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2012 Guidance Review and 2013 Outlook

Forward-Looking Statements

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Actual results could therefore differ materially from the forward-looking statements.

The Financial Reports contain in-depth analyses of some of the aforementioned risks.

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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.

Agenda

- Update on Milan Prosecutor's investigation
- 2012 Guidance Review
- 2013 Outlook
 - Market Context
 - 2013 Guidance
 - 2013 E&C Onshore Outlook
 - 2013 E&C Offshore Outlook
 - 2013 Drilling Outlook
- Looking Ahead
 - Operational review
 - Market opportunities
 - Drivers for recovery
- Conclusions

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Update on Milan Prosecutor's investigation

Update on Milan Prosecutor's investigation

- In respect of the ongoing investigation being carried out by the Milan Prosecutor, Saipem continues to engage and fully cooperate with his office
- Clients continue to be supportive since the investigation became public
- The Board continues to believe that, on the basis of the information currently available, the investigation will not have a material adverse effect on the company's financial results
- Pietro Franco Tali, former CEO, has received a notice of inquiry from the Milan Prosecutor in connection with the investigation related to Algeria

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2012 Guidance Review

2012 Guidance Review

	Previous 2012 Guidance	2012 Guidance
Revenues:	~ € 13 bln	~ € 13 bln
EBIT:	~ € 1.6 bln	~ € 1.5 bln
Net profit:	~ € 1.0 bln	~ € 0.9 bln
Capex:	~ € 1.0 bln	~ € 1.0 bln
Net Debt:		~ € 4.3 bln

- Lower than expected recovery of claims from clients in E&C
- Slower activity during the last quarter of the year across E&C
- No impact from investigation on Algeria

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2013 Outlook

Market Context

2009-11

Prolonged uncertainties in global economic outlook resulting in highly competitive E&C market

2012

Delays and slower rate of large project sanctioning

Implications for Saipem

2013

- Slowdown of financial results
- Change in profit drivers versus 2012, with a significant reduction in the E&C business, only partially offset by the strong performance of the Drilling business

Revenues: ~ € 13.5 bln

EBIT: ~ € 750 mln

Net profit: ~ € 450 mln

Capex: € 0.9 bln - € 1 bln

2013 E&C Onshore Outlook

E&C Onshore EBIT (-80% vs 2012) due to a combination of factors:

- The majority of contracts to be executed in 2013 are less profitable than those carried out and concluded in 2012 (e.g. Middle East, Nigeria and Algeria)
- This reflects the highly competitive market conditions faced since 2010, during which time the 2013 contracts were entered into
- Delays of large contract awards in Venezuela, Nigeria and Iraq
- A more conservative approach taken by the new management team to properly evaluate new business:
 - estimates on margins
 - timing of contract awards
 - timing of project execution

2013 E&C Offshore Outlook

EBIT for Offshore E&C is expected to be down by 70% on 2012, due to:

- Reduced activity in “high margin” contracts which underpinned 2012 results, mainly in Baltic Sea, West Africa and Caspian Sea, now either concluded or in their final phase
- Continued delays to ‘Blockbuster’ Project awards where Saipem can leverage its distinctive execution capabilities and skills

Main contributors to P/L

Saipem ‘Strengths’	2012	2013
Large International Trunklines	Baltic Sea	-
Deepwater Field developments	West Africa	-
Remote Areas Activities	Kazakh Caspian Sea	Russian Caspian Sea

- Execution of lower margin contracts entered into during the weaker market period of 2009-2011
- Execution of EPIC contracts with a limited high margin marine component
- Investment and commercial decisions taken to support new market entry in Brazil, where the first contracts were entered into at lower margins

2013 Drilling Outlook

- Positive and solid outlook for Drilling business based on the Saipem fleet's long-term contractual commitment
- EBIT: 20% increase compared to 2012
- In Offshore Drilling, revenues and margins are expected to increase thanks to:
 - Full year contribution of new-built DW semisubs Scarabeo 8 and Scarabeo 9
 - Full year contribution of Scarabeo 6
 - Short time to full operational efficiency of new-built rigs
- In Onshore Drilling, outlook continues to be positive thanks to:
 - Increasing market day-rates
 - Continued high utilisation of the fleet

