PRESS RELEASE

SAIPEM: Board approves preliminary consolidated results 2012

- **Net profit for 2012 amounted to €902 million, -2.1% compared to 2011.**
- **Net profit for the fourth quarter of 2012 amounted to €180 million, -30.2% compared to the fourth quarter of 2011.**
- **New contracts won in 2012 amounted to €13,391 million (€12,505 million in 2011), while the backlog at December 31, 2012 stood at €19,739[1] million (€20,417 million at December 31, 2011).**
- **Investments in 2012 amounted to €1,015 million (€1,199 million in 2011).**
- **Pay-out policy confirmed at one third of consolidated net profit: a dividend of €0.68 per ordinary share (€0.70 last year) proposed to Shareholders' Meeting**

San Donato Milanese, February 13th, 2013. Today, the Board of Directors of Saipem S.p.A. reviewed the Saipem Group preliminary consolidated results as at December 31, 2012 (not yet submitted to the Company Statutory Auditors and Independent Auditors), which have been prepared in compliance with the International Financial Reporting Standards (IFRS).

(million euro)

Q4 2011	Q3 2012	Q4 2012	Q4 2012 vs Q4 2011 (%)		2011	2012	2011 vs 2012 (%)
3,412	3,549	3,423	0.3	Revenues	12,593	13,369	6.2
583	591	509	(12.7)	EBITDA	2,135	2,207	3.4
405	401	318	(21.5)	Operating profit	1,493	1,481	(0.8)
258	249	180	(30.2)	Net profit	921	902	(2.1)
436	439	371	(14.9)	Cash flow (Net profit + Depreciation and amortization)	1,563	1,628	4.16
381	230	237	(37.8)	Investments	1,199	1,015	(15.3)
3,728	2,837	4,251	14.0	New contracts	12,505	13,391	7.1

At the Annual Shareholders' Meeting, set to convene on April 24 and 30, 2013, with a first and second call respectively, the Board of Directors will propose to confirm the pay-out

[1] *Includes the effects of the "Jurassic" order cancellation, in Q3, amounting to €700 million.*

policy distribution of one third of consolidated net profit, corresponding in 2012 at a dividend of €0.68 per ordinary share[2] (€0.70 last year) and €0.71 per savings share[2] (€0.73 last year). Dividends will be paid from May 23, 2013 (ex-dividend date: May 20, 2013, record date: May 22, 2013).

Revenues and associated profit 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 2012 amounted to €1,015 million (€1,199 million in 2011) and included:

- €525 million in the Offshore Engineering & Construction sector relating mainly to the construction of a new pipelayer, the continuation of development of a new fabrication yard in Indonesia, the start of development of a new fabrication yard in Brazil and the maintenance and upgrading of the existing asset base;
- €84 million in the Onshore Engineering & Construction sector relating to the purchase of equipment and facilities for yards in Iraq and Canada, in addition to the maintenance of existing assets;
- €284 million in the Offshore Drilling sector, relating mainly to the completion of the deepwater semi-submersible rig Scarabeo 8, the upgrade of the semi-submersible rig Scarabeo 6, to enable it to operate in water depths of up to 1,100 metres and that of Scarabeo 3, which underwent class reinstatement works, in addition to the maintenance and upgrading of the existing asset base;
- €122 million in the Onshore Drilling sector relating to the purchase of a new rig which started operations in Saudi Arabia in Q3, preparation works on five new rigs due to operate in Saudi Arabia, in addition to the upgrading of the existing asset base.

The completion schedule for main on-going investments is as follows: Castorone was handed over by the Keppel Shipyard in Singapore, has completed sea trials and operational tests in shallow waters, and is expected to complete deep-water sea trials by the end of Q1 2013, in line with the scheduled commitments to clients in the Gulf of Mexico; Scarabeo 6 completed upgrading works at the Keppel Verolme Shipyard in Rotterdam at the beginning of December.

Net financial debt at December 31, 2012 amounted to €4,278 million, an increase of €1,086 million from December 31, 2011. This is ascribed to a considerable increase in working capital owing to the contractual terms of some projects under execution, and to ongoing negotiations on changes in the scope of work related to contracts under completion.

