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Presentation to the Financial Community Preliminary 2014 Consolidated Results

San Donato Milanese, February 16, 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.

Presentation Outline

1. Introduction
2. FY2014 Financial Results
3. 2015 Business Scenario
4. Conclusion
5. Q&A

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1. Introduction

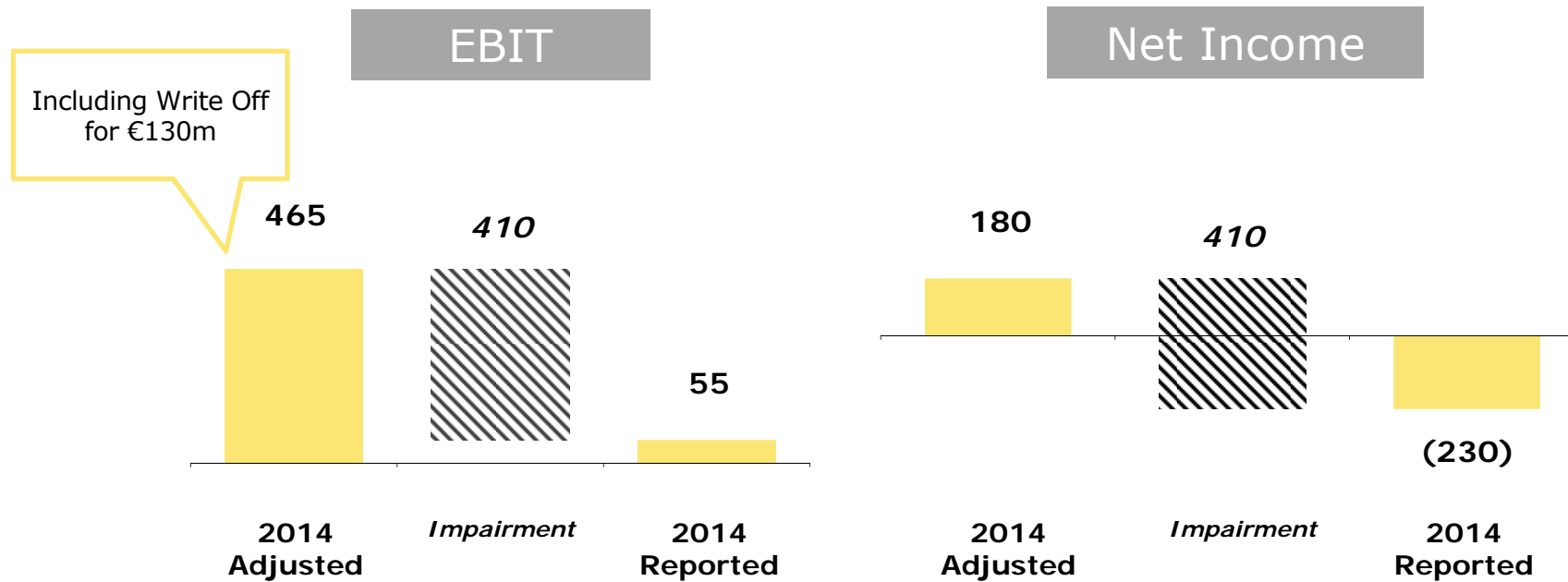
Progress in transition year despite deteriorating environment

- Underlying business achieving transitional goals: adjusted EBIT improvement and reduction in net debt, despite deteriorating environment resulting in impairment and write off of some pending revenues
- Operational achievements in 2014
 - Back to profit: Adjusted EBIT €465m; Adjusted Net Income €180m
 - Legacy contracts de-risking:
 - progress on project completion
 - pending revenues reduced to €1.1bn due to positive outcome on certain negotiations and €130m write-off driven by deteriorated scenario
 - Net debt reduced to €4.4bn (€4.8bn in 2013) due to improvement in working capital, first reduction in three years
 - Excellent order intake building solid backlog of €22.1bn
- 2014 results hit by new oil price scenario
 - Worsening context and increased rigidity of client attitudes reflected in revised estimate of pending revenues
 - Non-cash impairment of €410m following asset value assessment, in line with IAS 36
 - Impairment driven by long-term expectation on daily rates for a limited number of assets due to worsening market scenario

