



FIRST HALF 2016 RESULTS PRESENTATION

27 July 2016

Saipem. Engineering Energy



FORWARD-LOOKING STATEMENTS

Forward-looking statements contained in this presentation regarding future events and future results are based on current expectations, estimates, forecasts and projections about the industries in which Saipem S.p.A. (the “Company”) operates, as well as the beliefs and assumptions of the Company’s management.

These forward-looking statements are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other factors beyond the Company’s control that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. These include, but are not limited to: forex 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.

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The Financial Reports contain analyses of some of the aforementioned risks.

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GUIDANCE AND CLOSING REMARKS

1H 2016 HIGHLIGHTS

- Recent awards confirm resilience of our core E&C business, drilling still lagging
- Solid order intake in 2Q, stabilising backlog
- Positive momentum continued post 2Q: more than €2.5bn of new contracts in July

- 1H adjusted EBIT €324mn, strong performance in E&C Offshore
- Onshore drilling results impacted by South America, €87mn receivables write-off
- Long-term contracts still providing resilience in Offshore Drilling

- Net Debt at €1.97bn in line with 2015 year-end (post capital increase)
- Refinancing process on-track: new GIEK facility signed, up to €554mn

- 2016 Guidance updated

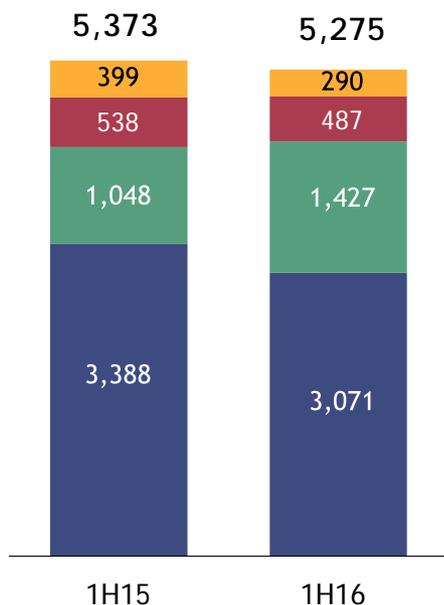


1H 2016 RESULTS

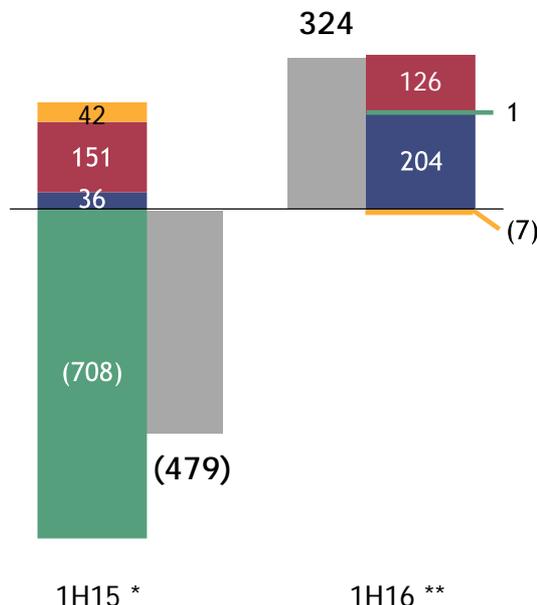
1H 2016 RESULTS

YoY COMPARISON (€ mn)

