

PRESS RELEASE

SIX-MONTHLY REPORT AT 30TH JUNE 2004

Saipem confirms net income of 82 million euros

The Board of Directors of Saipem S.p.A. has today approved Saipem Group consolidated financial statements for the six months ended 30th June 2004. The consolidated income statement shows an operating income of € 127 million (138 million in the first half of 2003) and a net income of € 82 million (90 million in the first half of 2003), as reported on 28th July 2004 upon the approval of the Second Quarter Report at 30th June 2004.

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.

San Donato Milanese, 16th September 2004

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euros)

	31 st December 2003	30 th June 2004
Net tangible fixed assets	1,694	1,699
Net intangible fixed assets	851	832
Net tangible and intangible fixed assets	2,545	2,531
- Offshore Construction	1,127	1,118
- Offshore Drilling	656	664
- Leased FPSO	89	89
- Onshore Construction	244	244
- Onshore Drilling	95	84
- LNG	193	192
- MMO	85	81
- Other	56	59
Financial investments	26	25
Non-current assets	2,571	2,556
Inventories	307	344
Other current assets	1,529	1,652
Current liabilities	(1,915)	(1,953)
Provision for contingencies	(117)	(133)
Net current assets	(196)	(90)
Employee termination benefits	(31)	(32)
CAPITAL EMPLOYED	2,344	2,434
Group Shareholders' equity	1,368	1,402
Minority interest in net equity	23	23
Net financial debt – medium/long term	578	567
Net financial debt – short term	375	442
Net debt	953	1,009
COVER	2,344	2,434
SHARES ISSUED AND OUTSTANDING	440,713,700	440,958,400

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED INCOME STATEMENTS BY NATURE OF COSTS

(million euros)

First Half	2003	2004
Operating revenues	1,868	1,911
Other revenues and income	4	5
Purchases, services and other costs	(1,250)	(1,317)
Payroll and related costs	(355)	(352)
GROSS OPERATING INCOME	267	247
Amortisation, depreciation and write-downs	(129)	(120)
OPERATING INCOME	138	127
Financial expenses, net	(26)	(22)
Income from investments	8	7
INCOME BEFORE INCOME TAXES	120	112
Income taxes	(30)	(28)
NET INCOME BEFORE MINORITY INTEREST	90	84
Minority interest	–	(2)
NET INCOME	90	82

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED INCOME STATEMENTS BY DESTINATION OF COSTS

(million euros)

First Half	2003	2004
Operating revenues	1,868	1,911
Production costs	(1,593)	(1,651)
Idle costs	(41)	(38)
Selling expenses	(36)	(36)
Research and development costs	(4)	(3)
Other operating income, net	1	2
CONTRIBUTION FROM OPERATIONS	195	185
General and administrative expenses	(57)	(58)
OPERATING INCOME	138	127
Financial expenses, net	(26)	(22)
Income from investments	8	7
INCOME BEFORE INCOME TAXES	120	112
Income taxes	(30)	(28)
NET INCOME BEFORE MINORITY INTEREST	90	84
Minority interest	–	(2)
NET INCOME	90	82