

ENI SPA  
Form 6-K  
March 03, 2009  
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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**Form 6-K**

**REPORT OF FOREIGN ISSUER**  
Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of February 2009

**Eni S.p.A.**

(Exact name of Registrant as specified in its charter)

**Piazzale Enrico Mattei 1 - 00144 Rome, Italy**

(Address of principal executive offices)

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(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F                       Form 40-F

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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2b under the Securities Exchange Act of 1934.)

Yes                       No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
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Press Release dated February 12, 2009

Press Release dated February 13, 2009

Press Release dated February 13, 2009

Press Release dated February 13, 2009

Press Release dated February 16, 2009

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorised.

Eni S.p.A.

Name: Antonio Cristodoro  
Title: Deputy Corporate Secretary

Date: February 28, 2009

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## **Eni sells 100% of Stogit and Italgas to Snam Rete Gas**

*San Donato Milanese (Milan) February 12, 2009* - Today, Eni's Board of Directors approved the sale of 100% of the equity of Italgas SpA and Stoccaggi Gas Italia SpA (Stogit) to Snam Rete Gas SpA (50.03% owned by Eni) for a consideration of euro 3,070 million and euro 1,650 million, respectively. Total equity consideration is equal to euro 4,720 million which will be financed by Snam Rete Gas through (i) a rights issue for a maximum amount of euro 3.5 billion (Eni has already committed to subscribe its relative share of the rights issue) and (ii) new loans for euro 1.3 billion. The closing is expected to take place by July 2009.

As a consequence of the transaction, Eni will transfer to Snam Rete Gas its gas distribution and storage regulated activities in Italy, creating significant synergies.

The transaction is consistent with the unbundling target set by the Italian regulator and will allow Eni to maximize the value of both Italgas and Stogit. The two companies will benefit from higher visibility and achieve increased synergies as a part of Snam Rete Gas.

The transaction will create the leading Italian player and one of the major European operators in the regulated business, with a total RAB (Regulated Asset Base) of approximately euro 20 billion. Furthermore, the company will manage gas transport and distribution networks of 31,000 km and 58,000 km respectively and have a storage capacity of 14 bcm, including 5 bcm of strategic reserves.

Italgas, 100% owned by Eni, is a leading player in the Italian gas distribution sector. The company is a direct vendor of distribution services in approximately 1,300 municipalities. Together with its subsidiaries, the company provides distribution services to approximately 1,600 municipalities including Rome, Turin, Naples, Florence and Venice and transports 9 bcm of gas through a distribution pipeline of over 58,000 km, managing a total of 7 million installed gas meters.

Stogit, 100% owned by Eni, is a leading European operator providing natural gas storage and modulation services through an integrated system managed by a single operative dispatching center comprising 8 reservoirs, 280 wells, gas treatment and compression plants.

Eni has been assisted by financial advisors, Rothschild and Banca IMI, who provided Eni with an opinion on the fairness of the financial terms of the transaction.

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**ENI ANNOUNCES PRELIMINARY RESULTS  
FOR THE FOURTH QUARTER AND FULL YEAR 2008**

**Dividend proposal for the full year: euro 1.30 per share (includes an interim dividend of euro 0.65 per share paid in September 2008).**

**Adjusted net profit: euro 10.20 billion for the full year (up 7.7%); euro 1.94 billion for the fourth quarter (down 27.4%).**

**Reported net profit: euro 8.83 billion for the full year (down 11.8%); down euro 874 million for the fourth quarter due to fixed asset impairments and inventory write-downs.**

**Cash flow: euro 21.8 billion for the full year (up 40.5%); euro 6.11 billion for the fourth quarter (up 148%).**

**Oil and natural gas production: up 3.5% for the full year; up 2.1% for the fourth quarter.**

**Year-end proved reserves<sup>(1)</sup> amounted to 6.6 bboe with a reference Brent price of \$36.55 per barrel. All sources reserve replacement ratio was 135%.**

**Natural gas sales: up 5.3% for the full year; up 4.2% for the fourth quarter.**

San Donato Milanese, February 13, 2009 - Yesterday evening, Eni's Board of Directors took notice of the Group preliminary results for the fourth quarter and the full year 2008 (unaudited).

Paolo Scaroni, Chief Executive Officer, commented:

*"2008 has been an excellent year for Eni both financially and operationally. In E&P we have grown more than our peer group. In G&P we have consolidated our leadership in the European gas market through the acquisition of Distrigaz. Looking forward, Eni will tackle the economic downturn continuing to grow and to provide sector-leading returns to shareholders".*

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| Fourth<br>Quarter<br>2007    | Third<br>Quarter<br>2008 | Fourth<br>Quarter<br>2008 | % Ch. 4Q.<br>08 vs 4Q. 07 |   | Full Year<br>2007 | Full Year<br>2008 |               |
|------------------------------|--------------------------|---------------------------|---------------------------|---|-------------------|-------------------|---------------|
| <b>SUMMARY GROUP RESULTS</b> |                          |                           |                           |   |                   |                   |               |
| (million euro)               |                          |                           |                           |   |                   |                   |               |
| 5,166                        | 6,276                    | 464                       | (91.0)                    | Operating profit                              | 18,868            | 18,641            | (1.2)         |
| 5,292                        | 6,201                    | 4,078                     | (22.9)                    | Adjusted operating profit <sup>(a)</sup>      | 18,986            | 21,793            | 14.8          |
| <b>3,010</b>                 | <b>2,941</b>             | <b>(874)</b>              | <b>..</b>                 | <b>Net profit <sup>(b)</sup></b>              | <b>10,011</b>     | <b>8,825</b>      | <b>(11.8)</b> |
| 0.82                         | 0.81                     | (0.24)                    | ..                        | - per ordinary share <sup>(c)</sup>           | (euro) 2.73       | 2.43              | (11.0)        |
| 2.38                         | 2.44                     | (0.63)                    | ..                        | - per ADR <sup>(c) (d)</sup>                  | (\$) 7.49         | 7.15              | (4.5)         |
| <b>2,678</b>                 | <b>2,890</b>             | <b>1,943</b>              | <b>(27.4)</b>             | <b>Adjusted net profit <sup>(a) (b)</sup></b> | <b>9,470</b>      | <b>10,201</b>     | <b>7.7</b>    |
| 0.73                         | 0.79                     | 0.54                      | (26.0)                    | - per ordinary share <sup>(c)</sup>           | (euro) 2.58       | 2.80              | 8.5           |
| 2.12                         | 2.38                     | 1.42                      | (33.0)                    | - per ADR <sup>(c) (d)</sup>                  | (\$) 7.07         | 8.24              | 16.5          |

(a) For a detailed explanation of adjusted operating profit and net profit see page 29.

(b) Profit attributable to Eni shareholders.

(c) Fully diluted. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.

(d) One ADR (American Depositary Receipt) is equal to two Eni ordinary shares.

(1) Includes Eni's share of proved reserves of equity-accounted entities. The year-end amount of proved reserves comprised 30% of proved reserves of the three equity-accounted Russian companies purchased as part of a bid procedure for assets of bankrupt Yukos and participated by Eni with a 60% interest, considering Gazprom exercises a call option to acquire a 51% interest in these companies.

**Table of Contents****Financial highlights****Fourth quarter of 2008**

- Adjusted operating profit was euro 4.08 billion, down 22.9% from the fourth quarter of 2007. This was due to the weaker operating performance reported by the Exploration & Production and Gas & Power divisions due to falling oil prices and lower natural gas demand. The Refining & Marketing division reverted to a better level of profitability.
- Adjusted net profit was down 27.4% to euro 1.94 billion, mainly as a result of the weaker operating performance.
- Capital expenditures for the quarter were up 28.3% from a year ago to euro 4.69 billion mainly related to continuing development of oil and gas reserves and exploration activities, the upgrading of gas transportation infrastructure and the construction of rigs and offshore vessels in the Engineering & Construction division.
- Financing requirements for the fourth quarter were mainly related to capital expenditures (euro 4.69 billion), the acquisition of the 57.243% majority stake in Distrigaz SA for cash consideration amounting to euro 2.75 billion (euro 1.27 billion net of cash acquired), the purchase of certain assets amounting to euro 0.95 billion, as well as the repurchase of 1.17 million own shares at a cost of euro 21 million. These cash outflows were partially absorbed by net cash generated by operating activities of euro 6.11 billion, including proceeds on advances received from partner Suez following the signing of a number of long-term gas and electricity supply contracts (euro 1.55 billion). Net borrowings<sup>(2)</sup> in the quarter were euro 18.38 billion, up euro 0.55 billion from the end of September 2008.

**Full year 2008**

- Adjusted operating profit was euro 21.79 billion, up 14.8% from a year ago, due to a better operating performance reported by the Exploration & Production and Refining & Marketing divisions, and, to a lesser extent, the Engineering & Construction division. These improvements were partly offset by lower operating results reported by the Gas & Power and Petrochemical divisions.
- Adjusted net profit was up 7.7% to euro 10.20 billion, mainly as a result of the stronger operating performance, that was partly offset by a higher tax rate on adjusted basis (from 48.7% to 51.4%).
- Net cash generated by operating activities was a record euro 21.80 billion and coupled with cash from divestments for euro 1.16 billion was used to fund a part of Eni's financing needs associated with expenditures on capital and exploration projects (euro 14.56 billion), payment of dividends by Eni SpA (euro 4.91 billion, of which euro 2.36 billion related to 2008 interim dividend), the purchase of a number of assets, including consolidated subsidiaries, investments and businesses for euro 5.85 billion (euro 4.31 billion net of acquired cash), and the repurchase of 35.9 million own shares at a cost of euro 778 million. Net borrowings at year end amounted to euro 18.38 billion and increased by euro 2.05 billion from December 31, 2007.
- Return on Average Capital Employed (ROACE)<sup>(3)</sup> calculated on an adjusted basis for the twelve-month period ending December 31, 2008 was 17.6% (19.3% in 2007).
- Ratio of net borrowings to shareholders' equity including minority interest leverage<sup>(4)</sup> was unchanged in comparison with the end of 2007 (0.38).

**2008 Dividend**

The Board of Directors intends to submit to the Annual Shareholders' Meeting the proposal of distributing a cash dividend of euro 1.30 per share<sup>(4)</sup> (euro 1.30 in 2007). Included in this annual payment is euro 0.65 per share which was distributed as interim dividend in September 2008. The balance of euro 0.65 per share is payable on May 21, 2009 to shareholders on the register on May 18, 2009.

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(2) Information on net borrowings composition is furnished on page 40.

(3) Non-GAAP financial measures disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided for by CESR Recommendation No. 2005-178b. See pages 40 and 42 for leverage and ROACE, respectively.

(4)



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Dividends do not entitle a tax credit and, depending on the receiver, are subject to a withholding tax on distribution or are partially cumulated to the receiver's taxable income.

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| Fourth Quarter 2007                        | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |                                   |            | Full Year 2007 | Full Year 2008 | % Ch.        |
|--|--------------------|---------------------|------------------------|-----------------------------------|------------|----------------|----------------|--------------|
| <b>KEY STATISTICS</b>                      |                    |                     |                        |                                   |            |                |                |              |
| <b>1,815</b>                               | <b>1,764</b>       | <b>1,854</b>        | <b>2.1</b>             | <b>Production of hydrocarbons</b> | (kboe/d)   | <b>1,736</b>   | <b>1,797</b>   | <b>3.5</b>   |
| 1,048                                      | 1,015              | 1,079               | 3.0                    | - Liquids                         | (kbbbl/d)  | 1,020          | 1,026          | 0.6          |
| 4,401                                      | 4,302              | 4,449               | 0.8                    | - Natural gas                     | (mmcf/d)   | 4,114          | 4,424          | 7.8          |
| <b>29.75</b>                               | <b>20.17</b>       | <b>30.99</b>        | <b>4.2</b>             | <b>- Worldwide gas sales</b>      | (bcm)      | <b>98.96</b>   | <b>104.23</b>  | <b>5.3</b>   |
| 1.88                                       | 1.37               | 1.31                | (30.3)                 | - of which: E&P sales             |            | 5.39           | 6.00           | 11.3         |
| <b>8.28</b>                                | <b>7.62</b>        | <b>6.94</b>         | <b>(16.2)</b>          | <b>Electricity sold</b>           | (TWh)      | <b>33.19</b>   | <b>29.93</b>   | <b>(9.8)</b> |
| <b>Retail sales of refined products in</b> |                    |                     |                        |                                   |            |                |                |              |
| <b>3.29</b>                                | <b>3.34</b>        | <b>3.06</b>         | <b>(7.0)</b>           | <b>Europe</b>                     | (mmtonnes) | <b>12.65</b>   | <b>12.67</b>   | <b>0.2</b>   |

**Fourth quarter of 2008**

- Oil and natural gas production for the fourth quarter amounted to 1,854 kboe/d, representing an increase of 2.1% compared with the fourth quarter of 2007. This improvement mainly reflected the benefit of acquired assets by Burren in Congo and Turkmenistan early in 2008 (for an overall increase of 32 kboe/d), organic growth achieved in Angola, Congo, Egypt, Pakistan and Venezuela. These positives were partly offset by the ongoing effect of damage to production facilities caused by hurricanes in the Gulf of Mexico in September 2008 (down 28 kboe/d), mature fields decline and production cuts by OPEC (down 9 kboe/d), as well as planned and unplanned facility downtime in the North Sea. Excluding the impact of higher entitlements in PASs, production slightly decreased from the fourth quarter of 2007 (down 0.6%).
- Eni's worldwide natural gas sales for the quarter were up 4.2% to 30.99 bcm, mainly reflecting the acquisition of Distrigaz. This increase was partly offset by the impact of lower European gas demand, mainly in the Italian market where gas sales decreased by 17.7%.
- Oil realizations for the quarter were down 42.9% driven by falling Brent prices (down 38.1% from the fourth quarter of 2007). Natural gas realizations followed the opposite trend mainly due to the impact of time lags in the pricing formulae.
- The fourth quarter results were favorably influenced by the depreciation of the euro against the dollar (down 9.1%), with the only exception being the natural gas marketing business.
- Realized refining margins significantly improved from a year ago due to better relative prices of products (Brent refining margins were 7.72\$/bbl, up 89.7% from the fourth quarter 2007). Higher margins were recorded in the marketing activities.