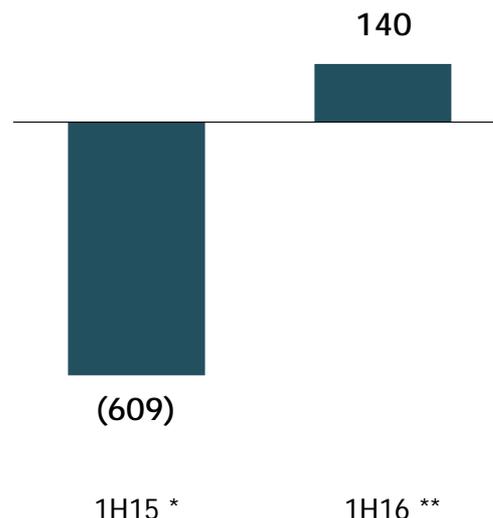
Revenues



Adjusted EBIT



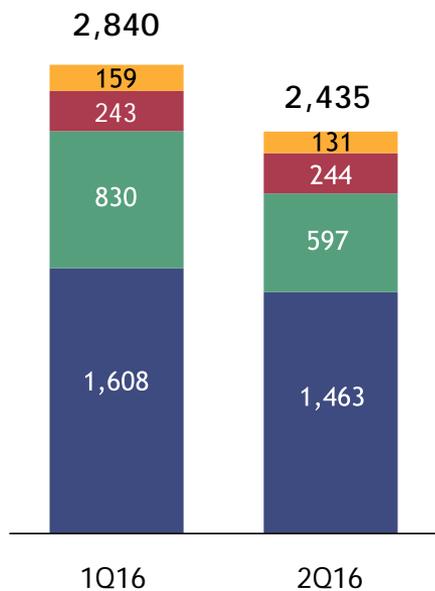
Adjusted Net Profit



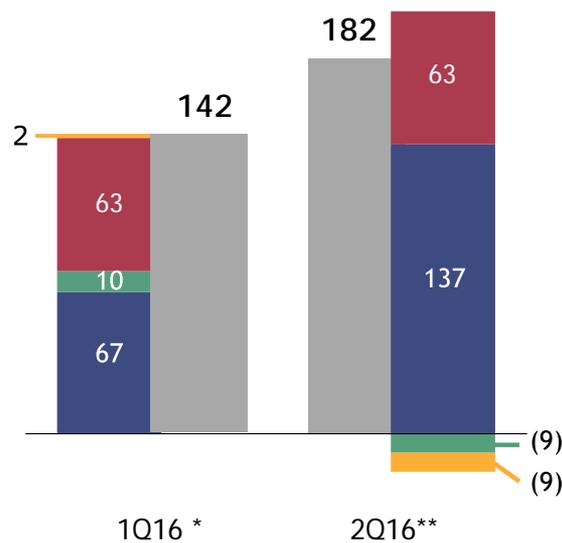
2Q 2016 RESULTS

Q on Q TREND (€ mn)

