

**Saipem: approval of the 2016 Consolidated and draft Statutory Financial Statements,
confirming preliminary consolidated results
Convening of the General Shareholders' Meeting
Reverse stock split**

- Revenues: €9,976 million
- Adjusted EBIT: €582 million
- EBIT: -€1,499 million
- Adjusted net profit: €226 million
- Net result: -€2,087 million

San Donato Milanese, March 16, 2017 - The Board of Directors of Saipem S.p.A., chaired by Paolo Andrea Colombo, has approved the Saipem Group Consolidated Financial Statements as at December 31, 2016, which showed a net result of -€2,087 million (€-806 million in 2015). The Board also approved the draft Statutory Financial Statements of Saipem SpA which reported a net result of -€808 million (€-127 million in 2015). These results and associated industrial trends have already been illustrated in the press release detailing preliminary results issued on February 23, 2017. The Board of Directors confirmed that it shall not propose a distribution of dividends to the Annual Shareholders' Meeting.

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 in accordance with the law.

The Board of Directors also approved Saipem's Corporate Governance and Shareholding Structure Report, the Saipem Sustainability Report and the Remuneration Report. All of these documents will be published at the same time as the 2016 Annual Report.

Shareholders' Meeting

The Board of Directors has convened the Annual General Shareholders' Meeting for April 28, 2017 (single call).

The Ordinary Shareholders' Meeting has been called to approve the 2016 Statutory Financial Statements, to vote on the appointment of the Board of Statutory Auditors, on additional compensation for the Independent Auditors and, by way of consultation, on the section of the Compensation Report regarding the company's remuneration policy.

Following a proposal from the Compensation and Nomination Committee, the Board of Directors resolved to submit to the Ordinary Shareholders' Meeting a proposal to authorise the buy-back of treasury shares, up to a maximum of 84,000,000 ordinary shares (subject to the reverse stock split mentioned below), and, at any rate, not exceeding the maximum sum of €50,000,000. These shall be destined for the 2017 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. Authorisation 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 71,061,344 treasury shares, equal to 0.703% of the share capital.

Finally, the Ordinary Shareholders' Meeting will be asked to authorise acts interrupting the limitation period of the liability action against a former director, pursuant to Art. 2393 of the Italian Civil Code.

It will be proposed to an Extraordinary Shareholders' Meeting to effectuate a reverse split of shares in circulation in the ratio of 1 new ordinary share for every 10 ordinary shares held and of 1 new savings share for each 10 savings shares held, following the cancellation of a minimum number of savings shares needed to facilitate the regular execution of the reverse split and the subsequent modification of Art. 5 of the Articles of Association.

Once approved by the Extraordinary Shareholders' Meeting, the reverse stock split shall be carried out according to time frames and methods to be agreed upon with Borsa Italiana S.p.A. and the other competent authorities, and at any rate by June 30, 2017.

Furthermore, several formal changes to the Articles of Association, namely, Articles 7, 12, 19, 21, 22 and 27, will be submitted to the Extraordinary Shareholders' Meeting with a view to bringing the text into line with several changes to regulatory sources, with corporate governance and with the fact that the company is no longer under the direction and coordination of any other listed company.

The documentation relating to the agenda of the Shareholders' Meeting, the complete texts of the motions, together with the speeches of the proposers of the motions, 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).

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.

Website: www.saipem.com
Switchboard: +39 0244231

Media relations
Tel: +39 0244234088; E-mail: media.relations@saipem.com

Brunswick Group Italy press office
Tel: +39 0292886200; E-mail: SAIPEMITALY@BrunswickGroup.com

Brunswick Group UK press office
Tel: +44 02074045959; E-mail: SAIPEM@BrunswickGroup.com

Relations with institutional investors and financial analysts
Tel: +39 0244234653; Fax: +39 0244254295; E-mail: investor.relations@saipem.com

Contact point for retail investors
E-mail: segreteria.societaria@saipem.com

The tables below provide the following: Saipem SpA Reclassified Balance Sheet, Reclassified Income Statement and Statement of Cash Flow; Saipem Group Reclassified Consolidated Balance Sheet, Reclassified Consolidated Income Statement and Statement of Cash Flow.

Restatements of the reclassified balance sheet and income statement to statutory schemes are provided in the Directors' Report of the Annual Report of Saipem SpA under the section "Restatement of reclassified balance sheet and income statement to statutory schemes".

