Saipem: the Board approves the 2017 Consolidated and draft Statutory Financial Statements
Convening of the Annual General Shareholders' Meeting

Year 2017

- **Persistence of a challenging market context**
- **Strong operational performance, especially in the offshore segments**
- **Adjusted EBITDA better than guidance, as updated following LPG arbitration**
- **Reported results affected by special items**
- **Reduction in net debt in line with expectations**
- **Stable backlog in the second half of 2017**

Year 2018

- **Revenue guidance approximately €8 billion with adjusted EBITDA in excess of 10%**

San Donato Milanese, March 6, 2018 – Yesterday, the Board of Directors of Saipem S.p.A., chaired by Paolo Andrea Colombo, reviewed the Saipem Group consolidated results as at December 31, 2017, which closed with a loss of €328 million (loss of €2,087 in 2016) and the draft Statutory Financial Statements of Saipem S.p.A., which closed with a loss of €496 million (loss of €808 million in 2016). These have been prepared in compliance with the International Financial Reporting Standards (EU approved IFRS).
The Board of Directors voted to propose that the Shareholders forego the distribution of dividends.

Results for 2017:

- Revenues: €8,999 million (€9,976 million in 2016), of which €2,126 million in the fourth quarter
- Adjusted EBITDA: €964 million (€1,266 million in 2016), of which €169 million in the fourth quarter
- EBITDA: €862 million (€909 million in 2016), of which €125 million in the fourth quarter
- Adjusted operating profit (EBIT): €440 million (€582 million in 2016), of which €40 million in the fourth quarter
- Reported operating profit (EBIT): €126 million (loss of €1,499 million in 2016), loss of €131 million in the fourth quarter
- Adjusted net profit: profit of €46 million (€226 million in 2016), loss of €105 million in the fourth quarter
- Reported net result: loss of €328 million, net of write-downs and reorganization and tax expenses of €374 million (loss of €2,087 million in 2016, net of write-downs and reorganization expenses of €2,313 million); loss of €271 million in the fourth quarter
- Capital expenditure: €262 million (€296 million in 2016), of which €64 million in the fourth quarter
- Net debt at December 31, 2017: €1,296 million (€1,450 million at December 31, 2016)
- New contracts: €7,399 million (€8,349 million in 2016), of which €2,682 million in the fourth quarter
- Backlog: €12,363 million (€14,219 million at December 31, 2016)

The Consolidated and draft Statutory Financial Statements of Saipem SpA have been made available to the Board of Statutory Auditors and to the Independent Auditors, together with the Directors' Report. The Annual Report will be made available to the public made available to the public according to the law at

Saipem's headquarters and shall be published on Saipem's website (www.saipem.com), on the authorised "eMarket STORAGE" mechanism (www.emarketstorage.com) and on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it).

The Board of Directors approved Saipem's Corporate Governance and Shareholding Structure Report, the Remuneration Report, and resolved to include as a separate section in the Directors' Report, the "Non-financial Statement", adopting the highest level of publication of non-financial information provided by Legislative Decree No. 254/2016. The Board has also approved the document "Saipem Sustainability", which provides a detailed analysis of the most significant sustainability issues for the Company.
These documents will be published at the same time as the Annual Report.

Annual General Shareholders' Meeting

The Board of Directors has convened the Annual General Shareholders' Meeting for May 3, 2018 (single call).
The Shareholders' Meeting has been called to approve the following items: the 2017 Statutory Financial Statements, the number of the members of the Board of Directors, the duration of their mandate, the appointment of the Board of Directors and their fees, the appointment of the Chairman of the Board, additional fees for the Independent Auditors and, by way of consultation, on the section of the Compensation Report regarding the company's remuneration policy. At the reasoned proposal of the Board of Statutory Auditors, the Board shall submit to the Shareholders' approval the conferment of a new legal audit mandate for the years 2019 – 2027, and associated fees.

Following a proposal from the Compensation and Nomination Committee, the Board of Directors resolved to submit to the Ordinary Shareholders' Meeting a proposal to authorize the buy-back of treasury shares, up to a maximum of 8,800,000 ordinary shares and, at any rate, not exceeding the maximum sum of €38,500,000. These shall be destined for the 2018 award of the 2016-2018 Long-Term Incentive Plan ("Plan") already approved by the Shareholders' Meeting held on April 29, 2016, which encompassed the free award of ordinary Saipem SpA shares ("Performance Shares"), beginning from July 2016 with three annual awards, each subject to a three-year vesting period. Authorization for the buy-back of treasury shares is requested for a period of 18 months from the date of the resolution of the Shareholders' Meeting.