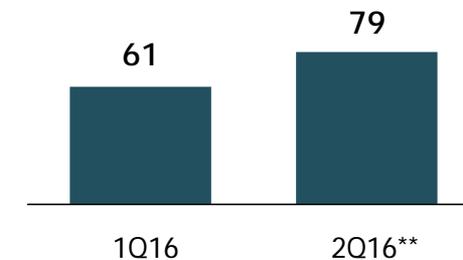
Revenues



Adjusted EBIT

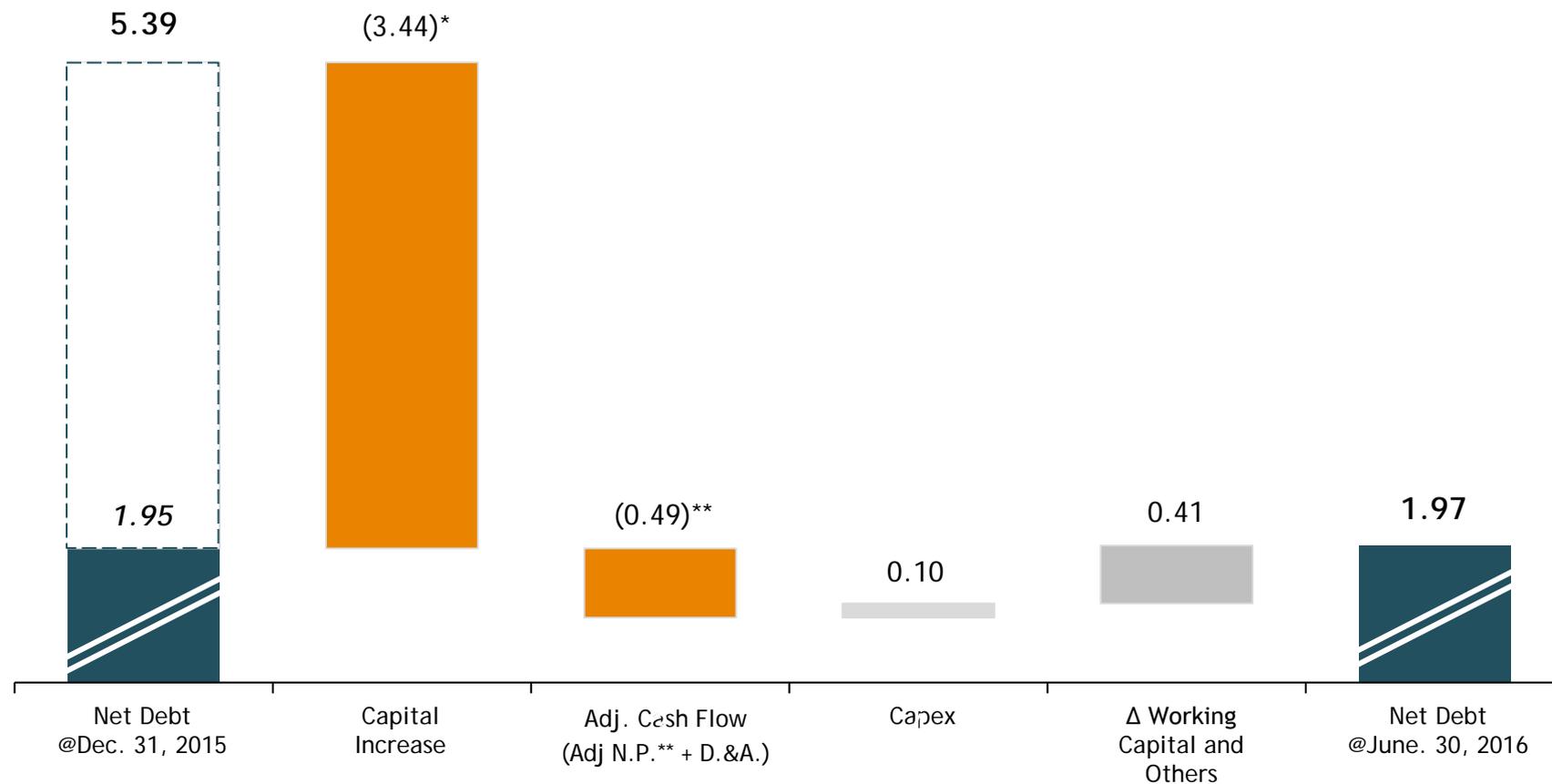


Adjusted Net Profit



1H 2016 NET DEBT EVOLUTION

(€ bn)