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2. FY14 Financial Results

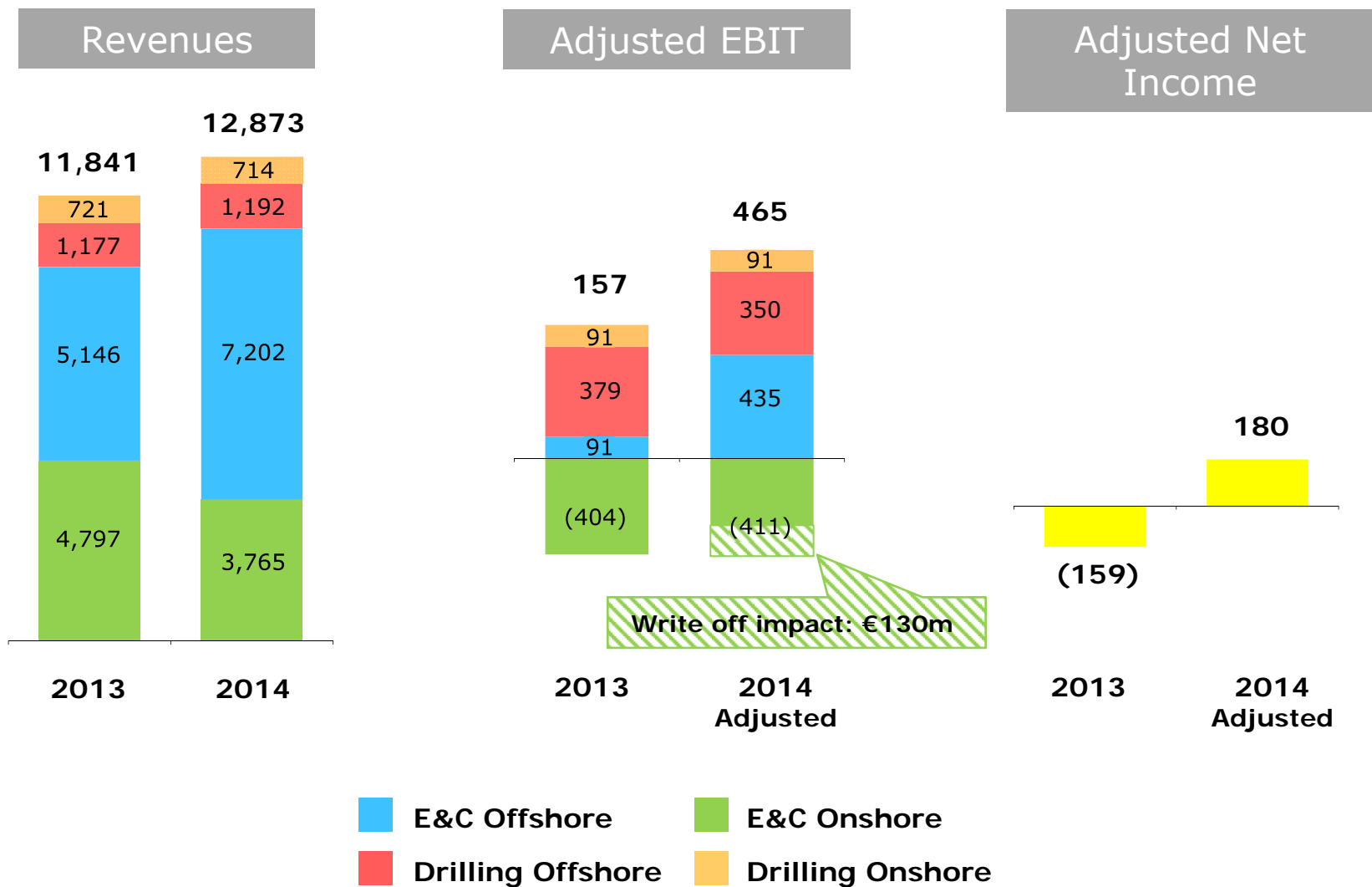
FY 2014 Financial Results (m €)



2014 IFRS 10 and 11 compliant

- Assessment carried out on all 21 cash generating units, in accordance with IAS 36
- Impairment of €410m largely driven by the impact of low oil price on expected future daily rates
- No contraction in current utilization or contract cancellations experienced

FY 2014 Adjusted Financial Results – YoY comparison (m €)

