



Saipem

Second Quarter Report  
at June 30, 2007





# Saipem

## Second Quarter Report at June 30, 2007

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Approved by the Board of Directors  
at their meeting of July 24, 2007

**Saipem is a subsidiary of Eni SpA**

***Quarterly reports are not subject to audit.***

## ECONOMIC AND FINANCIAL DATA

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
2,052	2,190	<b>2,545</b>	24.0	Revenues	3,095	<b>4,735</b>	53.0
151	179	<b>230</b>	52.3	Operating profit	244	<b>409</b>	67.6
96	115	<b>153</b>	59.4	Net profit	162	<b>268</b>	65.4
151	185	<b>222</b>	47.0	Cash flow (net profit plus depreciation)	265	<b>407</b>	53.6
133	252	<b>269</b>	102.3	Investments	231	<b>521</b>	125.5

(million euro)	Dec. 31, 2006	June 30, 2007
Net debt:		
- medium/long-term	885	<b>878</b>
- short-term	1,906	<b>2,378</b>
- cash	(1,322)	<b>(1,590)</b>
- receivables and other financial assets	(52)	<b>(70)</b>
	<b>1,417</b>	<b>1,596</b>

## REVENUES BY BUSINESS SECTOR

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
845	843	<b>880</b>	4.1	Offshore	1,438	<b>1,723</b>	19.8
1,060	1,178	<b>1,486</b>	40.2	Onshore	1,366	<b>2,664</b>	95.0
85	98	<b>105</b>	23.5	Offshore Drilling	173	<b>203</b>	17.3
62	71	<b>74</b>	19.4	Onshore Drilling	118	<b>145</b>	22.9
<b>2,052</b>	<b>2,190</b>	<b>2,545</b>	<b>24.0</b>	<b>Total</b>	<b>3,095</b>	<b>4,735</b>	<b>53.0</b>

## REVENUES BY GEOGRAPHICAL AREA

Second quarter 2006	First quarter 2007	Second quarter 2007	Geographical area <sup>(1)</sup>	(million euro)		% Ch.
				2006	2007	
239	141	<b>371</b>	Italy	279	<b>512</b>	
283	237	<b>338</b>	Rest of Europe	467	<b>575</b>	
289	169	<b>282</b>	Russia <sup>(2)</sup>	481	<b>451</b>	
603	868	<b>847</b>	Rest of Asia	827	<b>1,715</b>	
113	147	<b>116</b>	North Africa	202	<b>263</b>	
395	416	<b>413</b>	West Africa	647	<b>829</b>	
130	212	<b>178</b>	Americas	192	<b>390</b>	
<b>2,052</b>	<b>2,190</b>	<b>2,545</b>	<b>Total</b>	<b>3,095</b>	<b>4,735</b>	