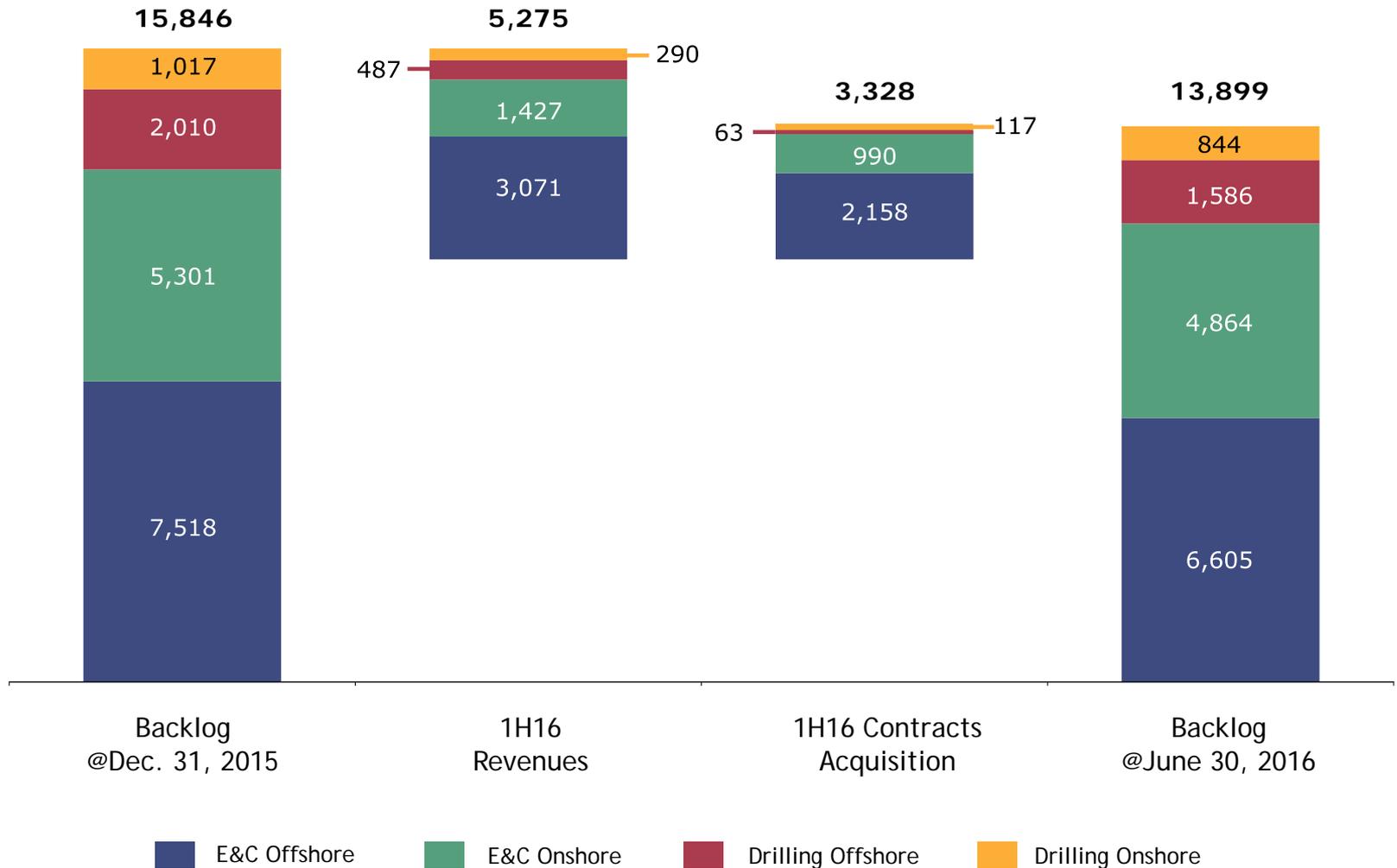




BUSINESS REVIEW

1H 2016 BACKLOG

(€ mn)

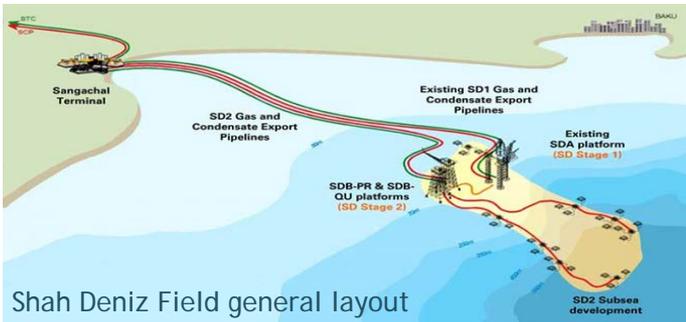


MAJOR AWARDS APRIL - JULY 2016 1/2



TAP

- Client: Trans Adriatic Pipeline AG
- Location: Southern Adriatic Sea
- Scope of work: EPCI for a 36" 105km offshore gas pipeline, including marine surveys, fiber optic cable and civil works at the landfalls in Albania and Italy
- Main vessels employed: semisubmersible pipelay vessel Castoro Sei and trench/pipelay barge Castoro 10



