INTERIM REPORT
AT SEPTEMBER 30, 2017

Approved by the Board of Directors
on October 23, 2017

SAIPEM

Saipem: results for the third quarter and the first nine months of 2017

San Donato Milanese, October 24, 2017 - The Board of Directors of Saipem S.p.A., chaired by Paolo Andrea Colombo, yesterday approved the Saipem Group's Interim Report at September 30, 2017 (not subject to audit).

Highlights

- Solid operational performance
- Net financial debt declining
- Steady backlog
- Net debt guidance improved thanks to control of capital expenditure

Results for the first nine months of 2017:

- Revenues: €6,873 million (€7,885 million in the first nine months of 2016), of which €2,283 million in the third quarter
- Adjusted EBITDA: €795 million (€997 million in the first nine months of 2016), of which €271 million in the third quarter
- Adjusted operating profit (EBIT): €400 million (€479 million in the first nine months of 2016), of which €140 million in the third quarter
- Operating profit (EBIT): €257 million (-€1,500 million in the first nine months of 2016), of which €133 million in the third quarter
- Adjusted net profit: €151 million (€200 million in the first nine months of 2016), of which 59 million in the third quarter
- Net profit: -€57 million (-€1,925 million in the first nine months of 2016), of which €53 million in the third quarter
- Capital expenditure: €198 million (€167 million in the first nine months of 2016), of which €51 million in the third quarter
- Net debt at September 30, 2017: €1,355 million (€1,450 million at December 31, 2016)
- New contracts: €4,717 million (€6,627 million in the first nine months of 2016)
- Backlog: €12,063 million (€14,219 million at December 31, 2016)

Updated guidance for 2017:

- Revenues: ~ €9.5 billion
- EBITDA: ~ €1 billion
- Adjusted net profit: ~ €200 million
- Capital expenditure: ~ €300 million
- Net debt: ~ €1.3 billion

Stefano Cao, Saipem CEO, commented:

"Despite the persistence of a challenging market context, Saipem's performance in the first nine months of 2017 was solid from both an operational and management point of view, enabling the Company to confirm the guidance for 2017. The third quarter saw a downward trend in net debt, a good performance in terms of contract awards in line with the expectations announced with the half-year results, and the full achievement of objectives set by the new Fit for the Future Programme. The presentation of the new name and logo of our conceptual engineering division, "XSIGHT by Saipem", means that the new Company organization has become fully operational, setting clear targets for improving efficiency and effectiveness".

Financial Highlights

(million €)

Q3 2016	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016	First nine months 2017	Sept.17 vs Sept.16 (%)
2,610	2,327	2,283	(12.5)	Revenues	7,885	6,873	(12.8)
328	268	271	(17.4)	Adjusted EBITDA	997	795	(20.3)
155	138	140	(9.7)	Adjusted operating profit	479	400	(16.5)
(1,737)	12	133	ns	Operating profit	(1,500)	257	ns
60	38	59	(1.7)	Adjusted net profit	200	151	(24.5)
(1,978)	(157)	53	ns	Net profit	(1,925)	(57)	(97.0)
233	168	190	(18.5)	Adjusted Cash flow (adjusted net profit + depreciation and amortization)	718	546	(24.0)
330	75	182	(44.8)	Free Cash flow	424	96	(77.4)
1,673	1,504	1,355	(19.0)	Net financial position	1,673	1,355	(19.0)
70	64	51	(27.1)	Capital expenditure	167	198	18.6
3,299	1,579	2,629	(20.3)	New contracts	6,627	4,717	(28.8)

Revenues and associated profit levels are not consistent over time, as they are influenced not only by market performance but also by climatic conditions and individual project schedules in the Engineering and Construction sector, and by contract expiry and renegotiation timing in the Drilling sector.

Reorganization: impact on reporting

Since May 1, 2017 Saipem has had a new organizational structure comprising 5 divisions (Onshore Engineering & Construction, Offshore Engineering & Construction, Onshore Drilling, Offshore Drilling, and XSIGHT). Results are stated as per the new organization. The main difference concerns the Floaters business line, previously included under Offshore Engineering & Construction but now included in Onshore Engineering & Construction. Results for Floaters are temporarily stated separately for ease of understanding; the new Onshore Engineering & Construction division is obtained by summing Floaters and Onshore Engineering & Construction.

The XSIGHT division is not stated separately because it is still in the start-up phase.

