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Presentation to the Financial Community

1Q 2015 Consolidated Results

San Donato Milanese, April 27, 2015

Forward-Looking Statements

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent on 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: 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.

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 S.p.A. does not undertake to review, revise or correct forward-looking statements once they have been released, barring cases required by Law.

Forward-looking statements neither represent nor can be considered as estimates for legal, accounting, fiscal or investment purposes. Forward-looking statements are not intended to provide assurances and/or solicit investment.

1Q 2015: performance on track

- Steady operational performance - 1Q15 EBIT € 159mn, +25% yoy:
  - Drilling good and stable results
  - Legacy contracts progressing towards completion
  - New projects positive to contribution
- Net debt of € 5.2bn including € 381mn negative net FX impact
  - Temporary impact from USD forex hedging derivatives on megaprojects
  - Before FX impact, debt reduction of € 800mn yoy
  - Cashflow of € 269mn, improving yoy by 14%
- Resilient competitive position in challenging environment
  - Solid backlog above € 21bn with low exposure to high oil price-dependent businesses
  - Drilling continuous contribution confirmed by successful negotiations with customers
  - Disciplined pursuit of new award opportunities during the rest of the year

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In the context of a challenging oil-price environment, Saipem's operational performance in Q1 2015 was on track with our expectations.

While supported by the consistent contribution from drilling activities, we have made further progress on key recently awarded E&C projects.

The execution of legacy projects is progressing in line with project delivery plans.

This drove EBIT of € 159mn, which was an improvement of 25% yoy.

Net debt in the quarter was €5.2bn. Most of the increase is attributable to a negative net cash impact of € 381mn which relates to FX hedging derivatives. Before this increase, net debt was €4.8bn, which was a decrease of approximately € 800mn on a yearly basis and € 388mn higher than at the end of 2014.

In broad terms, this quarterly FX impact comes from the rolling over of maturing derivatives contracts which hedge the long-term dollar exposure of certain megaprojects. This is a temporary cash impact and will be fully recovered over the life of the projects subject to such hedging.

Cashflow in the quarter was € 269mn, 14% better than 1Q14, and a demonstration of our continued focus on operational improvements and confirming business recovery.

Commercially, the quarter saw a lower levels of contract awards, as expected in light of the current industry environment.

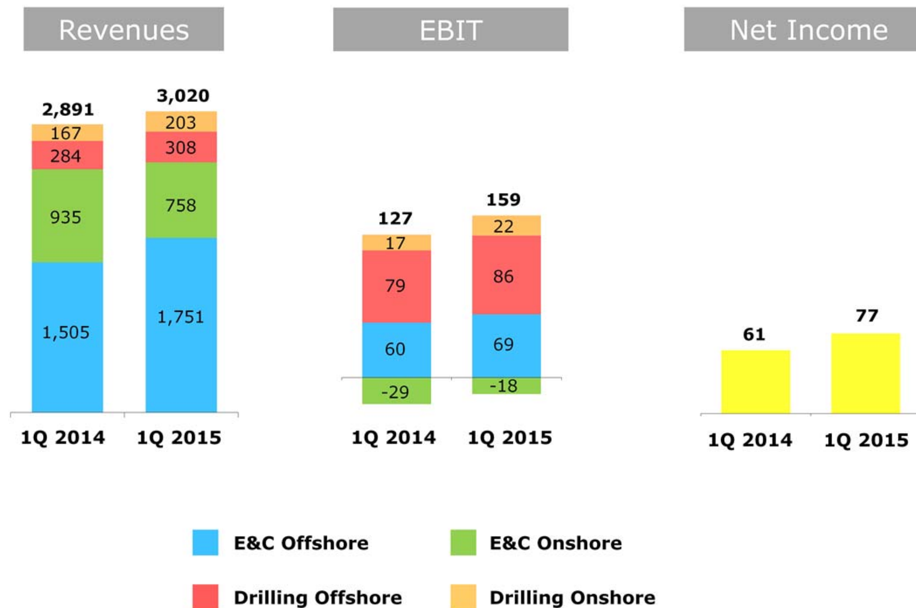
Saipem is protected by its high backlog, which still stands above € 21bn. The backlog is diversified, with relatively low exposure to business segments that require high oil prices to break even.

It also includes the South Stream project, which remains suspended. We continue to have regular dialogue with the Client for the possible execution of the Turkish stream and are on stand-by, ready to resume operations at any point.

