PRESS RELEASE

SAIPEM: Board of Directors approves Six-Month Report at June 30, 2013

- **Revenues for the first half of 2013 amounted to €5,186 million, -18.9% compared to the first half of 2012.**
- **Net result for the second quarter of 2013 amounted to € -685 million.**
- **Net result for the first half of 2013 amounted to € -575 million.**
- **Investments in the first half of 2013 amounted to €492 million (€548 million in the first half of 2012, -10%).**

- **New contracts won in the first half of 2013 amounted to €7,151 million (€6,303 million in the first half of 2012, +13%).**
- **The backlog at June 30, 2013 stood at €21,704 million (€19,739 million at December 31, 2012, +10%).**
- **Saipem expects to achieve in 2013 revenues amounting to approximately €13 billion, EBIT to break even, and a net loss of approximately €300-350 million.**

San Donato Milanese, July 30, 2013. The Board of Directors of Saipem S.p.A. today reviewed the Saipem Group consolidated Six-Month Report at June 30, 2013, which has been prepared in compliance with the International Financial Reporting Standards and is subject to a limited audit (near completion). The report is subject to review by the company's Statutory Auditors and Independent Auditors.

(million euro)

Q2 2012	Q1 2013	Q2 2013	Q2 2013 vs Q2 2012 (%)		1H 2012	1H 2013	1H 2013 vs 1H 2012 (%)
3,265	3,089	2,097	(35.8)	Revenues	6,397	5,186	(18.9)
567	380	(489)	ns	EBITDA	1,111	(109)	ns
393	202	(670)	ns	Operating result	766	(468)	ns
243	110	(685)	ns	Net result	474	(575)	ns
417	288	(504)	ns	Cash flow (Net result + Depreciation and amortisation)	819	(216)	ns
232	340	152	(34.5)	Investments	548	492	(10.2)
3,187	2,883	4,268	33.9	New contracts	6,303	7,151	13.5

Revenues and associated result levels, particularly in the Engineering and Construction sector, and, to a lesser extent, in the Drilling sector, are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and *individual project schedules. Consequently, the results from any one particular fiscal period can vary significantly, thereby precluding a direct comparison with the same period in other fiscal years or extrapolation of figures from a single quarter to the entire year.*

Investments in the second quarter of 2013 amounted to €152 million (€232 million in the second quarter of 2012) and included:
- €59 million in the Offshore Engineering & Construction sector relating mainly to the final stages of the construction of a new pipelayer, the ongoing development of a new fabrication yard in Brazil and the maintenance and upgrading of the existing asset base;
- €26 million in the Onshore Engineering & Construction sector relating to the purchase of equipment and facilities for the fabrication yard in Canada, in addition to the maintenance of existing assets;
- €11 million in the Offshore Drilling sector, relating mainly to class reinstatement works for the semi-submersible rig Scarabeo 5, in addition to the maintenance and upgrading of the existing asset base;
- €56 million in the Onshore Drilling sector relating to preparation works on four new rigs due to begin operations in Saudi Arabia, in addition to the upgrading of the existing asset base.

Net financial debt at June 30, 2013 amounted to €4,570 million, an increase of €292 million compared to December 31, 2012. This is ascribed to investments and payment of dividends during the period, largely offset by a considerable improvement in working capital, the latter having benefitted from advance payments received for newly-won projects and contractual payments either negotiated or reaching completion with clients. Conversely, the full scale operation of projects with a penalizing financial profile have affected the working capital, as has the investigation in Algeria, which is causing significant delays in the approval of progress reports of Algerian projects, of invoices and their payments.

New contracts and backlog

During the second quarter of 2013, Saipem was awarded contracts amounting to €4,268 million (€3,187 million in the second quarter of 2012).

The Saipem Group backlog at June 30, 2013 stood at €21,704 million (€10,666 million in the Offshore Engineering & Construction sector, €6,656 million in the Onshore Engineering & Construction sector, €4,382 million in the Drilling sectors), of which €6,264 million is due to be realised in 2013.

