



## **Saipem: 2013 Consolidated and draft Statutory Financial Statements; convening of the General Shareholders' meeting**

- **Revenues: €12,256 million**
- **EBIT: €147 million**
- **Net profit: -€159 million**

*San Donato Milanese, March 14, 2014* - The Board of Directors of Saipem S.p.A. has approved the Saipem Group Consolidated Financial Statements as at December 31, 2013, which showed a net profit of -€159 million (€659 million in 2012<sup>1</sup>). The Board also approved the draft Statutory Financial Statements of Saipem S.p.A., which reported a net profit of €277 million (€267 million in 2012<sup>1</sup>).

The Board of Directors moved to propose at the Annual Shareholders' Meeting to forego the distribution of a dividend for ordinary shares. Pursuant to art.6 of the Articles of Association (as is mandatory), a dividend will be distributed for savings shares, amounting to 5% of the nominal value, i.e. €0.05 per share. This dividend will be paid from May 22, 2014 (ex-dividend date: May 19, 2014).

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 2013 Annual Financial Report will be duly available at Saipem's Headquarters and shall be published on the Company's website: [www.saipem.com](http://www.saipem.com).

The Board of Directors approved the following Reports:

- "Saipem's Corporate Governance and Shareholding Structure",
- "Saipem Sustainability Report",

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<sup>1</sup> Restated in accordance with Consob directions, pursuant to IAS 8 and the application of Revised IAS 19.

- “Compensation Report”.

These documents will be published on Saipem’s website at the same time as the 2013 Annual Financial Report.

At the proposal of the Compensation and Nomination Committee, the Board of Directors also moved to propose at the Annual Shareholders’ Meeting the approval of a long-term Monetary Incentive Plan (“Plan”), which does not provide for the allocation of financial instruments but only of monetary incentives, based on a performance target linked to the Saipem share price and to the return on Invested Capital.

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.

This Plan applies to Saipem and its subsidiaries and 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 directly responsible for company results or of strategic interest.

The long-term Monetary Incentive Plan was first introduced in 2010 as a tool to motivate and retain the Company’s top management. It was subject to the achievement of the relative target “adjusted net profit + depreciation and amortization”, measured against a peer group panel.

The new Plan has the same objectives; however, it is subject to the achievement of a different performance indicator, “total shareholder return” (weight 60%), linked to the share price performance and the value of “ROACE<sup>2</sup>” (weight 40%); this is to improve alignment with shareholders’ interests in the medium-long term and to measure long-term profitability on the capital invested.

Annual TSR results are measured in terms of positioning against a peer group of six major international competitors by capitalization in the Oil Services Industry.

The Plan provides for the allocation of monetary incentives from October 2014 onwards, which shall be paid out after the three-year vesting period, depending on performance. The Plan will end in 2017 with the payment of the 2014 allocation, at the end of the vesting period.

The entity of the incentives will be a percentage of the fixed remuneration, consistent with Saipem’s compensation policy.

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<sup>2</sup> *Return on Average Capital Employed*

The Information Document prepared in compliance with art. 114-bis of Law Decree 58/98 and art. 84-bis of Consob Issuers' Regulations shall be made available to the public in due course.

### **Annual General Shareholders' Meeting**

The Board of Directors convened the Annual General Shareholders' Meeting to be held on May 6, 2014 (single call) also for the renewal of the corporate bodies.

Saipem's Chief Financial and Compliance 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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As announced in the press release of February 11, 2014 and in accordance with the decision to apply IAS 8 to both the 2013 Consolidated and Statutory Financial Statements, the following tables illustrate the effects, on the Financial Statements at December 31, 2012, of restatements following the conclusion of the Consob proceeding and the application of Revised IAS 19.

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 SpA

### BALANCE SHEET

(million euro)

	December 31, 2012	December 31, 2012 Restated	December 31, 2013
Tangible fixed assets	1,072	1,072	835
Intangible fixed assets	21	21	25
Financial investments	2,552	2,552	2,211
<b>Non-current assets</b>	<b>3,645</b>	<b>3,645</b>	<b>3,071</b>
<b>Net current assets</b>	<b>326</b>	<b>161</b>	<b>777</b>
<b>Employee termination indemnities</b>	<b>(99)</b>	<b>(124)</b>	<b>(103)</b>
<b>CAPITAL EMPLOYED</b>	<b><u>3,872</u></b>	<b><u>3,682</u></b>	<b><u>3,745</u></b>
<b>Shareholders' equity</b>	<b>1,644</b>	<b>1,454</b>	<b>1,460</b>
<b>Net debt</b>	<b>2,228</b>	<b>2,228</b>	<b>2,285</b>
<b>COVER</b>	<b><u>3,872</u></b>	<b><u>3,682</u></b>	<b><u>3,745</u></b>

**INCOME STATEMENT**

(million euro)

	2012	2012 Restated	2013
Operating revenues	5,967	5,795	4,712
Other revenues and income	43	43	65
Operating costs	(5,575)	(5,569)	(4,714)
Other operating income (expenses)	-	-	-
<b>Gross operating profit</b>	<b>435</b>	<b>269</b>	<b>63</b>
Amortization, depreciation and write-downs	(122)	(122)	(115)
<b>Operating profit</b>	<b>313</b>	<b>147</b>	<b>(52)</b>
Financial expenses, net	(56)	(59)	(47)
Net income from investments	265	265	355
<b>Income before income taxes</b>	<b>522</b>	<b>353</b>	<b>256</b>
Income taxes	(85)	(86)	21
<b>Net profit</b>	<b><u>437</u></b>	<b><u>267</u></b>	<b><u>277</u></b>

**STATEMENT OF CASH FLOW**

(million euro)