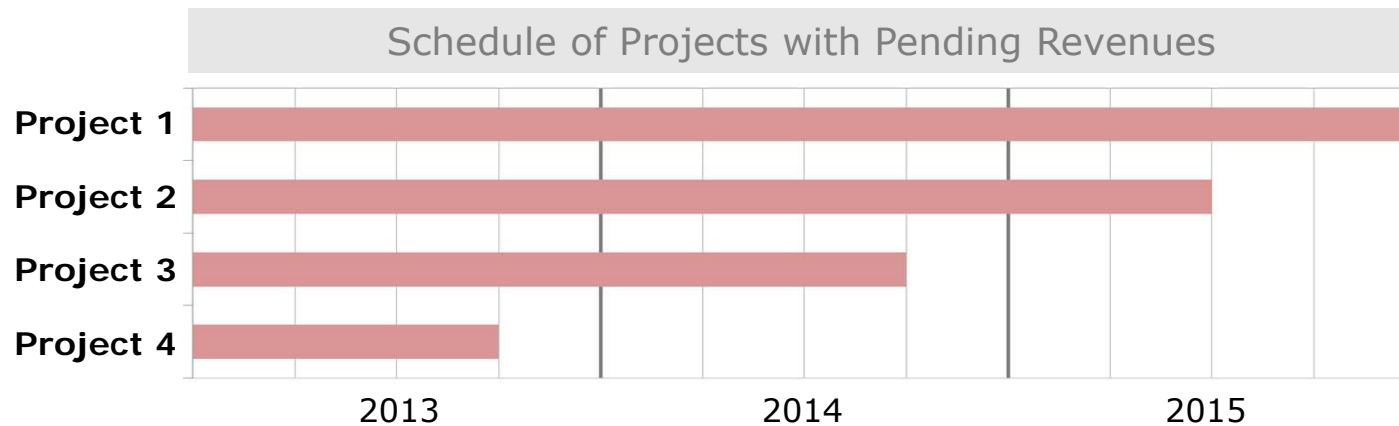


2014 IFRS 10 and 11 compliant; 2013 restated for comparability



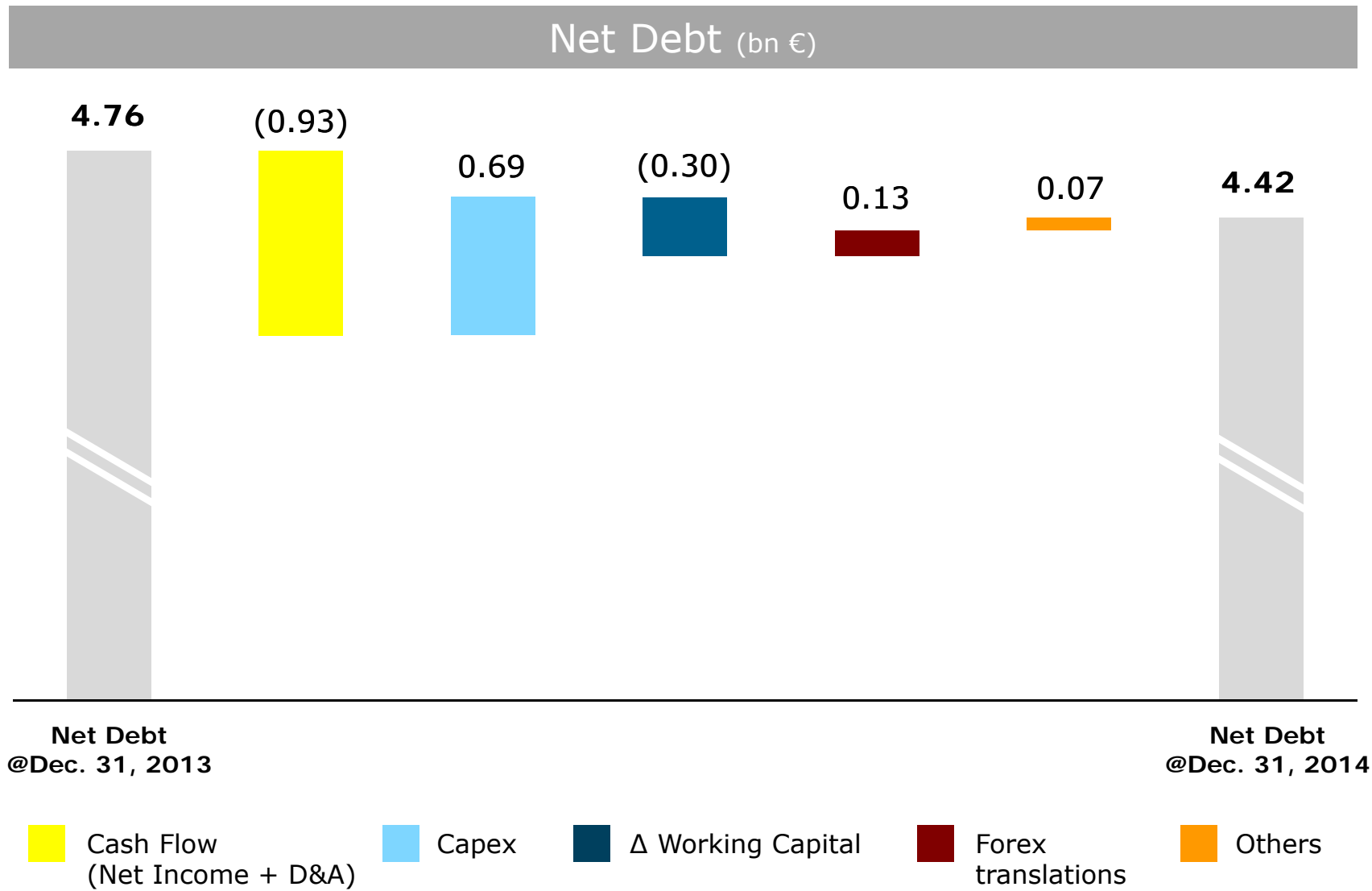
E&C: Update on pending revenues

- **Pending revenues** at the end of 2014: €1.1bn (reduced from €1.4bn in Q3), of which 80% are now accounted by four legacy contracts
- Successful outcome of negotiations in Q4 on certain contracts drove pending revenues reduction
- Additionally, €130mn write-off of pending revenues on certain legacy contracts
- Management remains focused on pending revenues resolution despite change of client attitudes in worsened oil price scenario