Meanwhile, impact of the present market scenario on drilling is low if compared to our competitors: most of our fleet is currently contracted, some negotiations for extensions and new contracts on residual assets have been successfully concluded

since the end of the first quarter, with overall contained rate reduction post Q1 across the fleet.

We will are pursuing new E&C contract opportunities over the rest of the year, which we believe will be focused on areas like the Middle East, West and East Africa and the Americas. At all times, we will maintain our strict commercial discipline, pursuing only contracts which offer healthy margins.



Let's look now at our financial results on slide 4.

In the first quarter of 2015, revenues amounted to € 3bn, an increase of 4.5% compared to the first quarter of 2014.

This was driven primarily by the improvement in E&C Offshore, up 16%, and in the drilling segment, which was supported by good offshore fleet utilization and the appreciation of the USD.

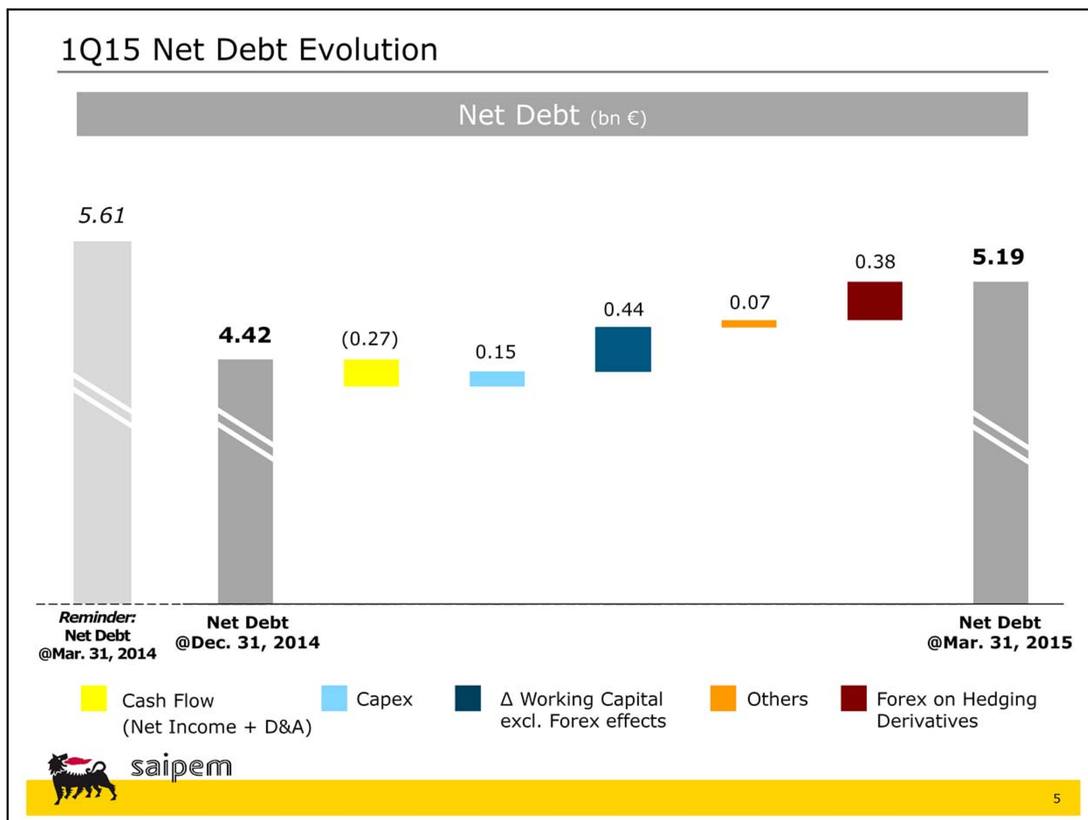
Meanwhile, E&C onshore business revenues declined 19% as a result of the progressive completion of legacy projects and in line with our more selective commercial approach applied since 2013 to onshore initiatives.

Group EBIT for the quarter was € 159mn, 25% higher than in the first quarter of 2014, with an overall margin of 5.3%, up from 4.4% in the same period last year.

This improvement has two components:

- First, the E&C business, where Offshore maintained steady average margins compared to Q1 2014, with new floater projects contributing in line with their margin expectations. In addition, both Offshore and Onshore improved as a result of lower impacts from legacy projects. Looking forward, we expect margins in E&C to be even more supported by recently awarded initiatives.
- The second area surrounds continuing stable margins in drilling, where we are seeing a limited impact of spot daily rate reductions on our ongoing commitments. Indeed, the overall Drilling margin was stable yoy at 21%, which is not only encouraging, given the difficult context in the wider oil market, but confirms the resilience of our business model as indicated in previous communication.