**Full year 2008**

- Oil and natural gas production for the full year 2008 averaged the record level of 1,797 kboe/d, an increase of 61 kboe/d, or 3.5%, from a year earlier. This performance mainly benefited from the assets acquired in the Gulf of Mexico, Congo and Turkmenistan (up 62 kboe/d), as well as continuing organic growth in Angola, Congo, Egypt, Pakistan and Venezuela. These positives were partially offset by mature field declines as well as planned and unplanned facility downtime in the North Sea and hurricane-related impacts in the Gulf of Mexico (down 11 kboe/d). Higher oil prices resulted in lower volume entitlements in Eni's PSAs and similar contractual schemes, down approximately 37 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 5.6%.
- Eni's worldwide natural gas sales were 104.23 bcm, up 5.3% driven by an increase in international sales (up 19.9%) mainly reflecting the contribution of the acquisition of Distrigaz and the organic growth recorded in the European markets, as well as higher seasonal sales recorded in the first quarter. These positives were partially offset by a

- weaker performance on the Italian gas market (down 5.8%).
- Oil and gas realizations in the year were up 28.1% driven by the favorable trading environment of the first nine months of the year.
- 2008 full year results were negatively influenced by the appreciation of the euro vs. the dollar (up 7.3%).
- Realized refining margins increased from a year ago due to a favorable trading environment (Brent refining margins were up 43.6%, to 6.49\$/bbl).

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**2008 Portfolio developments**

*November 2008*

- Finalized an agreement with the British company Tullow Oil Ltd to purchase a 52% stake and the operatorship of fields in the Hewett Unit and relevant facilities in the North Sea. Eni plans to upgrade certain depleted fields in the area so as to achieve a gas storage facility.
- Finalized an agreement to acquire all the common shares of First Calgary Petroleum Ltd, a Canadian oil and gas company with exploration and development activities in Algeria. The acquisition values the fully diluted share capital of First Calgary at approximately CAN\$923 million. Production start up at First Calgary's fields is expected in 2011 with a projected plateau of approximately 30,000 boe/d net to Eni by 2012.

*October 2008*

- Following authorization from the European Commission, the acquisition of a 57.243% majority stake in Distrigaz SA from the French company Suez-Tractebel was closed. The deal was for a cash consideration of euro 2.75 billion, implying a value for 100% of the share capital at euro 4.8 billion. On December 30, 2008, Eni was granted authorization from the Belgian market authorities to execute a mandatory tender offer on the minorities of Distrigaz. The deadline of the offer is scheduled for March 19, 2008.
- Signed the agreements with Suez related to the sale of a number of Eni's assets as well as long-term gas and electricity supply contracts. As of end of December 2008 the following agreements have been finalized: (i) the Virtual Power Plant agreement that grants Suez the right to off-take volumes of electricity corresponding to capacity of up to 1,100 MW for a period of 20 years, with proceeds of euro 1.21 billion; (ii) gas supply contracts up to 4 bcm per year to be delivered in Italy for a period of 20 years and an option to purchase up to 2.5 bcm per year to be delivered in Germany for a period of 11 years, with proceeds amounting to euro 255 million; (iii) supply contracts for 0.9 bcm per year of LNG for a period of 20 years at a price of euro 87 million.
- Completed the divestment of the entire share capital of the subsidiary Agip España to Galp Energia SGPS SA, following exercise of a call option in October 2007, pursuant to agreements among Galp's shareholders. The divested asset includes 371 service stations as well as wholesale marketing activities of oil products located in the Iberian Peninsula.

*September 2008*

- Finalized the purchase of a 17% stake in the share capital of Gaz de Bordeaux Energie Services SAS. Also Eni's associate Altagaz (Eni's interest being 38%) entered the deal with an equal stake. The two partners plan to support the development of the target company by supplying it with up to 250 mmcm of gas for ten years.
- Signed a strategic agreement with Petroleos de Venezuela, SA (PDVSA) for the exploration and development of two offshore Venezuelan areas and the subsequent development of gas resources via an LNG project.

*August 2008*

- Signed a Memorandum of Understanding with Sonangol to set up an integrated model of cooperation and development, targeting onshore development activities and construction of facilities in Angola designed to monetize flaring gas.
- Acquired control of the Indian company Hindustan Oil Exploration Limited (HOEC), following execution of a mandatory tender offer on a 20% stake of the HOEC share capital. The mandatory offer was associated with Eni's acquisition of a 27.17% of HOEC as part of the Burren deal.

*June 2008*

- Finalized a strategic oil deal with the Libyan national oil company based on the framework agreement of October 2007. This deal effective from January 1, 2008, extends the duration of Eni oil and gas properties until 2042 and 2047 respectively and lays the foundations for a number of projects targeting development of the significant gas potential in the country.

*May 2008*

- A cooperation agreement was set up with the Republic of Congo for the extraction of unconventional oil from the Tchikatanga e Tchikatanga-Makola oil sands deposits.

*March 2008*

- Awarded 32 exploration leases in the Gulf of Mexico close to certain of Eni's producing fields as well 18 exploration leases in Alaska.

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### *February 2008*

- Signed a strategic agreement with the Venezuelan State oil company PDVSA for the definition of a plan to develop a field located in the Orinoco oil belt, with a gross acreage of 670 square kilometers.

### *January 2008*

- Completed the acquisition of the entire issued share capital of the UK-based oil company Burren Energy plc, for a total cash consideration amounting to approximately euro 2.4 billion (including the amount of Burren's shares for a total amount of euro 0.6 billion, purchased in 2007). Burren holds producing assets in Congo and Turkmenistan and exploratory leases in Egypt, Yemen and India.

### *Other developments*

- Started-up the Ooguruk (Eni 30%), Mondo (Eni 20%) and Corocoro (Eni 26%) fields in Alaska, Angola and Venezuela, respectively. Completed the upgrading of facilities at the operated Bhit gas field in Pakistan (Eni 40%) leading to the start-up of the satellite Badhra field.

## **Kashagan - Final Agreement**

On October 31, 2008, all the international parties to the North Caspian Sea Production Sharing Agreement (NCSPSA) consortium and the Kazakh authorities signed the final agreement implementing the new contractual and governance framework of the Kashagan project, based on the Memorandum of Understanding signed on January 14, 2008.

The material terms of the agreement are: (i) the proportional dilution of the participating interest of all the international members of the Kashagan consortium, following which the stake held by the national Kazakh company KazMunaiGas and the stake held by the other four major stakeholders are each equal to 16.81%, effective from January 1, 2008. The Kazakh partner will pay the other co-venturers an aggregate amount of US\$1.78 billion; (ii) a value transfer package to be implemented through changes to the terms of the NCSPSA, the amount of which will vary in proportion to future levels of oil prices. Eni is expected to contribute to the value transfer package in proportion to its new participating interest in the project (16.81%); (iii) a new operating model which entails an increased role of the Kazakh partner and defines the international parties' responsibilities in the execution of the subsequent development phases of the project. Eni is confirmed to be the operator of phase-one of the project (the so-called "Experimental Program") and in addition will retain operatorship of the onshore operations of phase 2 of the development plan.

In conjunction with the final agreement, parties also reached a final approval of the revised expenditure budget of phase-one, amounting to \$32.2 billion (excluding general and administrative expenses).

Eni will fund those investments in proportion to its participating interest of 16.81%. On the basis of progress to completion, Eni management expects to achieve first oil by the end of 2012. Phase-one production plateau is forecast at 300,000 bbl/day; the installed production capacity at the end of phase-one is planned at 370,000 bbl/day in 2014. Subsequently, production capacity of phase-one is expected to step up to 450,000 bbl/day, leveraging on availability of further compressor capacity for gas re-injection associated with the start-up of phase-two offshore facilities.

## **Outlook for 2009**

Eni will present in detail its strategy, targets and outlook for its 2009-2012 plan at 12:00 noon (London Time) today, at the London Stock Exchange. Management expects market volatility and the current economic downturn to continue well into calendar year 2009. The Company's key assumptions for 2009 are average Brent prices at \$43 per barrel, flat European gas demand and lower refining margins with respect to 2008. In this environment, management expectations regarding key operating drivers of Eni's business for the year 2009 are as follows:

- **Production of liquids and natural gas** is forecast to increase from 2008 (actual oil and gas production averaged 1,797 mmb/d in 2008). Organic growth expected in Nigeria, Angola, Congo and the Gulf of Mexico will sustain production performance against expected mature field declines;
- **Sales volumes of natural gas worldwide** are forecast to increase from 2008 (actual sales volumes in 2008 were

104.23 bcm) reflecting full contribution from the acquisition of Distrigaz and the impact of marketing initiatives aimed at supporting European market share. Sales in Italy are expected to decrease mainly due to competitive pressures and demand slowdown amidst the economic downturn;

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- **Refining throughputs on Eni's account** are expected to increase from 2008 (actual throughputs in 2008 were 35.84 mmt tonnes) as a result of improved operating performance expected at the Taranto and Gela refineries;
- **Retail sales of refined products** in Italy and the rest of Europe are expected to decrease from 2008 (12.67 mmt tonnes in 2008) reflecting the divestment of marketing activities in the Iberian Peninsula and an expected demand slowdown affecting fuel consumption in European markets.

In 2009 management expects slightly lower capital expenditures with respect to 2008 (euro 14.56 billion in 2008). The activities over the course of the year will be focused on the development of oil and natural gas reserves, the upgrading of existing construction vessels and rigs, and the upgrading of natural gas transport infrastructures. On the basis of planned cash outflows to fund capital expenditures, including the completion of the Distrigaz acquisition, and shareholder remuneration, taking into account the Company projections of cash flow at \$43 per Brent barrel, management expects the Group to achieve a level of leverage that will be lower than the level of 0.38 reported in 2008, assuming that Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni, and a 51% interest in the three Russian gas companies in which Eni holds a 60% interest.



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Full year and quarterly accounts set forth herein have been prepared in accordance with the evaluation and recognition criteria set by 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. The evaluation and recognition criteria applied during the preparation of the report for the full year and fourth quarter results are unchanged from those adopted for the preparation of the Annual Report on Form 20-F for the year ended December 31, 2007 filed with the U.S. SEC. On October 15, 2008, the European Commission adopted certain amendments to accounting standards IAS39 and IFRS7 that enable under rare circumstances the reclassification of certain held for trading financial assets to other categories of financial instruments, thus changing their measurement criteria. These amendments did not result in any significant modification to the Company's classification of its financial instruments.

Results are presented for the fourth quarter and the full year 2008 and for the fourth quarter and the full year 2007. Information on liquidity and capital resources relates to end of the periods as of December 31, 2008, September 30, 2008, and December 31, 2007. Tables contained in this press release are comparable with those presented in the management's disclosure section of the Company's annual report and interim report. Non-GAAP financial measures and other performance indicators disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided by recommendation CESR/05-178b.

*Eni's Chief Financial Officer, Alessandro Bernini, in his position as manager responsible for the preparation of the Company's financial reports, certifies pursuant to rule 154-bis paragraph 2 of Legislative Decree No. 58/1998, that data and information disclosed in this press release correspond to the Company's evidence and accounting books and entries.*

### ***Cautionary statement***

This press release, in particular the statements under the section "Outlook", contains certain forward-looking statements particularly those regarding capital expenditures, development and management of oil and gas resources, dividends, share repurchases, allocation of future cash flow from operations, future operating performance, gearing, targets of production and sales growth, new markets, and the progress and timing of projects. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including the timing of bringing new fields on stream; management's ability in carrying out industrial plans and in succeeding in commercial transactions; future levels of industry product supply; demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; development and use of new technology; changes in public expectations and other changes in business conditions; the actions of competitors and other factors discussed elsewhere in this document.

Due to the seasonality in demand for natural gas and certain refined products and the changes in a number of external factors affecting Eni's operations, such as prices and margins of hydrocarbons and refined products, Eni's results from operations and changes in net borrowings for the fourth quarter of the year cannot be extrapolated on an annual basis.

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\* \* \*

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*This press release for the Fourth Quarter and Full Year results of 2008 (unaudited) is also available on the Eni web site: [www.eni.it](http://www.eni.it)*

**About Eni**

*Eni is one of the leading integrated energy companies in the world operating in the oil and gas, power generation, petrochemicals, engineering and construction industries. Eni is present in 70 countries and is Italy's largest company by market capitalization.*

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**Table of Contents****Summary result for the fourth quarter and the full year of 2008**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |   | Full Year 2007 | Full Year 2008 | % Ch.         |
|---------------------|--------------------|---------------------|------------------------|---|----------------|----------------|---------------|
| <b>25,378</b>       | <b>28,161</b>      | <b>24,607</b>       | <b>(3.0)</b>           | <b>Net sales from operations</b>                                  | <b>87,256</b>  | <b>108,190</b> | <b>24.0</b>   |
| <b>5,166</b>        | <b>6,276</b>       | <b>464</b>          | <b>(91.0)</b>          | <b>Operating profit</b>   | <b>18,868</b>  | <b>18,641</b>  | <b>(1.2)</b>  |
| (275)               | (334)              | 2,348               |                        | Exclusion of inventory holding (gains) losses                     | (620)          | 936            |               |
| 401                 | 259                | 1,266               |                        | Exclusion of special items  | 738            | 2,216          |               |
|                     |                    |                     |                        | <i>of which:</i>  |                |                |               |
| (48)                | (21)               |                     |                        | - non recurring items   | 8              | (21)           |               |
| 449                 | 280                | 1,266               |                        | - other special items   | 730            | 2,237          |               |
| <b>5,292</b>        | <b>6,201</b>       | <b>4,078</b>        | <b>(22.9)</b>          | <b>Adjusted operating profit</b>                                  | <b>18,986</b>  | <b>21,793</b>  | <b>14.8</b>   |
| <b>3,010</b>        | <b>2,941</b>       | <b>(874)</b>        | <b>..</b>              | <b>Net profit attributable to Eni</b>                             | <b>10,011</b>  | <b>8,825</b>   | <b>(11.8)</b> |
| (224)               | (187)              | 1,693               |                        | Exclusion of inventory holding (gains) losses                     | (499)          | 723            |               |
| (108)               | 136                | 1,124               |                        | Exclusion of special items  | (42)           | 653            |               |
|                     |                    |                     |                        | <i>of which:</i>  |                |                |               |
| (46)                | (21)               |                     |                        | - non recurring items   | 35             | (21)           |               |
| (62)                | 157                | 1,124               |                        | - other special items   | (77)           | 674            |               |
| <b>2,678</b>        | <b>2,890</b>       | <b>1,943</b>        | <b>(27.4)</b>          | <b>Adjusted net profit attributable to Eni</b>                    | <b>9,470</b>   | <b>10,201</b>  | <b>7.7</b>    |
| 159                 | 148                | 116                 | (27.0)                 | Adjusted net profit of minority interest                          | 624            | 631            | 1.1           |
| <b>2,837</b>        | <b>3,038</b>       | <b>2,059</b>        | <b>(27.4)</b>          | <b>Adjusted net profit</b>  | <b>10,094</b>  | <b>10,832</b>  | <b>7.3</b>    |
|                     |                    |                     |                        | Breakdown by division:  |                |                |               |
| 2,063               | 2,455              | 1,412               | (31.6)                 | Exploration & Production  | 6,491          | 8,008          | 23.4          |
| 894                 | 458                | 613                 | (31.4)                 | Gas & Power   | 2,936          | 2,650          | (9.7)         |
| (26)                | 147                | 191                 | ..                     | Refining & Marketing  | 319            | 510            | 59.9          |
| (91)                | (49)               | (89)                | (2.2)                  | Petrochemicals  | 57             | (306)          | ..            |
| 180                 | 203                | 213                 | 18.3                   | Engineering & Construction  | 658            | 784            | 19.1          |
| (47)                | (48)               | (117)               | ..                     | Other activities  | (210)          | (279)          | (32.9)        |
| (100)               | (161)              | (354)               | ..                     | Corporate and financial companies                                 | (141)          | (612)          | ..            |
| (36)                | 33                 | 190                 |                        | Impact of unrealized intragroup profit elimination <sup>(a)</sup> | (16)           | 77             |               |
|                     |                    |                     |                        | <b>Net profit attributable to Eni</b>                             |                |                |               |
| 0.82                | 0.81               | (0.24)              | ..                     | per ordinary share (euro)   | 2.73           | 2.43           | (11.0)        |
| 2.38                | 2.44               | (0.63)              | ..                     | per ADR (\$)  | 7.49           | 7.15           | (4.5)         |
|                     |                    |                     |                        | <b>Adjusted net profit attributable to Eni</b>                    |                |                |               |
| 0.73                | 0.79               | 0.54                | (26.0)                 | per ordinary share (euro)   | 2.58           | 2.80           | 8.5           |
| 2.12                | 2.38               | 1.42                | (33.0)                 | per ADR (\$)  | 7.07           | 8.24           | 16.5          |
| <b>3,661.0</b>      | <b>3,635.7</b>     | <b>3,622.4</b>      | <b>(1.1)</b>           | <b>Weighted average number of outstanding shares</b>              | <b>3,669.2</b> | <b>3,638.9</b> | <b>(0.8)</b>  |
|                     |                    |                     |                        | <sup>(b)</sup> (million)  |                |                |               |
| <b>2,468</b>        | <b>5,733</b>       | <b>6,113</b>        | <b>147.7</b>           | <b>Net cash provided by operating activities</b>                  | <b>15,517</b>  | <b>21,796</b>  | <b>40.5</b>   |
| <b>3,657</b>        | <b>3,112</b>       | <b>4,691</b>        | <b>28.3</b>            | <b>Capital expenditures</b>                                       | <b>10,593</b>  | <b>14,562</b>  | <b>37.5</b>   |