Shah Deniz Stage 2 - CO 007

- Client: BP
- Location: Caspian Sea, offshore Azerbaijan
- Scope of work: T&I of subsea production systems, subsea structures, fiber optic cables and production umbilicals; laying of 90 km of pipelines; operations management of the Client's new-build Subsea Construction Vessel (SCV), diving support, ROV support and marine base management post 2017



Zohr Field Development

- Client: Petrobel (JV between Eni and EGPC)
- Location: Mediterranean Sea, offshore Egypt
- Scope of work: EPCI for deep water field development (up to 1,700m) of 6 wells and installation of umbilicals; installation of a 26" gas export trunkline and 14" and 8" service trunklines
- Main vessels employed: Castorone, Castoro Sei and Castoro 10

MAJOR AWARDS APRIL - JULY 2016 2/2

TANGGUH EXPANSION PROJECT



Tangguh LNG process train

- Client: BP
- Location: Indonesia
- Scope of work: Construction of an onshore LNG process train with a liquefaction capacity of 3.8 million tons per annum, utilities, offsites, an LNG jetty and associated infrastructure

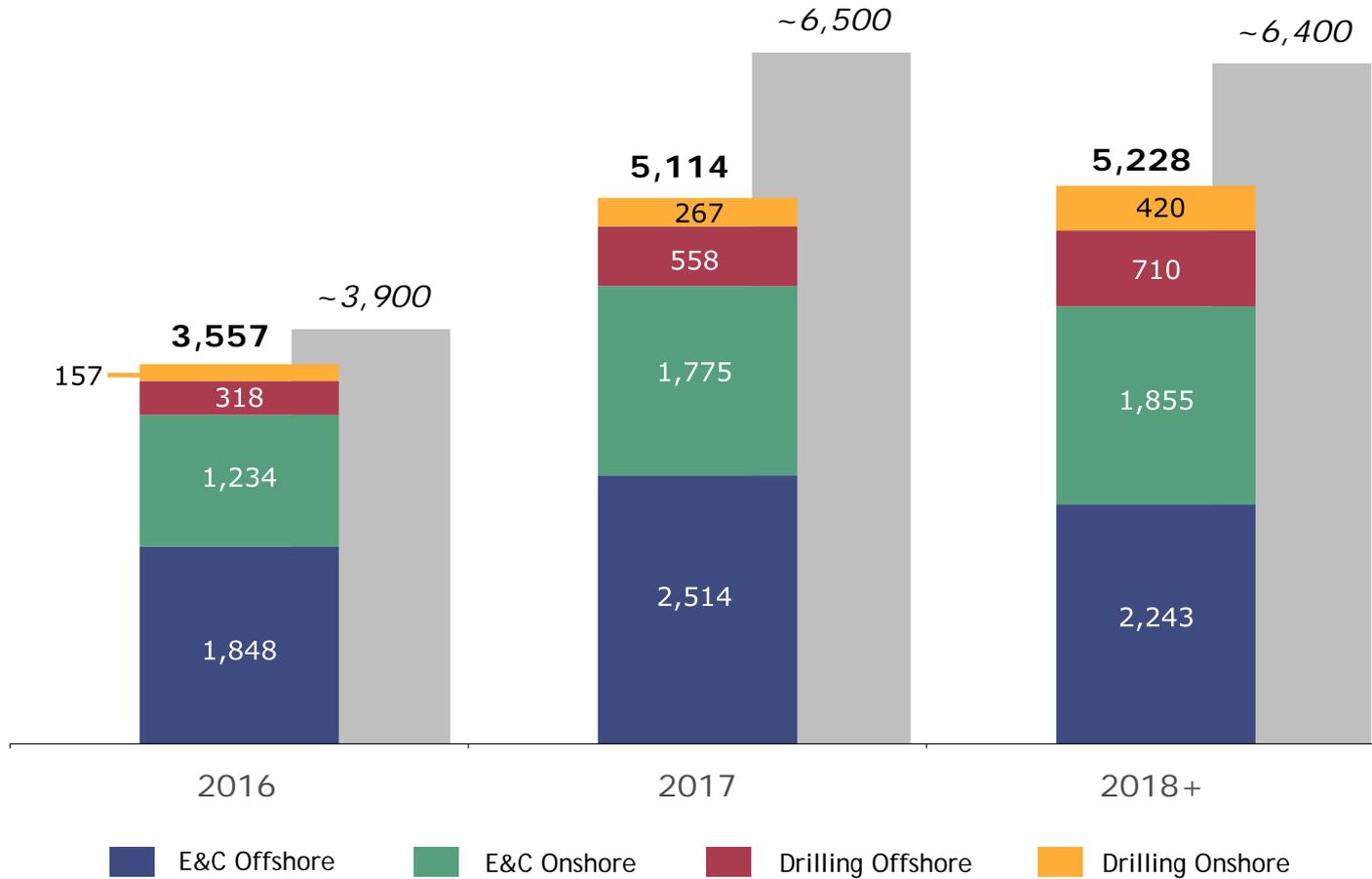


Tangguh offshore fixed facilities and pipelines

- Client: BP
- Location: Indonesia
- Scope of work: EPCI of offshore facilities, consisting of 2 unmanned platforms and subsea pipelines

BACKLOG BY YEAR OF EXECUTION

(€ mn)



E&C OPPORTUNITIES

LEGEND

- OFFSHORE
- ONSHORE

Americas

- ExxonMobil Liza - subsea (post 2016)
- Big Foot TLP - fixed facilities - **New**