The proposal provides that the buy-back may be achieved gradually as deemed appropriate through purchase on the market at a unit price not lower than the minimum and not higher than the maximum official price registered on the day of stock market trading preceding each individual buy-back transaction, decreased or increased respectively by 5% and, at any rate, at a price that is no higher than the highest price between that of the latest independent transaction and that of highest current independent offer of purchase during the same trading session, pursuant to Art. 3 of Regulation (EU) 2016/1052.
The Company currently holds 14,856,780 treasury shares, equal to 1.47% of the share capital.

The documentation relating to the agenda of the Shareholders' Meeting, the complete texts of the motions, together with the reports detailing the motions, as requested by current regulations will be made available to the public according to the law at Saipem's headquarters and shall be published on the authorised "eMarket STORAGE" mechanism (www.emarketstorage.com), on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it) and in the section "Shareholder's Meeting" on the Saipem website (www.saipem.com).

Guidance 2018

- Revenues: ~ €8 billion
- Adjusted EBITDA: > 10%
- Capital expenditure: ~ €300 million
- Net debt: ~ €1.1 billion

Stefano Cao, Saipem CEO, commented:

"*Despite the persistence of a challenging market context, the results for 2017 confirm the solid operational and managerial performance, underscored on more than one occasion during the year, with a constant downward trend in net debt and a good intake of new contracts, above all in the second half of the year. The full implementation of the new organisational model has facilitated the identification of further key objectives in terms of an increase in efficiency and effectiveness. The diversification of the operational proposal in new markets and the search for opportunities in new geographical areas will likewise contribute to the creation of value for stakeholders. To the above can be added the recent settlement with Sonatrach - which puts an end to litigations and allows for the re-establishment of relations with historical Algerian partners and a return to a strategic market for Saipem.*

Financial highlights

(million €)

Q4 2016	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016	Year 2017	2017 vs 2016 (%)
2,091	2,283	2,126	1.7	Revenues	9,976	8,999	(9.8)
269	271	169	(37.2)	Adjusted EBITDA	1,266	964	(23.9)
103	140	40	(61.2)	Adjusted operating profit	582	440	(24.4)
1	133	(131)	ns	Operating profit	(1,499)	126	ns
26	59	(105)	ns	Adjusted net profit	226	46	(79.6)
(162)	53	(271)	67.3	Net profit	(2,087)	(328)	(84.3)
192	190	24	(87.5)	Adjusted Cash flow (adjusted net profit + depreciation and amortization)	910	570	(37.4)
274	182	94	(65.7)	Free Cash flow	698	190	(72.8)
1,450	1,355	1,296	(10.6)	Net financial position	1,450	1,296	(10.6)
129	51	64	(50.4)	Capital expenditure	296	262	(11.5)
1,722	2,629	2,682	55.7	New contracts	8,349	7,399	(11.4)

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering and Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Given the uncertain market outlook, the Board of Directors resolved to propose to the Annual Shareholders' Meeting, due to be convened on May 3, 2018, to forego the distribution of a dividend for the financial year 2017.

Reorganization: impact on reporting

Beginning May 1, 2017 Saipem has radically changed its organization, structuring its business into 5 divisions which have greater operational autonomy and streamlined decision-making, increased accountability for operational and financial results.
The Floaters business line, previously included under Offshore Engineering & Construction, is now included in Onshore Engineering & Construction. A new XSIGHT division was created, dedicated to engineering and high-value services.
Results are stated as per the new organization; results pertaining to previous periods have been restated accordingly. Results for Floaters up to Q4 2017 have been stated separately for ease of understanding and transition to the new model; the new Onshore Engineering & Construction division is obtained by summing Floaters and Onshore Engineering & Construction.
The XSIGHT division is not stated separately because it is still in the start-up phase.

Business update for 2017

Revenues amounted to €8,999 million, a 9.8% decrease compared to 2016, due to a contraction in the Offshore E&C, Floaters and Drilling sectors.