Results for previous periods have been restated accordingly.

Business update for the first nine months of 2017

Revenues amounted to €6,873 million, a 12.8% decrease compared to the first nine months of 2016, due to a contraction in the Offshore E&C, Floaters and Drilling sectors.

Adjusted EBITDA for the first nine months amounted to €795 million (€997 million in the first nine months of 2016) with decreases in Offshore Drilling, due mainly to the fleet having fewer contractual commitments and in Offshore E&C due to a reduction in volumes.

Adjusted net profit for the first nine months of 2017 amounted to €151 million, compared to €200 million in the first nine months of 2016.

Reported net profit, -€57 million, unlike adjusted net profit, includes the following special items:

- write-downs of tangible assets of €97 million, unchanged from the first half yearly report;
- impact of tax dispute settlements of €79 million, as per press release dated May 26, 2017;
- reorganization expenses of €32 million (net of the tax effect).

In the first nine months of 2016 reported net profit of -€1,925 million, unlike adjusted net profit, included the following special items:

- write-downs of assets of €1,981 million;
- write-downs of Onshore Drilling receivables of €144 million.

Capital expenditure in the first nine months of 2017 amounted to €198 million (€167 million in the first nine months of 2016), broken down as follows:

- €74 million in Offshore Engineering & Construction;
- €3 million in Onshore Engineering & Construction;
- €70 million in Offshore Drilling;
- €51 million in Onshore Drilling.

Net financial debt at September 30, 2017 amounted to €1,355 million, a €95 million decrease on December 31, 2016 (€1,450 million), and a decrease of €149 million on June 30, 2017.

Backlog

In the first nine months of 2017, Saipem was awarded contracts amounting to €4,717 million (€6,627 million in the first nine months of 2016). Saipem's backlog at September 30, 2017 stood at €12,063 million (€4,872 million in Offshore E&C, €3,556 million in Onshore E&C, €1,704 million in Floaters, €1,020 million in Offshore Drilling and €911 million in Onshore Drilling), of which €1,862 million is due to be realized in 2017.

New contracts

Furthermore, in October Saipem was awarded new contracts in the Onshore Engineering & Construction sector in Mexico and Chile amounting to a total value of approximately USD 350 million.

EBIT adjusted - EBIT reported reconciliation

(million €)

	Offshore E&C	Onshore E&C	Floaters	Offshore Drilling	Onshore Drilling	Total	
Adjusted EBIT	**254**	**51**	**(37)**	**149**	**(17)**	**400**	
Impairment/write-downs of tangible assets	-	-	22	63	-	85	
Inventory write-downs	-	-	-	12	-	12	(a)
Reorganization expenses	20	13	9	1	3	46	(a)
Total write-downs	(20)	(13)	(31)	(76)	(3)	(143)	
Reported EBIT	**234**	**38**	**(68)**	**73**	**(20)**	**257**	

(a) a total of 58 million: reconciliation of adjusted EBITDA of €795 million compared to reported EBITDA of €737 million

Management outlook for 2017

The market in which the Company operates is still challenging, particularly in the offshore sectors and in Onshore Drilling operations in Latin America.

Awards of new contracts in the third quarter confirmed the previously announced good visibility in the short term.

Strong operating performance, particularly in the offshore sectors, will enable the Company to confirm the guidance for 2017 in terms of adjusted results (not including special items).
Additional capital expenditure optimization, together with working capital broadly in line with expectations, lead to lower net debt guidance to approximately €1.3 billion by year end.

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This press release should be read in conjunction with the condensed interim consolidated financial statements at June 30, 2017 and the statutory and consolidated financial statements at December 31, 2016 of Saipem S.p.A., which are already available on the Company's website (www.saipem.com) under the section "Investor Relations – Financial Information".

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Saipem's Planning, Administration and Control Officer, Mr. Mariano Avanzi, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies, pursuant to article 154-bis paragraph 2 of Legislative Decree no. 58/1998, that accounting data corresponds to the Company's documents and accounting books and entries.

By their nature, forward-looking statements are subject to risk and uncertainty since they are dependent 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: monetary exchange and interest rate fluctuations, commodity price volatility, credit and liquidity risks, HSE risks, the level 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.