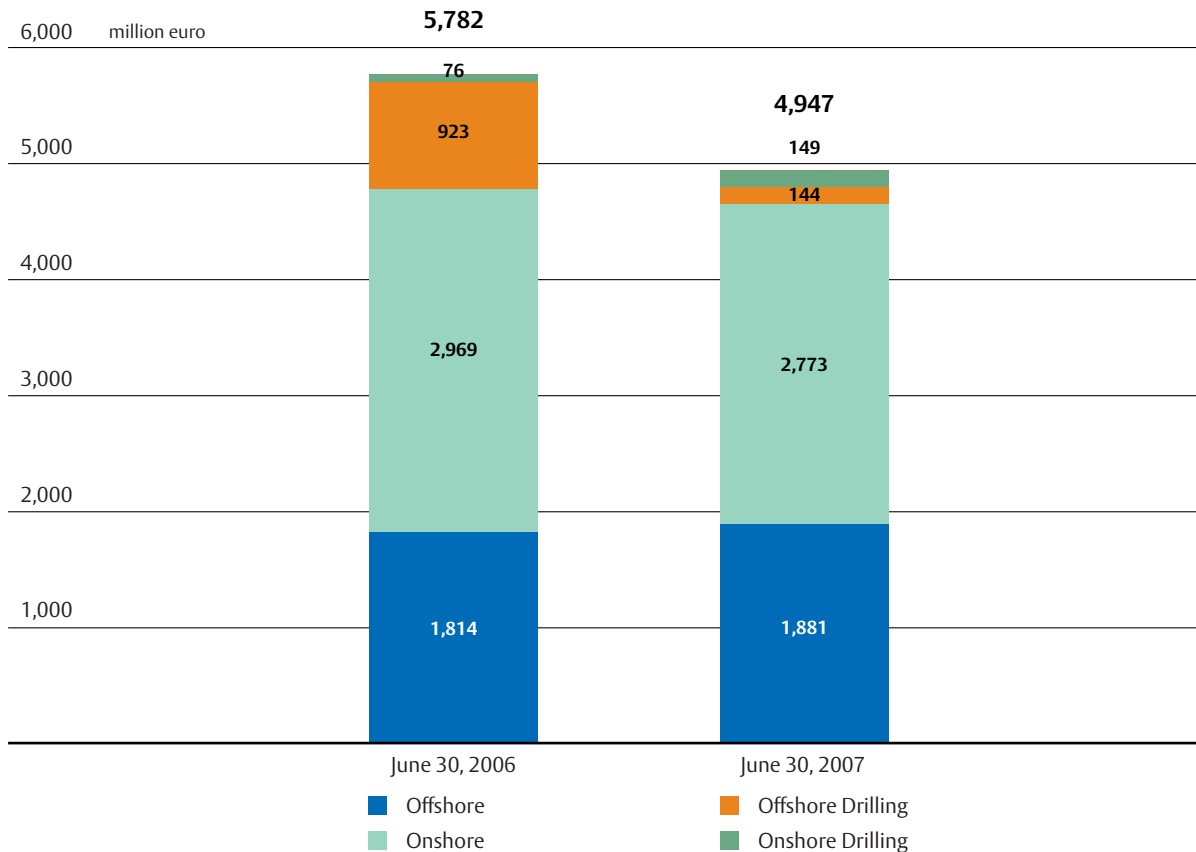
(1) Final destination of services.

(2) Russia includes Kazakhstan and Azerbaijan.

## NEW CONTRACTS AWARDED TO THE SAIPEM GROUP

(million euro)	Second quarter		First half	
	2006	2007	2006	2007
Saipem SpA	905	252	1,071	808
Group companies	3,752	2,327	4,711	4,139
<b>Total</b>	<b>4,657</b>	<b>2,579</b>	<b>5,782</b>	<b>4,947</b>
Offshore	1,479	816	1,814	1,881
Onshore	2,342	1,596	2,969	2,773
Offshore Drilling	818	72	923	144
Onshore Drilling	18	95	76	149
<b>Total</b>	<b>4,657</b>	<b>2,579</b>	<b>5,782</b>	<b>4,947</b>

## New contracts



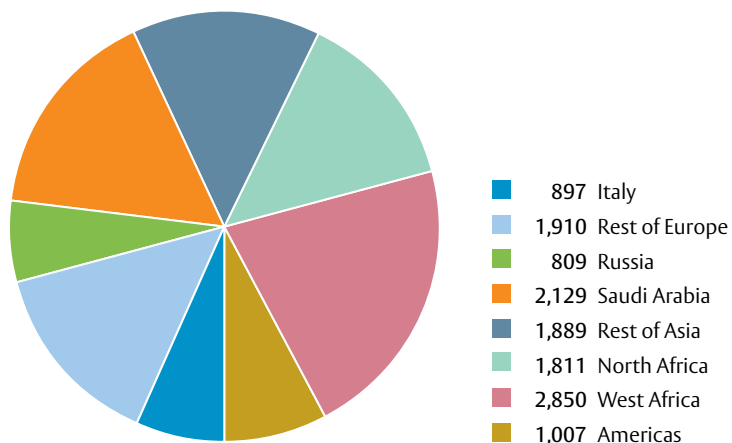
## BACKLOG

(million euro)	Dec. 31, 2006	June 30, 2007
Offshore	4,182	4,340
Onshore	6,285	6,394
Offshore Drilling	2,247	2,188
Onshore Drilling	376	380
	<b>13,090</b>	<b>13,302</b>

## BACKLOG BY GEOGRAPHICAL AREA

(million euro)	Dec. 31, 2006	June 30, 2007
Geographical area		
Italy	1,280	897
Rest of Europe	1,681	1,910
Russia	528	809
Saudi Arabia	2,373	2,129
Rest of Asia	2,114	1,889
North Africa	819	1,811
West Africa	3,161	2,850
Americas	1,134	1,007
<b>Total</b>	<b>13,090</b>	<b>13,302</b>

**Backlog by geographical area at June 30, 2007**  
(million euro)



## BASIS OF PRESENTATION

The second quarter report at June 30, 2007, unaudited, has been prepared in accordance with the criteria defined by the Commissione Nazionale per le Società e la Borsa (Consob) in its regulation for companies listed on the Italian Stock Exchange.