- (a) This item regards intragroup sales of goods, services and capital goods recorded among the assets of the purchasing business segment as of period end.  
 (b) Fully diluted.

## Trading environment indicators

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |   | Full Year 2007 | Full Year 2008 | % Ch.  |
|---------------------|--------------------|---------------------|------------------------|---|----------------|----------------|--------|
| 88.70               | 114.78             | 54.91               | (38.1)                 | Average price of Brent dated crude oil <sup>(a)</sup> | 72.52          | 96.99          | 33.7   |
| 1.449               | 1.504              | 1.317               | (9.1)                  | Average EUR/USD exchange rate <sup>(b)</sup>          | 1.371          | 1.471          | 7.3    |
| 61.21               | 76.32              | 41.69               | (31.9)                 | Average price in euro of Brent dated crude oil        | 52.90          | 65.93          | 24.6   |
| 4.07                | 6.37               | 7.72                | 89.7                   | Average European refining margin <sup>(c)</sup>       | 4.52           | 6.49           | 43.6   |
| 2.81                | 4.24               | 5.86                | ..                     | Average European refining margin in euro              | 3.30           | 4.41           | 33.6   |
| 4.7                 | 5.0                | 4.2                 | (10.6)                 | Euribor - three month rate (%)                        | 4.3            | 4.6            | 7.0    |
| 5.0                 | 2.9                | 2.7                 | (46.0)                 | Libor - three month dollar rate (%)                   | 5.3            | 2.9            | (45.3) |

(1) In USD per barrel. Source: Platt's Oilgram.

(2) Source: ECB.

(3) In USD per barrel FOB Mediterranean Brent dated crude oil. Source: Eni calculations based on Platt's Oilgram data.

**Table of Contents****Fourth quarter of 2008***Group results*

In the fourth quarter of 2008 Eni reported net loss of euro 874 million, compared with net profit of euro 3,010 million a year ago. The fourth quarter loss was incurred amidst an economic downturn that impacted the Group operating performance. In addition, the amount of the loss was significantly affected by certain exceptional items including an inventory write-down of euro 1,693 million and special charges of euro 1,124 million net, relating to fixed asset impairments, including proved and unproved oil and gas properties, petrochemical and refinery plants as well as service stations, environmental provisions, redundancy incentives, as well as provisions for risks on pending litigation.

**Eni's fourth quarter adjusted net profit** was euro 1,943 million compared with euro 2,678 million a year ago, down 27.4%. Adjusted net profit was calculated by excluding an inventory write-down of euro 1,693 million and special charges of euro 1,124 million net, resulting in an overall adjustment equal to an increase of euro 2,817 million.

*Results by division*

The decrease in the Group adjusted net profit was mainly due to lower results reported by:

- The **Exploration & Production** division reported a decrease of euro 651 million in adjusted net profit, down 31.6%, reflecting a weaker operating performance (down euro 1,365 million, or 33.1%) dragged down by lower oil realizations in dollars (down 42.9%) and higher amortization charges. These negative factors were partly offset by the favorable impact of the depreciation of the euro against the dollar (down 9.1%).
- The **Gas & Power** division reported decreased adjusted net profit (down euro 281 million, or 31.4%) reflecting a decline in operating performance (down euro 497 million, or 38%) mainly due to lower gas demand and lower sales margins due to the impact of unfavorable trends in exchange rates and to competitive pressure. These negatives were partly offset by the contribution of the acquisition of Distrigaz.

These reductions were partly offset by an increase in the adjusted net profit reported by:

- The **Refining & Marketing** division was up euro 217 million due to an improved operating performance (up euro 296 million) reflecting higher refining margins supported by a favorable trading environment and a higher retail market share achieved by marketing activities.
- The **Engineering & Construction** division was up euro 33 million, or 18.3%, driven by a better operating performance, up euro 48 million, or 19.2%, benefiting from the strong order patterns associated with the up phase of the oil cycle.

**Full year 2008***Group results*

**Eni's net profit for the full year** was euro 8,825 million compared with euro 10,011 million a year ago, down 11.8%. Reported operating profit was euro 18,641 million compared with euro 18,868 million a year ago, down 1.2% as the weaker operating performance reported by Eni's downstream businesses was partly offset by an improved performance in the Exploration & Production division driven by the strong pricing environment experienced until September 2008. The full year result was reduced as both higher financial charges (down euro 681 million) and income taxes (down euro 473 million) were recorded, the latter associated with higher taxes currently payable recorded by subsidiaries of the Exploration & Production division operating outside Italy.

Higher income taxes currently payable were partly offset by certain adjustments associated with deferred tax relating to:

- utilization of deferred tax liabilities recognized on higher carrying amounts of period-end inventories of oil, gas and refined products stated at the weighted-average cost with respect to their tax base according to the last-in-first-out

method. In fact, pursuant to the Law Decree No. 112 of June 25, 2008, energy companies in Italy<sup>(5)</sup> are required from 2008 to state inventories of hydrocarbons at the weighted-average cost for tax purposes as opposed to the previous Lifo evaluation and to recognize a one-off amount calculated

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(5) New provisions apply to companies that operate in the production and marketing of hydrocarbons and electricity, with annual revenues in excess of euro 25 million.

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by applying a special tax with a 16% rate on the difference between the two amounts. Accordingly, profit and loss benefited from the difference between utilization of deferred tax liabilities accrued on hydrocarbons inventories based on the previously applicable statutory tax rate of 33% and the mentioned one-off tax (for a total positive impact of euro 176 million);

- the impact of abovementioned Law Decree No. 112/2008 on certain deferred tax assets of Italian subsidiaries for an amount of euro 94 million;
- application of the Budget Law 2008 that provided an increase in limits whereby carrying amounts of assets and liabilities of consolidated subsidiaries can be recognized for tax purposes by paying a one-off amount calculated by applying a special tax with a 6% rate resulting in a net positive impact on profit and loss of euro 290 million;
- enactment of a renewed tax framework in Libya regarding oil companies operating in accordance with production sharing schemes. Based on the new provisions, the tax base of the Company's Libyan oil properties has been reassessed resulting in the partial utilization of previously accrued tax liabilities (euro 173 million).

**Eni's adjusted net profit** for the full year was euro 10,201 million compared with euro 9,470 million a year ago, up 7.7%. Adjusted net profit is calculated by excluding an inventory holding loss of euro 723 million and special charges of euro 653 million net, resulting in an overall adjustment equal to an increase of euro 1,376 million.

Special charges mainly related to fixed asset impairments, environmental provisions, redundancy incentives, as well as provisions for risks on pending litigation. In addition, the Company incurred an expense in the form of a contribution of euro 200 million to the solidarity fund pursuant to Italian Law Decree No. 112/2008 to be used to subsidize the gas bills for residential uses of less affluent citizens.

Special gains mainly regarded the abovementioned adjustments to deferred tax liabilities, and gains recorded on the divestment of certain assets in the Engineering & Construction and Refining & Marketing divisions.

*Results by division*

The increase in the Group adjusted net profit mainly reflected a higher result reported by:

- The **Exploration & Production** division achieved an increase of euro 1,517 million in adjusted net profit, up 23.4%, due to a better operating performance (up euro 3,365 million, or 23.9%) driven by higher realizations in dollars (oil up 24.2%; natural gas up 47.8%) and production growth (up 20.1 mmmboe). These improvements were partially offset by the appreciation of the euro against the dollar (up 7.3%), rising operating costs and higher amortization charges, also due to increased exploration activity (increasing by approximately euro 420 million at constant exchange rates).
- The **Refining & Marketing** division reported higher adjusted results (up euro 191 million, or 59.9%) as operating performance increased from a year ago (up euro 237 million, or 72%). This better result reflected both higher realized refining and marketing margins as the trading environment improved during the year and a higher retail market share was achieved.
- The **Engineering & Construction** division reported improved net profit (up euro 126 million, or 19.1%) driven by a better operating performance which was up euro 201 million, or 23.9%, due to favorable industry trends.

These increases were partly offset by weaker results reported by the Gas & Power and Petrochemicals divisions:

- The **Gas & Power** division reported a decreased adjusted net profit (down euro 286 million, or 9.7%) due to a weaker operating performance (down euro 551 million, or 13.5%). This shortfall was due to lower gas demand and stronger competitive pressures that particularly impacted the volume performance on the Italian market. These negatives were partly offset by increased international sales due to organic growth recorded in the European markets and the contribution of the acquisition of Distrigaz, as well as higher seasonal sales recorded in the first quarter. The regulated businesses in Italy and the international transportation activity delivered improved performance, reflecting higher handled volumes.
- The **Petrochemicals** division incurred a loss at both the operating level and the bottom line (down euro 465 million and euro 306 million respectively). This shortfall was due to a steep decline in commodity chemical margins, reflecting higher supply costs of oil-based feedstock and end-markets lower demand.





**Table of Contents****Liquidity and capital resources***Summarized Group Balance Sheet*

(million euro)

|   | Dec. 31, 2007 | Sep. 30, 2008 | Dec. 31, 2008 | Change vs<br>Dec. 31, 2007 | Change vs<br>Sep. 30, 2008 |
|---|---------------|---------------|---------------|----------------------------|----------------------------|
| Fixed assets  | 62,849        | 69,853        | 74,444        | 11,595                     | 4,591                      |
| Net working capital                                       | (3,006)       | (3,658)       | (6,622)       | (3,616)                    | (2,964)                    |
| Provisions for employee benefits                          | (935)         | (966)         | (947)         | (12)                       | 19                         |
| Net assets held for sale including related net borrowings | 286           | 505           | 68            | (218)                      | (437)                      |
| <b>Capital employed, net</b>                              | <b>59,194</b> | <b>65,734</b> | <b>66,943</b> | <b>7,749</b>               | <b>1,209</b>               |
| Shareholders' equity including minority interest          | 42,867        | 47,911        | 48,567        | 5,700                      | 656                        |
| Net borrowings  | 16,327        | 17,823        | 18,376        | 2,049                      | 553                        |
| <b>Total liabilities and shareholders' equity</b>         | <b>59,194</b> | <b>65,734</b> | <b>66,943</b> | <b>7,749</b>               | <b>1,209</b>               |

Period-end currency translation effects increased the carrying amounts of net capital employed and shareholders' equity by approximately euro 970 million and euro 1,070 million respectively, compared to 2007 year end amounts, and decreased net borrowings by euro 100 million. This increase was mainly driven by the depreciation of the euro against the dollar (at December 31, 2008 the euro/US\$ exchange rate was 1.392 as compared to 1.472 at December 31, 2007, down 5.4%).

**Fixed assets** amounted to euro 74,444 million, representing an increase of euro 11,595 million from December 31, 2007. The increase reflected capital expenditures incurred in the year (euro 14,562 million), the acquisition of assets and investments mainly related to the consolidation of Distrigaz SA (euro 2,932 million) and Burren Energy (euro 2,444 million) as well as the purchase of a number of assets (euro 1,471 million, including the 100% stake of First Calgary Petroleum, a 52% stake in the Hewett Unit in the North Sea and the full consolidation of Indian company Hindustan Oil Exploration Co) and currency translation effects. These additions were partly offset by depreciation, depletion and amortization charges and impairment losses incurred in the year (euro 9,815 million).

**Net working capital**<sup>(6)</sup> was in negative territory at euro 6,622 million decreasing by euro 3,616 million from December 31, 2007. This effect mainly resulted from: (i) proceeds on advances received from the partner Suez following the signing of a number of long-term gas and electricity supply contracts (euro 1,552 million); (ii) the put option granted to Publigaz (the Distrigaz minority shareholder) to divest its 31.25% stake in Distrigaz to Eni for a total amount of euro 1,495 million based on the same per-share price of the ongoing mandatory tender offer to minorities as part of the Distrigaz acquisition. This liability was recognized against the Group's net equity; (iii) an increase in tax currently payable due to the balance of income taxes accrued for the year. This was partially offset by a decrease recorded in net deferred tax liabilities for Italian companies and activities in Libya, while increased deferred tax liabilities were recognized upon the allocation of prices paid on the acquisitions of the year. The main increase in net working capital was associated with a change in fair value of certain cash flow hedges the Company entered into in 2007 to hedge the commodity risk on a portion of its oil and gas reserves.

**Shareholders' equity including minority interest** amounted to euro 48,567 million and increased by euro 5,700 million. This increase reflected net profit for the period (euro 9,558 million), a change in fair value evaluation of certain cash flow hedges taken to reserve (euro 1,211 million net of the related tax effect) and foreign currency translation effects. These increases were partly offset by the payment of dividends (euro 5,207 million, of which euro 4,910 million were paid by Eni SpA) as well as a deduction associated with the repurchase of shares in 2008 (euro 778

million).