In conclusion, the continuous improvement of operating profitability resulted in Net Income growing 26% yoy to € 77mn.



Working through slide 5 left to right, let's analyse net debt evolution. You can see that cashflow totalled € 269mn, a 14% yoy increase, and enough to offset the € 150mn capex and also a portion of the seasonal working capital increase.

This negative Working Capital contribution, equal to € 435mn net of forex effects, was mainly connected to an increase of net receivables and work in progress. Furthermore, I also confirm that the overall amount of pending revenues remains stable at € 1.1bn, as at the end of 1Q2015.

As a result, before the impact of forex that I have already touched on, Net Debt reached € 4.8bn. As expected this represents a seasonal increase from the 2014 year end of € 388mn, but a decrease of € 798mn yoy, thus confirming our persistent drive to reduce debt organically.

The recent sharp appreciation of the USD to EUR exchange rate resulted in a significant cash outflow in the quarter of € 381mn, linked to the settlement of our maturing derivative hedging contracts. We will explain this in more detail in the next slide.

In conclusion, at the end of March, Net Debt stood at € 5.2bn, improving by € 417mn year on year (€ 5.6bn at 1Q14) but increasing € 769mn in the quarter.

1Q15: FX impacts

Impact in the quarter from USD appreciation on hedging derivatives' rolling over due to mark-to-market cash settlement: € 381mn

- In accordance with Company's hedging policy, exposures in currencies different from Euro are neutralized through hedging derivatives with cash settled contracts normally not exceeding 12 months
- In case of multi annual projects, part of derivatives mature before hedged cash flows are realized. This mismatch requires derivative contracts to be rolled over with mark-to-market cash settlements
- Cash impact on hedging derivatives is fully recovered throughout project life cashflows
- Hedging model neutralizes all FX fluctuations at P/L level

Based on the current Euro/USD rate and hedging derivatives in stock, we estimate that total cash settlements on FX contracts maturing in the year will lead to an overall net debt negative impact of approx. € 500mn at year end

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Turning to slide 6, I will ask Alberto to provide you with more details on the reasons behind this forex cash impact.

[A.C.] :

Thanks Umberto.

In the course of our usual hedging management during 1Q15, we were subject to two coincidental and simultaneous events.

The first one was a significant amount of hedging derivatives coming to maturity in advance with respect to underlying hedged cash flows. Such derivatives were traded at last year's prevailing rates upon the award of megaprojects such as Kaombo and Jazan, characterized by large multi-annual exposures.

The second event was the sharp acceleration of USD appreciation during the first quarter of 2015 that magnified the phenomenon (EURO/USD -11% in 1Q15, from 1.21 to 1.08).

In accordance with the Company's hedging policy, long term exposures in non-Euro currencies are neutralized through hedging derivatives, with contracts normally not exceeding 12 months, and therefore maturing earlier than hedged project cash flows.

This means that such hedging operations require subsequent rolling over in order to match with the relevant hedged exposures.

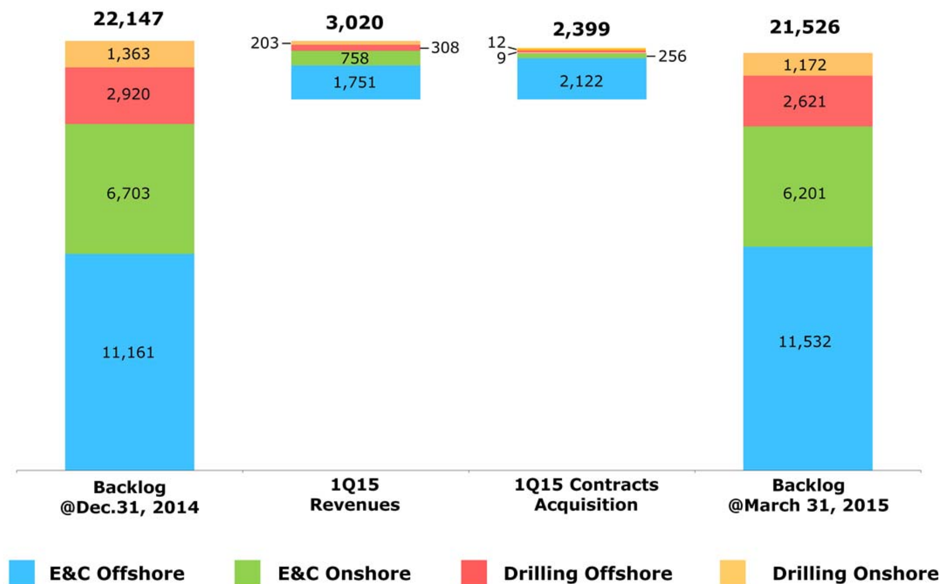
The rolling over of derivatives implies a mark to market cash settlement, which, under the conditions encountered in this quarter, accounted for a net cash outflow of € 381mn.

