1 in Ukraine and 1 in Mauritania.
In addition, 6 third-party rigs were deployed in Peru, 3 third-party rigs in Kazakhstan by the joint-venture company SaiPar and 1 third-party rig in Congo.

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, 2012		March 31, 2013	
Net tangible fixed assets		8,254		8,480
Net intangible fixed assets		756		756
		9,010		9,236
- Engineering & Construction: Offshore	4,064		4,172	
- Engineering & Construction: Onshore	513		569	
- Drilling: Offshore	3,535		3,545	
- Drilling: Onshore	898		950	
Financial investments		116		119
Non-current assets		**9,126**		**9,355**
Net current assets		**922**		**1,302**
Employee termination indemnities		**(217)**		**(258)**
CAPITAL EMPLOYED		**9,831**		**10,399**
Shareholders' equity		**5,405**		**5,435**
Minority interest in net equity		**148**		**119**
Net debt		**4,278**		**4,845**
COVER		**9,831**		**10,399**
Leverage (net debt/shareholders' equity)		**0.77**		**0.87**
SHARES ISSUED AND OUTSTANDING		**441,410,900**		**441,410,900**

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million euro)

Q4 2012		Q1 2012	Q1 2013
3,423	Operating revenues	3,132	3,089
3	Other revenues and income	2	2
(2,325)	Purchases, services and other costs	(2,133)	(2,173)
(592)	Payroll and related costs	(457)	(538)
509	**GROSS OPERATING PROFIT**	**544**	**380**
(191)	Amortization, depreciation and write-downs	(171)	(178)
318	**OPERATING PROFIT**	**373**	**202**
(34)	Financial expenses	(37)	(38)
8	Income from investments	3	3
292	**INCOME BEFORE INCOME TAXES**	**339**	**167**
(86)	Income taxes	(98)	(52)
206	**INCOME BEFORE MINORITY INTEREST**	**241**	**115**
(26)	Minority interest	(10)	(5)
180	**NET PROFIT**	**231**	**110**
371	**CASH FLOW** **(Net profit + Depreciation and amortization)**	**402**	**288**

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
FUNCTION OF EXPENSES

(million euro)

Q4 2012		Q1 2012	Q1 2013
3,423	Operating revenues	3,132	3,089
(2,944)	Production costs	(2,640)	(2,760)
(53)	Idle costs	(32)	(41)
(53)	Selling expenses	(33)	(33)
(6)	Research and development costs	(3)	(3)
(2)	Other operating income (expenses), net	(4)	(5)
365	**CONTRIBUTION FROM OPERATIONS**	**420**	**247**
(47)	General and administrative expenses	(47)	(45)
318	**OPERATING PROFIT**	**373**	**202**
(34)	Financial expenses	(37)	(38)
8	Income from investments	3	3
292	**INCOME BEFORE INCOME TAXES**	**339**	**167**
(86)	Income taxes	(98)	(52)
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180	**NET PROFIT**	**231**	**110**
371	**CASH FLOW (Net profit + Depreciation and amortization)**	**402**	**288**

RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

Q4 2012		Q1 2012	Q1 2013
180	Net profit	231	110
26	Minority interest	10	5
	Adjustments to reconcile cash generated from operating income before changes in working capital:		
194	Depreciation, amortization and other non-monetary items	174	162
(51)	Variation in working capital relating to operations	(740)	(425)
349	**Net cash flow from operations**	**(325)**	**(148)**
(238)	Investments in tangible and intangible fixed assets	(316)	(340)
1	Disposals		
112	**Free cash flow**	**(641)**	**(488)**
-	Exercise of stock options	21	-
-	Cash flow from share capital and reserves	(22)	(38)
17	Effect of exchange rate differences on net debt and other changes	41	(41)
129	**Change in net debt**	**(601)**	**(567)**
4,407	**Net debt at beginning of period**	**3,192**	**4,278**
4,278	**Net debt at end of period**	**3,793**	**4,845**