At December 31, 2008 **net borrowings** amounted to euro 18,376 million and increased by euro 2,049 million from December 31, 2007 and by euro 553 million from September 30, 2008. The increase recorded in the quarter mainly related to capital expenditures for the period, the acquisition of the majority stake in Distrigaz SA and other assets (including the 100% stake of First Calgary Petroleum and a 52% stake in the Hewett Unit in the North Sea), as well as share repurchases.

These cash outflows were fund by cash inflow generated by operating activities in the quarter, including proceeds on advances received from the partner Suez.

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(6) More detailed information is provided in the section "Summarized Group Balance Sheet".

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**Table of Contents***Summarized Group Cash Flow Statement*

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> |  | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| <b>2,468</b>                       | <b>5,733</b>                      | <b>6,113</b>                       | <b>Net cash provided by operating activities</b>                           | <b>15,517</b>             | <b>21,796</b>             |
| (3,657)                            | (3,112)                           | (4,691)                            | Capital expenditures   | (10,593)                  | (14,562)                  |
| (1,198)                            | (190)                             | (3,610)                            | Acquisition of investments and businesses                                  | (9,909)                   | (5,848)                   |
|                                    | 63                                | 1,381                              | Acquired cash (net borrowings)   |                           | 1,543                     |
|                                    | (600)                             |                                    | Other cash flow related to capital expenditures, investments and disposals |                           |                           |
| 55                                 | 56                                | 631                                | Proceeds from disposals  | 659                       | 1,160                     |
| (2,393)                            | (2,728)                           | (21)                               | Dividends to Eni shareholders and shares repurchased                       | (5,263)                   | (5,688)                   |
| (67)                               | (41)                              | (73)                               | Dividends distributed and shares repurchased by subsidiaries               | (647)                     | (355)                     |
| (105)                              | (439)                             | (283)                              | Foreign exchange translation differences and other changes                 | 676                       | (95)                      |
| <b>(4,897)</b>                     | <b>(1,258)</b>                    | <b>(553)</b>                       | <b>CHANGE IN NET BORROWINGS</b>  | <b>(9,560)</b>            | <b>(2,049)</b>            |

In 2008, **net cash provided by operating activities** (euro 21,796 million) including proceeds on advances received from the partner Suez (euro 1,552 million) and cash from divestments (euro 1,160 million) were used to fund the majority of cash outflows relating to:

- (i) Capital expenditures totaling euro 14,562 million.
- (ii) Payment of dividend by Eni SpA (euro 4,910 million, euro 2,359 million related to the payment of an interim dividend for 2008), as well as dividend payment from certain consolidated subsidiaries to minorities (euro 288 million, mainly relating to Snam Rete Gas and Saipem).
- (iii) The acquisition of the majority stake of 57.243% in Distrigaz SA amounting to euro 2,751 million (euro 1,271 million net of the acquired cash).
- (iv) The completion of the acquisition of Burren Energy Plc (cash outflow in 2008 being euro 1,789 million or euro 1,695 million net of acquired cash; total cash consideration for this transaction amounted to euro 2,358 million which includes the amount of Burren's shares purchased in December 2007).
- (v) The purchase of certain upstream properties and gas storage assets related to the entire share capital of Canadian company First Calgary operating in Algeria, a 52% stake in the Hewett Unit in the North Sea, a 20% stake in Indian company Hindustan Oil Exploration Co. for a total amount of euro 944 million (including net borrowings acquired) as well as other investments in non-consolidated entities mainly related to funding requirements for an LNG project in Angola (euro 254 million).
- (vi) Share repurchases by the parent company Eni SpA for a total amount of euro 778 million.

*Dividends and share repurchases*

In 2008 total cash dividends to Eni shareholders amounted to euro 4,910 million (euro 4,583 million in 2007) of which euro 2,551 million pertained to the payment of the balance of the dividend for fiscal year 2007 and euro 2,359 million pertained to the payment of an interim dividend (euro 0.65 per share) for fiscal year 2008.

From January 1 to December 31, 2008 a total of 35.9 million own shares were purchased at a cost of euro 778 million (on average euro 21.672 per share). Since the beginning of the share buy-back plan (September 1, 2000), Eni has purchased 398.5 million of its own shares, equal to 9.95% of capital stock at issue, at a total cost of euro 6,971 million (for an average cost of euro 17.495 per share) representing 94.21% of the amount authorized by the Shareholders Meeting.

More details on balance sheet and cash flow are disclosed on page 38 and following pages.



**Table of Contents****Other information***Ascertainment by the European Commission of the level of competition in the European natural gas market*

As part of its activities to ascertain the level of competition in the European natural gas market, with Decision No. C (2006)1920/1 of May 5, 2006, the European Commission informed Eni that the Group companies were subject to an inquiry under Article 20, paragraph 4 of the European Regulation No. 1/2003 of the Council in order to verify the possible existence of any business conducts breaching European rules in terms of competition and intended to prevent access to the Italian natural gas wholesale market and to subdivide the market among few operators in the activity of supply and transport of natural gas. Similar actions have been performed by the Commission also against the main operators in natural gas in Germany, France, Austria and Belgium. In April 2007, the European Commission made known its decision to start a further stage of inquiry, as elements collected so far induced the suspicion that Eni adopted behaviors leading to "capacity hoarding and strategic underinvestment in the transmission system leading to the foreclosure of competitors and harm for competition and customers in one or more supply markets in Italy". Eni expects that the European Commission will likely end the ongoing inquiry stage soon and communicate the Company a statement of objections. On this basis the Company will be able to properly assess whether any potential charge against Eni is well or ill-founded, the extent of the Company's exposure to any contingent liability and the ability to make a reliable estimate of it. If a material development on such matter occurs before the end of the approval process of 2008 financial statements, the Company might lower the Group and the parent company 2008 earnings with respect to the amounts reported in the present press release.

*Pieve Vergonte proceeding*

Full disclosure about the Pieve Vergonte proceeding was furnished in Eni's interim consolidated financial report as of June 30, 2008. In the report it is disclosed that with a temporarily executive decision dated July 3, 2008 the District Court of Turin sentenced the subsidiary Syndial SpA (former EniChem) to compensate for environmental damages that were allegedly caused when EniChem managed an industrial plant at Pieve Vergonte during the 1990-1996 period. Specifically, the Court sentenced Syndial to pay the Italian Ministry of the Environment compensation amounting to euro 1,833.5 million, plus legal interests that accrue from the filing of the decision.

Syndial and Eni technical-legal consultants have considered the decision and the amount of the compensation to be without factual and legal basis and have concluded that a negative outcome of this proceeding is unlikely. Particularly, Eni and its subsidiary deem the amount of the environmental damage to be absolutely ill-founded as the sentence has been considered to lack sufficient elements to support such a material amount of the liability charged to Eni and its subsidiary with respect to the volume of pollutants ascertained by the Italian Environmental Minister.

As no development of the proceeding has occurred since the filing of the Court's decision, management confirmed its previous stance of making no provision for this proceeding on the basis of the abovementioned technical-legal advice, in concert with external consultants on accounting principles.

*Treaty of friendship between the Italian Republic and Libya*

The "Treaty of Friendship" between the Republic of Italy and Libya was enacted by Italy's upper house on February 3, 2009 and is about to be published shortly. This law under Article No. 3 has introduced a supplemental tax rate applicable to taxable income of such individual companies that engage in the exploration and production of hydrocarbons, where fixed assets, including both tangible and intangible assets and investments dedicated to oil and gas operations exceed 33% of their respective items in the balance sheet, also having a market capitalization in excess of euro 20 billion. This supplemental tax is due whenever taxes currently payable represent less than 19% of taxable income and is to be determined as the lower of the amount of income taxes up to 19% of taxable income and the amount resulting from applying a certain set of decreasing rates to companies' net equity as determined from individual financial statements.

This supplemental tax rate is due for 2009 and following years up to 2028. Eni believes that the parent company Eni SpA will likely fall within the scope of this supplemental tax rate based on the criteria set by the law to identify the persons subject to the new tax rate and the conditions regulating its enactment.



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*Continuing listing standards provided by Article No. 36 of Italian exchanges regulation about issuers that control subsidiaries incorporated or regulated in accordance with laws of extra-EU countries*

As of December 31, 2008, the provisions of Article No. 36 of Italian exchanges regulation in accordance with Italian continuing listing standards apply to Eni's subsidiaries Trans Tunisian Pipeline Co Ltd, Eni Congo SA, Eni Norge AS, Eni Petroleum Co Inc and NAOC - Nigerian Agip Oil Ltd, which fell within the scope of the regulation as of September 30, 2008. Eni has already adopted adequate procedures to ensure full compliance with the regulation.

*Eni SpA parent company preliminary accounts for 2008*

Eni's Board of Directors also took notice of Eni SpA's preliminary results for 2008 prepared in accordance with IFRSs. Net profit for the full year was euro 6,745 million (euro 6,600 million in 2007). The euro 145 million increase was mainly due to higher finance charges (down euro 2,049 million). These positives were partly offset by lower operating profit (down euro 1,877 million) due to fixed asset impairments and inventory write-down as well as a weaker performance of gas marketing activities, partly offset by an improved performance of upstream activities due to better prices of oil and gas, particularly in the first nine months of 2008.

*Financial and operating information by division for the fourth quarter and the full year 2008 is provided in the following pages.*

**Table of Contents****Exploration & Production**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b>   | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> | <b>% Ch. 4Q.<br/>08 vs 4Q. 07</b> |   | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> | <b>% Ch.</b> |
|--------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|---------------------------|---------------------------|--------------|
| <b>RESULTS <sup>(a)</sup></b>        |                                   |                                    |                                   |   |                           |                           |              |
| <b>8,038</b>                         | <b>8,879</b>                      | <b>6,623</b>                       | <b>(17.6)</b>                     | <b>Net sales from operations</b>                                  | <b>27,278</b>             | <b>33,391</b>             | <b>22.4</b>  |
| <b>3,929</b>                         | <b>5,252</b>                      | <b>2,105</b>                       | <b>(46.4)</b>                     | <b>Operating profit</b>   | <b>13,788</b>             | <b>16,415</b>             | <b>19.1</b>  |
| 198                                  | 33                                | 657                                |                                   | Exclusion of special items  | 263                       | 1,001                     |              |
| <i>of which:</i>                     |                                   |                                    |                                   |   |                           |                           |              |
| 1                                    |                                   |                                    |                                   | Non-recurring items   | (11)                      |                           |              |
| 197                                  | 33                                | 657                                |                                   | Other special items:  | 274                       | 1,001                     |              |
| 150                                  | 33                                | 646                                |                                   | - asset impairments   | 226                       | 989                       |              |
|                                      |                                   | 4                                  |                                   | - net gains on disposal of assets                                 |                           | 4                         |              |
| 5                                    | 4                                 | 2                                  |                                   | - provision for redundancy incentives                             | 6                         | 8                         |              |
| 42                                   | (4)                               | 5                                  |                                   | - other   | 42                        |                           |              |
| <b>4,127</b>                         | <b>5,285</b>                      | <b>2,762</b>                       | <b>(33.1)</b>                     | <b>Adjusted operating profit</b>                                  | <b>14,051</b>             | <b>17,416</b>             | <b>23.9</b>  |
| 4,080                                | 5,259                             | 2,722                              | (33.3)                            | Exploration & Production  | 13,785                    | 17,233                    | 25.0         |
| 47                                   | 26                                | 40                                 | (14.9)                            | Storage Business  | 266                       | 183                       | (31.2)       |
| 22                                   | 11                                | 18                                 |                                   | Net finance income (expense) <sup>(b)</sup>                       | 44                        | 52                        |              |
| 53                                   | 207                               | 139                                |                                   | Net income from investments <sup>(b)</sup>                        | 176                       | 609                       |              |
| (2,139)                              | (3,048)                           | (1,507)                            |                                   | Income taxes <sup>(b)</sup>                                       | (7,780)                   | (10,069)                  |              |
| 50.9                                 | 55.4                              | 51.6                               |                                   | Tax rate  | (%) 54.5                  | 55.7                      |              |
| <b>2,063</b>                         | <b>2,455</b>                      | <b>1,412</b>                       | <b>(31.6)</b>                     | <b>Adjusted net profit</b>  | <b>6,491</b>              | <b>8,008</b>              | <b>23.4</b>  |
| <i>Results also include:</i>         |                                   |                                    |                                   |   |                           |                           |              |
| 1,702                                | 1,508                             | 2,775                              | 63.0                              | amortization and depreciation                                     | 5,626                     | 7,542                     | 34.1         |
| <i>of which:</i>                     |                                   |                                    |                                   |   |                           |                           |              |
| 496                                  | 367                               | 634                                |                                   | exploration expenditures:   | 1,777                     | 2,057                     |              |
| 366                                  | 298                               | 473                                | 29.2                              | - amortization of exploratory drilling expenditures and other     | 1,370                     | 1,577                     | 15.1         |
|                                      |                                   |                                    |                                   | - amortization of geological and geophysical exploration expenses | 407                       | 480                       | 17.9         |
| 130                                  | 69                                | 161                                | 23.8                              |   |                           |                           |              |
| <b>2,063</b>                         | <b>2,051</b>                      | <b>3,032</b>                       | <b>47.0</b>                       | <b>Capital expenditures</b>                                       | <b>6,625</b>              | <b>9,545</b>              | <b>44.1</b>  |
| <i>of which:</i>                     |                                   |                                    |                                   |   |                           |                           |              |
| 462                                  | 334                               | 603                                | 30.5                              | - exploratory expenditures <sup>(c)</sup>                         | 1,659                     | 1,918                     | 15.6         |
| 76                                   | 50                                | 116                                | 52.6                              | - storage   | 145                       | 264                       | 82.1         |
| <b>Production <sup>(d) (e)</sup></b> |                                   |                                    |                                   |   |                           |                           |              |
| 1,048                                | 1,015                             | 1,079                              | 3.0                               | Liquids <sup>(f)</sup>  | (kbbbl/d) 1,020           | 1,026                     | 0.6          |
| 4,401                                | 4,302                             | 4,449                              | 0.8                               | Natural gas   | (mmcf/d) 4,114            | 4,424                     | 7.8          |
| <b>1,815</b>                         | <b>1,764</b>                      | <b>1,854</b>                       | <b>2.1</b>                        | <b>Total hydrocarbons</b>   | (kboe/d) <b>1,736</b>     | <b>1,797</b>              | <b>3.5</b>   |

**Average realizations**



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|              |              |              |               |                           |           |              |              |             |
|--------------|--------------|--------------|---------------|---------------------------|-----------|--------------|--------------|-------------|
| 81.32        | 99.77        | 46.47        | (42.9)        | Liquids <sup>(f)</sup>    | (\$/bbl)  | 67.70        | 84.05        | 24.2        |
| 6.10         | 9.14         | 8.36         | 36.9          | Natural gas               | (\$/mmcf) | 5.42         | 8.01         | 47.8        |
| <b>62.13</b> | <b>80.00</b> | <b>47.11</b> | <b>(24.2)</b> | <b>Total hydrocarbons</b> | (\$/boe)  | <b>53.17</b> | <b>68.13</b> | <b>28.1</b> |

**Average oil market prices**

|        |        |        |        |                         |            |        |        |      |
|--------|--------|--------|--------|-------------------------|------------|--------|--------|------|
| 88.70  | 114.78 | 54.91  | (38.1) | Brent dated             | (\$/bbl)   | 72.52  | 96.99  | 33.7 |
| 61.21  | 76.32  | 41.69  | (31.9) | Brent dated             | (euro/bbl) | 52.90  | 65.93  | 24.6 |
| 90.66  | 117.83 | 58.50  | (35.5) | West Texas Intermediate | (\$/bbl)   | 72.26  | 99.56  | 37.8 |
| 247.21 | 317.48 | 226.72 | (8.3)  | Gas Henry Hub           | (\$/kcm)   | 246.50 | 312.89 | 26.9 |

- (a) From 2008, adjusted operating profit is reported for the "Exploration & Production" and "Storage" businesses, within the Exploration & Production division. Prior period data have been restated accordingly.
- (b) Excluding special items.
- (c) Includes exploration bonuses.
- (d) Supplementary operating data is provided on page 46.
- (e) Includes Eni's share of production of equity-accounted entities.
- (f) Includes condensates.

