

PRESS RELEASE

SIX-MONTHLY REPORT AT 30TH JUNE 2002

The Board of Directors of Saipem S.p.A. has today approved Saipem Group consolidated financial statements for the six months ended 30th June 2002, closing with a net income amounting to € 112 million (versus 55 million in the first half of 2001). The half year consolidated financial statements will be reviewed by the company Statutory Auditors and the independent Auditors.

Saipem Group Consolidated Financial Statements at 30th June 2002

The Six-monthly Report confirms the information contained in the press release of 30th July 2002. In particular:

Revenues totalled € 1,324 million (736 in the first half of 2001).

Operating Income amounted to € 170 million (92 in the first half of 2001).

Net Income amounted to € 112 million (55 in the first half of 2001).

Cash flow (net income plus depreciation and amortisation) amounted to € 240 million (135 in the first half of 2001).

Investments in the first half of 2002, inclusive of acquisitions of company interests, amounted to € 267 million (125 in the same period 2001) and were aimed mainly at strengthening the Offshore Construction Fleet, through the acquisition of the remaining 50% of European Marine Contractors (for € 139 million) and the remaining 50% of SaiClo (for € 30 million) in addition to upgrading the Onshore and Offshore Drilling equipment for new contracts in Saudi Arabia and Libya.

Net financial debt at 30th June 2002 amounted to € 663 million, an increase of € 21 million compared to 31st December 2001 (€ 642 million).

Net income of Saipem S.p.A. at the end of June 2002 amounted to € 74 million, versus € 16 million at 30th June 2001.

New contracts and backlog (excluding Bouygues Offshore)

During the first six months of 2002, Saipem was awarded new contracts totalling € 1,769 million (€ 1,181 million in the same period 2001), of which € 1,393 million apply to the Offshore sectors (Construction, Drilling and Floating Production).

At the end of June 2002, the order backlog reached a record € 3,394 million (€ 2,853 million at 31st December 2001). Projects to be carried out in the second half of the year are estimated to yield revenues totalling € 1,027 million: 467 million from the Offshore Construction sector, 19 million from Floating Production, 151 million from Onshore Drilling and 298 million from Onshore Construction.

Moreover, in July and August, the Saipem Group was awarded new contracts amounting to a total of € 207 million, all in the Offshore Construction and Offshore Drilling sectors.

The most significant contracts awarded include:

Offshore Construction:

- the South Pars 4 & 5 Pipelines Project, on behalf of Agip Iran BV, in Iran, for the engineering, construction and installation of two subsea pipelines. The contract was awarded to Saipem S.p.A.;
- the Troll A Export Pressure Increase Project, on behalf of Statoil in Norway, for the transport and installation onto the Troll A platform of a pre-compression module. The contract was awarded to Saipem UK Ltd.

Offshore Drilling:

- The three-year charter with an option for a further 16 months of the semi-submersible platform Scarabeo 5, on behalf of Statoil, in Norway. The contract was awarded to Saipem S.p.A.;
- The five-month charter of the Jack-up Perro Negro 4, on behalf of Petrobel, in Egypt. The contract was awarded to Saipem S.p.A.

Bouygues Offshore

As previously announced, following the conclusion, on September 6, of the Public Purchase Offer (garantie de cours) launched in France, Saipem owned 96.8% of the Bouygues Offshore voting rights.

The purchase offer for ADSs and ordinary shares held by U.S. investors expired today, 17th September 2002, at 18:00 hrs (12:00 noon – New York City time).

Based on a preliminary count by the receiving agent, Bank of New York, shares and ADSs corresponding to 1.8% of the voting rights were tendered.

Following conclusion of the two offers therefore, Saipem owns 98.6% of the voting rights and, as previously announced, intends to launch a repurchase offer in France (offre publique de retrait suivie d'un retrait obligatoire); U.S. holders of ordinary shares and ADSs may participate in the repurchase offer through a further offering period of the U.S. tender offer, which will begin immediately and, barring further extensions, will close on 8th October 2002 at 18:00 hrs (12:00 noon – New York City time).

The repurchase offer will be followed by a squeeze out of the remaining shareholders, which is expected to be completed by end of October.

Management expectations for the year 2002

Saipem before the acquisition of Bouygues Offshore

The excellent results achieved in the first half of 2002, together with a substantial backlog and the distinctive capability of the Group to operate in particularly challenging environments (deep waters and remote areas) reinforce expectations for 2002, to repeat the record results of 2001, with potential for further improvement.

Saipem after the acquisition of Bouygues Offshore

The acquisition of Bouygues Offshore, which will have an immediate positive effect in terms of cash flow, will result in a slight reduction in the net income as compared with the forecast Saipem stand-alone figure; this is due to the goodwill amortisation and the financial expenditure associated with the capital invested.

Additional Information

Stock options

The Board of Directors of Saipem S.p.A. today passed a motion to increase the share capital by issuing no. 2,105,544 ordinary shares, each with a nominal value of € 1, to be offered as share options at the price of € 6.187 per share (i.e. the shares official price average recorded by the Telematic Share Market of the Italian Stock Exchange over the month preceding today's meeting) to executive managers of the Saipem Group, including those employed by the recently acquired Bouygues Offshore, holding positions that can directly influence Saipem Group results and/or are of strategic importance for the Group.