[2] *Following the fiscal reform effective from 1st January 2004, dividends do not benefit from any tax credit and, depending on the recipient, are taxed at source or are partially added to the taxable income.*

New contracts and backlog

During the fourth quarter of 2012, Saipem was awarded contracts amounting to €4,251 million (€3,728 million in the fourth quarter of 2011).

New contracts awarded in 2012 amounted to €13,391 million (€12,505 million in 2011).
The Saipem Group backlog at December 31, 2012 stood at €19,739 million (€8,721 million in the Offshore Engineering & Construction sector, €6,701 million in the Onshore Engineering & Construction sector, €4,317 million in the Drilling sectors), of which €10,943 million is due to be realized in 2013.

In February 2013, new contracts were awarded amounting to € 1.8 billion: €900 million in the E&C Onshore sector and €900 million in the Offshore Drilling sector for contracts detailed in Press Releases dated February 7, 2013.

Management Outlook for 2013

Consistent with the press releases issued on January 29 and February 7, 2013, Saipem's management confirms that in 2013 the Saipem Group will report a significant reduction in profitability versus previous years.
The Engineering & Construction sector will be the main contributor to this reduction. Specifically: the conclusion of complex and challenging projects, which benefited from Saipem's technical and operational competences; delays to similar project awards, which are now expected to take place during 2013; the effect, to be felt mainly in 2013, of low-margin contracts won in extremely competitive market conditions; and low-margin contracts needed to enter new and very challenging markets.
On the contrary, the Drilling sector is expected to continue the upward trend recorded in recent years, with potential for further growth.

Overall, Saipem is now projecting revenues for the full year 2013 to be in the region of €13.5 billion, EBIT of €750 million, net income of €450 million and capex of €0.9 -1 billion.

Conference call and webcast

A conference call and webcast will be hosted today at 5.30pm CET (4.30pm GMT, 11.30pm EST, 8.30am PST) which 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/m74zxch3.
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 / Presentations' section on the www.saipem.com website, around 15 minutes before the scheduled start time.

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.

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)

Q4 2011	Q3 2012	Q4 2012	Q4 2012 vs Q4 2011 (%)		2011	2012	2011 vs 2012 (%)
1,397	1,432	1,406	0.6	Revenues	5,075	5,356	5.5
(1,136)	(1,177)	(1,157)	1.8	Expenses	(4,134)	(4,393)	6.3
(78)	(70)	(72)	(7.7)	Depreciation and amortization	(255)	(273)	7.1
183	185	177	(3.3)	Operating profit	686	690	0.6
18.7	17.8	17.7		EBITDA %	18.5	18.0	
13.1	12.9	12.6		EBIT %	13.5	12.9	
1,795	1,432	1,816		New contracts	6,131	7,477	

The backlog at December 31, 2012 stood at €8,721 million, of which €4,706 million is due to be realized in 2013.

- Revenues for 2012 amounted to €5,356 million, representing a 5.5% increase compared to 2011, mainly attributable to higher levels of activity in the Middle and Far East.

- Operating profit for 2012 amounted to €690 million, equal to 12.9% of revenues, compared to €686 million, equal to 13.5% of revenues in 2011. EBITDA margin stood at 18% slightly down from the 18.5% margin recorded in 2011.

- The main contracts acquired in the fourth quarter of 2012 include:
  - for Petrobras in Brazil, an EPIC contract for the projects Sapinhoá Norte and Cernambi Sul, encompassing engineering, procurement, fabrication, installation and pre-commissioning of the SLWR (Steel Lazy Wave Riser) for the collection system at the Sapinhoá Norte field, and of the FSHR (Free Standing Hybrid Risers) for the gas export systems at the Sapinhoá Norte and Cernambi Sul fields;
  - for Saudi Aramco in Saudi Arabia, a contract that increases the scope of work originally encompassed in the contract that Saipem won in early 2011 for the development of the Arabiyah and Hasbah fields, to include additional work on the offshore trunklines;
  - for Total E&P Angola in Angola an EPIC contract for the GirRI (Girassol Resources Initiatives) project in Block 17, comprising engineering, procurement, fabrication, installation and commissioning of topside modifications for the multiphase pump systems on the Girassol and Dalia FPSOs;
  - for Statoil, two T&I contracts involving the deployment of Saipem 7000 in both the Norwegian and British sectors. These contracts include the transportation and installation of two jackets and topsides.