**Table of Contents****Results**

The **Exploration & Production division reported adjusted net profit** of euro 1,412 million for **the fourth quarter 2008**, representing a decrease of euro 651 million from the fourth quarter 2007, or 31.6%. This was due to a weaker operating performance (down euro 1,365 million, or 33.1%), partly offset by lower income taxes (euro 632 million) and higher profit from investments, mainly related to dividends received by associate Nigeria LNG Ltd.

**Adjusted net profit of the Exploration & Production division for 2008** increased by euro 1,517 million or 23.4% from 2007 to euro 8,008 million. This was due to an improved operating performance (up euro 3,365 million, or 23.9%) and higher profit from investments, partly offset by higher adjusted tax rate (from 54.5% to 55.7%).

*Exploration & Production business*

**Adjusted operating profit** of the Exploration & Production business for **the fourth quarter of 2008** was euro 2,722 million, a decrease of euro 1,358 million from the fourth quarter of 2007, or 33.3%, due primarily to:

- Lower oil realizations in dollars (down 42.9%), partly offset by better realizations on gas (up 36.9%).
- Rising amortization charges taken in connection with development activities. This increase mainly reflected the consolidation of Burren assets that were acquired early in 2008 and the shift in portfolio towards higher complex projects.
- Higher exploratory expenses (approximately euro 100 million on a constant exchange rate basis).

These negatives were partly offset by the favorable impact of the depreciation of the euro against the dollar (up approximately euro 800 million).

**Adjusted operating profit** of the Exploration & Production business for **the full year** was euro 17,233 million, up euro 3,448 million or 25% from a year earlier. The improvement mainly reflected higher realizations in dollars (oil up 24.2%; natural gas up 47.8%) and increased production sales volumes (up 20.1 mmbbl). These improvements were partially offset by the appreciation of the euro against the dollar (down approximately euro 1,200 million), rising operating costs and higher amortization charges which were also incurred in connection with exploration activity (approximately euro 420 million on a constant exchange rate basis), as well as higher production royalties.

**Special charges** accounted for in the adjusted operating profit of euro 1,001 million for the full year (euro 657 million in the fourth quarter) mainly regarded impairments of proved and unproved properties mainly due to a revision of the oil price scenario and capital expenditures profile.

**Other special items** not accounted for in adjusted operating profit primarily regarded an adjustment to deferred tax associated with the enactment of a renewed tax framework in Libya applicable to oil companies operating in accordance with production sharing schemes. Based on the new provisions, the tax base of the Company's Libyan oil properties has been reassessed resulting in the partial utilization of previously accrued deferred tax liabilities.

**Liquids realizations for the fourth quarter** of \$46.47 per barrel decreased on average by 42.9% in dollar terms driven by lower Brent prices (down 38.1% from the fourth quarter of 2007). Eni's liquid realizations were increased by approximately \$1.36 per barrel as a result of the settlement of certain commodity derivatives relating to the sale of 11.5 mmbbl. This was part of a derivative transaction the Company entered into to hedge exposure to variability in future cash flows expected from the sale of a portion of the Company's proved reserves for an original amount of approximately 125.7 mmbbl in the 2008-2011 period, decreasing to 79.7 mmbbl by end of December 2008. These hedging transactions were undertaken in connection with the acquisition of oil and gas assets in Congo and in the Gulf of Mexico that were executed in 2007.

Natural gas realizations for the fourth quarter followed an opposite trend mainly due to the impact of time lags in the indexation mechanisms and were up 36.9% from a year ago.

**Liquids and gas realizations for the full year** increased on average by 28.1% in dollar terms driven by the strong market environment of the first nine months of the year. Eni's liquids realizations for the full year amounted to \$84.05 per barrel (up 24.2%) and were reduced by approximately \$4.13 per barrel due to the settlement of certain commodity derivatives relating to the sale of 46 mmbbl in the year, as follows: in the first three quarters of the year liquid realizations were reduced on average by \$6.02 per barrel from the sale of 34.5 million barrels;

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in the fourth quarter liquid realizations were increased by \$1.36 per barrel from the sale of 11.5 million barrels. Average gas realizations were supported by a favorable trading environment and also a better sales mix reflecting higher volumes marketed on the basis of spot prices on the US market.

Liquid realizations and the impact of commodity derivatives were as follows:

| Nine<br>Months | Liquids  |          | Fourth Quarter |       | Full Year |        |
|----------------|--|----------|----------------|-------|-----------|--------|
|                |  |          | 2007           | 2008  | 2007      | 2008   |
| 270.8          | Sales volumes  | (mmbbl)  | 92.5           | 93.6  | 366.7     | 364.3  |
| 34.5           | Sales volumes hedged by derivatives (cash flow hedges)   |          |                | 11.5  |           | 46.0   |
| 103.05         | Average realized price per barrel, excluding derivatives | (\$/bbl) | 81.32          | 45.12 | 67.70     | 88.17  |
| (6.02)         | Realized gains (losses) on derivatives                   |          |                | 1.36  |           | (4.13) |
| 97.03          | Average realized price per barrel                        |          | 81.32          | 46.47 | 67.70     | 84.05  |

*Storage business*

**Fourth quarter 2008 adjusted operating profit** reported by the natural gas storage business was euro 40 million (euro 183 million for the full year) down euro 7 million or 14.9% from the fourth quarter of 2007 (down euro 83 million or 31.2% from a year earlier).

**Operating review***Exploration & Production*

**Oil and natural gas production for the fourth quarter** amounted to 1,854 kboe/d, an increase of 39 kboe/d, or 2.1% compared with the fourth quarter of 2007. This improvement mainly reflected the benefit of acquired assets by Burren in Congo and Turkmenistan early in 2008 (for an overall increase of 32 kboe/d), organic growth achieved in Angola, Congo, Egypt, Pakistan and Venezuela. These positives were partly offset by the ongoing effect of damage to production facilities caused by hurricanes in the Gulf of Mexico in September 2008 (down 28 kboe/d), mature fields decline and production cuts by OPEC (down 9 kboe/d), as well as planned and unplanned facility downtime in the North Sea. Excluding the favorable impact of higher entitlements in PASs, production was almost in line with the fourth quarter of 2007 (down 0.6%). The share of oil and natural gas produced outside Italy was 90% (89% in the fourth quarter of 2007).

Liquids production was 1,079 kbbbl/d, an increase of 31 kbbbl/d from the fourth quarter of 2007, or 3.0%. Production increases were achieved in Congo and Turkmenistan, benefiting from Burren assets acquired in 2008, as well as Venezuela and Angola due to the better performance and production start-ups. Production decreases were reported mainly in Egypt and in Italy due to mature fields decline.

Natural gas production was 4,449 mmcf/d and increased by 48 mmcf/d from the fourth quarter 2007, up 0.8%, mainly in Egypt and Pakistan. Gas production decreased in the Gulf of Mexico due to above mentioned hurricane related impacts and in Italy, due to mature field declines.

**Oil and natural gas production for the full year 2008** averaged the record level of 1,797 kboe/d, an increase of 61 kboe/d, or 3.5%, from a year earlier. This improvement mainly benefited from the assets acquired in the Gulf of Mexico, Congo and Turkmenistan (up 62 kboe/d), as well as continuing production ramp-up in Angola, Congo, Egypt, Pakistan and Venezuela. These positives were partially offset by mature field declines as well as planned and

unplanned facility downtime in the North Sea and hurricane-related impacts in the Gulf of Mexico (down 11 kboe/d). Higher oil prices resulted in lower volume entitlements in Eni's PSAs and similar contractual schemes, down approximately 37 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 5.6%. The share of oil and natural gas produced outside Italy was 89% (88% in the full year 2007). Production of liquids amounted to 1,026 kbbbl/d and was up 0.6% from a year ago. The acquired assets in the Gulf of Mexico, Congo and Turkmenistan as well as field start-ups in Angola and Venezuela supported production growth.

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Production decreases were reported in the North Sea and Italy due to planned and unplanned facility downtime and mature field declines. In addition, volume entitlements associated with high oil prices were reported in the Company's PSAs.

Production of natural gas for the full year was 4,424 mmcf/d and increased by 310 mmcf/d, or 7.8%, from a year ago. The improvement was driven by growth in the Gulf of Mexico and Pakistan due to contribution of acquired assets and production ramp-up. Production decreased in Italy and the United Kingdom due to mature field declines.

**Estimated proved reserves of hydrocarbons pro-forma<sup>(a)</sup>**

|  |                | <b>Full Year<br/>2007<sup>(a)</sup></b> | <b>Full Year<br/>2008<sup>(b)</sup></b> | <b>% Ch.</b> |
|--|----------------|---|---|--------------|
| Estimated net proved reserves <sup>(c)</sup>   |                |   |   |              |
| Liquids  | (mmbbl)        | 3,219                                   | 3,335                                   | 3.6          |
| Natural gas                                    | (bcf)          | 18,090                                  | 18,748                                  | 3.7          |
| <b>Hydrocarbons</b>                            | <b>(mmboe)</b> | <b>6,370</b>                            | <b>6,600</b>                            | <b>3.6</b>   |
| <i>of which:</i>                               |                |   |   |              |
| Italy  |                | 747                                     | 681                                     | (8.8)        |
| Outside Italy                                  |                | 5,623                                   | 5,919                                   | 5.3          |
| <b>Estimated net proved developed reserves</b> |                |   |   |              |
| Liquids  | (mmbbl)        | 1,974                                   | 2,036                                   | 3.1          |
| Natural gas                                    | (bcf)          | 11,204                                  | 11,368                                  | 1.6          |
| <b>Hydrocarbons</b>                            | <b>(mmboe)</b> | <b>3,925</b>                            | <b>4,016</b>                            | <b>2.3</b>   |

(a) Includes a 30% stake of the reserves of the three equity-accounted Russian companies purchased as part of a bid procedure for assets of bankrupt Yukos and participated by Eni with a 60% interest, considering that Gazprom exercises a call option to acquire a 51% interest in these companies so as to dilute Eni's interest to 30%. Reserves of the 20% participated OAO Gazprom Neft were also excluded considering the call option attributed to Gazprom.

(b) Eni's proved reserves of the Kashagan field were determined based on Eni working interest of 18.52% as of December 31, 2007 and 16.81% as of December 31, 2008. The dilution of the participation interest implemented the final agreement reached in October 2008, with the Kazakh Authorities.

(c) Includes Eni's share of proved reserves of equity-accounted entities.

Eni's estimated proved reserves were determined taking into account Eni's share of proved reserves of equity-accounted entities. The 2008 year end amounts comprised 30% of proved reserves of the three equity-accounted Russian companies purchased in 2007 as part of a bid procedure for assets of bankrupt Russian company Yukos and participated by Eni with a 60% interest, considering that Gazprom exercises a call option to acquire a 51% interest in these companies. Based on this assumption, movements in Eni's 2007 estimated proved reserves were as follows:

|   |  |     |              |
|---|--|-----|--------------|
| (mmboe)   |  |     |              |
| <b>Estimated net proved reserves at December 31, 2007</b>   |  |     | <b>6,370</b> |
| Extensions, discoveries and other additions, revisions of previous estimates and improved recovery, excluding year-end price revision |  |     | 514          |
| Price effect  |  |     | 342          |
| Reserve additions   |  |     | 856          |
| Proved property acquisitions  |  |     | 91           |
| Sales of minerals-in-place  |  |     | (59)         |
| Production for the year   |  |     | (658)        |
| <b>Estimated net proved reserves at December 31, 2008</b>   |  |     | <b>6,600</b> |
| Reserve replacement ratio, all sources  |  | (%) | 135          |

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|   |     |    |
|---|-----|----|
| Reserve replacement ratio, all sources and excluding price effect | (%) | 83 |
|---|-----|----|

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Additions to proved reserves booked in 2008 were 856 million boe and derived from: (i) revision of previous estimates were 751 million boe, mainly related to higher entitlements reported in certain PSAs (up 342 million boe) resulting from lower year end oil prices from a year ago (Brent price was \$36.55 per barrel at December 31, 2008 compared to \$96.02 per barrel at December 31, 2007), net of downward revisions associated with marginal productions in certain mature fields. These revisions were reported in Angola, Kazakhstan and Libya; (ii) extensions and discoveries were 71 million boe, with major increases booked in Angola, Egypt, Nigeria, Norway and United States;

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(iii) improved recovery were 34 million boe mainly reported in Algeria, Angola, Congo and Libya. Acquisitions amounted to 91 million boe reflecting the contribution of the acquired Burren assets in Congo, Turkmenistan and India. Sales of reserves in place (59 million boe) related to the divestment of a 1.71% stake in the Kashagan project following the finalization of the agreements implementing the new contractual and the governance framework of the project effective January 1, 2008.

Eni achieved an all sources reserve replacement ratio<sup>(7)</sup> of 135% (136% under SEC reporting standards, based on reserve additions from Eni's consolidated subsidiaries). The average reserve life index is 10 years (10 years at December 31, 2007). Excluding the price effect, the replacement ratio would be 83%.

Eni's estimated proved reserves would be 6,908 mmbob including the proved reserves of the three Russian gas companies on the basis of Eni's current interest 60%. The average reserve life index is 10.5 years.