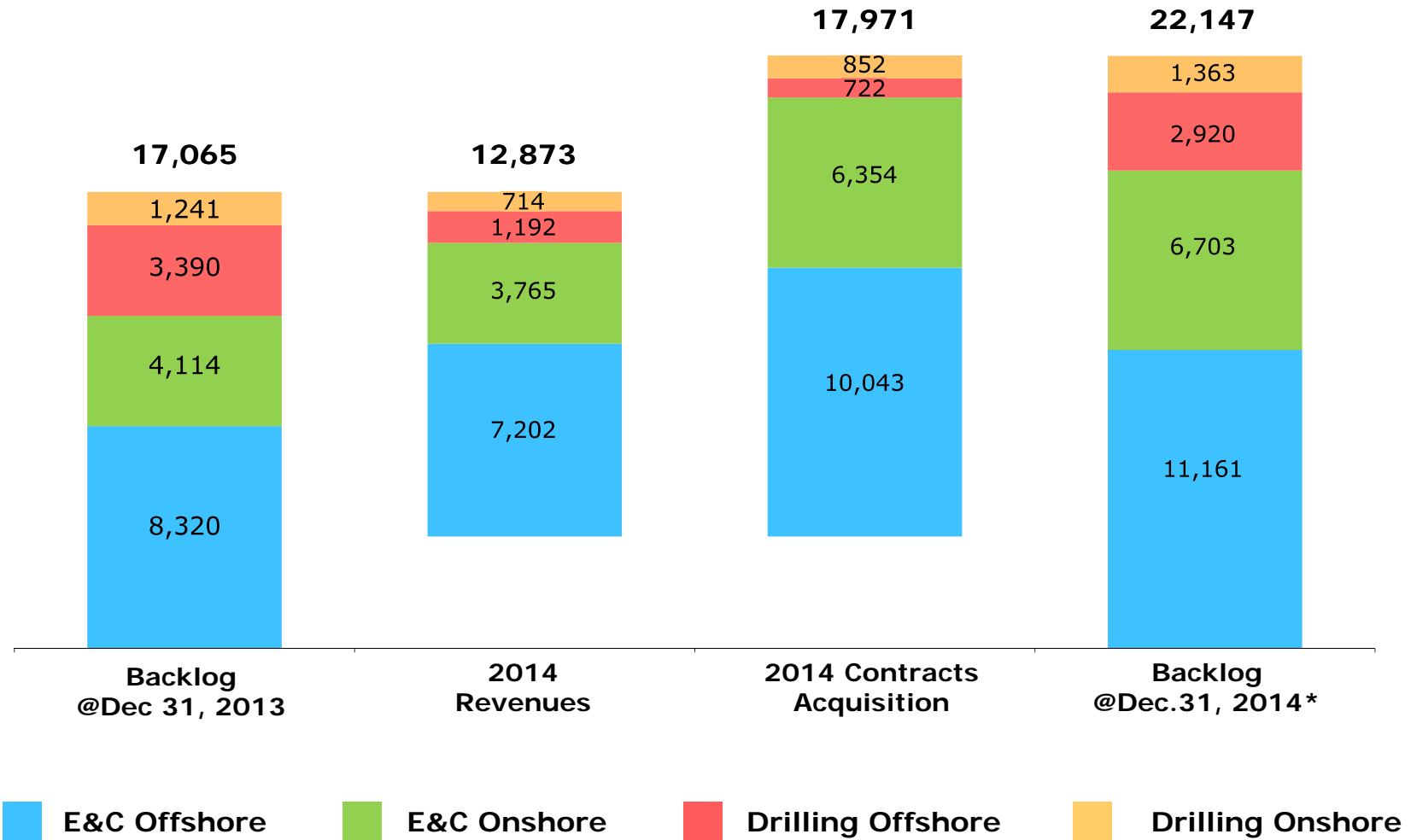


- Completion of legacy projects in 2015 progressing according to schedule