Engineering & Construction: Onshore

(million euro)

Q4 2011	Q3 2012	Q4 2012	Q4 2012 vs Q4 2011 (%)		2011	2012	2011 vs 2012 (%)
1,588	1,649	1,511	(4.8)	Revenues	5,945	6,175	3.9
(1,448)	(1,524)	(1,470)	1.5	Expenses	(5,427)	(5,747)	5.9
(9)	(9)	(8)	(11.1)	Depreciation and amortization	(35)	(33)	(5.7)
131	116	33	(74.8)	Operating profit	483	395	(18.2)
8.8	7.6	2.7		EBITDA %	8.7	6.9	
8.2	7.0	2.2		EBIT %	8.1	6.4	
1,649	1,040	1,516		New contracts	5,006	3,972	

The backlog at December 31, 2012 amounted to €6,701 million, inclusive of the effects of the "Jurassic" order cancellation amounting to €700 million, of which €4,710 million is due to be realized in 2013.

- Revenues for 2012 amounted to €6,175 million, representing a 3.9% increase on 2011, mainly attributable to higher levels of activity in the Middle East and North America.

- Operating profit for 2012 amounted to €395 million, compared to €483 million in 2011, with the margin on revenues falling from 8.1% to 6.4%. EBITDA margin stood at 6.9% down from 8.7% in 2011.

- The main contracts acquired in the fourth quarter of 2012 include:
  - for Transportadora de Gas Natural de Norte – Noroeste (Transcanada) an EPC contract in Mexico, comprising engineering, procurement and construction of a gas pipeline linking El Encino (in the State of Chihuahua) to Topolobampo (in the State of Sinaloa);
  - for Gladstone LNG Operations Pty Ltd in Australia, an increase in the scope of work of the "Santos GLNG Gas Transmission Pipeline" project, comprising engineering, procurement and construction of an underwater Segmental Lining Tunnel for the marine crossing of wetlands;
  - for Husky Oil in Canada, an increase in the scope of work of the contract previously awarded for the Sunrise Central Processing Facilities project. Saipem is currently developing this project, which encompasses oil treatment, produced water de-oiling, water treatment and steam generation, along with production and storage of produced bitumen, as part of the first phase of the Sunrise Oil Sands development project.

Drilling: Offshore

(million euro)

Q4 2011	Q3 2012	Q4 2012	Q4 2012 vs Q4 2011 (%)		2011	2012	2011 vs 2012 (%)
210	274	305	45.2	Revenues	833	1,088	30.6
(97)	(125)	(148)	52.6	Expenses	(390)	(510)	30.8
(57)	(76)	(76)	33.3	Depreciation and amortization	(221)	(285)	29.0
56	73	81	44.6	Operating profit	222	293	32.0
53.8	54.4	51.5		EBITDA %	53.2	53.1	
26.7	26.6	26.6		EBIT %	26.7	26.9	
135	126	494		New contracts	780	1,025	

The backlog at December 31, 2012 stood at €3,238 million, of which €1,127 million is due to be realized in 2013.

- Revenues for 2012 amounted to €1,088 million, representing a 30.6% increase on 2011, mainly attributable to the operations of the semi-submersible rigs Scarabeo 8 and Scarabeo 9, under construction in 2011, which have offset the upgrade downtime of the semi-submersible rigs Scarabeo 3 and Scarabeo 6.

- Operating profit for 2012 amounted to €293 million, compared to €222 million in 2011, with the margin on revenues rising from 26.7% to 26.9%. EBITDA margin stood at 53.1%, in line with 2011.

- The main contracts acquired in the fourth quarter of 2012 include, for Statoil, the three-year contract for the lease of the semi-submersible rig Scarabeo 5, to perform drilling operations in the Norwegian sector of the North Sea from Q3 2014.