Conference call and webcast

The results contained in this press release will be illustrated in a conference call and webcast which will be hosted by CEO Stefano Cao today at 9.00 pm CEST (8.00 am BST, 3.00 am EDT, 00.00 am PDT). The conference call can be followed on Saipem's website (www.saipem.com) by clicking on the "webcast banner" on the home page, or through the following URL: https://edge.media-server.com/m6/p/ti4bf23r

During the conference call and webcast, a presentation will be given which will be available for download from the webcast window and from the "Investor Relations/Financial Information" section on Saipem's website (www.saipem.com) around 30 minutes before the scheduled start time. This presentation will also be available for download from the authorized storage device "eMarketSTORAGE" (www.emarketstorage.com) and Borsa Italiana S.p.A (www.borsaitaliana.it).

Saipem is one of the world leaders in drilling services, as well as in the engineering, procurement, construction and installation of pipelines and complex projects, onshore and offshore, in the oil & gas market. The company has distinctive competences in operations in harsh environments, remote areas and deepwater. Saipem provides a full range of services with "EPC" and "EPCI" contracts (on a "turn- key" basis) and has distinctive capabilities and unique assets with a high technological content.

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Analysis by business sector – Adjusted results:

Offshore Engineering & Construction

(million €)

Q3 2016*	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016*	First nine months 2017	Sept.17 vs Sept.16 (%)
1,137	1,045	1,026	(9.8)	Revenues	3,671	3,046	(17.0)
(970)	(874)	(903)	(6.9)	Expenses	(3,186)	(2,647)	(16.9)
167	171	123	(26.3)	Adjusted EBITDA	485	399	(17.7)
(46)	(44)	(57)	23.9	Depreciation	(147)	(145)	(1.4)
121	127	66	(45.5)	Adjusted operating profit	338	254	(24.9)
14.7	16.4	12.0		Adjusted EBITDA %	13.2	13.1	
10.6	12.2	6.4		Adjusted EBIT %	9.2	8.3	
1,919	1,025	1,385		New contracts	4,064	2,730	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at September 30, 2017: €4,872 million, of which €828 million to be realized in 2017.

- Revenues for the first nine months of 2017 amounted to €3,046 million, down by 17.0% compared to the first nine months of 2016. This was mainly attributable to lower volumes recorded in Kazakhstan and Central South America, which were partly offset by higher volumes registered in North Africa.

- Adjusted EBITDA for the first nine months of 2017 amounted to €399 million, equal to 13.1% of revenues, compared to €485 million, equal to 13.2% of revenues, in the first nine months of 2016.

- The most significant awards in the third quarter of 2017 include:
  - on behalf of Petrobel, offshore contract variations for Engineering, Procurement, Construction and Installation (EPCI) activities in relation to the “Optimized Ramp Up” phase of the “supergiant” Zohr Field Development Project situated in the Mediterranean Sea off the Egyptian coast;
  - on behalf of Eni Angola, works in relation to the West Hub Development project in Angola as an addition to those previously assigned during 2016 and 2017. The work encompasses the construction and subsequent installation in deep waters of umbilicals, risers and flowlines (Deep Water SURF), required for the development of Block 15/06;
  - on behalf of Eni Ghana Exploration & Production Ltd., in Ghana, a contract encompassing the engineering, procurement and construction of the infrastructures needed to boost the capacity of the gas stations situated in the vicinity of the ports of Takoradi and Tema;
  - on behalf of Nord Stream 2 AG, a contract for the construction of the last section of the pipeline crossing the Baltic Sea and the shore approach in Greiswald, Germany.

Floaters

(million €)

Q3 2016*	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016*	First nine months 2017	Sept.17 vs Sept.16 (%)
342	111	160	(53.2)	Revenues	873	498	(43.0)
(340)	(143)	(147)	(56.8)	Expenses	(861)	(497)	(42.3)
2	(32)	13	ns	Adjusted EBITDA	12	1	(91.7)
(17)	(14)	(5)	(70.6)	Depreciation	(41)	(38)	(7.3)
(15)	(46)	8	ns	Adjusted operating profit	(29)	(37)	27.6
0.6	-28.8	8.1		Adjusted EBITDA %	1.4	0.2	
-4.4	-41.4	5.0		Adjusted EBIT %	-3.3	-7.4	
1	134	76		New contracts	8	242	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at September 30, 2017: €1,704 million, of which €216 million to be realized in 2017.

- Revenues for the first nine months of 2017 amounted to €498 million, down 43.0% compared to the first nine months of 2016, due mainly to lower volumes recorded in West Africa.