Adjusted EBITDA amounted to €964 million (€1,266 million in 2016) with decreases in Offshore Drilling, due mainly to the fleet having fewer contractual commitments, in Offshore E&C due to a reduction in volumes and Onshore E&C, which was mainly affected in the fourth quarter by the LPG arbitration.

Adjusted net profit, amounting to €46 million, compared to €226 million in 2016, was penalized by a contraction in operating profit and by increased financial expenses and a higher tax-rate.

Reported net loss of €328 million, unlike adjusted net profit, was reduced by the following special items:

- write-downs of tangible assets of €252 million: in Offshore Drilling, a semi-submersible rig and inventory were fully written down as there were no prospects of utilization in the medium-term. Furthermore, a few offshore rigs have been partially written down following impairment tests. In Onshore drilling, several drilling rigs and inventories have been fully written down, as their prospect of utilization in the medium-term was null or limited;
- impact of tax dispute settlements of €79 million, as per press release dated May 26, 2017;
- net reorganization expenses of €43 million.

In 2016, reported net loss of €2087 million, unlike adjusted net profit, was reduced by the following special items:

- asset write-downs of €2,118 million;
- write-offs of overdue receivables in the Onshore Drilling sector: €171 million
- net reorganization expenses: €24 million

Capital expenditure in 2017, relating mainly to the maintenance and upgrading of the existing asset base, amounted to €262 million (€296 million in 2016), of which €64 million in the fourth quarter (€129 million in the fourth quarter of 2016), broken down as follows:

- €114 million in Offshore Engineering & Construction;
- €8 million in Onshore Engineering & Construction;
- €78 million in Offshore Drilling;
- €62 million in Onshore Drilling.

Net financial debt at December 31, 2017 amounted to €1,296 million, a €154 million decrease on December 31, 2016 (€1,450 million), due mainly to cash flow generated during the year, which more than offset capital expended during the period.

Backlog

In 2017, Saipem was awarded contracts amounting to €7,399 million (€8,349 million in 2016). Saipem's backlog at December 31, 2017 stood at €12,363 million (€4,644 million in Offshore E&C, €5,938 million in Onshore E&C, €1,781 million in Drilling), of which €6,367 million is due to be realized in 2018. The backlog at December 31, 2017 is net of the cancellation of backlog orders, amounting to €256 million, of the business Traveaux Maritime, sold to third parties.

New contracts

On February 15, 2018, Saipem was awarded a new contract in the onshore E&C sector worth approximately USD 750 million. The work involves engineering, procurement, construction and commissioning under Package 3 “Offsite Facilities” in the framework of the development of the Duqm Refinery situated near the coast in the north-east of Oman.

EBIT adjusted - EBIT reported reconciliation

(million €)

	Offshore E&C	Onshore E&C	Floaters	Offshore Drilling	Onshore Drilling	Total	
Adjusted EBIT	**359**	**(61)**	**(33)**	**199**	**(24)**	**440**	
Impairment/write-downs of tangible assets	-	-	24	122	66	212	
Inventory write-downs	-	-	-	12	28	40	(a)
Reorganization expenses	25	16	12	2	7	62	(a)
Total write-downs	(25)	(16)	(36)	(136)	(101)	(314)	
Reported EBIT	**334**	**(77)**	**(69)**	**63**	**(125)**	**126**	

(a) a total of 102 million: reconciliation of **adjusted EBITDA** of €964 million compared to **reported EBITDA** of €862 million

Management outlook for 2018

2018 is expected to show weak signs of recovery, as the recent increase in oil prices has not, at the moment, resulted in the oil companies speeding up their investment programs, even though a few timid positive signs are emerging in certain market segments. The order backlog at the end of 2017, combined with prospects of commercial tenders under award, underpin expectations of achieving revenues of around €8 billion for the financial year 2018, with an adjusted EBITDA margin in excess of 10%.

Investments are expected to be approximately €300 million. Net Debt is expected to be around €1.1 billion at the end of 2018.

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This press release should be read in conjunction with the condensed interim consolidated financial statements at June 30, 2017 and the statutory and consolidated financial statements at December 31, 2016 of Saipem S.p.A., which are already available on the Company's website (www.saipem.com) under the section "Investor Relations – Financial Information".