- Sable Decommissioning - fixed facilities - **New (post 2016)**
- Kinder Morgan - onshore pipelines
- Codelco Rodomiro Tomic - onshore pipelines¹
- CFE pipelines - onshore pipelines
- Shell LNG Canada - LNG² - (delayed)

West and North Africa

- Eni Shorouk future dev. - subsea/pipelines (post 2016)
- BG Burullus Phase IXB - subsea
- Eni Zabazaba - FPSO and subsea (post 2016)
- Eni West Hub - subsea
- New Age FLNG FEED - FLNG (post 2016) - **New**
- Eni Loango field development - fixed facilities
- BP Platina URF - subsea (post 2016)
- BlackRhino Qua Iboe Power Plant - downstream
- Okpai Phase II Power Plant - downstream - **New**
- Quantum Methanol (early works) - downstream³
- E-Chem Petrochemical Complex - downstream (post 2016)

Asia Pacific

- Hess Equus - subsea/offshore pipelines (post 2016)
- Chevron Gehem Gendalo - FPU (post 2017)
- Shell Inpex Masela FEED - FPU (post 2017)
- Agri Nutrients Ballance Ammonia/Urea - downstream

Europe/ CIS and Central Asia

- Lukoil Filanovsky Phase 2 - offshore pipelines
- Nord stream 2 - offshore pipelines
- BP Miller Decommissioning - fixed facilities - **New**
- CAT3 Ekofisk - fixed facilities - **New**
- INA Refinery - downstream
- Gazprom Moscow Refinery Upgrading FEED - downstream
- BUP Ammonia Plant - downstream (delayed)
- SEIC Sakhalin 2 LNG extension - LNG (post 2016)
- TCO Tengiz 3GI Package - upstream (post 2016)- **New**
- RFI TAV Brescia Verona - infrastructures - **New**