- Adjusted EBITDA for the first nine months of 2017 amounted to €1 million, compared to €12 million in the first nine months of 2016. This decrease is due to a project in West Africa, which recorded an increase in construction costs deriving from an additional acceleration programme.

Onshore Engineering & Construction

(million €)

Q3 2016*	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016*	First nine months 2017	Sept.17 vs Sept.16 (%)
774	887	825	6.6	Revenues	2.207	2.487	12.7
(765)	(862)	(801)	4.7	Expenses	(2.177)	(2.414)	10.9
9	25	24	ns	Adjusted EBITDA	30	73	ns
(8)	(7)	(7)	(12.5)	Depreciation	(27)	(22)	(18.5)
1	18	17	ns	Adjusted operating profit	3	51	ns
1.2	2.8	2.9		Adjusted EBITDA %	1.4	2.9	
0.1	2.0	2.1		Adjusted EBIT %	0.1	2.1	
940	193	1.149		New contracts	1.936	1.427	

* Results from previous periods have been stated in accordance with the new organizational structure

Backlog at September 30, 2017: €3,556 million, of which €587 million to be realized in 2017.

- Revenues for the first nine months of 2017 amounted to €2,487 million, up 12.7% compared to the first nine months of 2016, due mainly to greater volumes recorded in the Middle and Far East and in Kazakhstan, partly offset by lower volumes recorded in the Americas.

- Adjusted EBITDA for the first nine months of 2017 amounted to €73 million, equal to 2.9% of revenues, compared to €30 million, equal to 1.4% of revenues in the first nine months of 2016.

- The most significant awards in the third quarter 2017 include:
  - on behalf of Kuwait Oil Company (KOC), the “Feed Pipelines for New Refinery Project (NRP)” in Kuwait, encompassing engineering, procurement, construction and commissioning in relation to the development of the new Al Zour refinery.

Offshore Drilling

(million €)

Q3 2016	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016	First nine months 2017	Sept.17 vs Sept.16 (%)
233	161	153	(34.3)	Revenues	720	476	(33.9)
(111)	(80)	(70)	(36.9)	Expenses	(361)	(236)	(34.6)
122	81	83	(32.0)	Adjusted EBITDA	359	240	(33.1)
(59)	(31)	(30)	(49.2)	Depreciation	(170)	(91)	(46.5)
63	50	53	(15.9)	Adjusted operating profit	189	149	(21.2)
52.4	50.3	54.2		Adjusted EBITDA %	49.9	50.4	
27.0	31.1	34.6		Adjusted EBIT %	26.3	31.3	
49	219	2		New contracts	112	255	

Backlog at September 30, 2017: €1,020 million, of which €120 million to be realized in 2017.

- Revenues for the first nine months of 2017 amounted to €476 million, representing a 33.9% decrease compared to the first nine months of 2016, mainly attributable to reduced revenues from the semi-submersible rig Scarabeo 9, which underwent class reinstatement works in the first quarter, and from the semi-submersible rig Scarabeo 7, which was temporarily contracted out at stand-by rate, as well as the non-contributions during the nine months from the jack-ups Perro Negro 2 and Perro Negro 3, and in the third quarter from the semi-submersible rig Scarabeo 5, which are currently not under contract and were fully written-down as of December 31, 2016 and June 30, 2017 respectively. The decrease in revenues was in small part offset by increased revenues from the full-scale operations of the jack-up Perro Negro 5, which had undergone upgrading works in the first quarter of 2016.

- Adjusted EBITDA for the first nine months of 2017 amounted to €240 million, with a margin on revenues of 50.4%, compared to €359 million in first nine months of 2016, with a margin on revenues of 49.9%.

Vessel utilization in the first nine months of 2017 and the impact of programmed maintenance and idle days in 2017 are as follows:

Vessel	*First nine months 2017*			*2017*	
	Under contract	*Non-operating*		*Non-operating*	
	(days)			*(days)*	
Semi-submersible rig Scarabeo 5	194	79	(b+c)	171	(b+c)
Semi-submersible rig Scarabeo 6	-	273	(c)	365	(c)
Semi-submersible rig Scarabeo 7	273	-		-	
Semi-submersible rig Scarabeo 8	273	-		41	(c)
Semi-submersible rig Scarabeo 9	183	90	(a)	90	(a)
Drillship Saipem 10000	273	-		-	
Drillship Saipem 12000	273	-		32	(c)
Jack up Perro Negro 2	12	261	(c)	353	(c)
Jack up Perro Negro 3	-	273	(c)	365	(c)
Jack up Perro Negro 4	126	147	(a)	147	(a)
Jack up Perro Negro 5	273	-		-	
Jack up Perro Negro 7	273	-		10	(a)
Jack up Perro Negro 8	102	171	(c)	263	(c)
Tender Assisted Drilling Barge	246	27	(a)	27	(a)