It should be noted that, as disclosed to the market by Saipem with a press release dated March 5, 2018 (available on the Company's website in the "Media - Press Release" section), Consob declared with resolution no. 20324 of 2 March 2018 (the "Resolution") the "non-compliance of Saipem's 2016 consolidated and statutory financial statements with the rules governing their preparation", as stated by Saipem in the aforementioned press release of March 5, 2018 to which complete reference is made.
The Board of Directors of Saipem, in disagreement with the Resolution of Consob, resolved on March 5, 2018 to propose an appeal against it in the competent judicial offices.

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Saipem's Planning, Administration and Control Officer, Mr. Mariano Avanzi, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to article 154-bis paragraph 2 of Legislative Decree no. 58/1998, that accounting data corresponds to the Company's documents 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 level 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

The results contained in this press release will be illustrated in a conference call and webcast which will be hosted by CEO Stefano Cao today at 10.30 am CEST (9.30 am GMT, 4.30 am EDT, 01.30 am PDT). The conference call can be followed on Saipem's website (www.saipem.com) by clicking on the "WEBCAST 2017 RESULTS AND STRATEGY UPDATE" on the home page, or through the following URL: https://edge.media-server.com/m6/p/ek38rxia.

During the conference call and webcast, a presentation will be given which will be available for download from the webcast window and from the "Investor Relations/Financial Information" section on Saipem's website (www.saipem.com) around 30 minutes before the scheduled start time. This presentation will also be available for download from the authorized storage device "eMarketSTORAGE" (www.emarketstorage.com) and Borsa Italiana S.p.A (www.borsaitaliana.it).

Saipem is one of the world leaders in drilling services, as well as in the engineering, procurement, construction and installation of pipelines and complex projects, onshore and offshore, in the oil & gas market. The company has distinctive competences in operations in harsh environments, remote areas and deep-water. Saipem provides a full range of services with "EPC" and "EPCI" contracts (on a "turn- key" basis) and has distinctive capabilities and unique assets with a high technological content.

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Analysis by business sector - Adjusted results:

Offshore Engineering & Construction

(million €)

Q4 2016*	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016*	Year 2017	2017 vs 2016 (%)
981	1.026	646	(34.1)	Revenues	4,652	3,692	(20.6)
(749)	(903)	(490)	(34.6)	Expenses	(3,935)	(3,137)	(20.3)
232	123	156	(32.8)	Adjusted EBITDA	717	555	(22.6)
(50)	(57)	(51)	2.0	Depreciation	(197)	(196)	(0.5)
182	66	105	(42.3)	Adjusted operating profit	520	359	(31.0)
23.6	12.0	24.1		Adjusted EBITDA %	15.4	15.0	
18.6	6.4	16.3		Adjusted EBIT %	11.2	9.7	
1,210	1,385	674		New contracts	5,274	3,404	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at December 31, 2017: €4,644 million, of which €2,863 million to be realized in 2018.

- Revenues for 2017 amounted to €3,692 million, down by 20.6% compared to 2016. This was mainly attributable to lower volumes recorded in Kazakhstan and Central South America, which were partly offset by higher volumes registered in North Africa and the Middle East. Revenues decreased considerably in the fourth quarter compared to previous quarters, due to seasonal factors as well as activities originally scheduled to take place by the end of the year having been put back to 2018.

- Adjusted EBITDA for 2017 amounted to €555 million, equal to 15.0% of revenues, compared to €717 million, equal to 15.4% of revenues in the 2016. Margins held well despite a strong decrease in revenues, this is due to great operational efficiency and increased utilization of the fleet.

- The most significant awards in the fourth quarter of 2017 include:
  - on behalf of Saudi Aramco, a contract in Saudi Arabia, under the Long Term Agreement renewed until 2021. The contract's main scope of work includes the engineering, procurement and construction of a new 42" offshore pipeline replacing an existing one and other miscellaneous activities for the upgrade of the Manifa water injection system;
  - on behalf of Eni Angola, work orders in relation to the West Hub Development project, encompassing engineering, procurement, construction and installation work required for the development of the deep-water Vandumbu field.
  - on behalf of Dragados Offshore de Mexico SA (DOMSA) a contract in the Gulf of Mexico for the transport and installation of the compression platform CA-KU-A1 utilizing the semi-submersible vessel Saipem 7000.

