



**Saipem: approval of the 2015 Consolidated and draft Statutory Financial Statements,
confirming preliminary consolidated results
Convening of the General Shareholders' Meeting**

- Revenues: €11,507 million
- EBIT: €-452 million
- Net result: €-806 million

San Donato Milanese, March 16, 2016 - 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, 2015, which showed a net result of €-806 million (€-230 million in 2014). The Board also approved the draft Statutory Financial Statements of Saipem S.p.A., which reported a net result of €-127 million (€70 million in 2014). These results and associated industrial trends have already been illustrated in the press release detailing preliminary results issued on February 24, 2016. The Board of Directors confirmed it shall not propose to the Annual Shareholders' Meeting the distribution of dividends.

The consolidated and draft Statutory Financial Statements of Saipem S.p.A. have been made available to the Board of Statutory Auditors and the Independent Auditors, together with the Directors' Report. The 2015 Annual Financial Report will be duly available under the terms of the law at Saipem's Headquarters and shall be published on the Company's website: www.saipem.com, on the authorised "Nis Storage" mechanism (www.emarketstorage.com) and on www.borsaitaliana.it.

The Board of Directors approved the Report on "Saipem's Corporate Governance and Shareholding Structure", the "Saipem Sustainability Report" and the "Compensation Report". These documents will be published on Saipem's website at the same time as the 2015 Annual Financial Report.

Long-term Incentive Plan 2016-2018

At the proposal of the Compensation and Nomination Committee, the Board of Directors moved to propose at the Annual General Meeting the approval of a long-term Incentive Plan 2016-2018

("Plan"), which provides for the free allocation of ordinary shares of Saipem S.p.A. (so called Performance Shares) from July 2016 in three annual tranches, all subject to a three-year vesting period.

The Plan, which replaces the last two long-term monetary incentive schemes, is intended as a tool to motivate and retain the Company's top management, to strengthen their participation in the business risk, to improve the Company's performance and maximise value for shareholders in the long-term. Shares shall be granted subject to the achievement of a business target, which measures the medium-long term financial performance¹ and of the Total Shareholder Return trend over the three-year reference period against an international peer group panel.

Beneficiaries are the CEO and top management personnel of Saipem and its subsidiaries, identified by the CEO for each allocation from the top management positions responsible for business results, and/or based on their performance and competencies.

To further improve alignment with shareholders' interests in the long term and achieve sustainable results, the Plan provides that 25% of the CEO's shares that may have accrued by the end of the vesting period subject to the achievement of the aforementioned targets, be locked up for a period of two years, during which they shall not be accessible to the CEO.

The Plan also provides that , for strategic management resources, 25% of shares that may have matured by the end of the vesting period subject to the achievement of the aforementioned targets, be invested in a co-investment scheme for a period of two years. During this period beneficiaries shall not be able to access these shares, however, at the end of the period they shall receive an additional share for each share invested (hence the term co-investment), should they still be employed by the Company.

Finally, the Plan provides the adoption of clawback clauses, governed by ad-hoc regulations.

This Plan is considered of "major significance" pursuant to art. 84 - bis, paragraph 2, of Issuers' Regulations since it is aimed at individuals identified under art. 114 - bis of Law Decree 58/98 (TUF), specifically i) the CEO and ii) Senior Managers of Saipem and its subsidiaries.

The conditions and aims of the Plan are detailed in the Information Document prepared in compliance with art. 114-bis of Law Decree 58/98 and art. 84-bis of Consob Issuers' Regulations, which will be made available to the public under the terms of the Law.

¹ Net Financial Position is the target of the first allocation

This proposal has been prepared in compliance with art. 114-bis of Law Decree 58/98 of February 24, 1998, and takes into account Consob's provisions for the implementation of compensation plans based on the allocation of financial instruments to Corporate Officers, Employees and Collaborators.

Authorisation to buy back treasury shares for allocation to the Incentive Plan

The Board of Directors has moved to propose that the Shareholders' meeting approve the buy back of up to 85,000,000 treasury shares, for the maximum total value of €42,500,000 to service the first tranche of the aforementioned Incentive Plan. Authorisation for the buy-back shall be for a maximum period of 18 months from the date of Shareholders' approval.

The proposal provides that the buy-back may be achieved gradually as deemed appropriate, at a maximum and minimum unitary price equal to the reference price of shares recorded on the computerised trading market on the day prior to the buy-back (plus or minus 5% for the maximum and minimum price respectively).

The Company currently holds no. 1,939,832 treasury shares, equal to 0.0191% of the share capital.

Annual General Shareholders' Meeting

The Board of Directors convened the Annual General Shareholders' Meeting to be held on April 29, 2016 (single call) to resolve, inter alia, on the appointment of a Board Director. On January 21, 2016 the Board of Directors had in fact co-opted Mr. Leone Pattofatto whose mandate expires at the Shareholders' Meeting pursuant to art. 2386 of the Italian Civil Code.

Special Savings Shareholders' Meeting

Finally, the Board of Directors convened the Special Savings Shareholders' Meeting to be held also April 29, 2016 (single call) to appoint their new Common Representative.