(a) = the vessel underwent/will undergo class reinstatement works and/or preparation works for a new contract.
(b) = the vessel underwent maintenance works to address technical problems.
(c) = the vessel was not/will not be under contract

Onshore Drilling

(million €)

Q3 2016	Q2 2017	Q3 2017	Q3 2017 vs Q3 2016 (%)		First nine months 2016	First nine months 2017	Sept.17 vs Sept.16 (%)
124	123	119	(4.0)	Revenues	414	366	(11.6)
(96)	(100)	(91)	(5.2)	Expenses	(303)	(284)	(6.3)
28	23	28	-	Adjusted EBITDA	111	82	(26.1)
(43)	(34)	(32)	(25.6)	Depreciation	(133)	(99)	(25.6)
(15)	(11)	(4)	(73.3)	Adjusted operating profit	(22)	(17)	(22.7)
22.6	18.7	23.5		Adjusted EBITDA %	26.8	22.4	
-12.1	-8.9	-3.4		Adjusted EBIT %	-5.3	-4.6	
390	8	17		New contracts	507	63	

Backlog at September 30, 2017: €911 million, of which €111 million to be realized in 2017.

- Revenues for the first nine months of 2017 amounted to €366 million, an 11.6% decrease on the first nine months of 2016, due mainly to reduced volumes recorded in South America.

- Adjusted EBITDA for the first nine months of 2017 amounted to €82 million, equal to 22.4% of revenues, compared to €111 million, equal to 26.8% of revenues in the first nine months of 2016, due to reduced activities from rigs in South America as well as start-up costs from new projects in Kuwait and Argentina.

Average utilization of rigs in the first nine months of 2017 was 57.8% (66.7% in the first nine months of 2016). As of September 30, 2017, Company-owned rigs amounted to 101 (5 onshore rigs installed on offshore platforms were reclassified from the Offshore Drilling into the Onshore Drilling division), located as follows: 28 in Saudi Arabia, 26 in Venezuela, 24 in Peru, 4 in Bolivia, 4 in Colombia, 4 in Kazakhstan, 4 in Ecuador, 2 in Kuwait, 2 in Argentina, 1 in Congo, 1 in Italy and 1 in Morocco.
In addition, 2 third party rigs were used in Peru and 1 third-party rig in the Congo.

Attachments:

- reclassified consolidated balance sheet, reclassified consolidated income statements by nature and function of expenses and reclassified statement of cash flow.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(million €)

	December 31, 2016	September 30, 2017
Net tangible assets	5,192	4,793
Intangible assets	755	752
	5,947	5,545
Investments	147	156
Non-current assets	**6,094**	**5,701**
Net current assets	**447**	**742**
Provision for employee benefits	**(206)**	**(207)**
Assets (liabilities) available for sale	-	-
CAPITAL EMPLOYED, NET	**6,335**	**6,236**
Shareholder's equity	**4,866**	**4,853**
Non-controlling interests	**19**	**28**
Net debt	**1,450**	**1,355**
FUNDING	**6,335**	**6,236**
Leverage (net borrowings/shareholders' equity including minority interest)	**0.30**	**0.28**
SHARES ISSUED AND OUTSTANDING	**10,109,774,396**	**1,010,977,439***

* following the reverse split operation on May 22, 2017

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY NATURE OF EXPENSES

(million €)