	2012	2012 Restated	2013
Net income	437	267	277
Depreciation, amortization and other non-monetary items	143	137	174
Losses (gains) from disposals	-	-	(11)
Dividends, interests and income taxes	(130)	(126)	(399)
<b>Cash generated from operating income before variation in working capital</b>	<b>450</b>	<b>278</b>	<b>41</b>
Variation in working capital relating to operations	(690)	(518)	(606)
Dividends, interests and income taxes received (paid)	36	36	304
<b>Net cash flow from operations</b>	<b>(204)</b>	<b>(204)</b>	<b>(261)</b>
Investments in tangible and intangible fixed assets	(90)	(90)	(160)
Financial investments	(305)	(305)	-
Disposals	176	176	660
<b>Free cash flow</b>	<b>(423)</b>	<b>(423)</b>	<b>239</b>
Transfer (buy-back) of treasury shares	29	29	1
Cash flow from share capital and reserves	(307)	(307)	(298)
Exchange rate differentials and other variation concerning net financial debt	(2)	(2)	1
<b>Variation in net debt</b>	<b>(703)</b>	<b>(703)</b>	<b>(57)</b>
<b>Net debt at beginning of period</b>	<b>1,525</b>	<b>1,525</b>	<b>2,228</b>
<b>Net debt at end of period</b>	<b>2,228</b>	<b>2,228</b>	<b>2,285</b>

## SAIPEM GROUP

## RECLASSIFIED BALANCE SHEET

(million euro)

	December 31, 2012	December 31, 2012 Restated	December 31, 2013
Net tangible fixed assets	8,254	8,254	7,972
Net intangible fixed assets	<u>756</u>	<u>756</u>	<u>758</u>
	9,010	9,010	8,730
- <i>Engineering &amp; Construction: Offshore</i>	4,064	4,064	3,849
- <i>Engineering &amp; Construction: Onshore</i>	513	513	589
- <i>Offshore Drilling</i>	3,535	3,535	3,351
- <i>Onshore Drilling</i>	898	898	941
Financial investments	116	116	126
<b>Non-current assets</b>	<b>9,126</b>	<b>9,126</b>	<b>8,856</b>
<b>Net current assets</b>	<b>922</b>	<b>687</b>	<b>828</b>
<b>Employee termination indemnities</b>	<b>(217)</b>	<b>(255)</b>	<b>(233)</b>
<b>CAPITAL EMPLOYED</b>	<b><u>9,831</u></b>	<b><u>9,558</u></b>	<b><u>9,451</u></b>
<b>Net equity</b>	<b>5,405</b>	<b>5,132</b>	<b>4,652</b>
<b>Minority interest in net equity</b>	<b>148</b>	<b>148</b>	<b>92</b>
<b>Net debt</b>	<b>4,278</b>	<b>4,278</b>	<b>4,707</b>
<b>COVER</b>	<b><u>9,831</u></b>	<b><u>9,558</u></b>	<b><u>9,451</u></b>
<b>Leverage (net debt/shareholders' equity)</b>	<b>0.77</b>	<b>0.81</b>	<b>0.99</b>
<b>SHARES ISSUED AND OUTSTANDING</b>	<b>441,410,900</b>	<b>441,410,900</b>	<b>441,410,900</b>

## SAIPEM GROUP

### INCOME STATEMENT

(million euro)

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	2012	2012 Restated	2013
Operating revenues	13,369	13,124	12,256
Other revenues and income	10	10	8
Operating costs	(11,172)	(11,163)	(11,393)
<b>GROSS OPERATING PROFIT</b>	<b>2,207</b>	<b>1,971</b>	<b>871</b>
Amortization, depreciation and write-downs	(726)	(726)	(724)
<b>OPERATING PROFIT</b>	<b>1,481</b>	<b>1,245</b>	<b>147</b>
Financial expenses, net	(148)	(155)	(190)
Net income from investments	16	16	13
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,349</b>	<b>1,106</b>	<b>(30)</b>
Income taxes	(393)	(393)	(106)
<b>INCOME BEFORE MINORITY INTEREST</b>	<b>956</b>	<b>713</b>	<b>(136)</b>
Minority interest	(54)	(54)	(23)
<b>NET PROFIT</b>	<b>902</b>	<b>659</b>	<b>(159)</b>

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## SAIPEM GROUP

## RECLASSIFIED STATEMENT OF CASH FLOW

(million euro)

	2012	2012 Restated	2013
Group net income	902	659	(159)
Minority interest	54	54	23
<i>Adjustments to reconcile cash generated from operating income before changes in working capital:</i>			
Depreciation, amortization and other non-monetary items	742	740	664
Gains from disposals	4	4	(34)
Dividends, interests and income taxes	507	507	250
<b>Cash generated from operating income before variation in working capital</b>	<b>2,209</b>	<b>1,964</b>	<b>744</b>
Variation in working capital relating to operations	(1,434)	(1,189)	202
Dividends, interests and income taxes received (paid)	(551)	(551)	(520)
<b>Net cash flow from operations</b>	<b>224</b>	<b>224</b>	<b>426</b>
Investments in tangible and intangible fixed assets	(1,016)	(1,016)	(908)
Disposals	8	8	380
<b>Free cash flow</b>	<b>(784)</b>	<b>(784)</b>	<b>(102)</b>
Transfer of treasury shares	29	29	–
Cash flow from share capital and reserves	(352)	(352)	(374)
Exchange rate differentials and other variation concerning net financial debt	21	21	47
<b>Variation in net debt</b>	<b>(1,086)</b>	<b>(1,086)</b>	<b>(429)</b>
<b>Net debt at beginning of period</b>	<b>3,192</b>	<b>3,192</b>	<b>4,278</b>
<b>Net debt at end of period</b>	<b>4,278</b>	<b>4,278</b>	<b>4,707</b>