Floaters

(million €)

Q4 2016*	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016*	Year 2017	2017 vs 2016 (%)
150	160	176	17.3	Revenues	1,023	674	(34.1)
(252)	(147)	(167)	(33.7)	Expenses	(1,113)	(664)	(40.3)
(102)	13	9	ns	Adjusted EBITDA	(90)	10	ns
(12)	(5)	(5)	(58.3)	Depreciation	(53)	(43)	(18.9)
(114)	8	4	ns	Adjusted operating profit	(143)	(33)	(76.9)
-68.0	8.1	5.1		Adjusted EBITDA %	-8.8	1.5	
-76.0	5.0	2.3		Adjusted EBIT %	-14.0	-4.9	
23	76	14		New contracts	31	256	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at December 31, 2017: €1,542 million, of which €538 million to be realized in 2018.

- Revenues for 2017 amounted to €674 million, down 34.1% compared to 2016, due mainly to lower volumes recorded in West Africa.

- Adjusted EBITDA for 2017 recorded a profit of €10 million, compared to a loss of €90 million in 2016. This increase is due to a project in West Africa, which in 2016 had forecast a significant increase in construction costs deriving from an additional acceleration program.

Onshore Engineering & Construction

(million €)

Q4 2016*	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016*	Year 2017	2017 vs 2016 (%)
648	825	1,043	61.0	Revenues	2,855	3,530	23.6
(635)	(801)	(1,147)	80.6	Expenses	(2,812)	(3,561)	26.6
13	24	(104)	ns	Adjusted EBITDA	43	(31)	ns
(9)	(7)	(8)	(11.1)	Depreciation	(36)	(30)	(16.7)
4	17	(112)	ns	Adjusted operating profit	7	(61)	ns
2.0	2.9	-10.0		Adjusted EBITDA %	1.5	-0.9	
0.6	2.1	-10.7		Adjusted EBIT %	0.2	-1.7	
234	1,149	1,883		New contracts	2,170	3,310	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at December 31, 2017: €4,396 million, of which €2,129 million to be realized in 2018.

- Revenues for 2017 amounted to €3,530 million, up 23.6% compared to 2016, due mainly to greater volumes recorded in the Middle and Far East and in Kazakhstan, partly offset by lower volumes recorded in the Americas.

- Adjusted EBITDA for 2017 recorded a loss of €31 million, compared to a profit of €43 million, equal to 1.5% of revenues in 2016. This is due mainly to negative effects recorded in the fourth quarter, connected to the adverse ruling of the LPG arbitration in Algeria.

- The most significant awards in the fourth quarter of 2017 include:
  - on behalf of Saudi Aramco, a contract involving engineering, procurement, construction and commissioning for the “Hawiyah Gas Plant (HGP) Expansion Project” located in the south-east of the Arabian Peninsula;
  - on behalf of Caitan, a contract involving engineering, procurement, construction and commissioning within the development of a desalination and water transportation plant for the “Spence Growth Options (SGO)” project in north Chile. The project will supply fresh water to the “Spence” copper mine situated 1,710 meters above sea level. The scope of work also includes the construction of 3 pumping stations and associated systems of control and maintenance;
  - on behalf of Pemex, various contracts involving engineering, procurement, construction, commissioning and the start-up of a unit for the “General Lazaro Cardenas” refinery in Minatitlan, of five units of the “Francesco I” refinery located in Madero and a unit of the "Miguel Hidalgo" refinery located in Tula de Hallende in Mexico.

Offshore Drilling

(million €)

Q4 2016*	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016*	Year 2017	2017 vs 2016 (%)
183	153	137	(25.1)	Revenues	903	613	(32.1)
(88)	(70)	(56)	(36.4)	Expenses	(449)	(292)	(35.0)
95	83	81	(14.7)	Adjusted EBITDA	454	321	(29.3)
(50)	(30)	(31)	(38.0)	Depreciation	(220)	(122)	(44.5)
45	53	50	11.1	Adjusted operating profit	234	199	(15.0)
51.9	54.2	59.1		Adjusted EBITDA %	50.3	52.4	
24.6	34.6	36.5		Adjusted EBIT %	25.9	32.5	
22	2	48		New contracts	134	303	

Backlog at December 31, 2017: €931 million, of which €409 million to be realized in 2018.