Q3 2016	Q2 2017	Q3 2017		First nine months 2016	First nine months 2017
2,610	2,327	2,283	Net sales from operations	7,885	6,873
5	2	1	Other income and revenues	7	3
(2,104)	(1,673)	(1,642)	Purchases, services and other costs	(5,850)	(4,907)
(421)	(429)	(378)	Payroll and related costs	(1,370)	(1,232)
90	**227**	**264**	**GROSS OPERATING PROFIT**	**672**	**737**
(1,827)	(215)	(131)	Depreciation, amortization and impairment	(2,172)	(480)
(1,737)	**12**	**133**	**OPERATING PROFIT**	**(1,500)**	**257**
(45)	(74)	(55)	Finance expense	(115)	(170)
(2)	1	0	Income from investments	7	2
(1,784)	(61)	78	**PROFIT BEFORE TAXES**	(1,608)	89
(193)	(89)	(25)	Income taxes	(313)	(135)
(1,977)	**(150)**	**53**	**PROFIT BEFORE NON-CONTROLLING INTERESTS**	**(1,921)**	**(46)**
(1)	(7)	0	Net profit attributable to non-controlling interests	(4)	(11)
(1,978)	**(157)**	**53**	**NET PROFIT**	**(1,925)**	**(57)**
(151)	**58**	**184**	**CASH FLOW (net result + depreciation and amortization)**	**247**	**423**

CONSOLIDATED INCOME STATEMENT RECLASSIFIED BY FUNCTION OF EXPENSES

(million €)

Q3 2016	Q2 2017	Q3 2017		First nine months 2016	First nine months 2017
2,610	2,327	2,283	Net sales from operations	7,885	6,873
(4,192)	(2,172)	(2,002)	Production costs	(8,899)	(6,192)
(75)	(50)	(58)	Idle costs	(228)	(157)
(27)	(31)	(35)	Selling expenses	(85)	(95)
(3)	(6)	(8)	Research and development expenses	(10)	(19)
(3)	(9)	1	Other operating income (expenses), net	(21)	(11)
(1,690)	**59**	**181**	**CONTRIBUTION FROM OPERATIONS**	**(1,358)**	**399**
(47)	(47)	(48)	General and administrative expenses	(142)	(142)
(1,737)	**12**	**133**	**OPERATING PROFIT**	**(1,500)**	**257**
(45)	(74)	(55)	Finance expense	(115)	(170)
(2)	1	0	Income from investments	7	2
(1,784)	**(61)**	**78**	**PROFIT BEFORE TAXES**	**(1,608)**	**89**
(193)	(89)	(25)	Income taxes	(313)	(135)
(1,977)	**(150)**	**53**	**PROFIT BEFORE NON-CONTROLLING INTERESTS**	**(1,921)**	**(46)**
(1)	(7)	0	Net profit attributable to non-controlling interests	(4)	(11)
(1,978)	**(157)**	**53**	**NET PROFIT**	**(1,925)**	**(57)**
(151)	**58**	**184**	**CASH FLOW (net profit + depreciation and amortization)**	**247**	**423**

RECLASSIFIED CASH FLOW STATEMENT

(million €)

Q3 2016	Q2 2017	Q3 2017		First nine months 2016	First nine months 2017
(1,978)	(157)	53	Net profit (loss) for the period	(1,925)	(57)
1	7	-	Non-controlling interests	4	11
			Adjustments to reconcile cash generated from operating profit before changes in working capital:		
1,821	257	115	Depreciation, amortization and other non-monetary items	2,128	477
556	39	78	Changes in working capital related to operations	380	(122)
400	**146**	**246**	**Net cash flow from operations**	**587**	**309**
(70)	(64)	(51)	Capital expenditure	(167)	(198)
-	(9)	(14)	Investments and purchase of consolidated subsidiaries and businesses	-	(23)
-	2	1	Disposals	4	8
330	**75**	**182**	**Free cash flow**	**424**	**96**
(26)	-	(27)	Buy-back of treasury shares/Exercise of stock options	(26)	(27)
-	(2)	-	Share capital increase net of expenses	3,435	(2)
(36)	-	-	Cash flow from capital and reserves	(36)	-
(1)	28	(6)	Exchange differences on net borrowings and other changes	(80)	28
267	**101**	**149**	**Change in net borrowings**	**3,717**	**95**
1,940	**1,605**	**1,504**	**Net borrowings at beginning of period**	**5,390**	**1,450**
1,673	**1,504**	**1,355**	**Net borrowings at end of period**	**1,673**	**1,355**

Headquarters: San Donato Milanese (Milan) - Italy
Via Martiri di Cefalonia, 67
Branches:
Cortemaggiore (Piacenza) - Italy
Via Enrico Mattei, 20

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Società per Azioni
Share Capital €2,191,384,693 fully paid up
Tax identification number and Milan Companies' Register
No. 00825790157

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