This cash impact is simply a temporary issue and will be fully recovered during the life of the projects subject to hedging, as appreciated USD cash flows from operations will offset such negative impacts.

Based on the current prevailing market rates, we expect the cash impact of hedging management to increase the net debt by a further €120mn at year end, for an overall amount of approximately € 500mn in 2015.

From a P/L perspective, I must clarify that our hedging model enables us to neutralize all FX impacts at project level, through hedging reserves accounted in the net equity.

[END A.C.]



[U.V.]:

Many thanks Alberto.

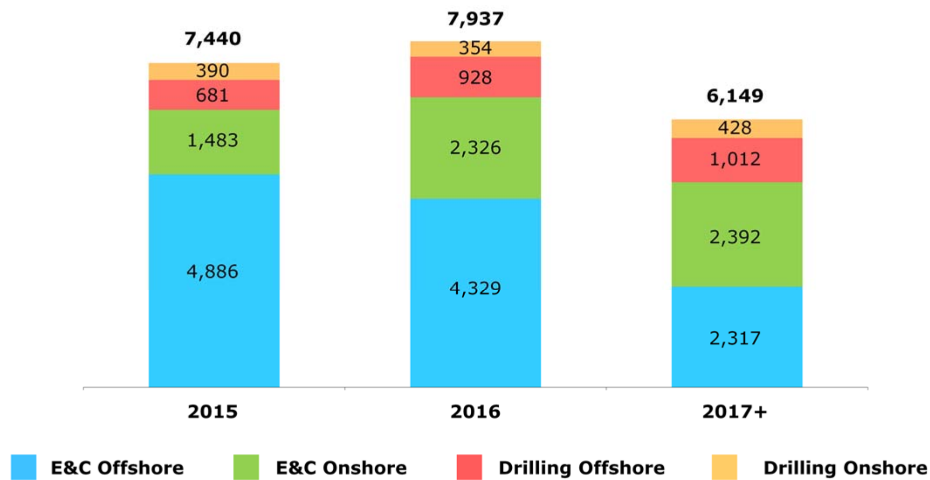
Moving to slide 7 regarding backlog, in the first quarter of the year we had a new order intake of €2,399mn, mainly connected to the award of the Kashagan pipelines contract in Kazakhstan, for approximately USD 1.8bn, and also including the positive impact of change orders on some E&C contracts accepted by our clients, although in this respect, as already indicated, recognition of variation orders is becoming harder in the current market scenario.

It is worth reminding you that the E&C offshore backlog does still include the South Stream contract, which as you know is presently operationally suspended as said at the beginning. We have been and remain in close contact with the client over the possible contract amendment to the Turkish Stream scope and we are ready to restart operations when required.

There were no major awards in E&C Onshore as a consequence of the current weak market, and also reflecting our more selective commercial approach.

Some ongoing negotiations in drilling business were positively concluded after 1Q closing, as we highlight later in the presentation.

The backlog remains solid, standing at above €21bn and, very important, providing resilience, as it is well diversified in terms of geographic areas, clients and business segments. It has a relatively low exposure to oil industry sectors which require high oil prices to break even and which are therefore exposed to greater risks.



Looking now at the backlog by year of execution on slide 8: 35% will be booked in the current year, 37% in 2016 and the remaining 28% in 2017 and onwards.

Based on current backlog, revenue coverage for 2015 is above 80% of the high range guidance for the year. Further, this is broadly in line with coverage in 1Q 2014 and is showing an improved visibility on the medium term, thanks to the high level of awards registered in 2014, mainly in the second quarter and significantly in the E&C business.