2014 Net Debt



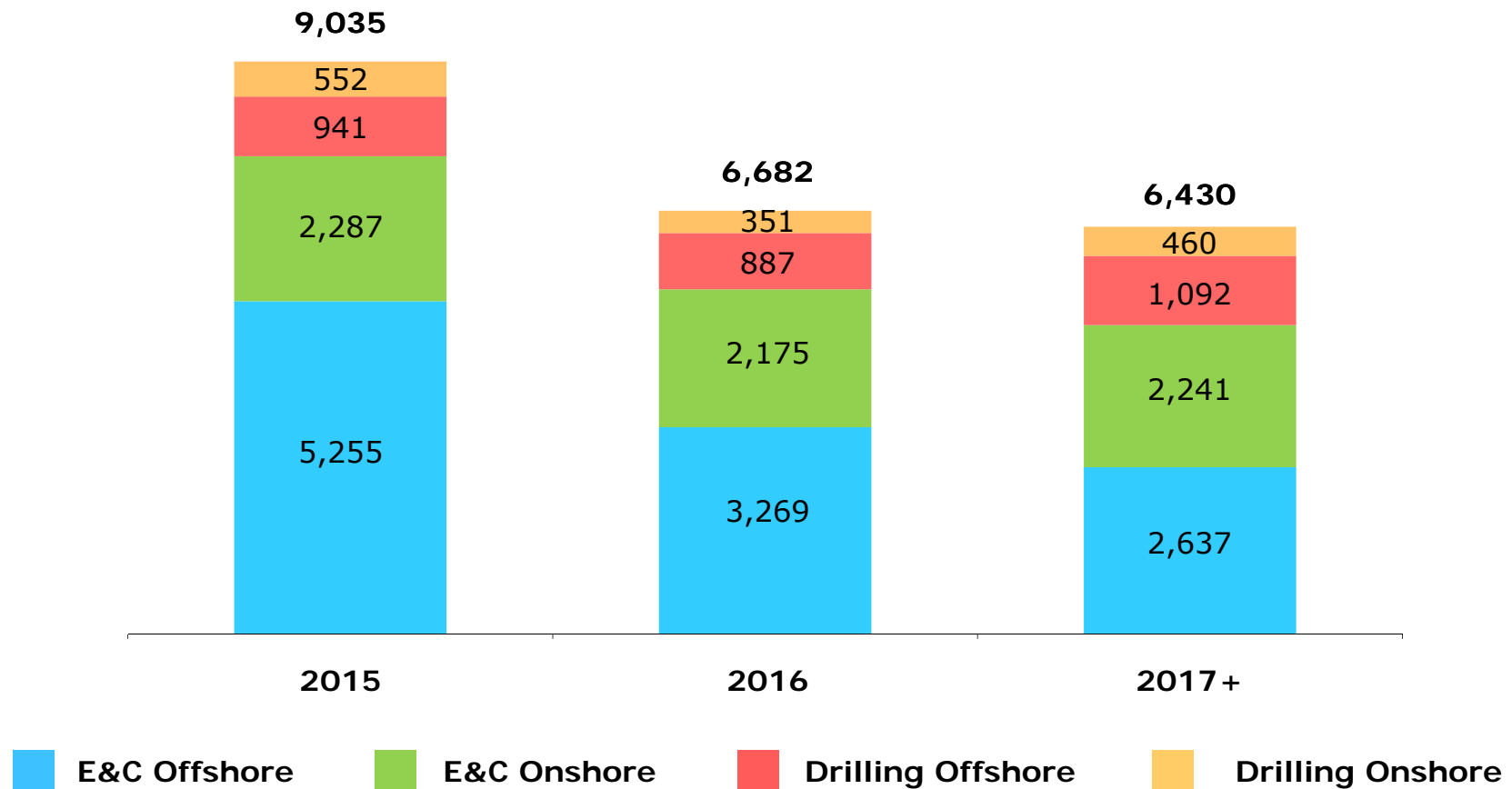
FY 2014 Backlog and new orders (m €)