Financial information relating to the profit and loss account are presented for the second quarter 2007 and 2006 and for the first half 2007 and 2006. Financial information relating to balance sheet data are presented at June 30, 2007 and December 31, 2006.

Tables are comparable with those of 2006 financial statements and first half report.

The second quarter report at June 30, 2007 has been prepared in accordance with the evaluation and measurement criteria contained in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Article 6 of the European Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002.

With reference to Consob Resolution No. 14990, dated April 14, 2005, the information disclosed in this quarterly report has been prepared in accordance with the provisions of Appendix 3D of Listed Companies regulations (Consob Regulation No. 11971 dated May 14, 1999 and subsequent amendments); for this reason, the provisions of IAS 34 - Interim Financial Statements have not been applied. This Report includes concise financial information in the following tables: balance sheet, income statement, variation to net equity and cash flow statement.

Unless otherwise indicated, data is expressed in million euro.

## PRINCIPLES OF CONSOLIDATION

The principles of consolidation used in the preparation of this quarterly report are the same used in the preparation of the consolidated and statutory financial statements at December 31, 2006.

## ECONOMIC RESULTS

### Foreword

As previously stated, revenues and associated profit levels, particularly in the Offshore and Onshore sectors, and, to a lesser extent, in the Drilling sector, are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual

project schedules. Consequently, the results from any one particular fiscal period can vary significantly, thereby precluding a direct comparison with the same period in other fiscal years or extrapolation of figures from a single quarter to the entire year.

### Consolidated income statement

Second quarter 2006	First quarter 2007	Second quarter 2007		(million euro)	
				2006	2007
2,052	2,190	<b>2,545</b>	Operating revenues	3,095	<b>4,735</b>
3	2	<b>3</b>	Other revenues and income	4	<b>5</b>
(1,538)	(1,616)	<b>(1,904)</b>	Purchases, services and other costs	(2,229)	<b>(3,520)</b>
(311)	(327)	<b>(345)</b>	Payroll and related costs	(523)	<b>(672)</b>
<b>206</b>	<b>249</b>	<b>299</b>	<b>Gross operating profit</b>	<b>347</b>	<b>548</b>
(55)	(70)	<b>(69)</b>	Amortisation, depreciation and writedowns	(103)	<b>(139)</b>
<b>151</b>	<b>179</b>	<b>230</b>	<b>Operating profit</b>	<b>244</b>	<b>409</b>
(27)	(30)	<b>(27)</b>	Financial expenses	(40)	<b>(57)</b>
17	13	<b>15</b>	Income from investments	24	<b>28</b>
<b>141</b>	<b>162</b>	<b>218</b>	<b>Income before income taxes</b>	<b>228</b>	<b>380</b>
(43)	(47)	<b>(64)</b>	Income taxes	(64)	<b>(111)</b>
<b>98</b>	<b>115</b>	<b>154</b>	<b>Income before minority interest</b>	<b>164</b>	<b>269</b>
(2)	-	<b>(1)</b>	Minority interest	(2)	<b>(1)</b>
<b>96</b>	<b>115</b>	<b>153</b>	<b>Net profit</b>	<b>162</b>	<b>268</b>
<b>151</b>	<b>185</b>	<b>222</b>	<b>Cash flow (net profit + depreciation and amortisation)</b>	<b>265</b>	<b>407</b>

In line with the annual financial statements and the interim report, this quarterly report includes the reclassified consolidated income statement by destination of costs.

This reclassification is normally used to analyse the positive and negative income components, which determine the contribution from operations (i.e. operating profit before general and administrative expenses) for the various business sectors in which Saipem operates.