*Storage*

In the quarter, customers withdrew 1.5 bcm from the Company's storage deposits, a decrease of 1.1 bcm compared to the same period of 2007, due to the favorable weather conditions in the fourth quarter of 2007. For the full year, customers withdrew 5.3 bcm, barely unchanged from a year earlier, and injected 6.2 bcm, an increase of 2.2 bcm from a year earlier, due to stronger seasonal uplifts in the first part of the year.

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(7) Ratio of changes in proved reserves for the year resulting from revisions of previously reported reserves, improved recovery, extensions, discoveries and sales or purchases of minerals in place, to production for the year. A ratio higher than 100% indicates that more proved reserves were added than produced in a year. The Reserve Replacement Ratio is a measure used by management to indicate the extent to which production is replaced by proved oil and gas reserves. The Reserve Replacement Ratio is not an indicator of future production because the ultimate development and production of reserves is subject to a number of risks and uncertainties. These include the risks associated with the successful completion of large-scale projects, including addressing ongoing regulatory issues and completion of infrastructure, as well as changes in oil and gas prices, political risks and geological and other environmental risks.



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## Gas &amp; Power

| Fourth<br>Quarter<br>2007 | Third<br>Quarter<br>2008 | Fourth<br>Quarter<br>2008 | % Ch. 4Q.<br>08 vs 4Q. 07 |  | Full Year<br>2007  | Full Year<br>2008 | % Ch.         |
|---------------------------|--------------------------|---------------------------|---------------------------|--|--------------------|-------------------|---------------|
|                           |                          |                           |                           | <b>RESULTS</b> <sup>(a)</sup>                            | (million euro)     |                   |               |
| <b>8,696</b>              | <b>7,343</b>             | <b>12,701</b>             | <b>46.1</b>               | <b>Net sales from operations</b>                         | <b>27,633</b>      | <b>36,936</b>     | <b>33.7</b>   |
| <b>1,431</b>              | <b>700</b>               | <b>949</b>                | <b>(33.7)</b>             | <b>Operating profit</b>                                  | <b>4,127</b>       | <b>3,933</b>      | <b>(4.7)</b>  |
|                           |                          |                           |                           | Exclusion of inventory holding (gains)                   |                    |                   |               |
| (36)                      | (138)                    | (153)                     |                           | losses   | 44                 | (429)             |               |
| (86)                      | 2                        | 16                        |                           | Exclusion of special items                               | (79)               | 37                |               |
|                           |                          |                           |                           | <i>of which:</i>   |                    |                   |               |
| (43)                      |                          |                           |                           | Non-recurring items                                      | (61)               |                   |               |
| (43)                      | 2                        | 16                        |                           | <i>Other special items:</i>                              | (18)               | 37                |               |
| 13                        |                          | (2)                       |                           | - environmental charges                                  | 15                 | 12                |               |
|                           |                          | 1                         |                           | - asset impairments                                      |                    | 1                 |               |
|                           | 2                        | 5                         |                           | - net gains on disposal of assets                        |                    | 7                 |               |
| 15                        | 1                        | 12                        |                           | - provision for redundancy incentives                    | 38                 | 20                |               |
| (71)                      | (1)                      |                           |                           | - other  | (71)               | (3)               |               |
| <b>1,309</b>              | <b>564</b>               | <b>812</b>                | <b>(38.0)</b>             | <b>Adjusted operating profit</b>                         | <b>4,092</b>       | <b>3,541</b>      | <b>(13.5)</b> |
| 750                       | 175                      | 201                       | (73.2)                    | Marketing  | 2,228              | 1,469             | (34.1)        |
| 445                       | 267                      | 466                       | 4.7                       | Regulated businesses in Italy                            | 1,419              | 1,549             | 9.2           |
| 114                       | 122                      | 145                       | 27.2                      | International transport                                  | 445                | 523               | 17.5          |
| 3                         | 2                        | 2                         |                           | Net finance income (expense) <sup>(b)</sup>              | 11                 | 5                 |               |
| 124                       | 99                       | 88                        |                           | Net income from investments <sup>(b)</sup>               | 420                | 420               |               |
| (542)                     | (207)                    | (289)                     |                           | Income taxes <sup>(b)</sup>                              | (1,587)            | (1,316)           |               |
| 37.7                      | 31.1                     | 32.0                      |                           | Tax rate   | (%) 35.1           | 33.2              |               |
| <b>894</b>                | <b>458</b>               | <b>613</b>                | <b>(31.4)</b>             | <b>Adjusted net profit</b>                               | <b>2,936</b>       | <b>2,650</b>      | <b>(9.7)</b>  |
| <b>478</b>                | <b>383</b>               | <b>540</b>                | <b>13.0</b>               | <b>Capital expenditures</b>                              | <b>1,366</b>       | <b>1,794</b>      | <b>31.3</b>   |
|                           |                          |                           |                           | <b>Natural gas sales</b>                                 | (bcm)              |                   |               |
| <b>25.13</b>              | <b>16.83</b>             | <b>27.21</b>              | <b>8.3</b>                | <b>Sales of consolidated subsidiaries</b>                | <b>84.83</b>       | <b>89.32</b>      | <b>5.3</b>    |
| 16.15                     | 10.97                    | 13.28                     | (17.8)                    | - Italy (includes own consumption)                       | 56.08              | 52.82             | (5.8)         |
| 8.81                      | 5.52                     | 13.77                     | 56.3                      | - Rest of Europe   | 27.86              | 35.61             | 27.8          |
| 0.17                      | 0.34                     | 0.16                      | (5.9)                     | - Outside Europe   | 0.89               | 0.89              |               |
| <b>2.74</b>               | <b>1.97</b>              | <b>2.47</b>               | <b>(9.9)</b>              | <b>Eni's share of sales of natural gas of affiliates</b> | <b>8.74</b>        | <b>8.91</b>       | <b>1.9</b>    |
| <b>27.87</b>              | <b>18.80</b>             | <b>29.68</b>              | <b>6.5</b>                | <b>Total sales and own consumption (G&amp;P)</b>         | <b>93.57</b>       | <b>98.23</b>      | <b>5.0</b>    |
| 1.88                      | 1.37                     | 1.31                      | (30.3)                    | E&P in Europe and in the Gulf of Mexico                  | 5.39               | 6.00              | 11.3          |
| <b>29.75</b>              | <b>20.17</b>             | <b>30.99</b>              | <b>4.2</b>                | <b>Worldwide gas sales</b>                               | <b>98.96</b>       | <b>104.23</b>     | <b>5.3</b>    |
| <b>24.41</b>              | <b>18.02</b>             | <b>22.26</b>              | <b>(8.8)</b>              | <b>Gas volumes transported in Italy</b>                  | (bcm)              |                   |               |
| 15.08                     | 11.39                    | 13.15                     | (12.8)                    | Eni  | 52.39              | 51.80             | (1.1)         |
| 9.33                      | 6.63                     | 9.11                      | (2.4)                     | On behalf of third parties                               | 30.89              | 33.84             | 9.6           |
| <b>8.28</b>               | <b>7.62</b>              | <b>6.94</b>               | <b>(16.2)</b>             | <b>Electricity sold</b>                                  | (TWh) <b>33.19</b> | <b>29.93</b>      | <b>(9.8)</b>  |

- (a) From 2008, adjusted operating profit is reported for the same businesses as EBITDA pro-forma adjusted. Results of the Power generation activity are reported within the Marketing business as it is ancillary to the latter. Results from Regulated businesses in Italy include results from Transport, Distribution and Re-gasification service activities in Italy. Prior period data have been restated accordingly.
- (b) Excluding special items.

## Results

In the **fourth quarter** the Gas & Power division reported adjusted operating profit of euro 812 million, representing a decrease of euro 497 million or 38% from the fourth quarter of 2007 mainly related to a reduction in operating profit delivered by marketing activities.

Adjusted net profit for the fourth quarter was euro 613 million, a decrease of euro 281 million or 31.4% over the fourth quarter of 2007. This decrease reflected lower operating profit partly offset by a reduction of adjusted tax rate (from 37.7% to 32%).

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Special charges for the quarter amounted to euro 16 million mainly reported in Italy by the regulated businesses regarding redundancy incentives (euro 12 million) and losses on asset disposal (euro 5 million).

For the **full year**, the Gas & Power division reported adjusted operating profit of euro 3,541 million, a decrease of euro 551 million or 13.5% from 2007. This decrease reflected lower results recorded by marketing activities, partially offset by an improved performance delivered by the regulated businesses in Italy and the international transportation.

Special charges for the full year amounted to euro 37 million (euro 7 million reported by the marketing business and euro 30 million reported by the regulated businesses in Italy) mainly regarding provisions for environmental charges, redundancy incentives and losses on asset disposal.

Adjusted net profit for the full year was euro 2,650 million, decreasing by euro 286 million from 2007 (down 9.7%). The reduction of adjusted tax rate (from 35.1% to 33.2%) helped to offset a weaker operating performance (down of euro 551 million).

## **Operating review**

### *Marketing*

This business reported **adjusted operating profit** of euro 201 million for **the fourth quarter**, representing a decrease of euro 549 million or 73.2% from the fourth quarter of 2007. This shortfall was due to lower operating performance delivered by marketing activities reflecting:

- Lower gas sales volumes of in Italy (down 17.8%) related to the impact of lower gas demand on all market segments due to the current economic downturn.
  - Lower gas selling margins, mainly in Italy, reflecting unfavorable trends in exchange rates and competitive pressures.
  - Lower sales volumes of electricity (down 16.2%) reflecting lower production availability and weak demand.
- These negatives were partly offset by the contribution of the acquisition of Distrigaz (up euro 90 million).

**For the full year, adjusted operating profit** was euro 1,469 million, representing a decrease of euro 759 million or 34.1% from 2007 mainly due to:

- Lower sales volumes of gas in Italy related to the impact of lower gas demand.
  - A negative trading environment particularly related to movements in exchange rates.
  - The fact that certain provisions accrued in previous reporting periods were partially recycled through 2007 profit and loss due to favorable developments with Italy's regulatory framework. Those provisions were originally accrued due to the implementation of Resolution No. 248/2004 and following ones by the Italian Authority for Electricity and Gas regarding the indexation mechanism of the raw material cost in supply contracts to resellers and residential customers;
  - Lower sales volumes of electricity (down 9.8%) reflecting lower production availability and weak demand.
- These negatives were partly offset by higher international sales volumes that were achieved particularly in European markets, the contribution of the acquisition of Distrigaz (up euro 90 million), and stronger weather-related sales recorded in the first quarter.

**Table of Contents****GAS SALES BY MARKET**

(bcm)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> | <b>% Ch. 4Q.<br/>08 vs 4Q. 07</b> |  | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> | <b>% Ch.</b> |
|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|--|---------------------------|---------------------------|--------------|
| <b>16.17</b>                       | <b>10.97</b>                      | <b>13.30</b>                       | <b>(17.7)</b>                     | <b>Italy</b>                                 | <b>56.13</b>              | <b>52.87</b>              | <b>(5.8)</b> |
| 2.66                               | 0.78                              | 2.29                               | (13.9)                            | - Wholesalers                                | 10.01                     | 7.52                      | (24.9)       |
| 1.00                               | 0.73                              | 0.43                               | (57.0)                            | - Gas release                                | 2.37                      | 3.28                      | 38.4         |
| 0.31                               | 0.78                              | 0.59                               | 90.3                              | - Italian exchange for gas and spot markets  | 1.90                      | 1.89                      | (0.5)        |
| 3.39                               | 2.15                              | 2.69                               | (20.6)                            | - Industries                                 | 12.77                     | 10.64                     | (16.7)       |
| 2.94                               | 2.06                              | 2.32                               | (21.1)                            | <i>Industries</i>                            | 11.77                     | 9.59                      | (18.5)       |
| 0.45                               | 0.09                              | 0.37                               | (17.8)                            | <i>Medium-sized enterprises and services</i> | 1.00                      | 1.05                      | 5.0          |
| 5.08                               | 4.68                              | 3.97                               | (21.9)                            | - Power generation                           | 17.21                     | 17.69                     | 2.8          |
| 2.14                               | 0.43                              | 2.07                               | (3.3)                             | - Residential                                | 5.79                      | 6.22                      | 7.4          |
| 1.59                               | 1.42                              | 1.26                               | (20.8)                            | - Own consumption                            | 6.08                      | 5.63                      | (7.4)        |
| <b>13.58</b>                       | <b>9.20</b>                       | <b>17.69</b>                       | <b>30.3</b>                       | <b>International sales</b>                   | <b>42.83</b>              | <b>51.36</b>              | <b>19.9</b>  |
| 3.35                               | 1.54                              | 2.87                               | (14.3)                            | - Importers in Italy                         | 10.67                     | 11.25                     | 5.4          |
| 7.76                               | 5.53                              | 13.08                              | 68.6                              | - European markets                           | 24.35                     | 31.78                     | 30.5         |
| 2.05                               | 1.95                              | 1.86                               | (9.3)                             | <i>Iberian Peninsula</i>                     | 6.91                      | 7.44                      | 7.7          |
| 1.64                               | 0.82                              | 1.82                               | 11.0                              | <i>Germany-Austria</i>                       | 5.03                      | 5.29                      | 5.2          |
|                                    |                                   | 4.57                               | ..                                | <i>Belgium</i>                               |                           | 4.57                      | ..           |
| 1.22                               | 0.30                              | 0.93                               | (23.8)                            | <i>Hungary</i>                               | 2.74                      | 2.82                      | 2.9          |
| 0.90                               | 0.74                              | 1.00                               | 11.1                              | <i>Northern Europe</i>                       | 3.15                      | 3.21                      | 1.9          |
| 1.29                               | 1.08                              | 1.21                               | (6.2)                             | <i>Turkey</i>                                | 4.62                      | 4.93                      | 6.7          |
| 0.57                               | 0.43                              | 1.20                               | ..                                | <i>France</i>                                | 1.62                      | 2.66                      | 64.2         |
| 0.09                               | 0.21                              | 0.49                               | ..                                | <i>Other</i>                                 | 0.28                      | 0.86                      | ..           |
| 0.59                               | 0.76                              | 0.43                               | (27.1)                            | - Extra European markets                     | 2.42                      | 2.33                      | (3.7)        |
| 1.88                               | 1.37                              | 1.31                               | (30.3)                            | - E&P in Europe and in the Gulf of Mexico    | 5.39                      | 6.00                      | 11.3         |
| <b>29.75</b>                       | <b>20.17</b>                      | <b>30.99</b>                       | <b>4.2</b>                        | <b>Worldwide gas sales</b>                   | <b>98.96</b>              | <b>104.23</b>             | <b>5.3</b>   |

**Fourth quarter natural gas sales** were 30.99 bcm, an increase of 1.24 bcm or 4.2% from the fourth quarter of 2007 mainly due to the contribution of the acquisition of Distrigaz (up 5.23 bcm). Sales included own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and the Gulf of Mexico.

In Italy, sales volumes decreased by 2.87 bcm, or 17.7%, to 13.30 bcm reflecting the impact of lower gas demand on all market segments due to the current economic downturn.