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*Includes the cancellation of the €16m backlog related to the onshore rig operating in Ukraine

Backlog @ Dec. 31, 2014 by year of execution (m €)



Saipem supported by strong backlog both in E&C and Drilling

All Figures are IFRS 10 and 11 compliant



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3. 2015 Business Scenario

2015 challenges and opportunities

Challenges

- E&P clients focused on capex discipline
 - more rigid client attitudes on negotiations on ongoing projects
 - potential re-phasing of both new and existing projects
 - pressure on price & rates for new contract acquisitions
 - completion of pending revenue negotiations on legacy contracts
- South Stream project evolution

Strengths

- Actions taken during 2014 to reposition the business
- Strong, resilient backlog
- Good progress on contract wins since year end
- Significant new business opportunities

2015 Guidance

Revenues: €12 – 13bn

EBIT: €500 – 700m

Net Income: €200 – 300m

Capex: ~ €650m

Net Debt: < €4bn (*)




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* Excluding potential impact of currency fluctuation

South Stream

The South Stream Project



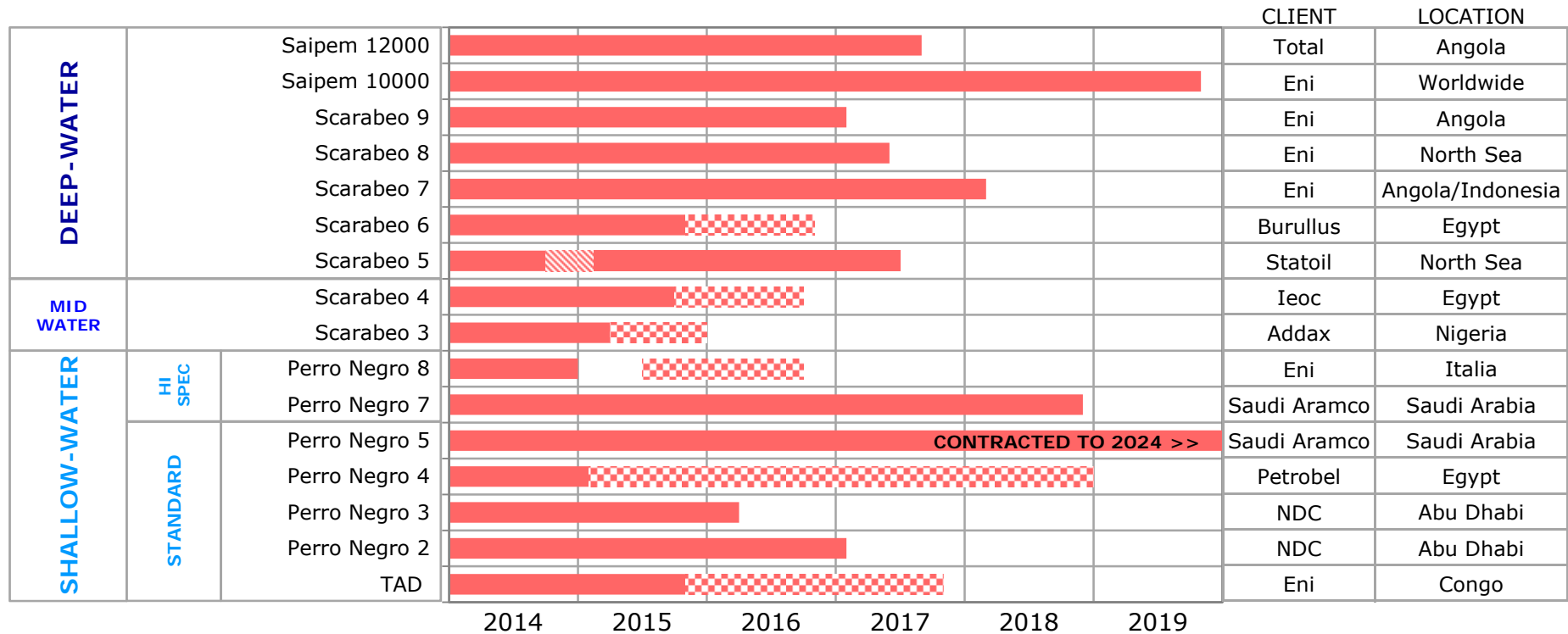
- Client: South Stream Transport B.V.
- Saipem Value: ~ € 2.4 bn
- Saipem Scope:
 - First line: installation design and construction
 - Four pipelines: shallow water parts, shore crossings, landfall and associated facilities
 - Second line: supporting works, cable crossing, tie-ins offshore pipeline to the landfall sections and pre-commissioning
- Vessels and Schedule:
 - Castoro Sei: pipe-laying for the conventional-waters section
 - Saipem 7000: pipe-laying for the deepwater section