Middle East

- S. Aramco LTA development - offshore fixed facilities
- QP Bul Hanine EPCI - offshore fixed facilities (post 2016)
- KNPC New Refinery pipeline - onshore pipelines
- ADCO BAB Integrated Facilities - upstream
- BGC Ar Ratawi NGL Gas Plant - upstream (post 2016)
- S. Aramco Uthmaniyah Gas Plant - upstream
- KOC GC32 - upstream (post 2016)
- ADCO Al Dabbi'ya ASR Development - upstream (delayed)
- DUQM Refinery - downstream
- Oman TTC Ras Markaz Terminal - downstream (post 2016)

East Africa

- Eni Mamba - subsea (post 2016)
- Anadarko Golfinho - subsea
- Eni Onshore - LNG
- Anadarko Onshore - LNG⁴

1. Engineering phase ongoing. Execution phase subject to obtainment of environmental permits.
 2. Preselected contractor for FEED and EPCM execution. Ongoing OBE updating to consolidate basis for client final investment decision. 3. Early Works awarded. 4. Selected contractor, award subject to client final investment decision.

UPDATE ON SAIPEM - AKER SOLUTIONS ALLIANCE



SURF EPCI contractor *leveraging on* engineering, assets, local content, subsea technologies

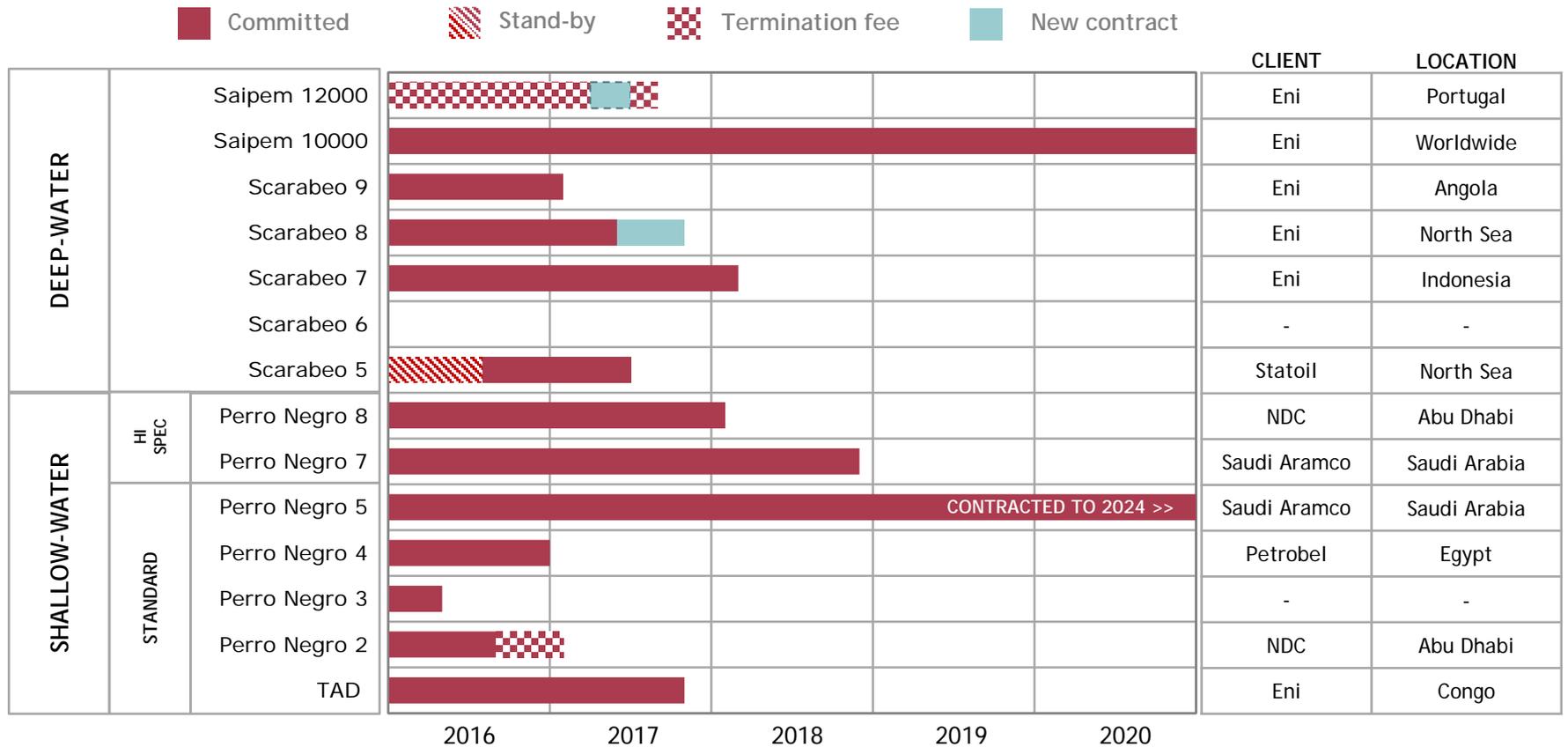
Subsea systems and products supplier *leveraging on* engineering, technology and local content