In July 2013 Saipem was awarded contracts amounting to approximately €550 million relating to the Drilling Business Unit.

In onshore drilling, Saipem was awarded new contracts by several clients, signed under different terms ranging from 6 months to 5 years, for the utilization of 17 rigs in Middle East, Caspian, South America, West Africa, Turkey and Ukraine.
Among the 17 newly contracted rigs, 2 will be working for Shell under a long term Global Framework, engaging Saipem in a call-off agreement to facilitate new country entries and, for exploration purposes, provide onshore drilling services worldwide, at pre-agreed terms and conditions.

In offshore drilling, Saipem signed a two-year extension of its contract for the charter of the Saipem TAD, for drilling operations in Congo, and the extension for one year of the contract for the charter of Perro Negro 5, which is currently operating in the Kingdom of Saudi Arabia.

Management Outlook for 2013

Consistent with the press release of June 14, 2013, the situation in the first half of the year highlights the deterioration expected for 2013.

Despite general uncertainty in the timing of contract awards by the Oil Companies, results are expected to improve significantly in the second half of the year owing to the positive trend, in the first half of 2013, of more selective contract acquisitions, and strong results achieved by the Drilling Business Unit.

Management expects net debt at year-end to be approximately €5 billion, even though it is difficult to predict the trend in working capital, dependent as it is on client negotiations, the full-scale operation of projects with a penalizing financial profile and the ongoing investigations in Algeria.

Overall, Saipem expects to achieve revenues amounting to approximately €13 billion, EBIT to break even, and a net loss of approximately €300-350 million. Investments should be in the region of €1 billion.

The evaluation and measurement criteria used for the preparation of the Six-month Report at June 30, 2013 are comparable with those used in the preparation of the Company's 2012 Annual Report, barring the application of the International Accounting Standards which came into effect on January 1, 2013.

Main changes pertain to the introduction of a new version of IAS 19 'Employee benefits' (approved by the European Commission through Regulation No. 475/2012 dated June 5, 2012) which, amongst other things, introduces: (i) the requirement to recognise immediately all actuarial gains and losses through other comprehensive income, thereby eliminating the option to apply the corridor method. The actuarial gains and losses recognised in the statement of comprehensive income are not subsequently taken to the income statement; (ii) the recognition in the "net interest" expense of the return of plan assets and interest costs to the income statement. The "net interest" is determined by applying the discount rate for liabilities to liabilities net of plan assets. The "net interest" of defined benefit plans is posted to "Financial income (expenses)". The new provisions of IAS 19 will be applied retrospectively beginning January 1, 2013. The opening values of the balance sheet at January 1, 2012 and the economic data for 2012 will be adjusted accordingly, as if the new IAS 19 provisions had always been applied. In the consolidated interim report at June 30, 2013, the application of the new IAS 19 provisions, gross and net of the tax effect, have implied the following: (i) a reduction of shareholders' equity at January 1, 2012 of €20 million and €16 million respectively; (ii) a reduction of shareholders' equity at December 31, 2012 of €38 million and €28 million of which €19 million and €13 million for actuarial gains and losses in 2012 recognised in other items of comprehensive income. The effect on the first half of 2012 income statement is not significant. In addition, the inclusion of the "net interest" expense on employee benefit plans as an interest expense in lieu of operating expenses (payroll costs) has implied a positive variation in operating results in the first half of 2012 of €4 million.

Saipem's Chief Financial Officer, Mr. Stefano Goberti, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to art. 154-bis paragraph 2 of Legislative Decree no. 58/1998, that data and information disclosed in this press release corresponds to the Company's evidence and accounting books and entries.

