

PRESS RELEASE

SIX-MONTHLY REPORT AT 30TH JUNE 2005

Saipem confirms net income of 108 million euros

- **Revenues** totalled 2,119 million euros (1,911 million in the first half 2004).
- **Operating Income** amounted to 154 million euros (148 million in the first half 2004).
- **Net Income** amounted to 108 million euros (103 million in the first half 2004).
- **Cash flow** (net income plus depreciation and amortisation) amounted to 202 million euros (202 million in the first half 2004).

San Donato Milanese, 20 September 2005. The Board of Directors of Saipem S.p.A. has today approved Saipem Group consolidated financial statements for the six months ended 30th June 2005. The consolidated income statement confirms an operating income of 154 million euros (148 million in the first half of 2004) and a net income of 108 million euros (103 million in the first half of 2004), as reported on 27th July 2005 upon the approval of the Second Quarter Report at 30th June 2005.

The Saipem Group Six-monthly Report has been submitted to the company Statutory Auditors and Independent Auditors.

We enclose Saipem Group Reclassified Consolidated Balance Sheet and Reclassified Consolidated Income Statements by nature and destination of costs.

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euros)

	31 st December 2004 ^(a)	30 th June 2005
Net tangible fixed assets	1,712	1,788
Net intangible fixed assets	835	835
Net tangible and intangible fixed assets	2,547	2,623
- Offshore Construction	1,146	1,199
- Offshore Drilling	725	732
- Leased FPSO	65	81
- Onshore Construction	245	243
- Onshore Drilling	80	82
- LNG	175	175
- MMO	83	84
- Other	28	27
Financial investments	17	28
Non-current assets	2,564	2,651
Inventories	388	514
Other current assets	1,607	1,618
Current liabilities	(1,966)	(2,183)
Provision for contingencies	(122)	(134)
Net current assets	(93)	(185)
Employee termination benefits	(33)	(34)
CAPITAL EMPLOYED	2,438	2,432
Group Shareholders' equity	1,555	1,479
Minority interest in net equity	9	11
Net financial debt – medium/long term	495	483
Net financial debt – short term	379	459
Net debt	874	942
COVER	2,438	2,432
SHARES ISSUED AND OUTSTANDING	441,177,500	441,181,100

(a) To enable data comparison, figures have been adjusted to comply with the new International Financial Reporting Standards (IFRS), including IAS 32 and IAS 39, which relate to the evaluation and recognition of financial instruments, introduced as of 1st January 2005.

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED INCOME STATEMENTS BY NATURE OF COSTS

(million euros)

First Half	2004 ^(a)	2005
Operating revenues	1,911	2,119
Other revenues and income	5	3
Purchases, services and other costs	(1,317)	(1,493)
Payroll and related costs	(352)	(381)
GROSS OPERATING INCOME	247	248
Amortisation, depreciation and write-downs	(99)	(94)
OPERATING INCOME	148	154
Financial expenses, net	(22)	(26)
Income from investments	7	12
INCOME BEFORE INCOME TAXES	133	140
Income taxes	(28)	(30)
NET INCOME BEFORE MINORITY INTEREST	105	110
Minority interest	(2)	(2)
NET INCOME	103	108

(a) To enable data comparison, figures have been adjusted to comply with the new International Financial Reporting Standards (IFRS).

SAIPEM GROUP

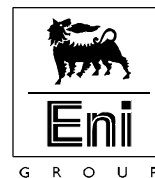
RECLASSIFIED CONSOLIDATED INCOME STATEMENTS BY DESTINATION OF COSTS

(million euros)

First Half	2004 ^(a)	2005
Operating revenues	1,911	2,119
Production costs	(1,629)	(1,850)
Idle costs	(39)	(19)
Selling expenses	(36)	(34)
Research and development costs	(3)	(3)
Other operating income, net	2	1
CONTRIBUTION FROM OPERATIONS	206	214
General and administrative expenses	(58)	(60)
OPERATING INCOME	148	154
Financial expenses, net	(22)	(26)
Income from investments	7	12
INCOME BEFORE INCOME TAXES	133	140
Income taxes	(28)	(30)
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Minority interest	(2)	(2)
NET INCOME	103	108

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Saipem



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