## Operating profit and costs by destination

			(million euro)	First half	
Second quarter 2006	First quarter 2007	Second quarter 2007		2006	2007
<b>2,052</b>	<b>2,190</b>	<b>2,545</b>	<b>Operating revenues</b>	<b>3,095</b>	<b>4,735</b>
(1,803)	(1,919)	(2,216)	Production costs	(2,685)	(4,135)
(16)	(14)	(8)	Idle costs	(31)	(22)
(28)	(26)	(33)	Selling expenses	(47)	(59)
(6)	(5)	(8)	Research and development costs	(8)	(13)
-	-	(2)	Other operating income (expenses), net	-	(2)
<b>199</b>	<b>226</b>	<b>278</b>	<b>Contribution from operations</b>	<b>324</b>	<b>504</b>
(48)	(47)	(48)	General and administrative expenses	(80)	(95)
<b>151</b>	<b>179</b>	<b>230</b>	<b>Operating profit</b>	<b>244</b>	<b>409</b>

### Second quarter

Revenues for the second quarter 2007 amounted to €2,545 million, an increase of €493 million versus those of the second quarter 2006, mainly due to higher levels of activity in the Offshore sector.

Operating costs amounted to €2,216 million, an increase of approximately 22.9% versus those for the same period 2006. This increase in operating costs is due to the higher levels of activity generated during the quarter.

Labour costs amounted to €345 million, an increase of approximately 10.9% versus the second quarter 2006.

General and administrative expenses in the second quarter 2007 amounted to €48 million, remain unchanged versus the same quarter the previous year; general and administrative expenses as a percentage of revenues fell from 2.3% in 2006 to 1.9% in 2007.

Operating profit for the second quarter 2007 stood at €230 million, an increase of €79 million versus the second quarter 2006. This increase is analysed in detail hereafter under the various business units.

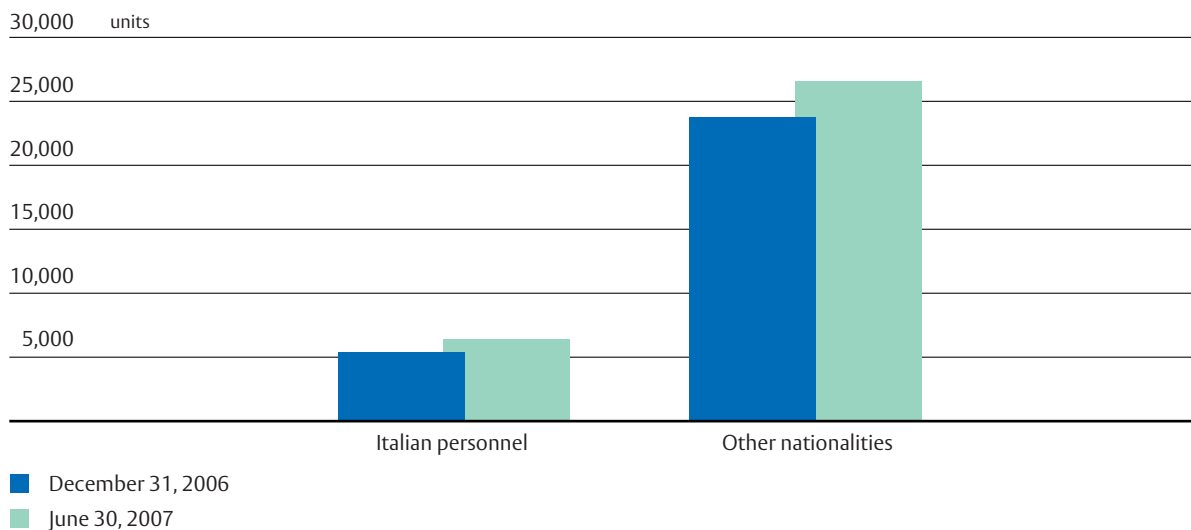
## HUMAN RESOURCES

The following table provides data comparing average employment levels at the end of 2006 and the first six months 2007.

### Average workforce

	(units)	Dec. 31, 2006	June 30, 2007
Italian personnel		5,397	6,431
Other nationalities		23,766	26,542
<b>Total</b>		<b>29,163</b>	<b>32,973</b>
Offshore		9,410	9,259
Onshore		13,399	16,269
Offshore Drilling		1,166	1,271
Onshore Drilling		2,755	3,221
Staff positions		2,433	2,953
<b>Total</b>		<b>29,163</b>	<b>32,973</b>
<b>Number of engineers at end of period</b>		<b>6,868</b>	<b>7,056</b>

### Average workforce



## CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The reclassified consolidated balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which consider the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing.