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent upon circumstances which should or are considered likely to occur in the future and are outside of the Company's control. These include, but are not limited to: monetary exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the levels of capital expenditure in the oil and gas industry and other sectors, political instability in areas where the Group operates, actions by competitors, success of commercial transactions, risks associated with the execution of projects (including ongoing investment projects), in addition to changes in stakeholders' expectations and other changes affecting business conditions.
Actual results could therefore differ materially from the forward-looking statements.
The Financial Reports contain in-depth analyses of some of the aforementioned risks.
Forward-looking statements are to be considered in the context of the date of their release.

Conference call and webcast
This press release will be illustrated during a conference call and webcast hosted today at 5.30pm CEST by Saipem's CEO Umberto Vergine.
The conference call can be followed on Saipem's website www.saipem.com by clicking on the webcast banner on the home page, or through the following URL: http://www.media-server.com/m/p/vfd84cvc.
A presentation will be given during the conference call and webcast, which will be available for download from the webcast window and from the 'Investor Relations / Presentations' section on the www.saipem.com website, around 15 minutes before the scheduled start time.

Saipem is organized into two Business Units: Engineering & Construction and Drilling, with a strong bias towards oil & gas-related activities in remote areas and deep-waters.
Saipem is a leader in the provision of engineering, procurement, project management and construction services with distinctive capabilities in the design and execution of large-scale offshore and onshore projects, and technological competences such as gas monetization and heavy oil exploitation.

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Analysis by business sector

Engineering & Construction: Offshore

(million euro)

Q2 2012	Q1 2013	Q2 2013	Q2 2013 vs Q2 2012 (%)		1H 2012	1H 2013	1H 2013 vs 1H 2012 (%)
1,295	1,288	922	(28.8)	Revenues	2,518	2,210	(12.2)
(1,060)	(1,154)	(1,023)	(3.5)	Expenses	(2,057)	(2,177)	5.8
(64)	(68)	(72)	12.5	Depreciation and amortization	(131)	(140)	6.9
171	66	(173)	ns	Operating result	330	(107)	ns
18.1	10.4	-11.0		EBITDA %	18.3	1.5	
13.2	5.1	-18.8		EBIT %	13.1	-4.8	
1,623	1,005	3,150		New contracts	4,229	4,155	

The backlog at June 30, 2013 stood at €10,666 million, of which €3,033 million is due to be realised in 2013.

- Revenues for the first half of 2013 amounted to €2,210 million, representing a 12.2% decrease compared to the first half of 2012, mainly due to lower levels of activity in the North Sea and Europe.

- Operating results for the first half of 2013 amounted to €-107 million compared to €330 million in the first half of 2012. This reduction is ascribed mainly to higher costs generated during the period on a project involving the construction of a vessel for a client, in addition to increased costs resulting from technical problems and lower productivity initially generated by the new pipelayer Castorone

- The main contracts acquired in the second quarter of 2013 include:
  - for Total Upstream Nigeria Ltd, the EPIC contract for the subsea development of the Egina field in Nigeria, comprising engineering, procurement, construction, installation and pre-commissioning of oil production and gas export pipelines, flexible jumpers and umbilicals;
  - for Cardon IV, in a 50/50 joint venture with Eni and Repsol in Venezuela, the contract comprising transport and installation of a hub platform and two satellite platforms, an offshore export pipeline, two infield flowlines, along with the related tie-in operations;
  - for Petrobras in Brazil, the Sapinhoà Norte and Iracema Sul EPIC project comprising engineering, procurement, fabrication and installation of two offshore pipelines with related terminations to be installed in the Santos Basin Pre-Salt Region.