– Vessel utilization in 2012 and the impact of programmed maintenance for 2013 are as follows:

Vessel	***December 2012***			***Year 2013***	
	Under contract	***idle***		***idle***	
	(days)			***(days)***	
Semi-submersible rig Scarabeo 3	170	196	(a+b)	–	
Semi-submersible rig Scarabeo 4	360	6	(a)	–	
Semi-submersible rig Scarabeo 5	360	6	(b)	122	(a)
Semi-submersible rig Scarabeo 6	136	230	(a+b)	–	
Semi-submersible rig Scarabeo 7	366	–		31	(a)
Semi-submersible rig Scarabeo 8	241	–		–	
Semi-submersible rig Scarabeo 9	348	–		–	
Drillship Saipem 10000	366	–		–	
Drillship Saipem 12000	351	15	(b)	10	(a)
Jack-up Perro Negro 2	284	82	(a)	–	
Jack-up Perro Negro 3	245	121	(a+b)	59	(a)
Jack-up Perro Negro 4	366	–		91	(a)
Jack-up Perro Negro 5	366	–		30	(a)
Jack-up Perro Negro 6	366	–		8	(a)
Jack-up Perro Negro 7	366	–		20	(a)
Jack-up Perro Negro 8	357	9	(b)	20	(a)
Tender Assisted Drilling Barge	366	–		–	

(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.

Drilling: Onshore

(million euro)

Q4 2011	Q3 2012	Q4 2012	Q4 2012 vs Q4 2011 (%)		2011	2012	2011 vs 2012 (%)
217	194	201	(7.4)	Revenues	740	750	1.4
(148)	(132)	(139)	(6.1)	Expenses	(507)	(512)	1.0
(34)	(35)	(35)	2.9	Depreciation and amortization	(131)	(135)	3.1
35	27	27	(22.9)	Operating profit	102	103	1.0
31.8	32.0	30.8		EBITDA %	31.5	31.7	
16.1	13.9	13.4		EBIT %	13.8	13.7	
149	239	425		New contracts	588	917	

The backlog at December 31, 2012 stood at €1,079 million, of which €400 million is due to be realized in 2013.

- Revenues for 2012 amounted to €750 million, a slight increase on 2011.

- Operating profit for 2012 amounted to €103 million, up from €102 million in 2011, with the margin on revenues decreasing from 13.8% to 13.7%. EBITDA margin reached 31.7%, up from 31.5% in 2011.

- The main contracts acquired in the fourth quarter of 2012 include, for Saudi Aramco, the contract for the three-year charter of ten rigs for drilling activities in Saudi Arabia.

Average utilization of assets in 2012 stood at 97.2% (96.1% in 2011). At December 31, 2012, the Company owned 92 rigs (in addition to 5 rigs under completion) located as follows: 28 in Venezuela, 18 in Peru, 12 in Saudi Arabia, 7 in Colombia, 6 in Algeria, 5 in Kazakhstan, 4 in Bolivia, 4 in Ecuador, 3 in Brazil, 2 in Congo, 1 in Italy, 1 in Ukraine and 1 in Mauritania.
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 was deployed 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, 2011		**December 31, 2012**
Net tangible fixed assets		8,024		8,254
Net intangible fixed assets		752		756
		8,776		9,010
- Engineering & Construction: Offshore	3,851		4,064	
- Engineering & Construction: Onshore	464		513	
- Drilling: Offshore	3,550		3,535	
- Drilling: Onshore	911		898	
Financial investments		102		116
Non-current assets		**8,878**		**9,126**
Net current assets		**(663)**		**922**
Employee termination indemnities		**(200)**		**(217)**
CAPITAL EMPLOYED		**8,015**		**9,831**
Shareholders' equity		**4,709**		**5,405**
Minority interest in net equity		**114**		**148**
Net debt		**3,192**		**4,278**
COVER		**8,015**		**9,831**
Leverage (net debt/shareholders' equity)		**0,66**		**0,77**
SHARES ISSUED AND OUTSTANDING		**441,410,900**		**441,410,900**

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
NATURE OF EXPENSES

(million euro)