Management believes that the reclassified consolidated balance sheet provides useful information in assisting investors to assess the capital structure and to analyse its sources of funds and investments in fixed assets and working capital.

(million euro)	Dec. 31, 2006	June 30, 2007
Net tangible fixed assets	2,345	2,721
Net intangible fixed assets	849	806
	3,194	3,527
<i>Offshore</i>	1,720	1,874
<i>Onshore</i>	603	590
<i>Offshore Drilling</i>	776	909
<i>Onshore Drilling</i>	95	154
Financial investments	153	146
<b>Non-current assets</b>	<b>3,347</b>	<b>3,673</b>
Inventories	1,053	1,115
Trade and other receivables	3,261	3,673
Trade and other payables	(4,434)	(4,886)
Provisions for contingencies	(176)	(162)
Other income (expenses)	120	25
<b>Net current assets</b>	<b>(176)</b>	<b>(235)</b>
Net assets available for disposal and associated net financial debt	-	52
<b>Employee termination indemnities</b>	<b>(169)</b>	<b>(153)</b>
<b>CAPITAL EMPLOYED</b>	<b>3,002</b>	<b>3,337</b>
<b>Net equity</b>	<b>1,581</b>	<b>1,736</b>
<b>Minority interest in net equity</b>	<b>4</b>	<b>5</b>
<b>Net debt</b>	<b>1,417</b>	<b>1,596</b>
<b>COVER</b>	<b>3,002</b>	<b>3,337</b>
Leverage (net debt/shareholders' equity)	0.90	0.92
<b>Shares issued and outstanding</b>	<b>441,410,900</b>	<b>441,410,900</b>

### Capital expenditure

Second quarter 2006	First quarter 2007	Second quarter 2007		(million euro)	First half	
					2006	2007
102	132	97	Offshore		186	229
12	23	32	Onshore		17	55
14	52	113	Offshore Drilling		20	165
5	45	27	Onshore Drilling		8	72
<b>133</b>	<b>252</b>	<b>269</b>	<b>Total</b>		<b>231</b>	<b>521</b>

**Investments** in the second quarter 2007 amounted to €269 million (€133 million in the second quarter 2006) and consisted of: maintenance, upgrading and expansion of the existing asset base, including works on the construction of the new semi-submersible platform Scarabeo 8, the new pipe lay vessel and the new ultra-

deep water drillship Saipem 12000 (€189 million); investments in vessels and equipment for specific projects, mainly in Saudi Arabia and preparatory works on Scarabeo 6 for operations in Egypt (€26 million); capex to strengthen the operating bases/yards in Kazakhstan and West Africa (€22 million); conversion

of two tankers into FPSO units, due to operate respectively on Petrobras' Golfinho 2 field in Brazil and for Sonangol P&P in Angola (€32 million). Investments

in the first half 2007 amounted to €521 million, versus €231 million in the first half 2006.

### Variation in net equity

	(million euro)	
	2006	2007
<b>Initial Group net equity</b>	<b>1,630</b>	<b>1,581</b>
Group net profit	162	268
IAS 32 and 39 - treasury shares	(36)	(1)
IAS 32 and 39 - fair value hedging operations	80	21
Distribution of dividends	(82)	(126)
IFRS 3 - surplus price for Snamprogetti's acquisition	(440)	-
Other variations in Snamprogetti's net equity	15	-
Translation differences in foreign exchange and other variations	(20)	(7)
<b>Total variation</b>	<b>(321)</b>	<b>155</b>
<b>Resulting Group net equity</b>	<b>1,309</b>	<b>1,736</b>

The net equity during the first half 2007 increased by €155 million due to the net income for the period (€268 million), the distribution of dividends (-€126 million), the fair value of hedging operations (Interest

Rate Swaps) (€21 million), the value of treasury shares bought back to service incentive schemes (-€1 million), net of translation differences in foreign exchange and other variations (-€7 million).