Main decreases were recorded in supplies to the power generation segment (down 1.11 bcm), industrial customers (down 0.70 bcm) and wholesalers (down 0.37 bcm).

International sales increased by 4.11 bcm (or up 30.3%) to 17.69 bcm mainly due to the contribution of the acquisition of Distrigaz and organic growth on European target markets.

Excluding the contribution of the acquisition of Distrigaz, international sales of 12.46 bcm were down by 1.12 bcm, or 8.2%. Main decreases were due to lower supplies to importers to Italy (down 0.48 bcm, or 14.3%) and to markets outside Europe (down 0.16 bcm, or 27.1%).

Notwithstanding the current economic downturn, sale volumes to European markets performed fairly well (up by 0.09 bcm, or 1.2%), mainly in France (up 0.23 bcm) as a result of marketing initiatives, and in Germany-Austria (up 0.12

bcm). Gas sales in Hungary decreased by 0.29 bcm due to the unfavorable weather conditions, and the Iberian Peninsula (down 0.19 bcm).

**Full year natural gas sales** were 104.23 bcm, an increase of 5.27 bcm or 5.3% from 2007 due to the contribution of the acquisition of Distrigaz (up 5.23 bcm). Sales included own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and the Gulf of Mexico.

In Italy, volumes decreased by 3.26 bcm, or 5.8%, to 52.87 bcm reflecting lower supplies despite favorable weather conditions recorded in the first quarter. This reduction related to wholesalers (down 2.49 bcm), and industrial customers (down 2.13 bcm) mainly relating to lower gas demand, competitive pressures and the gas release program<sup>(8)</sup> (up 0.91 bcm) agreed upon by Eni and the Italian Antitrust Authority late in 2007.

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(8) Eni and the Italian Antitrust Authority settled a procedure relating to the use of regasification capacity at the Panigaglia regasification plant. Terms of this settlement provide for the sale of 4 bcm of gas over a twenty-four month period effective October 1, 2007 at the entry point in the Italian gas transport system.

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These negatives were partly offset by higher supplies to the power generation segment (up 0.48 bcm) and higher seasonal sales to residential customers (up 0.43 bcm).

International sales were up 8.53 bcm, or 19.9%, to 51.36 bcm reflecting the contribution of the acquisition of Distrigaz and the organic growth recorded in the European target markets. Excluding the impact of Distrigaz, a 3.30 bcm increase was achieved in:

- European markets, where volumes increased by 2.20 bcm, or 9%, mainly in France (up 0.64 bcm), the Iberian Peninsula (up 0.53 bcm), Turkey (up 0.31 bcm), and Germany-Austria (up 0.20 bcm).
- Sales to importers to Italy, up 0.58 bcm, or 5.4%, due to the circumstance that in 2007 a larger portion of these sales was replaced with direct sales in Italy.
- Exploration & Production sales were up 0.61 bcm or 11.3% reflecting production ramp-up in the Gulf of Mexico.

**Fourth quarter electricity sales** were 6.94 TWh, down 16.2% from the fourth quarter of 2007 due to lower production availability and weak demand reflecting economic downturn. Maintenance downtime at Eni's operated plants in Brindisi, Ravenna and Livorno affected production availability. Lower sales volumes mainly related to lower sales to the Italian Power Exchange.

**Full year electricity sales** were 29.93 TWh, down 9.8% from 2007 mainly due to lower availability of electricity production. This decrease mainly reflected lower sales to the Italian Power Exchange, partly offset by increased sales on open markets.

*Regulated businesses in Italy*

These businesses reported **adjusted operating profit** of euro 466 million for **the fourth quarter of 2008**, up euro 21 million, or 4.7% from the same period of 2007, mainly reflecting a higher operating performance reported by the Transport business.

**Adjusted operating profit for 2008** was euro 1,549 million, representing an increase of euro 130 million or 9.2% from 2007. The increase was delivered by both the Distribution business, up euro 48 million, and the Transport business, up euro 82 million, as a result of higher volumes transported mainly reflecting strong seasonal factors, recognition in tariff of expenditures incurred for network upgrading and lower operating expenses.

In the **fourth quarter of 2008**, **volumes of gas transported** decreased by 2.15 bcm, or 8.8%, to 22.26 bcm, from the fourth quarter of 2007, mainly due to lower gas consumptions on all market segments relating to the current economic downturn.

In **2008**, **volumes of gas transported** increased by 2.36 bcm, or 2.8%, to 85.64 bcm, from 2007.

*International transport*

These businesses reported **adjusted operating profit** of euro 145 million for **the fourth quarter of 2008** (euro 523 million in 2008), up euro 31 million, or 27.2% from the same period of 2007 (up of euro 78 million, or 17.5% in 2008) mainly reflecting higher volumes transported due to the full operations of TTPC gas transportation infrastructure capacity upgrading.

Table of Contents**Other performance indicators**

(million euro)

| Fourth<br>Quarter<br>2007 | Third<br>Quarter<br>2008 | Fourth<br>Quarter<br>2008 | % Ch. 4Q.<br>08 vs 4Q. 07 |                                  | Full Year<br>2007 | Full Year<br>2008 | % Ch.         |
|---------------------------|--------------------------|---------------------------|---------------------------|----------------------------------|-------------------|-------------------|---------------|
| 1,592                     | 781                      | 1,043                     | (34.5)                    | <b>EBITDA pro-forma adjusted</b> | <b>5,077</b>      | <b>4,466</b>      | <b>(12.0)</b> |
| 981                       | 378                      | 411                       | (58.1)                    | Marketing                        | 3,068             | 2,310             | (24.7)        |
|                           |                          | 118                       |                           | <i>of which Distrigaz</i>        |                   | 118               |               |
| 426                       | 228                      | 421                       | (1.2)                     | Regulated businesses in Italy    | 1,289             | 1,401             | 8.7           |
| 185                       | 175                      | 211                       | 14.1                      | International transport          | 720               | 755               | 4.9           |

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) on an adjusted basis is calculated by adding amortization and depreciation charges to adjusted operating profit on a pro forma basis.

This performance indicator, which is not a GAAP measure under either IFRS or U.S. GAAP, includes:

- The full adjusted EBITDA of Eni's consolidated subsidiaries except for Snam Rete Gas that is included according to Eni's share of equity (55.59% as of December 31, 2008), although being fully consolidated when preparing consolidated financial statements in accordance with IFRS, due to its status of listed company.
- Eni's share of adjusted EBITDA generated by certain affiliates which are accounted for under the equity method for IFRS purposes.

Management also evaluates performance in Eni's Gas & Power division on the basis of this measure taking account of the evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided with the intent to assist investors and financial analysts in assessing the Eni Gas & Power divisional performance as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities.

**Table of Contents****Refining & Marketing**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b>                     | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> | <b>% Ch. 4Q.<br/>08 vs 4Q. 07</b> |  | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> | <b>% Ch.</b> |
|--|-----------------------------------|------------------------------------|-----------------------------------|--|---------------------------|---------------------------|--------------|
| <b>RESULTS</b> (million euro)                          |                                   |                                    |                                   |  |                           |                           |              |
| <b>10,469</b>  | <b>13,860</b>                     | <b>6,919</b>                       | <b>(33.9)</b>                     | <b>Net sales from operations</b>                       | <b>36,401</b>             | <b>45,053</b>             | <b>23.8</b>  |
| <b>27</b>  | <b>375</b>                        | <b>(2,245)</b>                     | <b>..</b>                         | <b>Operating profit</b>                                | <b>729</b>                | <b>(1,023)</b>            | <b>..</b>    |
|  |                                   |                                    |                                   | Exclusion of inventory holding (gains)                 |                           |                           |              |
| (252)  | (218)                             | 2,233                              |                                   | losses   | (658)                     | 1,199                     |              |
| 130  | 28                                | 213                                |                                   | Exclusion of special items                             | 258                       | 390                       |              |
| <i>of which:</i>                                       |                                   |                                    |                                   |  |                           |                           |              |
| (2)  | (21)                              |                                    |                                   | Non-recurring items                                    | 35                        | (21)                      |              |
| 132  | 49                                | 213                                |                                   | Other special items:                                   | 223                       | 411                       |              |
| 54   | 22                                | 48                                 |                                   | - environmental charges                                | 128                       | 76                        |              |
| 57   | 1                                 | 149                                |                                   | - asset impairments                                    | 58                        | 299                       |              |
|  | 10                                | 3                                  |                                   | - net gains on disposal of assets                      |                           | 13                        |              |
| 9  |                                   |                                    |                                   | - risk provisions                                      | 9                         |                           |              |
| 12   | 4                                 | 13                                 |                                   | - provision for redundancy incentives                  | 31                        | 23                        |              |
|  | 12                                |                                    |                                   | - other  | (3)                       |                           |              |
| <b>(95)</b>  | <b>185</b>                        | <b>201</b>                         | <b>..</b>                         | <b>Adjusted operating profit</b>                       | <b>329</b>                | <b>566</b>                | <b>72.0</b>  |
|  |                                   | 1                                  |                                   | Net finance income (expense) <sup>(a)</sup>            |                           | 1                         |              |
| 14   | 47                                | 63                                 |                                   | Net income from investments <sup>(a)</sup>             | 126                       | 174                       |              |
| 55   | (85)                              | (74)                               |                                   | Income taxes <sup>(a)</sup>                            | (136)                     | (231)                     |              |
| 67.9   | 36.6                              | 27.9                               |                                   | Tax rate   | (%) 29.9                  | 31.2                      |              |
| <b>(26)</b>  | <b>147</b>                        | <b>191</b>                         | <b>..</b>                         | <b>Adjusted net profit</b>                             | <b>319</b>                | <b>510</b>                | <b>59.9</b>  |
| <b>429</b>   | <b>193</b>                        | <b>422</b>                         | <b>(1.6)</b>                      | <b>Capital expenditures</b>                            | <b>979</b>                | <b>965</b>                | <b>(1.4)</b> |
| <b>Global indicator refining margin</b>                |                                   |                                    |                                   |  |                           |                           |              |
| 4.07   | 6.37                              | 7.72                               | 89.7                              | Brent  | (\$/bbl) 4.52             | 6.49                      | 43.6         |
| 2.81   | 4.24                              | 5.86                               | ..                                | Brent  | (euro/bbl) 3.30           | 4.41                      | 33.6         |
| 6.12   | 8.50                              | 9.61                               | 57.0                              | Brent/Ural   | (\$/bbl) 6.45             | 8.85                      | 37.2         |
| <b>Refinery throughputs and sales</b> (mmtonnes)       |                                   |                                    |                                   |  |                           |                           |              |
| Refinery throughputs on own account                    |                                   |                                    |                                   |  |                           |                           |              |
| 8.07   | 7.75                              | 7.73                               | (4.2)                             | Italy  | 32.45                     | 30.39                     | (6.3)        |
| Refinery throughputs on own account                    |                                   |                                    |                                   |  |                           |                           |              |
| 1.34   | 1.37                              | 1.34                               |                                   | Rest of Europe   | 4.70                      | 5.45                      | 16.0         |
| <b>9.41</b>  | <b>9.12</b>                       | <b>9.07</b>                        | <b>(3.6)</b>                      | <b>Refinery throughputs on own account</b>             | <b>37.15</b>              | <b>35.84</b>              | <b>(3.5)</b> |
| <b>Refinery throughputs of wholly-owned refineries</b> |                                   |                                    |                                   |  |                           |                           |              |
| <b>7.05</b>  | <b>6.71</b>                       | <b>6.19</b>                        | <b>(12.2)</b>                     | <b>Refinery throughputs of wholly-owned refineries</b> | <b>27.79</b>              | <b>25.59</b>              | <b>(7.9)</b> |
| 2.20   | 2.28                              | 2.29                               | 4.1                               | Retail sales Italy                                     | 8.62                      | 8.81                      | 2.2          |
| 1.09   | 1.06                              | 0.77                               | (29.4)                            | Retail sales Rest of Europe                            | 4.03                      | 3.86                      | (4.2)        |
| <b>3.29</b>  | <b>3.34</b>                       | <b>3.06</b>                        | <b>(7.0)</b>                      | <b>Sub-total retail sales</b>                          | <b>12.65</b>              | <b>12.67</b>              | <b>0.2</b>   |
| 2.97   | 2.90                              | 2.89                               | (2.7)                             | Wholesale Italy  | 11.09                     | 11.15                     | 0.5          |
| 1.18   | 1.28                              | 0.95                               | (19.5)                            | Wholesale Rest of Europe                               | 4.39                      | 4.77                      | 8.7          |
| 0.16   | 0.15                              | 0.18                               | 12.5                              | Wholesale Rest of World                                | 0.57                      | 0.61                      | 7.0          |
| 6.29   | 7.34                              | 5.03                               | (20.0)                            | Other sales  | 21.45                     | 21.48                     | 0.1          |



| 13.89                                  | 15.01 | 12.11 | (12.8) | Sales          | 50.15 | 50.68 | 1.1   |
|--|-------|-------|--------|----------------|-------|-------|-------|
| <b>Refined product sales by region</b> |       |       |        |                |       |       |       |
| 7.36                                   | 7.09  | 7.52  | 2.2    | Italy          | 28.05 | 28.92 | 3.1   |
| 2.27                                   | 2.34  | 1.72  | (24.2) | Rest of Europe | 8.42  | 8.63  | 2.5   |
| 4.26                                   | 5.58  | 2.87  | (32.6) | Rest of World  | 13.68 | 13.13 | (4.0) |

(a) Excluding special items.

## Results

In the **fourth quarter of 2008**, the Refining & Marketing division reported an **adjusted operating profit** of euro 201 million, an increase of euro 296 million from a year ago. The refinery activity reflected a favorable environment, partly offset by the narrowing of heavy crude differentials that reduced the profitability of Eni's complex refineries. In addition, refining throughputs were lower from a year ago due to unplanned refinery downtime.

Marketing activities in Italy reported higher operating results due mainly to a recovery in selling margins and an increased market share in retail as a result of marketing activities.

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**Adjusted net profit for the fourth quarter** was euro 191 million, up euro 217 million, mainly due to a better operating performance and higher profits of equity-accounted entities. These positives were partly offset by increased income taxes.

In **2008** the Refining & Marketing division reported an **adjusted operating profit** of euro 566 million, an increase of euro 237 million, or 72%, from a year ago. The improvement reflected a favorable refining environment (Brent margin was 6.49 \$/bbl, up 43.6% from 2007 partly offset by higher planned and unplanned refinery downtime, the euro's appreciation against the dollar and rising refining utility expenses.

Marketing activities in Italy reported higher operating results due to a recovery in selling margins and increased sales volumes as a result of an increased market share. Wholesale sales reported increasing operating results due to higher margins.