Saipem's Chief Financial Officer, Alberto Chiarini, 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 correspond to the Company's evidence and accounting books and entries.

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The tables below provide the following:

- Saipem S.p.A. 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 Consolidated and Statutory Financial Statements of Saipem S.p.A. under the section "Restatement of reclassified balance sheet and income statement to statutory schemes".

SAIPEM S.p.A.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million)

	December 31, 2014	December 31, 2015
Tangible fixed assets	843	820
Intangible fixed assets	25	24
Financial investments	2,210	2,114
Non-current assets	3,078	2,958
Net current assets	330	1,084
Employee termination indemnities	(108)	(92)
CAPITAL EMPLOYED	<u>3,300</u>	<u>3,950</u>
Shareholders' equity	1,401	1,301
Net debt	1,899	2,649
COVER	<u>3,300</u>	<u>3,950</u>

INCOME STATEMENT

(million)

	2014	2015
Operating revenues	4,336	3,400
Other revenues and income	51	66
Operating costs	(4,203)	(3,474)
Other operating income (expenses)	(2)	(1)
Gross operating result	182	(9)
Amortization, depreciation and write-down	(114)	(120)
Operating result	68	(129)
Financial expenses, net	(139)	(126)
Net income from investments	156	(2)
Income before income taxes	85	(257)
Income taxes	(15)	130
Net result	<u>70</u>	<u>(127)</u>

STATEMENT OF CASH FLOW

(million)

	2014	2015
Net income	70	(127)
Depreciation, amortization and other non-monetary items	86	122
Losses (gains) from disposals	(4)	(1)
Dividends, interests and income taxes	(62)	(53)
Cash generated from operating income before variation in working capital	90	(59)
Variation in working capital relating to operations	389	(563)
Dividends, interests and income taxes received (paid)	24	(168)
Net cash flow from operations	503	(790)
Investments in tangible and intangible fixed assets	(125)	(115)
Financial investments	-	-
Disposals	8	159
Free cash flow	386	(746)
Cash flow from share capital and reserves	-	-
Exchange rate differentials and other variation concerning net financial debt	-	(4)
Variation in net debt	386	(750)
Net debt at beginning of period	2,285	1,899
Net debt at end of period	1,899	2,649

SAIPEM GROUP

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million)

	December 31, 2014	December 31, 2015
Net tangible fixed assets	7,601	7,287
Net intangible fixed assets	<u>760</u>	<u>758</u>
	8,361	8,045
- <i>Engineering & Construction: Offshore</i>	3,666	3,392
- <i>Engineering & Construction: Onshore</i>	590	536
- <i>Drilling: Offshore</i>	3,034	3,050
- <i>Drilling: Onshore</i>	1,071	1,067
Financial investments	112	134
Non-current assets	8,473	8,179
Net current assets	297	941
Employee termination indemnities	(237)	(211)
Assets (Liabilities) available for disposal	69	-
CAPITAL EMPLOYED	<u>8,602</u>	<u>8,909</u>
Shareholders' equity	4,137	3,474
Minority interest in net equity	41	45
Net debt	4,424	5,390
COVER	<u>8,602</u>	<u>8,909</u>
Leverage (net debt/shareholders' equity)	1.06	1.53
SHARES ISSUED AND OUTSTANDING	441,410,900	441,410,900

INCOME STATEMENT

(million)

	2014	2015
Operating revenues	12,873	11,507
Other revenues and income	9	5
Operating costs	(11,670)	(11,004)
GROSS OPERATING PROFIT	1,212	508
Amortization, depreciation and write-downs	(1,157)	(960)
OPERATING PROFIT	55	(452)
Financial expenses, net	(199)	(244)
Net income from investments	24	34
INCOME BEFORE INCOME TAXES	(120)	(662)
Income taxes	(118)	(127)
INCOME BEFORE MINORITY INTEREST	(238)	(789)
Minority interest	8	(17)
NET RESULT	(230)	(806)

RECLASSIFIED STATEMENT OF CASH FLOW

(million)

	2014	2015
Group net income	(230)	(806)
Minority interest	(8)	17
<i>Adjustments to reconcile cash generated from operating income before changes in working capital:</i>		
Depreciation, amortization and other non-monetary items	1,011	905
(Gains) Losses from disposals	(2)	(18)
Dividends, interests and income taxes	291	318
Cash generated from operating income before variation in working capital	1,062	416
Variation in working capital relating to operations	569	(468)
Dividends, interests and income taxes received (paid)	(433)	(455)
Net cash flow from operations	1,198	(507)
Investments in tangible and intangible fixed assets	(694)	(561)
Investments and purchase of consolidated subsidiaries and businesses	(9)	(1)
Disposals	15	155
Free cash flow	510	(914)
Cash flow from share capital and reserves	(45)	(16)
Exchange rate differentials and other variation concerning net financial debt	(129)	(36)
Variation in net debt	336	(966)
Net debt at beginning of period	4,760	4,424
Net debt at end of period	4,424	5,390