Engineering & Construction: Onshore

(million euro)

Q2 2012	Q1 2013	Q2 2013	Q2 2013 vs Q2 2012 (%)		1H 2012	1H 2013	1H 2013 vs 1H 2012 (%)
1,526	1,310	691	(54.7)	Revenues	3,015	2,001	(33.6)
(1,393)	(1,287)	(1,292)	(7.3)	Expenses	(2,752)	(2,579)	(6.3)
(8)	(9)	(8)	–	Depreciation and amortization	(16)	(17)	6.3
125	14	(609)	ns	Operating result	247	(595)	ns
8.7	1.8	-87.0		EBITDA %	8.7	-28.9	
8.2	1.1	-88.1		EBIT %	8.2	-29.7	
1,141	913	1,043		New contracts	1,416	1,956	

The backlog at June 30, 2013 stood at €6,656 million, of which €2,502 million is due to be realised in 2013.

- Revenues for the first half of 2013 amounted to €2,001 million, representing a 33.6% decrease compared to the first half of 2012, mainly attributable to lower levels of activity in North and West Africa.

- Operating results for the first half of 2013 amounted to €-595 million, compared to €247 million in the first half of 2012. This reduction is mainly ascribed to higher costs and provisions for contingencies on future projects currently experiencing difficulties in Algeria, Canada and Mexico.

- The main contract acquired in the second quarter of 2013 is:

– for Star Refinery AS, the EPC contract for the construction of the Socar refinery in Turkey, comprising engineering, procurement and construction of a refinery and three oil loading facilities to be realised close to the Petkim Petrochemical complex.

Drilling: Offshore

(million euro)

Q2 2012	Q1 2013	Q2 2013	Q2 2013 vs Q2 2012 (%)		1H 2012	1H 2013	1H 2013 vs 1H 2012 (%)
266	304	304	14.3	Revenues	509	608	19.4
(124)	(142)	(143)	15.3	Expenses	(236)	(285)	20.8
(69)	(66)	(65)	(5.8)	Depreciation and amortization	(133)	(131)	(1.5)
73	96	96	31.5	Operating result	140	192	37.1
53.4	53.3	53.0		EBITDA %	53.6	53.1	
27.4	31.6	31.6		EBIT %	27.5	31.6	
257	905	8		New contracts	405	913	

The backlog at June 30, 2013 stood at €3,543 million, of which €561 million is due to be realised in 2013.

- Revenues for the first half of 2013 amounted to €608 million, representing a 19.4% increase on the first half of 2012, mainly attributable both to the full-scale operations of the semi-submersible rigs Scarabeo 8 and Scarabeo 5, the former having been under construction in the first part of 2012 and the latter having undergone upgrading works in the second quarter of 2012, and also to the start of operations of the vessel Ocean Spur, leased from third parties.

- Operating results for the first half of 2013 amounted to €192 million, compared to €140 million in the first half of 2012, with the margin on revenues increasing from 27.7% to 31.6%. The EBITDA margin stood at 53.1%, a slight decrease from the 53.6% achieved in the same period of 2012.

– Vessel utilisation in the first half of 2013 and the impact of programmed maintenance for 2013 are as follows:

Vessel	***H1 2013***			***Year 2013***	
	Under contract	***Idle***		***Idle***	
	(days)			***(days)***	
Semi-submersible rig Scarabeo 3	174	7	(b)	7	(b)
Semi-submersible rig Scarabeo 4	148	33	(b)	44	(b)
Semi-submersible rig Scarabeo 5	155	26	(a+b)	128	(a+b)
Semi-submersible rig Scarabeo 6	122	59	(a+b)	59	(a+b)
Semi-submersible rig Scarabeo 7	181	–		31	(a)
Semi-submersible rig Scarabeo 8	179	2	(b)	7	(a+b)
Semi-submersible rig Scarabeo 9	168	13	(b)	13	(b)
Drillship Saipem 10000	172	9	(b)	9	(b)
Drillship Saipem 12000	181	–		10	(a)
Jack-up Perro Negro 2	171	10	(a)	10	(a)
Jack-up Perro Negro 3	110	71	(a+b)	71	(a+b)
Jack-up Perro Negro 4	181	–		–	
Jack-up Perro Negro 5	181	–		30	(a)
Jack-up Perro Negro 6	181	–		184	(c)
Jack-up Perro Negro 7	181	–		–	
Jack-up Perro Negro 8	181	–		20	(a)
Tender Assisted Drilling Barge	173	8	(b)	8	(b)
Ocean Spur	181	–		10	(a)

(a) = the vessel underwent/shall undergo class reinstatement works and/or preparation works for a new contract.
(b) = the vessel underwent maintenance works to address technical problems.
(c) = the vessel was lost following the incident that occurred on July 1, 2013.