### Reclassified statement of cash flow and variation in net debt

Second quarter 2006	First quarter 2007	Second quarter 2007		(million euro)	
				2006	2007
96	115	153	Group net income	162	268
2	-	1	Third party income	2	1
			<i>Adjustments to reconcile cash generated from operating income before changes in working capital:</i>		
55	76	65	Depreciation, amortisation and other non monetary items	87	141
65	48	68	Dividends, interests and income taxes	87	116
<b>218</b>	<b>239</b>	<b>287</b>	<b>Cash generated from operating income before variation in working capital</b>	<b>338</b>	<b>526</b>
(39)	1	84	Variation in working capital relating to operations	(206)	85
1	(5)	(130)	Dividends, interests and income taxes received (paid)	(14)	(135)
<b>180</b>	<b>235</b>	<b>241</b>	<b>Net cash flow from operations</b>	<b>118</b>	<b>476</b>
(133)	(252)	(269)	Investments in tangible and intangible fixed assets	(231)	(521)
-	-	-	Investments in acquisitions of consolidated companies	-	-
7	1	2	Disposals	7	3
<b>54</b>	<b>(16)</b>	<b>(26)</b>	<b>Free cash flow</b>	<b>(106)</b>	<b>(42)</b>
(36)	-	(6)	Buy-back of treasury shares	(36)	(6)
(82)	-	(126)	Cash flow from share capital and reserves	(82)	(126)
(1)	(4)	(1)	Exchange rate differentials and other variation concerning net financial debt	(296) <sup>(*)</sup>	(5)
<b>(65)</b>	<b>(20)</b>	<b>(159)</b>	<b>Variation in net debt</b>	<b>(520)</b>	<b>(179)</b>
<b>1,467</b>	<b>1,417</b>	<b>1,437</b>	<b>Net debt at beginning of period</b>	<b>1,012</b>	<b>1,417</b>
<b>1,532</b>	<b>1,437</b>	<b>1,596</b>	<b>Net debt at end of period</b>	<b>1,532</b>	<b>1,596</b>

(\*) Includes the effects of the acquisition of Snamprogetti (€298 million).

## Net financial debt

**Net financial debt** at June 30, 2007 amounted to €1,596 million, representing an increase of €179 million from December 31, 2006, and of €159 million

from March 31, 2007, due mainly to the high levels of capital expended during the period and the distribution of dividends.

## NEW CONTRACTS

During the second quarter 2007, Saipem was awarded contracts amounting to €2,579 million (compared to €4,657 million in the second quarter 2006).

New contracts awarded to the Saipem Group during the first half 2007 amounted to €4,947 million (€5,782 million in the first half 2006).

The most significant orders awarded in the second quarter include:

Offshore:

- on behalf of Agip KCO, as part of the experimental phase of the Kashagan field development in the Caspian Sea, a contract comprising early work activities for the hook-up and commissioning of offshore facilities;
- on behalf of Petrobel, the Denise Pliocene contract in Egypt, comprising engineering, project management, transport and installation of a pipeline connecting the El Gamil gas processing plant with an existing platform located in the Denise Pliocene gas field.

Onshore:

- on behalf of Sonatrach, an EPC contract for the engineering, procurement and construction of a crude oil treatment and stabilisation plant (UBTS, Unité de Traitement du Brut et de sa Stabilisation), comprising three trains, one maintenance unit, four stocking units and a 45-km pipeline transporting oil, water and gas;
- on behalf of Sakhalin Energy Ltd, additional works as part of the Sakhalin II project, comprising the laying of onshore pipelines, installation of compression and pumping stations and a terminal;
- on behalf of Cabinda Gulf Oil Co, the EPC 'Malongo Base' contract in Angola, comprising engineering, procurement, construction and pre-commissioning of a pipeline and associated facilities.

Offshore Drilling:

- on behalf of Total Exploration & Production Angola, the one-year extension of the charter for the drillship Saipem 10000 in Angola.

Onshore Drilling:

- on behalf of PDVSA, the charter of five rigs in Venezuela, each of one-year duration;
- on behalf of Eni Exploration & Production, the one-year charter of a rig in Italy;

- on behalf of British Gas, the one-year charter of a new rig in Algeria;
- on behalf of Oil Technogroup, the one-year charter of a rig in Kazakhstan.