*Complementary Engineering skills allowing proposal of innovative solutions
Targeting a sizable portfolio of opportunities*

- More than 30 initiatives scrutinised
- 20 identified as fitting the alliance
- 12 projects targeted (expected for sanction 2017-2020)
- 1 integrated tender already submitted
- Commercial approach: early engagement, fit for purpose solutions and cost efficiency

UPDATE ON DRILLING

OFFSHORE DRILLING FLEET CONTRACTS



ONSHORE DRILLING FLEET 1H16 UTILISATION RATE: 70.4%

COST OPTIMISATION PROGRAMME ON TRACK

TARGETS	Program achievements up to date	2H 2016 - 2017 Actions
Staff & Central Costs €0.45bn	<ul style="list-style-type: none"> Completed closure of Soyo Yard, Singapore and Delhi offices Released resources in several centres in Europe, North and West Africa, North and Latin America, Middle East and Central Asia Launched optimization of APAC region In progress optimization of G&A Completed review of HR policies (expat, travel...) 	<ul style="list-style-type: none"> Rightsizing overseas support functions (local and expat personnel) Completion of centres rightsizing and resource release
Project & Operation Costs €0.55bn	<ul style="list-style-type: none"> Optimized drilling moving activities Developed new site supervision model for Onshore E&C projects Implemented fabrication improvement program Completed first round of supplier renegotiations and launched second round Enhanced vessel maintenance Started implementation of Supply Chain Optimization for low value/high volume items 	<ul style="list-style-type: none"> Extension of new supervision model to other projects Full deployment of the new yard resource management process Completion of supplier renegotiations Optimization of vessel performance
Avoided Costs €0.7bn	<ul style="list-style-type: none"> Completed scrap of 5 vessels Started dismissal process for Scarabeo 3 and Bar Protector Vessel Completed dismissal of Vibo and Roma Centres and Environmental activities to eni 	<ul style="list-style-type: none"> Completion of engineering footprint and idleness optimization Optimization of external workforce services

EBIT improvement confirmed at €1.0bn within 2017



GUIDANCE AND CLOSING REMARKS

UPDATED 2016 GUIDANCE

Metrics	FY 2016
Revenues	<ul style="list-style-type: none"> ~ €10.5bn
Adjusted EBIT <i>% margin</i>	<ul style="list-style-type: none"> ~ €600mn* ~ 5.5%*
Net profit adjusted	<ul style="list-style-type: none"> ~ €250mn*
CAPEX	<ul style="list-style-type: none"> ~ €400mn
Net financial position	<ul style="list-style-type: none"> ~ €1.5bn

2017 Guidance with Q3 results

CLOSING REMARKS

Robust set of results in 1H 2016 supported by strong E&C Offshore performance

Improved order intake in E&C Offshore stabilising backlog,
Drilling outlook still challenging

Cost optimisation programme on track

Refinancing in progress