Saipem

Eni GROUP

PRESS RELEASE – 22ND MARCH 2004

Saipem 2003 financial results: consolidated net income 196 million euros; dividend of 0.148 euro per ordinary share and 0.178 euro per savings share.

Purchase of 2,460,000 treasury shares to implement the company incentive schemes.

Today, the Board of Directors of Saipem S.p.A. approved the Consolidated Financial Statements at 31st December 2003, which reported a net income of 196 million euros (191 million in 2002), bearing out the preliminary results announced on 23rd February 2004.

The Board of Directors also approved the Statutory Financial Statements of Saipem S.p.A. at 31st December 2003, which reported a net income amounting to 68 million euros (70 million in 2002).

The aforementioned financial statements are currently being reviewed by the Independent Auditors.

Saipem's Board of Directors resolved to propose to the General Shareholders' Meeting, scheduled to take place on 28th and 29th April 2004, first and second summons respectively, the distribution of a dividend of 0.148 euro per ordinary share (*) (0.144 euro in 2002) and 0.178 euro per savings share (*) (0.174 euro in 2002). The dividend will be paid from 27th May 2004 (date of coupon 24th May 2004).

The payout, in line with that of 2002, is equal to approximately one third of the consolidated net income.

(*) New fiscal regulations in force from 1st January 2004 provide that (except the case below) dividends do not benefit from any tax credit and, depending on the receiver, are taxed at source or are partially added to the taxable income. Dividends enjoy a tax credit only if received by resident legal entities, in particular companies, during the fiscal year not yet ended at 31st December 2003; as follows:
- an ordinary and limited tax credit of 51.51% is applicable to the same amount of gross dividends;
- should the dividend be partially made up of income previously allocated to reserves, this part shall enjoy a limited tax credit of 51.51% applicable to the gross dividend.

Purchase of treasury shares for allocation to the Company Incentive Schemes

The Board of Directors resolved to propose for approval to the General Shareholders' Meeting the purchase of up to 2,460,000 treasury shares, for a total amount not exceeding 21 million euros, for allocation to the Incentive Schemes as follows:

- 1,600,000 to the 2004 Stock Option Scheme; stock options will be offered to managers holding positions directly responsible for Group results or of strategic interest, at the price equal to the average official price recorded by the Telematic Stock Market during the month preceding the date of allocation;
- 860,000 to the 2003 Stock Grant Scheme; stock grants shall be offered free of charge to managers, who achieved targets set by the company.

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

San Donato Milanese, 22nd March 2004

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SAIPEM S.p.A.

RECLASSIFIED BALANCE SHEET

(thousand euros)

	31st December 2002	31st December 2003
Net tangible fixed assets	99,911	72,871
Net intangible fixed assets	26,522	20,823
Financial investments	1,479,523	1,393,953
Loan to an associated company for operating purposes	7,360	22,801
Non-current assets	**1,613,316**	**1,510,448**
Inventories	75,492	161,753
Other current assets	495,702	691,004
Current liabilities	(462,950)	(749,688)
Provision for contingencies	(34,936)	(33,313)
Net current assets	**73,308**	**69,756**
Employee termination benefits	**(23,066)**	**(25,644)**
CAPITAL EMPLOYED	**1,663,558**	**1,554,560**
Share capital	440,697	440,714
Reserves and net income for the year	243,150	248,353
Shareholders' equity	**683,847**	**689,067**
Provisions made in order to achieve fiscal benefits	**88**	**–**
Net financial debt – medium/long term	351,652	501,646
Net financial debt – short term	627,971	363,847
Net debt	**979,623**	**865,493**
COVER	**1,663,558**	**1,554,560**

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SAIPEM S.p.A.

RECLASSIFIED INCOME STATEMENT BY NATURE OF COSTS

(thousand euros)

	2002	2003
Operating revenues	**1,383,998**	**1,422,238**
Other revenues and income	27,021	15,628
Purchases, services and other costs	(1,082,092)	(1,177,948)
Payroll and related costs	(146,015)	(139,864)
GROSS OPERATING INCOME	**182,912**	**120,053**
Amortisation, depreciation and write-downs	(69,966)	(53,932)
OPERATING INCOME	**112,946**	**66,121**
Financial income (expenses), net	(12,970)	19,996
Income from investments	20,262	4,354
INCOME BEFORE EXTRAORDINARY ITEMS AND INCOME TAXES	**120,238**	**90,471**
Extraordinary expenses, net	(2,149)	(1,897)
INCOME BEFORE INCOME TAXES	**118,089**	**88,574**
Income taxes	(48,727)	(20,260)
Net adjustments associated with fiscal benefits	892	88
NET INCOME FOR THE YEAR	**70,254**	**68,402**

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RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euros)

	31st December 2002		31st December 2003	
Net tangible fixed assets		1,708		1,694
Net intangible fixed assets		906		851
		2,614		2,545
- Offshore Construction	1,202		1,127	
- Onshore Construction	265		244	
- LNG	212		193	
- MMO	90		85	
- Offshore Drilling	621		656	
- Onshore Drilling	129		95	
- Leased FPSO	46		89	
- Other	49		56	
Financial investments		24		26
Non-current assets		**2,638**		**2,571**
Inventories	177		307	
Other current assets	1,437		1,529	
Current liabilities	(1,547)		(1,915)	
Provision for contingencies	(132)		(117)	
Net current assets		**(65)**		**(196)**
Employee termination benefits		**(26)**		**(31)**
CAPITAL EMPLOYED		**2,547**		**2,344**
Group Shareholders' Equity		**1,275**		**1,368**
Minority interest in net equity		**24**		**23**
Net financial debt – medium/long term	406		578	
Net financial debt – short term	842		375	
Net debt		**1,248**		**953**
COVER		**2,547**		**2,344**
Shares issued and outstanding		**440,697,000**		**440,713,700**

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT BY NATURE OF COSTS

(million euros)

	2002 (*)	2003
Operating revenues	**3,149**	**4,231**
Other revenues and income	16	11
Purchases, services and other costs	(1,987)	(2,977)
Payroll and related costs	(621)	(704)
GROSS OPERATING INCOME	**557**	**561**
Amortisation, depreciation and write-downs	(255)	(258)
OPERATING INCOME	**302**	**303**
Financial expenses, net	(48)	(53)
Income from investments	5	16
INCOME BEFORE EXTRAORDINARY ITEMS & INCOME TAXES	**259**	**266**
Extraordinary expenses, net	(3)	(3)
INCOME BEFORE INCOME TAXES	**256**	**263**
Income taxes	(62)	(67)
NET INCOME BEFORE MINORITY INTEREST	**194**	**196**
Minority interest	(3)	–
NET INCOME	**191**	**196**
CASH FLOW (Net income + Depreciation and amortisation	**446**	**454**

(*) *Includes Saipem s.a. (formerly Bouygues Offshore) figures from the third quarter*

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT BY DESTINATION OF COSTS

(million euros)

	2002 (*)	2003
Operating revenues	**3,149**	**4,231**
Production costs	(2,637)	(3,658)
Idle costs	(48)	(78)
Selling expenses	(56)	(66)
Research and development costs	(6)	(9)
Other operating income, net	2	(2)
CONTRIBUTION FROM OPERATIONS	**404**	**418**
General and administrative expenses	(102)	(115)
OPERATING INCOME	**302**	**303**
Financial expenses, net	(48)	(53)
Income from investments	5	16
INCOME BEFORE EXTRAORDINARY ITEMS & INCOME TAXES	**259**	**266**
Extraordinary expenses, net	(3)	(3)
INCOME BEFORE INCOME TAXES	**256**	**263**
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