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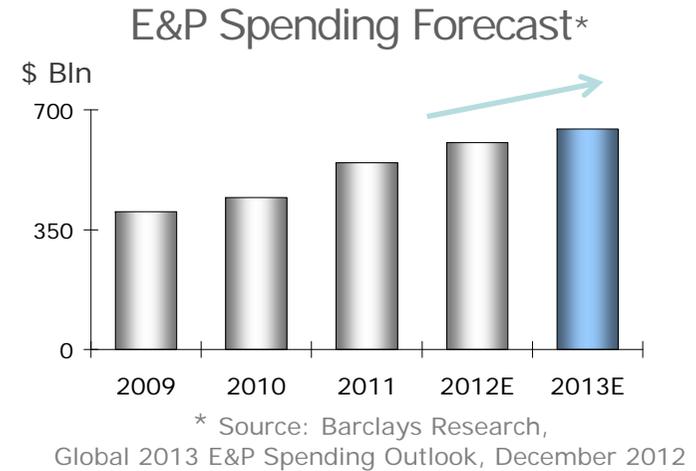
Looking Ahead

Operational review

- The new management team has commenced a comprehensive operational review of the entire business
- The objective is to quickly ensure an operating structure to deliver:
 - improved execution to capture project upsides
 - closeness to clients across all project phases
 - responsibility/accountability of decentralised operations
 - improved risk management
 - greater commercial discipline to protect margin and cash flow profile
- The outcome of this review will be presented at a seminar in early Spring 2013

Market Opportunities

- Global E&P spending is set to further increase in 2013 by 7%* versus 2012 supporting ongoing opportunities for the Oil Services industry



- Over 50% of giant discoveries took place in deep water over the last six years
- Increased focus on gas monetisation and LNG industry
- More exploration and development drilling in ultra deep water and harsh environments

Drivers for recovery

From
2014

Expected significant rebound in financial performance thanks to:

- Saipem's robust industrial business model:
 - Large/complex EPC projects management capability
 - State-of-the-art offshore fleet
 - Strong deepwater and heavy lift capabilities
 - Local content footprint
 - Cutting edge technology
- Saipem strong competitive position for attractive E&C bidding opportunities in high value areas:
 - Brazilian and West African ultra-deepwater field developments
 - Extreme pipelines
 - LNG/ FLNG
 - Heavy Oils
- Continued sustained drilling fleet utilization coupled with new day rates benefiting from a strengthened market outlook
- Expected positive impact from the operational review

Saipem is very well positioned to build a high quality order backlog



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Conclusions

Conclusions

Today

- Guidance revised for 2012 and 2013
- Lessons learned from previous commercial results
- Decisive management action taken to address financial performance

Looking Ahead

- Strong external market drivers – Attractive stream of opportunities
- Robust industrial business model – Well positioned to exploit opportunities
- New management approach – Improved commercial discipline, project execution and risk management

**Significant improvement expected in operational performance
and profitability in 2014 and beyond**

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Appendix

New Management

- Umberto Vergine, appointed CEO on December 5th, 2012
 - Saipem Director since 2010
 - Former COO of Eni G&P division
 - Former EVP in Eni E&P division
 - Spent 20 years overseas covering various leading positions, managing different Eni E&P companies in the most important Oil & Gas regions
- Giuseppe Caselli, appointed E&C BU COO on January 16th, 2013
 - In Saipem for more than 25 years
 - Former COO of Saipem Drilling business unit
 - Served as E&C Area Manager in key Saipem countries: Kazakhstan, Nigeria and Saudi Arabia
- Stefano Goberti, appointed CFO on June 1st, 2012
 - Former Eni EVP Planning and Control
 - At Eni since 1991
 - Spent 15 years overseas as Chief Controller for Eni in strategic Oil & Gas areas