Update on Drilling

Offshore Drilling

- New contract awards/extensions post 1Q for:
  - TAD with Eni for 2Y activities in Congo
  - SC6 with Burullus rescheduling activities for Work Over up to end 2015 in Egypt
- Pressures for limited reduction in daily rates on existing contracts - ongoing discussions are associated with longer contract duration prospects
- Ongoing negotiations on new contracts and extensions on remaining assets
- No early terminations affecting Saipem's fleet

Onshore Drilling

- Good Onshore Drilling fleet utilization rate: 96.2% in the quarter, in line with the average utilisation in 2014
- Contracts expiring in 2015 are currently under negotiation for renewal, although these reflecting market lower rates
- Long-term relationships with NOC's providing good business visibility

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Slide 9 provides you with an update of our Drilling activity and positioning in the current challenging market environment.

In Offshore drilling, no awards where finalized during the quarter, but we are pleased to announce that during the month of April, therefore not in the backlog reported on slide 7, we successfully extended the TAD contract with Eni by 2 years and we renegotiated the SC6 contract for workover drilling activities up to the end of 2015, as a result of our commercial efforts with our long lasting clients. Daily rates of these contracts reflects the impact of the lower oil price on the drilling market but we are satisfied of the rates we negotiated.

Our deep water fleet's ongoing commitments are confirmed, although we are seeing pressure for limited future reductions in daily rates, which, in exchange, we expect to associate with longer contract duration.

On our four jack up, currently mainly operating in the Middle East, ongoing negotiations with our clients are indicating limited day rate reductions that we estimate to be around 20% for 2015 and are partly renegotiable upwards, in case of an oil price recovery.

The excellent result of this commercial effort is that we have not seen, and do not currently expect to see, any early contract terminations.

Regarding Onshore drilling, our fleet is still expected to experience a good level of utilization. We will see a slight reduction mainly connected to a limited number of contracts expiring throughout the year which we believe could be hard to commercialise in the current deteriorated environment. We have met some of our clients' capex requirements and we are discussing daily rate reductions, but on average we evaluate this below 10%, another brilliant result.

Our long standing relationships, especially with NOCs, is also providing good overall visibility to the business.

All these results confirm what I have anticipated: our drilling business model is providing good resilience to the current drilling services cyclical downturn.

Slide 10 is updating us on the principal E&C projects we are targeting. We have reviewed the slide presented last February, aiming to focus mainly on the projects which we believe will be sanctioned in 2015.

Some projects that were previously mentioned have been removed as, according to our understanding, they have been, or are likely to be, shifted to 2016. This includes projects such as TAP pipeline, Scarborough FLNG and some of the many initiatives in Mozambique.

Despite the more uncertain market environment, which makes it more difficult to predict the pace of tenders, you can see that there are still a good number of project opportunities which should be awarded in 2015 and, moreover, we are confident that some will be awarded shortly.

These opportunities show a healthy balance in our strategy between onshore and offshore, upstream and downstream, NOCs and IOCs and also between geographies, in line with the quality mix of our existing backlog.

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4. 2015 Guidance

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2015 Guidance

Revenues: €12 – 13bn

EBIT: €500 – 700m

Net Income: €200 – 300m

Capex: ~ €650m

Net Debt: < €4.0bn (*)

* Excluding potential impact of currency fluctuation

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In conclusion, I confirm the guidance for 2015 provided in February.

When I took on the role in December 2012, the company was facing significant headwinds. It was under investigation in Algeria and subsequently went though a very tough year in 2013, in which we had to revise our expectations downwards, resulting in the announcement of operating losses for the 2013 full-year.

However, 2014 marked the beginning of the recovery. Through a combination of strict commercial discipline, a focus on operational performances, technological innovation and risk management, we reported operating profits for the 2014 full year and we expect the Company to strengthen further in 2015.

Of course, in the new oil price environment, many challenges remain, in particular the pressure on client capex, on both new and existing projects.

In this context, I would like to highlight that the company is committed to implementing a number of efficiency projects under our "Road to Excellence" program, aimed at supporting operational performances and achieving cost reductions.

In addition, we are focused to continue to reduce our net debt to a level compatible with the OFS sector. This will be driven by our targets on profitability and cash flow generation and by improving our working capital.

Regarding debt, we recognize that the new impact of the USD appreciation on our hedging derivatives is an additional task, but this being temporary as it will be recovered during the life of the projects, as we previously clarified.

Notwithstanding these challenges of different nature, I'm confident that Saipem is now on a solid and stable footing and this will allow the company to resolve ongoing issues and face the current market, improving even more profitability and delivering value.

With that both Alberto and myself are pleased to take your questions.

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6. Q&A