- Revenues for 2017 amounted to €613 million, representing a 32.1% decrease compared to 2016, mainly attributable to reduced revenues from the semi-submersible rig Scarabeo 9, which underwent class reinstatement works in the first quarter, and from the semi-submersible rig Scarabeo 7, which was temporarily contracted out at stand-by rate, as well as the non-contributions during the whole year from the jack-ups Perro Negro 2 and Perro Negro 3, and in the second half of the year from the semi-submersible rig Scarabeo 5.

- Adjusted EBITDA for 2017 amounted to €321 million, with a margin on revenues of 52.4%, compared to €454 million in 2016, with a margin on revenues of 50.3%. Margins held well despite a considerable reduction in activities, this is largely due to the implementation of significant cost optimization measures.

- The most significant awards in the fourth quarter of 2017 include:
  - on behalf of Eni, a 15-month contract for drilling operations in Mozambique from 2019, utilizing the drillship Saipem 12000;
  - on behalf of Eni, a contract for the drilling of two wells off the coast of Cyprus from the fourth quarter of 2017, utilizing the drillship Saipem 12000;
  - a contract for the drilling of a well, plus the option of an additional well, in the Black Sea, utilizing the semi-submersible rig Scarabeo 9; the project entails several modifications to be made to the installation to enable it to cross the Bosphorus Strait;
  - on behalf of A/S Norske Shell, a contract for the drilling of a well, plus the option of an additional well, off the coast of Norway, utilizing the semi-submersible rig Scarabeo 8;
  - on behalf of NDC (National Drilling Company), a contract for drilling operations in the Arabian Gulf utilizing the jack-up Perro Negro 8.

Vessel utilization in 2017 and the impact of programmed maintenance and idle days in 2018 are as follows:

Vessel	*2017*			*2018*
	Under contract	*Non-operating*		*Non-operating*
	(days)			*(days)*
Semi-submersible rig Scarabeo 5	194	171	(b+c)	365 (c)
Semi-submersible rig Scarabeo 6	-	327	(c)	-
Semi-submersible rig Scarabeo 7	365	-		-
Semi-submersible rig Scarabeo 8	324	41	(c)	182 (c)
Semi-submersible rig Scarabeo 9	275	90	(a)	166 (c)
Drillship Saipem 10000	365	-		5 (a)
Drillship Saipem 12000	336	29	(c)	113 (a+c)
Jack up Perro Negro 2	12	353	(c)	181 (c)
Jack up Perro Negro 3	-	364	(c)	-
Jack up Perro Negro 4	217	148	(a)	-
Jack up Perro Negro 5	365	-		-
Jack up Perro Negro 7	365	-		100 (a)
Jack up Perro Negro 8	109	256	(c)	-
Tender Assisted Drilling Barge	338	27	(a)	10 (a)

(1) Vessel scrapped on November 24, 2017
(2) Vessel scrapped on December 31, 2017

(a) = the vessel underwent/will 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 not/will not be under contract

Onshore Drilling:

(million €)

Q4 2016*	Q3 2017	Q4 2017	Q4 2017 vs Q4 2016 (%)		Year 2016*	Year 2017	2017 vs 2016 (%)
129	119	124	(3.9)	Revenues	543	490	(9.8)
(98)	(91)	(97)	(1.0)	Expenses	(401)	(381)	(5.0)
31	28	27	(12.9)	Adjusted EBITDA	142	109	(23.2)
(45)	(32)	(34)	(24.4)	Depreciation	(178)	(133)	(25.3)
(14)	(4)	(7)	(50.0)	Adjusted operating profit	(36)	(24)	(33.3)
24.0	23.5	21.8		Adjusted EBITDA %	26.2	22.2	
-10.9	-3.4	-5.6		Adjusted EBIT %	-6.6	-4.9	
233	17	63		New contracts	740	126	

Backlog at December 31, 2017: €850 million, of which €428 million to be realized in 2018.

- Revenues for 2017 amounted to €490 million, a 9.8% decrease on 2016, due mainly to a further reduction in volumes recorded in South America.

- Adjusted EBITDA for 2017 amounted to €109 million, equal to 22.2% of revenues, compared to €142 million, equal to 26.2% of revenues in 2016, mainly due to reduced contributions from rigs in South America as well as start-up costs for new projects in Kuwait and Argentina.