- Line 1 contract awarded March 2014
- Notification of suspension of Marine Spread activities dated December 4th 2014
- Castoro Sei and Saipem 7000 standing by in Black Sea – Bulgaria port
- Marshalling yards in Burgas and Varna are operational for pipe logistics
- Notification received in December 2014 that the Client does not expect significant changes in suspension status until late February 2015

Update on Drilling

Offshore Drilling fleet contracts

■ Committed
 ▨ Stand-by
 ▣ New negotiation



Operational requirements:

- Class renewals in 2015
- Anticipated maintenance activity

Onshore Drilling fleet utilization rate: 96.5%

- Majority of the rigs are with long term clients



Update on E&C business new opportunities

Central Asia / Europe:

- ✓ NCOG Kashagan early production pipelines
- Eni Argo Cluster – SURF
- Lukoil Filanovsky Phase 2 – fixed facilities
- Lotos Delayed Coker – downstream
- TAP Onshore Albania & Greece – onshore pipelines

Americas:

- Transcanada Prince Rupert – offshore pipelines
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- Codelco Radomiro Tomic – onshore pipelines
- Shell Canada – LNG
- Fermaca Compression Station – upstream
- CFE Samalayuca - Sásabe – onshore pipelines
- CFE Colombia - Escobedo – onshore pipelines
- CFE Tuxpan - Tula – onshore pipelines

Middle East:

- S. Aramco LTA – fixed facilities
- S. Aramco Jazan Package 3 ASU – downstream
- KNPC New Refinery Pkg 1,2,4,5 – downstream & MW
- S. Aramco Fadhili Gas Plant – upstream
- ADCO BAB Integrated Facilities – upstream
- S. Aramco Liwa Plastics – downstream
- S. Aramco MGS Pipelines – onshore pipelines

West Africa:

- Shell Bonga South West – SURF
- Eni Block 15-06 – SURF
- Exxon Qua Iboe Power Plant – downstream
- Quantum Methanol – downstream

East Africa:

- Eni Coral North & South – SURF
- Eni Coral – FLNG
- Anadarko Golfinho – SURF
- Anadarko Onshore – LNG
- Eni Onshore – LNG

Asia Pacific:

- BP Tangguh – Platforms & Pipelines
- Exxon Scarborough FLNG FEED ph.2
- Petronas Kasawari – fixed facilities
- Petronas RAPID Petrochemical – downstream
- BP Tangguh 3rd Train – LNG