SAIPEM SpA

RECLASSIFIED BALANCE SHEET

(€ million)

	December 31, 2015	December 31, 2016
Net tangible assets	820	481
Intangible assets	24	24
Investments	2,144	1,988
Non-current assets	2,958	2,493
Net current assets	1,084	1,091
Provisions for employee benefits	(92)	(93)
CAPITAL EMPLOYED, NET	3,950	3,491
Shareholders' equity	1,301	3,948
Net financial position	2,649	(457)
FUNDING	3,950	3,491

RECLASSIFIED INCOME STATEMENT

(€ million)

	2015	2016
Net sales from operations	3,400	2,592
Other revenues and income	66	59
Purchases, services and other costs	(2,900)	(1,990)
Payroll and related costs	(575)	(477)
Gross operating result	(9)	184
Depreciation, amortisation and impairment	(120)	(394)
Operating result	(129)	(210)
Finance expense	(126)	(18)
Net income (expense) from investments	(2)	(557)
Result before income taxes	(257)	(785)
Income taxes	130	(23)
Net result	(127)	(808)

STATEMENT OF CASH FLOW

(€ million)

	2015	2016
Net profit (loss) for the year	(127)	(808)
<i>Adjustments to reconcile cash generated from operating profit before changes in working capital:</i>		
Depreciation, amortisation and other non-monetary items	122	934
(Gains) losses on disposal of assets	(1)	(1)
Dividends, interests and income taxes	(53)	35
Changes in working capital related to operations	(563)	44
Dividends received, income taxes paid, interest paid and received	(168)	(34)
Net cash flow from operations	(790)	170
Capital expenditure	(115)	(61)
Financing investments for operating purposes	-	(413)
Disposals	159	7
Free cash flow	(746)	(297)
Sale (buy-back) of treasury shares	-	(26)
Cash flow from capital and reserves	-	3,435
Exchange differences on net financial position and other changes	(4)	(6)
Change in net financial position	(750)	3,106
Net financial position at beginning of year	1,899	2,649
Net financial position at end of year	2,649	(457)

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ million)

	December 31, 2015	December 31, 2016
Net tangible assets	7,287	5,192
Intangible assets	<u>758</u>	<u>755</u>
	8,045	5,947
- Offshore Engineering & Construction	3,392	2,924
- Onshore Engineering & Construction	536	444
- Offshore Drilling	3,050	1,754
- Onshore Drilling	1,067	825
Investments	134	147
Non-current assets	8,179	6,094
Net current assets	941	447
Provisions for employee benefits	(211)	(206)
CAPITAL EMPLOYED, NET	8,909	6,335
Shareholders' equity	3,474	4,866
Non-controlling interests	45	19
Net financial position	5,390	1,450
FUNDING	8,909	6,335
Leverage (net borrowings/shareholders' equity including non-controlling interests)	1.53	0.30
SHARES ISSUED AND OUTSTANDING	441,410,900	10,109,774,396

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€ million)

	2015	2016
Net sales from operations	11,507	9,976
Other revenues and income	5	9
Purchases, services and other costs	(8,782)	(7,294)
Payroll and related costs	(2,222)	(1,782)
Gross operating result	508	909
Depreciation, amortisation and impairment	(960)	(2,408)
Operating result	(452)	(1,499)
Finance expense	(244)	(154)
Net income (expense) from investments	34	18
Result before income taxes	(662)	(1,635)
Income taxes	(127)	(445)
Result before non-controlling interests	(789)	(2,080)
Net result attributable to non-controlling interests	(17)	(7)
Net result	(806)	(2,087)

STATEMENT OF CASH FLOW

(€ million)

	2015	2016
Net profit (loss) for the year	(806)	(2,087)
Net result attributable to non-controlling interests	17	7
<i>Adjustments to reconcile cash generated from operating profit before changes in working capital:</i>		
Depreciation, amortisation and other non-monetary items	905	2,208
(Gains) losses on disposal of assets	(18)	5
Dividends, interests and income taxes	318	516
Changes in working capital related to operations	(468)	647
Dividends received, income taxes paid, interest paid and received	(455)	(318)
Net cash flow from operations	(507)	978
Capital expenditure	(561)	(296)
Financing investments for operating purposes	(1)	-
Disposals	155	17
Other changes relating to investment activity	-	(1)
Free cash flow	(914)	698
Sale (buy-back) of treasury shares	-	(26)
Cash flow from capital and reserves	(16)	3,399
Exchange differences on net financial position and other changes	(36)	(131)
Change in net financial position	(966)	3,940
Net financial position at beginning of year	4,424	5,390
Net financial position at end of year	5,390	1,450