**The backlog of the Saipem Group at June 30, 2007 stands at a record level of €13,302 million.**

In addition, at the end of June, Saipem received a letter of intent from Total, subject only to partners approval, for the five-year charter (plus the option for a further two years) of the new drillship Saipem 12000 for operations in West Africa. The order for the construction of the ship was placed with the Korean Shipyard Samsung at the beginning of May and its delivery is expected in the first quarter of 2010.

## MANAGEMENT OUTLOOK FOR 2007

Better than expected results in the first half of 2007, the positive performance of projects under execution and the strong overall market performance underpin management's expectations of a further increase in net profit in 2007, which is now expected to grow by 30% versus 2006, with revenues expected to exceed €9 billion.

This, despite the devaluation of US dollar – the currency in which approximately 70% of revenues are denominated – which has negatively impacted 2007 operating income by approximately €27 million as compared with 2006.

The programme for the disposal of non-core assets started effectively in July with the sale (subject to the approval of the relevant antitrust authorities) of the Camom Group, operating in the industrial plant maintenance sector mainly in France, to Forclum, a French company belonging to the Eiffage Group. The sale price was €47 million plus a share in the 2007 results, capped at €2 million. The proceeds from this disposal programme are confirmed to be in the region of €700 million, with a pre-tax capital gain amounting to approximately half of that sum.

Investments are progressing as planned and, as previously announced, the total capital expenditure for 2007 is forecast at approximately €1.3 billion. Investments include, besides maintenance and

upgrading of the existing asset base, the expansion of facilities in West Africa and Kazakhstan, capex in vessels and equipment for specific projects, the conversion of two FPSO units, the construction of the new pipe lay vessel and two ultra-deep water drilling rigs.

*Forward-looking statements are based on a number of assumptions and expectations that could ultimately prove inaccurate, as they are subject to risks and variables outside the company's control. These include: currency fluctuations, interest rate fluctuations, the level of capital expenditure in the oil and gas industry, as well as other industries, political instability in areas where the Group operates, and actions by competitors. Moreover, contract execution is also subject to variables outside the company's control, such as weather conditions. Actual results could therefore differ materially from the forward-looking statements.*

## Analysis by business sector

### OFFSHORE

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
845	843	<b>880</b>	4.1	Revenues	1,438	<b>1,723</b>	19.8
(743)	(722)	<b>(731)</b>	(1.6)	Expenses	(1,265)	<b>(1,453)</b>	14.9
(21)	(37)	<b>(36)</b>	71.4	Depreciation and amortisation	(43)	<b>(73)</b>	69.8
81	84	<b>113</b>	39.5	Operating profit	130	<b>197</b>	51.5
1,479	1,065	<b>816</b>		New orders awarded	1,814	<b>1,881</b>	

The backlog as at June 30, 2007 amounted to €4,340 million, of which €1,394 million will be realised in the second half 2007.

Revenues for the first half 2007 amounted to €1,723 million, representing a 19.8% increase compared to the same period 2006. This is mainly due to higher levels of activity in West Africa, the Far East and the Gulf of Mexico.

The increase in margin is attributable to improved contract conditions and strong operational performance, as well as the release of contingencies, in the second quarter 2007, relating to projects that are nearing completion. Operating profit for the first half 2007 amounted to €197 million, equal to 11.4% of revenues, versus €130 million, equal to 9% of revenues in the first half 2006.

## ONSHORE

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
1,060	1,178	<b>1,486</b>	40.2	Revenues	1,366	<b>2,664</b>	95.0
(1,003)	(1,112)	<b>(1,403)</b>	39.9	Expenses	(1,284)	<b>(2,515)</b>	95.9
(16)	(12)	<b>(12)</b>	(25.0)	Depreciation and amortisation	(25)	<b>(24)</b>	(4.0)
41	54	<b>71</b>	73.2	Operating profit	57	<b>125</b>	119.3
2,342	1,177	<b>1,596</b>		New orders awarded	2,969	<b>2,773</b>	

The backlog as at June 30, 2007 amounted to €6,394 million, of which €2,116 million will be realised in the second half 2007.

Revenues for the first half 2007 amounted to €2,664 million, representing a 95% increase versus the first half 2006. This increase is also due to the fact that Snamprogetti has been consolidated from the second quarter 2006.