- The most significant awards in the fourth quarter of 2017 include contracts with various clients in Kazakhstan, Romania, Argentina and Bolivia.

Average utilization of rigs in 2017 was 58% (64.1% in 2016). As of December 31, 2017, the Company owned 84 rigs, located as follows: 28 in Saudi Arabia, 19 in Venezuela, 17 in Peru, 4 in Bolivia, 4 in Ecuador, 3 in Kazakhstan, 2 in Colombia, 2 in Kuwait, 2 in Argentina, 1 in Italy, 1 in Morocco and 1 in Romania.
In addition, 2 third party rigs were used in Peru and 1 third-party rig in the Congo.

Attachments:

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million €)

		December 31, 2016		December 31, 2017
Net tangible assets		5,192		4,581
Intangible assets		755		753
		5,947		5,334
- Offshore Engineering & Construction	2,733		2,588	
- Onshore Engineering & Construction	456		421	
- Floater	179		127	
- Offshore Drilling	1,754		1,555	
- Onshore Drilling	825		643	
Investments		147		141
Non-current assets		**6,094**		**5,475**
Net current assets		**447**		**619**
Provision for employee benefits		**(206)**		**(199)**
CAPITAL EMPLOYED, NET		**6,335**		**5,895**
Shareholder's equity		**4,866**		**4,558**
Non-controlling interests		**19**		**41**
Net debt		**1,450**		**1,296**
FUNDING		**6,335**		**5,895**
Leverage (net borrowings/shareholders' equity including minority interest)		**0.30**		**0.28**
SHARES ISSUED AND OUTSTANDING		**10,109,774,396**		**1,010,977,439**

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million €)

Q4 2016	Q3 2017	Q4 2017		Year 2016	Year 2017
2,091	2,283	2,126	Net sales from operations	9,976	8,999
2	1	18	Other income and revenues	9	21
(1,444)	(1,642)	(1,633)	Purchases, services and other costs	(7,294)	(6,540)
(412)	(378)	(386)	Payroll and related costs	(1,782)	(1,618)
237	**264**	**125**	**GROSS OPERATING PROFIT**	**909**	**862**
(236)	(131)	(256)	Depreciation, amortization and impairment	(2,408)	(736)
1	**133**	**(131)**	**OPERATING PROFIT**	**(1,499)**	**126**
(39)	(55)	(53)	Finance expense	(154)	(223)
11	-	(11)	Income from investments	18	(9)
(27)	**78**	**(195)**	**PROFIT BEFORE TAXES**	**(1,635)**	**(106)**
(132)	(25)	(66)	Income taxes	(445)	(201)
(159)	**53**	**(261)**	**PROFIT BEFORE NON-CONTROLLING INTERESTS**	**(2,080)**	**(307)**
(3)	-	(10)	Net profit attributable to non-controlling interests	(7)	(21)
(162)	**53**	**(271)**	**NET PROFIT**	**(2,087)**	**(328)**
74	184	(15)X	**CASH FLOW (net result + depreciation and amortization)**	321	408

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY FUNCTION OF EXPENSES

(million €)

Q4 2016	Q3 2017	Q4 2017		Year 2016	Year 2017
2,091	2,283	2,126	Net sales from operations	9,976	8,999
(1,825)	(2,002)	(2,099)	Production costs	(10,724)	(8,291)
(88)	(58)	(64)	Idle costs	(316)	(221)
(19)	(35)	(35)	Selling expenses	(104)	(130)
(9)	(8)	(12)	Research and development expenses	(19)	(31)
(97)	1	(7)	Other operating income (expenses), net	(118)	(18)
53	**181**	**(91)**	**CONTRIBUTION FROM OPERATIONS**	**(1,305)**	**308**
(52)	(48)	(40)	General and administrative expenses	(194)	(182)
1	**133**	**(131)**	**OPERATING PROFIT**	**(1,499)**	**126**
(39)	(55)	(53)	Finance expense	(154)	(223)
11	-	(11)	Income from investments	18	(9)
(27)	**78**	**(195)**	**PROFIT BEFORE TAXES**	**(1,635)**	**(106)**
(132)	(25)	(66)	Income taxes	(445)	(201)
(159)	**53**	**(261)**	**PROFIT BEFORE NON-CONTROLLING INTERESTS**	**(2,080)**	**(307)**
(3)	-	(10)	Net profit attributable to non-controlling interests	(7)	(21)
(162)	**53**	**(271)**	**NET PROFIT**	**(2,087)**	**(328)**
74	184	15	**CASH FLOW (net profit + depreciation and amortization)**	321	408