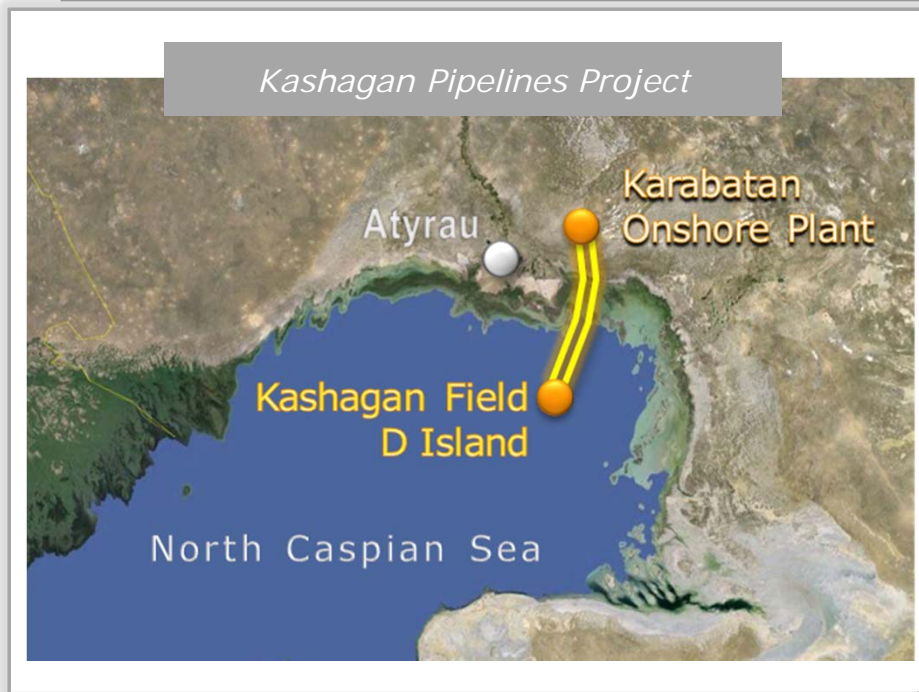
E&C Offshore

E&C Onshore



New

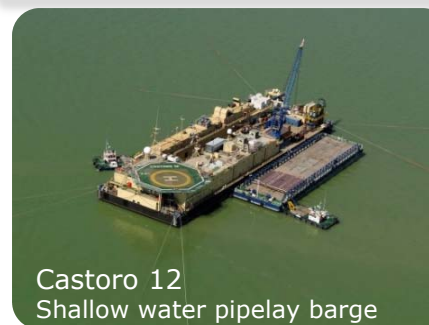
Kashagan – Awarded in Q1 2015



- Client: North Caspian Operating Company (NCOC)
- Contractor: Ersai (50% Saipem, fully consolidated)
- Country: Kazakhstan
- Contract Value : ~ \$1.8 bn
- Saipem Scope: Construction of 2 pipelines
 - 28" diameter, X 60, CRA clad internally lined
 - Total length 95 Km (out of which 65 Km offshore) from Kashagan Field Island D to the onshore plant in Karabatan
- Detailed Scope: installation engineering, dredging, installation, burial and pre-commissioning
- Employed Vessels of Saipem Caspian Fleet:
 - Castoro 12
 - Castoro 16
 - Ersai 1
 - Ersai 400
 - Ersai 2
 - Shallow Water Trenching Barge
- Project completion: end of 2016

Main Project Challenges

- Unusual construction site environment:
 - very shallow water swamp area
 - sub-Arctic environment
- Environmental restrictions
- Seasonal access to Caspian Sea
- Fast track project schedule



Castoro 12
Shallow water pipelay barge



Onshore pipelaying activities

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4. Conclusion

In conclusion

- Underlying business achieved transition goals in 2014 despite deteriorating market environment
- Parameters set for 2015 performance as the industry acclimatizes to era of low oil prices
 - Large and resilient backlog across both Drilling and E&C divisions
 - New business opportunities: expect pressure on margins but Saipem will maintain strict commercial discipline
 - Resolution of pending revenues in a more challenging environment
 - Focus on cost and capex discipline to continue net debt reduction
- 2015 guidance: further underlying EBIT progression and debt reduction

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5. Q&A

Saipem Roadshow - February 2015

Mon	Tue	Wed	Thu	Fri	Sat	Sun
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19 <u>London</u> <i>Barclays</i> <i>1-1s</i>	20 <u>London</u> <i>Barclays</i> <i>1-1s</i>	21	22
23	24 <u>Paris</u> <i>Natixis</i> <i>1-1s</i>	25 <u>Frankfurt</u> <i>HSBC</i> <i>1-1s</i>	26	27	28	

Saipem Roadshow - March 2015

Mon	Tue	Wed	Thu	Fri	Sat	Sun
						1
2	3	4 <u>Boston</u> <i>Mediobanca</i> <i>1-1s</i>	5 <u>NY</u> <i>Mediobanca</i> <i>1-1s</i>	6 <u>NY</u> <i>Mediobanca</i> <i>1-1s</i>	7	8
9	10	11	12 <u>Milan</u> <i>Banca IMI</i> <i>Presentation</i>	13	14	15
16	17	18	19 <u>London</u> <i>UBS Conference</i> <i>Presentation, 1-1s</i>	20	21	22
23	24	25	26	27	28	29
30	31					