Q4 2011	Q3 2012	Q4 2012		Year 2011	Year 2012
3,412	3,549	3,423	Operating revenues	12,593	13,369
14	3	3	Other revenues and income	21	10
(2,338)	(2,454)	(2,325)	Purchases, services and other costs	(8,729)	(9,131)
(505)	(507)	(592)	Payroll and related costs	(1,750)	(2,041)
583	**591**	**509**	**GROSS OPERATING PROFIT**	**2,135**	**2,207**
(178)	(190)	(191)	Amortization, depreciation and write-downs	(642)	(726)
405	**401**	**318**	**OPERATING PROFIT**	**1,493**	**1,481**
(30)	(34)	(34)	Financial expenses	(133)	(148)
7	3	8	Income from investments	19	16
382	**370**	**292**	**INCOME BEFORE INCOME TAXES**	**1,379**	**1,349**
(110)	(108)	(86)	Income taxes	(392)	(393)
272	**262**	**206**	**INCOME BEFORE MINORITY INTEREST**	**987**	**956**
(14)	(13)	(26)	Minority interest	(66)	(54)
258	**249**	**180**	**NET PROFIT**	**921**	**902**
436	**439**	**371**	**CASH FLOW (Net profit + Depreciation and amortization)**	**1,563**	**1,628**

CONSOLIDATED INCOME STATEMENT
RECLASSIFIED BY
FUNCTION OF EXPENSES

(million euro)

Q4 2011	Q3 2012	Q4 2012		Year 2011	Year 2012
3,412	3,549	3,423	Operating revenues	12,593	13,369
(2,877)	(3,019)	(2,944)	Production costs	(10,608)	(11,360)
(38)	(41)	(53)	Idle costs	(134)	(154)
(40)	(35)	(53)	Selling expenses	(158)	(160)
(1)	(3)	(6)	Research and development costs	(12)	(15)
(5)	(3)	(2)	Other operating income (expenses), net	(4)	(11)
451	**448**	**365**	**CONTRIBUTION FROM OPERATIONS**	**1,677**	**1,669**
(46)	(47)	(47)	General and administrative expenses	(184)	(188)
405	**401**	**318**	**OPERATING PROFIT**	**1,493**	**1,481**
(30)	(34)	(34)	Financial expenses	(133)	(148)
7	3	8	Income from investments	19	16
382	**370**	**292**	**INCOME BEFORE INCOME TAXES**	**1,379**	**1,349**
(110)	(108)	(86)	Income taxes	(392)	(393)
272	**262**	**206**	**INCOME BEFORE MINORITY INTEREST**	**987**	**956**
(14)	(13)	(26)	Minority interest	(66)	(54)
258	**249**	**180**	**NET PROFIT**	**921**	**902**
436	**439**	**371**	**CASH FLOW (Net profit + Depreciation and amortization)**	**1,563**	**1,628**

RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

Q4 2011	Q3 2012	Q4 2012		Year 2011	Year 2012
258	249	180	Net profit	921	902
14	13	26	Minority interest	66	54
			Adjustments to reconcile cash generated from operating income before changes in working capital:		
203	178	194	Depreciation, amortization and other non-monetary items	700	706
68	(708)	(51)	Variation in working capital relating to operations	(89)	(1,438)
543	**(268)**	**349**	**Net cash flow from operations**	**1,598**	**224**
(381)	(230)	(238)	Investments in tangible and intangible fixed assets	(1,199)	(1,016)
11	13	1	Disposals	18	8
173	**(485)**	**112**	**Free cash flow**	**417**	**(784)**
2	7	–	Buy-back of treasury shares/Exercise of stock options	13	29
–	(23)	–	Cash flow from share capital and reserves	(297)	(352)
(44)	29	17	Effect of exchange rate differences on net debt and other changes	(62)	21
131	**(472)**	**129**	**Change in net debt**	**71**	**(1,086)**
3,323	**3,935**	**4,407**	**Net debt at beginning of period**	**3,263**	**3,192**
3,192	**4,407**	**4,278**	**Net debt at end of period**	**3,192**	**4,278**