RECLASSIFIED CASH FLOW STATEMENT

(million €)

Q4 2016	Q3 2017	Q4 2017		Year 2016	Year 2017
(162)	53	(271)	Net profit (loss) for the period	(2,087)	(328)
3	-	10	Non-controlling interests	7	21
			Adjustments to reconcile cash generated from operating profit before changes in working capital:		
308	115	329	Depreciation, amortization and other non-monetary items	2,436	806
241	78	83	Changes in working capital related to operations	621	(39)
390	**246**	**151**	**Net cash flow from operations**	**977**	**460**
(129)	(51)	(64)	Capital expenditure	(296)	(262)
–	(14)	(2)	Investments and purchase of consolidated subsidiaries and businesses	–	(25)
13	1	9	Disposals	17	17
274	**182**	**94**	**Free cash flow**	**698**	**190**
–	(27)	–	Buy-back of treasury shares/Exercise of stock options	(26)	(27)
–	-	–	Share capital increase net of expenses	3,435	(2)
–	-	–	Cash flow from capital and reserves	(36)	-
(51)	(6)	(35)	Exchange differences on net borrowings and other changes	(131)	(7)
223	**149**	**59**	**Change in net borrowings**	**3,940**	**154**
1,673	**1,504**	**1,355**	**Net borrowings at beginning of period**	**5,390**	**1,450**
1,450	**1,355**	**1,296**	**Net borrowings at end of period**	**1,450**	**1,296**

Attachments:
reclassified consolidated balance sheet, reclassified consolidated income statements and reclassified statement of cash flow for the Statutory financial Statements of Saipem S.p.A.
Restatement of reclassified statements to the statutory schemes is provided in the "Annual Report", under “Operating and financial review” in the section “Reconciliation of reclassified balance sheet, income statement and cash flow statement to statutory schemes”.

SAIPEM SpA

BALANCE SHEET

(million €)

	December 31, 2016	December 31, 2017
Net tangible assets	481	412
Intangible assets	24	23
Investments	1,988	2,271
Non-current assets	**2,493**	**2,706**
Net current assets	**1,091**	**757**
Provision for employee benefits	**(93)**	**(96)**
CAPITAL EMPLOYED, NET	**3,491**	**3,367**
Shareholder's equity	**3,948**	**3,534**
Net debt	**(457)**	**(167)**
FUNDING	**3,491**	**3,367**

INCOME STATEMENT

(million €)

	2016	2017
Net sales from operations	2,592	2,365
Other income and revenues	59	60
Purchases, services and other costs	(1,990)	(2,018)
Payroll and related costs	(477)	(446)
Gross operating profit	**184**	**(39)**
Depreciation, amortization and impairment	(394)	(126)
Operating profit	**(210)**	**(165)**
Finance expense	(18)	(15)
Income from investments	(557)	(184)
Profit before taxes	**(785)**	**(364)**
Income taxes	(23)	(132)
Net profit	**(808)**	**(496)**

CASH FLOW STATEMENT

(million €)

		2016	2017
Net profit (loss) for the period		(808)	(496)
Adjustments to reconcile cash generated from operating profit before changes in working capital:			
Depreciation, amortization and other non-monetary items		934	359
Net (gains) losses on disposal and write-off of assets		(1)	(12)
Dividends, interests and income taxes		35	122
Changes in working capital related to operations	44		357
Dividends received, income taxes paid, interest paid and received		(34)	(97)
Net cash flow from operations		**170**	**233**
Capital expenditure		(61)	(61)
Financing investments		(413)	(456)
Disposals		7	30
Free cash flow		**(297)**	**(254)**
Sale (purchase) of treasury shares		(26)	(27)
Cash flow from capital and reserves		3,435	(2)
Exchange differences on net borrowings and other changes		(6)	(7)
Change in net borrowings		**3,106**	**(290)**
Net borrowings at beginning of period		**2,649**	**(457)**
Net borrowings at end of period		**(457)**	**(167)**