The stock options, approved today, can be exercised by Italian resident assignees after three years from allocation and until 30th September 2010, whereas French resident assignees will be able to exercise them after four years from allocation and until 30th September 2009, in compliance with French legal requirements.

Attachments:

- Saipem Group Reclassified Consolidated Balance Sheet and Reclassified Consolidated Income Statements by nature and destination of costs;
- Saipem S.p.A. Reclassified Balance Sheet and Reclassified Income Statement

San Donato Milanese, 17th September 2002

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euros)

	31st December 2001	30th June 2002
Net tangible fixed assets	1,440	1,566
Net intangible fixed assets	<u>94</u>	<u>88</u>
	1,534	1,654
- Offshore Construction	613	735
- Floating Production	45	39
- Offshore Drilling	617	620
- Onshore Drilling	138	147
- Onshore Constructions	79	69
- Other	42	44
Financial investments	6	7
Non-current assets	1,540	1,661
Inventories	163	236
Other current assets	1,015	950
Current liabilities	(828)	(835)
Provision for contingencies	<u>(66)</u>	<u>(77)</u>
Net current assets	284	274
Employee termination benefits	(24)	(24)
CAPITAL EMPLOYED	<u>1,800</u>	<u>1,911</u>
Group Shareholders' equity	1,156	1,200
Minority interest in net equity	2	48
Net financial debt – medium/long term	116	102
Net financial debt – short term	<u>526</u>	<u>561</u>
Net debt	642	663
COVER	<u>1,800</u>	<u>1,911</u>

SAIPEM GROUP

**RECLASSIFIED CONSOLIDATED INCOME STATEMENTS
BY
NATURE OF COSTS**

(million euros)

	First half 2001	First half 2002
Operating revenues	736	1,324
Other revenues and income	9	10
Purchases, services and other costs	(416)	(793)
Payroll and related costs	(157)	(243)
GROSS OPERATING INCOME	172	298
Amortisation, depreciation and write-downs	(80)	(128)
OPERATING INCOME	92	170
Financial expenses, net	(19)	(20)
INCOME BEFORE EXTRAORDINARY ITEMS AND INCOME TAXES	73	150
Extraordinary expenses	(1)	(2)
INCOME BEFORE INCOME TAXES	72	148
Income taxes	(17)	(35)
NET INCOME BEFORE MINORITY INTEREST	55	113
Minority interest	-	(1)
NET INCOME FOR THE PERIOD	<u>55</u>	<u>112</u>

SAIPEM GROUP

**RECLASSIFIED CONSOLIDATED INCOME STATEMENTS
BY
DESTINATION OF COSTS**

(million euros)

	First half 2001	First half 2002
Operating revenues	736	1,324
Production costs	(579)	(1,089)
Idle costs	(21)	(18)
Selling expenses	(11)	(14)
Research and development costs	(1)	(1)
Other operating income, net	3	6
CONTRIBUTION FROM OPERATIONS	127	208
General and administrative expenses	(35)	(38)
OPERATING INCOME	92	170
Financial expenses, net	(19)	(20)
INCOME BEFORE EXTRAORDINARY EXPENSES AND INCOME TAXES	73	150
Extraordinary expenses	(1)	(2)
INCOME BEFORE INCOME TAXES	72	148
Income taxes	(17)	(35)
NET INCOME BEFORE MINORITY INTEREST	55	113
Minority interest	-	(1)
NET INCOME FOR THE PERIOD	<u>55</u>	<u>112</u>

SAIPEM S.p.A.

RECLASSIFIED BALANCE SHEET

(thousand euros)

	31 st December 2001	30 th June 2002
Net tangible fixed assets	123,053	100,863
Net intangible fixed assets	33,728	29,830
Financial investments	493,983	494,472
Financial business loans	<u>7,360</u>	<u>7,360</u>
Non-current assets	658,124	632,525
Inventories	66,559	97,789
Other current assets	714,421	606,464
Current liabilities	(488,065)	(398,958)
Provision for contingencies	<u>(28,183)</u>	<u>(39,675)</u>
Net current assets	264,732	265,620
Employee termination benefits	(20,691)	(21,746)
CAPITAL EMPLOYED	<u>902,165</u>	<u>876,399</u>
Share capital	440,270	440,673
Reserves and net income for the year	<u>226,702</u>	<u>246,340</u>
Group Shareholders' equity	666,972	687,013
Funds allocated exclusively to comply with tax regulations	980	980
Net financial debt – medium/long term	51,657	51,654
Net financial debt – short term	<u>182,556</u>	<u>136,752</u>
Net debt	234,213	188,406
COVER	<u>902,165</u>	<u>876,399</u>

SAIPEM S.p.A.

RECLASSIFIED INCOME STATEMENTS

(thousand euros)

	First half 2001	First half 2002
Operating revenues	431,446	821,516
Other revenues and income	7,333	10,375
Purchases, services and other costs	(352,546)	(617,639)
Payroll and related costs	(56,976)	(70,879)
GROSS OPERATING INCOME	29,257	143,373
Amortisation, depreciation and write-downs	(29,134)	(42,969)
OPERATING INCOME	123	100,404
Financial expenses, net	(4,441)	(705)
Income from investments	30,038	-
INCOME BEFORE INCOME TAXES	25,720	99,699
Income taxes	(9,268)	(26,151)
NET INCOME FOR THE PERIOD	16,452	73,548