Operating profit for the first half 2007 amounted to €125 million, equal to 4.7% of revenues, versus €57 million, equal to 4.2% of revenues in the first half 2006. This increase in margin is attributable to high operational efficiency and improved contractual rates.

## OFFSHORE DRILLING

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
85	98	105	23.5	Revenues	173	203	17.3
(50)	(52)	(56)	12.0	Expenses	(103)	(108)	4.9
(13)	(15)	(15)	15.4	Depreciation and amortisation	(26)	(30)	15.4
22	31	34	54.5	Operating profit	44	65	47.7
818	72	72		New orders awarded	923	144	

The backlog as at June 30, 2007 amounted to €2,188 million, of which €173 million will be realised in the second half 2007.

Revenues for the first half 2007 amounted to €203 million, representing a 17.3% increase on the same period in 2006. This was attributable mainly to increased activity by the jack-up Perro Negro 4, the semi-submersible platform Scarabeo 5, as well as to higher contractual rates.

Operating profit for the first half 2007 amounted to €65 million, versus €44 million in the first half 2006, with a margin on revenues rising from 25.4% to 32%. This growth, both absolute and in terms of profitability, is due to higher margins on rates and increased utilisation of rigs.

Vessel utilisation in the first half 2007 was as follows:

Vessel	Days under contract
Semi-submersible platform Scarabeo 3	181
Semi-submersible platform Scarabeo 4	168 <sup>(a)</sup>
Semi-submersible platform Scarabeo 5	181
Semi-submersible platform Scarabeo 6	161 <sup>(b)</sup>
Semi-submersible platform Scarabeo 7	181
Drillship Saipem 10000	181
Jack-up Perro Negro 2	118 <sup>(a)</sup>
Jack-up Perro Negro 3	181
Jack-up Perro Negro 4	181
Jack-up Perro Negro 5	181

(a) For the remaining days (to 181), the vessel underwent class reinstatement works.

(b) For the remaining days (to 181), the vessel underwent upgrading works for a new contract.

## ONSHORE DRILLING

Second quarter 2006	First quarter 2007	Second quarter 2007	% Ch. II quarter 2007-2006		(million euro)		% Ch.
					2006	2007	
62	71	<b>74</b>	19.4	Revenues	118	<b>145</b>	22.9
(50)	(55)	<b>(56)</b>	12.0	Expenses	(96)	<b>(111)</b>	15.6
(5)	(6)	<b>(6)</b>	20.0	Depreciation and amortisation	(9)	<b>(12)</b>	33.3
7	10	<b>12</b>	71.4	Operating profit	13	<b>22</b>	69.2
18	54	<b>95</b>		New orders awarded	76	<b>149</b>	

The backlog as at June 30, 2007 amounted to €380 million, of which €115 million will be realised in the second half 2007.

Revenues for the first half 2007 amounted to €145 million, representing a 22.9% increase compared to the same period 2006, attributable mainly to increased activity in North Africa and South America.

Operating profit for the first half 2007 amounted to €22 million, versus €13 million in the first half 2006, with a margin on revenues rising from 11% to 15.2%.

This growth, both absolute and in terms of profitability, is due to higher margins on rates and increased utilisation of rigs.

Average utilisation of rigs in the first half 2007 stood at 97% (92% in the first half 2006); rigs were located as follows: 13 in Peru, 10 in Venezuela, 9 in Saudi Arabia, 5 in Algeria, 2 in Italy, 1 in Egypt, 1 in Kazakhstan and 1 in Ecuador.

In addition 5 third-party rigs were deployed in Peru, 3 rigs by the joint venture company SaiPar and 2 third-party rigs in Kazakhstan.



# Saipem

Società per Azioni

Headquarters: San Donato Milanese (Milan), Italy

Via Martiri di Cefalonia, 67

Capital stock:

€441,410,900 fully paid

Tax identification number and Milan Companies' Register

No. 00825790157

Branches:

Cortemaggiore (PC) - Via Enrico Mattei, 20

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#### **Publications**

Financial Report at 31<sup>st</sup> December (in English)

Bilancio al 31 dicembre (in Italian)

Report on the First, the Second and the Third Quarter  
(in Italian and English)

Six-monthly report at 30<sup>th</sup> June (in Italian and English)

Sustainability Report (in Italian and English)

Also available on Saipem's website: [www.saipem.eni.it](http://www.saipem.eni.it)

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