

Saipem: Settlement of tax disputes

San Donato Milanese (Milan), May 26, 2017 - Today, Saipem's Board of Directors, with the only objective to de-risk litigations and pursue financial optimization, approved the settlement of tax disputes concerning the following:

- i) IRES 2008 and 2009, pursuant to the provisions of article 11 of Legislative Decree no. 50 dated April 24, 2017 regulating the "*facilitated resolution of tax disputes*", for an amount of €42.2 million, plus interest, and
- ii) IRES and IRAP 2010 and 2011, based on a tax settlement proposal signed today with Agenzia delle Entrate (Italian Tax Authorities), for an amount of € 21.8 million, plus interest.

As described in the Annual Report, in July 2015 four notices of assessment had been issued regarding IRES and IRAP for the years 2008 and 2009, amounting to approximately €144 million, plus interest, which in January 2017 were reduced by the Provincial Tax Commission in Milan to approximately €125 million, plus interest. Furthermore, in December 2016 four notices of assessment had been received regarding IRES and IRAP for the years 2010 and 2011, amounting to approximately €119 million, plus interest.

The settlement of the aforementioned tax disputes shall result in approximately €79 million of costs in 2017 Half Year results, not forecasted in 2017 guidance for net reported result. However, the cash outlay shall not exceed the amount already budgeted for 2017, therefore not impacting 2017 guidance for net debt.

As a result of the above, Saipem does not have significant tax disputes pending.

Saipem decided to settle the aforementioned tax disputes without recognition of liability whatsoever.

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 deepwater. 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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