Drilling: Onshore

(million euro)

Q2 2012	Q1 2013	Q2 2013	Q2 2013 vs Q2 2012 (%)		1H 2012	1H 2013	1H 2013 vs 1H 2012 (%)
178	187	180	1.1	Revenues	355	367	3.4
(121)	(126)	(128)	5.8	Expenses	(241)	(254)	5.4
(33)	(35)	(36)	9.1	Depreciation and amortization	(65)	(71)	9.2
24	26	16	(33.3)	Operating result	49	42	(14.3)
32.0	32.6	28.9		EBITDA %	32.1	30.8	
13.5	13.9	8.9		EBIT %	13.8	11.4	
166	60	67		New contracts	253	127	

The backlog at June 30, 2013 stood at €839 million, of which €168 million is due to be realised in 2013.

- Revenues for the first half of 2013 amounted to €367 million, representing a 3.4% increase over the first half of 2012, mainly due to higher levels of activity of rigs in Saudi Arabia and Kazakhstan.

- Operating results for the first half of 2013 amounted to €42 million, down from €49 million in the first half of 2012, with the margin on revenues falling from 13.8% to 11.4%. The EBITDA margin stood at 30.8%, down from 32.1% for the same period of 2012, owing to higher costs for personnel and equipment demobilization in Algeria.

Average utilization of assets in the first half of 2013 stood at 96.2% (96% in the first half of 2012).
At June 30, 2013, the Company owned 93 rigs (in addition to 4 rigs under completion) located as follows: 28 in Venezuela, 19 in Peru, 15 in Saudi Arabia, 7 in Colombia, 5 in Algeria, 5 in Kazakhstan, 4 in Bolivia, 3 in Ecuador, 2 in Chile, 1 in Congo, 1 in Italy, 1 in Ukraine, 1 in Mauritania and 1 in Turkey.
In addition, 6 third-party rigs were deployed in Peru, 3 third-party rigs in Kazakhstan by the joint-venture company SaiPar and 1 third-party rig in Congo.

Attachments:

Reclassified consolidated balance sheet, consolidated income statements reclassified by nature and function of expenses and reclassified statement of cash flow.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million euro)

		December 31, 2012*		June 30, 2013
Net tangible fixed assets		8,254		8,389
Net intangible fixed assets		756		756
		9,010		9,145
- Engineering & Construction: Offshore	4,064		4,126	
- Engineering & Construction: Onshore	513		579	
- Drilling: Offshore	3,535		3,482	
- Drilling: Onshore	898		958	
Financial investments		116		123
Non-current assets		**9,126**		**9,268**
Net current assets		**932**		**103**
Employee termination indemnities		**(255)**		**(263)**
CAPITAL EMPLOYED		**9,803**		**9,108**
Shareholders' equity		**5,377**		**4,418**
Minority interest in net equity		**148**		**120**
Net debt		**4,278**		**4,570**
COVER		**9,803**		**9,108**
Leverage (net debt/shareholders' equity)		**0.77**		**1.01**
SHARES ISSUED AND OUTSTANDING		**441,410,900**		**441,410,900**

** data were restated due to the application of IAS 19, see note on page 3*

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
NATURE OF EXPENSES

(million euro)

Q2 2012	Q1 2013	Q2 2013		1H 2012	1H 2013
3,265	3,089	2,097	Operating revenues	6,397	5,186
2	2	1	Other revenues and income	4	3
(2,219)	(2,173)	(2,002)	Purchases, services and other costs	(4,352)	(4,175)
(481)	(538)	(585)	Payroll and related costs	(938)	(1,123)
567	**380**	**(489)**	**GROSS OPERATING RESULT**	**1,111**	**(109)**
(174)	(178)	(181)	Amortization, depreciation and write-downs	(345)	(359)
393	**202**	**(670)**	**OPERATING RESULT**	**766**	**(468)**
(46)	(38)	(54)	Financial expenses	(83)	(92)
2	3	5	Income from investments	5	8
349	**167**	**(719)**	**INCOME BEFORE INCOME TAXES**	**688**	**(552)**
(101)	(52)	37	Income taxes	(199)	(15)
248	**115**	**(682)**	**INCOME BEFORE MINORITY INTEREST**	**489**	**(567)**
(5)	(5)	(3)	Minority interest	(15)	(8)
243	**110**	**(685)**	**NET RESULT**	**474**	**(575)**
417	**288**	**(504)**	**CASH FLOW** **(Net result + Depreciation and amortization)**	**819**	**(216)**

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
FUNCTION OF EXPENSES

(million euro)

Q2 2012	Q1 2013	Q2 2013		1H 2012	1H 2013
3,265	3,089	2,097	Operating revenues	6,397	5,186
(2,753)	(2,760)	(2,640)	Production costs	(5,393)	(5,400)
(28)	(41)	(40)	Idle costs	(60)	(81)
(39)	(33)	(35)	Selling expenses	(72)	(68)
(3)	(3)	(4)	Research and development costs	(6)	(7)
(2)	(5)	(3)	Other operating income (expenses), net	(6)	(8)
440	**247**	**(625)**	**CONTRIBUTION FROM OPERATIONS**	**860**	**(378)**
(47)	(45)	(45)	General and administrative expenses	(94)	(90)
393	**202**	**(670)**	**OPERATING RESULT**	**766**	**(468)**
(46)	(38)	(54)	Financial expenses	(83)	(92)
2	3	5	Income from investments	5	8
349	**167**	**(719)**	**INCOME BEFORE INCOME TAXES**	**688**	**(552)**
(101)	(52)	37	Income taxes	(199)	(15)
248	**115**	**(682)**	**INCOME BEFORE MINORITY INTEREST**	**489**	**(567)**
(5)	(5)	(3)	Minority interest	(15)	(8)
243	**110**	**(685)**	**NET RESULT**	**474**	**(575)**
417	**288**	**(504)**	**CASH FLOW (Net Result + Depreciation and amortization)**	**819**	**(216)**

RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

Q2 2012	Q1 2013	Q2 2013		1H 2012	1H 2013
243	110	(685)	Net result	474	(575)
5	5	3	Minority interest	15	8
			Adjustments to reconcile cash generated from operating income before changes in working capital:		
159	162	285	Depreciation, amortization and other non-monetary items	333	447
61	(425)	1,044	Variation in working capital relating to operations	(679)	619
468	**(148)**	**647**	**Net cash flow from operations**	**143**	**499**
(232)	(340)	(152)	Investments in tangible and intangible fixed assets	(548)	(492)
(6)	–	42	Disposals	(6)	42
230	**(488)**	**537**	**Free cash flow**	**(411)**	**49**
1	–	–	Buy back of treasury shares/Exercise of stock options	22	–
(307)	(38)	(299)	Cash flow from share capital and reserves	(329)	(337)
(66)	(41)	37	Effect of exchange rate differences on net debt and other changes	(25)	(4)
(142)	**(567)**	**275**	**Change in net debt**	**(743)**	**(292)**
3,793	**4,278**	**4,845**	**Net debt at beginning of period**	**3,192**	**4,278**
3,935	**4,845**	**4,570**	**Net debt at end of period**	**3,935**	**4,570**