**Adjusted net profit** for 2008 was euro 510 million, up euro 191 million, or 59.9%, mainly due to a better operating performance and higher profits of equity-accounted entities. These positives were partly offset by increased income taxes.

Special charges excluded from adjusted operating profit amounted to euro 213 million for the quarter and euro 390 million for 2008, mainly related to refinery and fuel distribution plant impairments due to unfavorable trading environment, as well as environmental charges. Other special items not accounted for in adjusted net profit mainly related to net gains on disposal of the entire share capital of the subsidiary Agip España SA (euro 15 million).

**Operating Review**

Eni's refining throughputs for the **fourth quarter of 2008** were 9.07 mmt tonnes, down 3.6% from the fourth quarter of 2007. Volumes processed in Italy decreased by 4.2% due to planned and unplanned refinery downtime at the Taranto and Gela plants, partly offset by a good performance at the Milazzo and Sannazzaro plants.

Volumes processed outside Italy were unchanged from a year ago (1.34 mmt tonnes).

Sales of refined products for the fourth quarter of 2008 increased by 1.78 mmt tonnes, or 12.8%, to 12.11 mmt tonnes compared to the fourth quarter of 2007. This increase was mainly due to higher volumes supplied to oil companies and traders and higher sales on retail and wholesale markets in the rest of Europe.

Retail sales in Italy (2.29 mmt tonnes) recorded a marginal increase of 90 ktonnes, as compared to the fourth quarter of 2007, despite a decline in domestic fuel consumption.

Market share in Italy reached 31.7% as a result of marketing activities that were designed mainly to support volumes at "Iperself" service stations.

Wholesale sales in Italy (2.89 mmt tonnes) decreased by 80 ktonnes due to a reduction in kerosene sales for aviation, partly offset higher consumption in the bunker market.

Retail sales in the rest of Europe (approximately 770 ktonnes) decreased by 320 ktonnes, or 29.4%, mainly reflecting lower volumes marketed in Spain due to the disposal of service stations and Germany and Austria due to weaker consumption.

Wholesale sales (approximately 950 ktonnes) decreased by 230 ktonnes compared to the fourth quarter of 2007 mainly reflecting decreased volumes marketed in Spain due to disposals, Slovakia, Austria and Germany while higher volumes were marketed in the Czech Republic and Switzerland.

In **2008** Eni's refining throughputs were 35.84 mmt tonnes, down 3.5% from 2007. Volumes processed in Italy decreased by 6.3% due to planned and unplanned refinery downtime at the Taranto, Venice and Gela plants, as well as lower volumes at the Livorno refinery due to a challenging refining environment in the first half of the year. The increase recorded outside Italy was mainly due to higher capacity entitlements at the Ceska Rafinerska following the purchase of an additional ownership interest made in 2007 partly offset by lower volumes at the German refinery.



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Sales of refined products for 2008 increased by approximately 530 ktonnes, or 1.1%, to 50.68 mtonnes from 2007. This increase was mainly due to higher volumes supplied to oil companies and traders, as well as higher sales on retail and wholesale markets in Italy and wholesale markets in the rest of Europe.

Retail sales in Italy (8.81 mtonnes) increased by 190 ktonnes, or 2.2%, from 2007, despite a decrease recorded in domestic consumption, due to marketing activities. Market share increased from 29.2% to 30.6%.

Wholesale sales in Italy (11.15 mtonnes) increased by 60 ktonnes mainly due to higher consumption in the Bunker market, as well as a growth in gasoil sales.

Retail sales in the rest of Europe (3.86 mtonnes) decreased by 170 ktonnes, or 4.2%, mainly reflecting lower volumes from the service stations in Spain, due to the divestment of downstream activities to Galp, and Germany partly offset by higher volumes marketed in Czech Republic, Hungary and Slovakia due to the contribution of the service stations acquired in the fourth quarter of 2007.

Wholesale sales in the rest of Europe (4.77 mtonnes) increased by 380 ktonnes, or 8.7%, from 2007. This was due to increased volumes marketed in the Czech Republic and Switzerland, while lower volumes were marketed in Spain, Austria, France and Germany.

**Table of Contents****Profit and loss account**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> | <b>% Ch. 4Q.<br/>08 vs 4Q. 07</b> |   | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> | <b>% Ch.</b>  |
|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|---------------------------|---------------------------|---------------|
| 25,378                             | 28,161                            | 24,607                             | (3.0)                             | Net sales from operations                             | 87,256                    | 108,190                   | 24.0          |
| 218                                | 56                                | 258                                | 18.3                              | Other income and revenues                             | 827                       | 720                       | (12.9)        |
| (18,248)                           | (20,029)                          | (20,887)                           | 14.5                              | Operating expenses                                    | (61,979)                  | (80,454)                  | 29.8          |
| 48                                 | 21                                |                                    |                                   | - of which non recurring items                        | (8)                       | 21                        |               |
| (2,182)                            | (1,912)                           | (3,514)                            | (61.0)                            | Depreciation, depletion, amortization and impairments | (7,236)                   | (9,815)                   | (35.6)        |
| <b>5,166</b>                       | <b>6,276</b>                      | <b>464</b>                         | <b>(91.0)</b>                     | <b>Operating profit</b>                               | <b>18,868</b>             | <b>18,641</b>             | <b>(1.2)</b>  |
| (56)                               | (198)                             | (505)                              | ..                                | Finance income (expense)                              | (83)                      | (764)                     | ..            |
| 257                                | 347                               | 157                                | (38.9)                            | Net income from investments                           | 1,243                     | 1,373                     | 10.5          |
| <b>5,367</b>                       | <b>6,425</b>                      | <b>116</b>                         | <b>(97.8)</b>                     | <b>Profit before income taxes</b>                     | <b>20,028</b>             | <b>19,250</b>             | <b>(3.9)</b>  |
| (2,183)                            | (3,336)                           | (874)                              | 60.0                              | Income taxes  | (9,219)                   | (9,692)                   | (5.1)         |
| 40.7                               | 51.9                              | ..                                 |                                   | Tax rate (%)  | 46.0                      | 50.3                      |               |
| 3,184                              | 3,089                             | (758)                              | ..                                | Net profit  | 10,809                    | 9,558                     | (11.6)        |
|                                    |                                   |                                    |                                   | <i>Attributable to:</i>                               |                           |                           |               |
| <b>3,010</b>                       | <b>2,941</b>                      | <b>(874)</b>                       | <b>..</b>                         | <b>- Eni</b>  | <b>10,011</b>             | <b>8,825</b>              | <b>(11.8)</b> |
| 174                                | 148                               | 116                                | (33.3)                            | - minority interest                                   | 798                       | 733                       | (8.1)         |
| <b>3,010</b>                       | <b>2,941</b>                      | <b>(874)</b>                       | <b>..</b>                         | <b>Net profit attributable to Eni</b>                 | <b>10,011</b>             | <b>8,825</b>              | <b>(11.8)</b> |
| (224)                              | (187)                             | 1,693                              |                                   | Exclusion of inventory holding (gain) loss            | (499)                     | 723                       |               |
| (108)                              | 136                               | 1,124                              |                                   | Exclusion of special items:                           | (42)                      | 653                       |               |
|                                    |                                   |                                    |                                   | <i>of which:</i>                                      |                           |                           |               |
| (46)                               | (21)                              |                                    |                                   | - non recurring items                                 | 35                        | (21)                      |               |
| (62)                               | 157                               | 1,124                              |                                   | - other special items                                 | (77)                      | 674                       |               |
| <b>2,678</b>                       | <b>2,890</b>                      | <b>1,943</b>                       | <b>(27.4)</b>                     | <b>Adjusted net profit attributable to Eni</b>        | <b>9,470</b>              | <b>10,201</b>             | <b>7.7</b>    |

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## Non-GAAP Measures

**Reconciliation of reported operating profit and reported net profit to results on an adjusted basis**

Management evaluates Group and business performance on the basis of adjusted operating profit and adjusted net profit, which are arrived at by excluding inventory holding gains or losses and special items. Further, finance charges on finance debt, interest income, gains or losses deriving from evaluation of certain derivative financial instruments at fair value through profit or loss as they do not meet the formal criteria to be assessed as hedges under IFRS, and exchange rate differences are excluded when determining adjusted net profit of each business segment. The taxation effect of the items excluded from adjusted net profit is determined based on the specific rate of taxes applicable to each item. The Italian statutory tax rate of 33% is applied to finance charges and income recorded by companies in the energy sector, whilst a tax rate of 27.5% is applied to all other companies from January 1, 2008 (33% in previous reporting periods for all companies).

Adjusted operating profit and adjusted net profit are non-GAAP financial measures under either IFRS, or U.S. GAAP. Management includes them in order to facilitate a comparison of base business performance across periods and allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models. In addition, management uses segmental adjusted net profit when calculating return on average capital employed (ROACE) by each business segment.

The following is a description of items that are excluded from the calculation of adjusted results.

**Inventory holding gain or loss** is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting.

**Special items** include certain significant income or charges pertaining to either: (i) infrequent or unusual events and transactions, being identified as non-recurring items under such circumstances; or (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (CONSOB), non recurring material income or charges are to be clearly reported in the management's discussion and financial tables.

**Finance charges or income** related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. In addition gains or losses on the fair value evaluation of abovementioned derivative financial instruments and exchange rate differences are excluded from the adjusted net profit of business segments. Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment-operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production division). Finance charges or interest income and related taxation effects excluded from the adjusted net profit of the business segments are allocated on the aggregate Corporate and financial companies.

For a reconciliation of adjusted operating profit and adjusted net profit to reported operating profit and reported net profit see tables below.



**Table of Contents****Fourth quarter of 2008**

|   | <b>E&amp;P</b> | <b>G&amp;P</b> | <b>R&amp;M</b> | <b>Petrochemicals</b> | <b>Engineering<br/>&amp;<br/>Construction</b> | <b>Other<br/>activities</b> | <b>Corporate<br/>and<br/>financial<br/>companies</b> | <b>Impact of<br/>unrealized<br/>intragroup<br/>profit<br/>elimination</b> | <b>Group</b> |              |
|---|----------------|----------------|----------------|-----------------------|---|-----------------------------|--|---|--------------|--------------|
| (million euro)                                |                |                |                |                       |   |                             |  |   |              |              |
| <b>Reported operating profit</b>              |                | <b>2,105</b>   | <b>949</b>     | <b>(2,245)</b>        | <b>(472)</b>                                  | <b>302</b>                  | <b>(153)</b>   | <b>(323)</b>  | <b>301</b>   | <b>464</b>   |
| Exclusion of inventory holding (gains) losses |                |                | (153)          | 2,233                 | 268   |                             |  |   |              | 2,348        |
| <b>Exclusion of special items</b>             |                |                |                |                       |   |                             |  |   |              |              |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| <b>Non-recurring (income) charges</b>         |                |                |                |                       |   |                             |  |   |              |              |
| <b>Other special (income) charges:</b>        |                | <b>657</b>     | <b>16</b>      | <b>213</b>            | <b>113</b>                                    | <b>(4)</b>                  | <b>62</b>  | <b>209</b>  |              | <b>1,266</b> |
| environmental charges                         |                |                | (2)            | 48                    |   |                             | 73   | 120   |              | 239          |
| asset impairments                             |                | 646            | 1              | 149                   | 106   |                             | 2  |   |              | 904          |
| net gains on disposal of assets               |                | 4              | 5              | 3                     |   | (4)                         | (1)  |   |              | 7            |
| risk provisions                               |                |                |                |                       |   |                             | (16)   |   |              | (16)         |
| provision for redundancy incentives           |                | 2              | 12             | 13                    | 7   |                             | 2  | 14  |              | 50           |
| other   |                | 5              |                |                       |   |                             | 2  | 75  |              | 82           |
| <b>Special items of operating profit</b>      |                | <b>657</b>     | <b>16</b>      | <b>213</b>            | <b>113</b>                                    | <b>(4)</b>                  | <b>62</b>  | <b>209</b>  |              | <b>1,266</b> |
| <b>Adjusted operating profit</b>              |                | <b>2,762</b>   | <b>812</b>     | <b>201</b>            | <b>(91)</b>                                   | <b>298</b>                  | <b>(91)</b>  | <b>(114)</b>  | <b>301</b>   | <b>4,078</b> |
| Net finance (expense) income <sup>(a)</sup>   |                | 18             | 2              | 1                     | 1   | 1                           | (27)   | (501)   |              | (505)        |
| Net income from investments <sup>(a)</sup>    |                | 139            | 88             | 63                    | (11)  | 13                          | 1  |   |              | 293          |
| Income taxes <sup>(a)</sup>                   |                | (1,507)        | (289)          | (74)                  | 12  | (99)                        |  | 261   | (111)        | (1,807)      |
| <i>Tax rate (%)</i>                           |                | <i>51.6</i>    | <i>32.0</i>    | <i>27.9</i>           |   | <i>31.7</i>                 |  |   |              | <i>46.7</i>  |
| <b>Adjusted net profit</b>                    |                | <b>1,412</b>   | <b>613</b>     | <b>191</b>            | <b>(89)</b>                                   | <b>213</b>                  | <b>(117)</b>   | <b>(354)</b>  | <b>190</b>   | <b>2,059</b> |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - adjusted net profit of minority interest    |                |                |                |                       |   |                             |  |   |              | 116          |
| <b>- Eni s adjusted net profit</b>            |                |                |                |                       |   |                             |  |   |              | <b>1,943</b> |
| <b>Eni reported net profit</b>                |                |                |                |                       |   |                             |  |   |              | <b>(874)</b> |
| Exclusion of inventory holding (gains) losses |                |                |                |                       |   |                             |  |   |              | 1,693        |
| Exclusion of special items:                   |                |                |                |                       |   |                             |  |   |              | 1,124        |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - non-recurring items                         |                |                |                |                       |   |                             |  |   |              |              |
| - other special items                         |                |                |                |                       |   |                             |  |   |              | 1,124        |
| <b>Eni s adjusted net profit</b>              |                |                |                |                       |   |                             |  |   |              | <b>1,943</b> |

(a) Excluding special items.



**Table of Contents****Fourth Quarter of 2007**

|   | <b>E&amp;P</b> | <b>G&amp;P</b> | <b>R&amp;M</b> | <b>Petrochemicals</b> | <b>Engineering<br/>&amp;<br/>Construction</b> | <b>Other<br/>activities</b> | <b>Corporate<br/>and<br/>financial<br/>companies</b> | <b>Impact of<br/>unrealized<br/>intragroup<br/>profit<br/>elimination</b> | <b>Group</b> |              |
|---|----------------|----------------|----------------|-----------------------|---|-----------------------------|--|---|--------------|--------------|
| (million euro)                                |                |                |                |                       |   |                             |  |   |              |              |
| <b>Reported operating profit</b>              |                | <b>3,929</b>   | <b>1,431</b>   | <b>27</b>             | <b>(142)</b>                                  | <b>236</b>                  | <b>(162)</b>   | <b>(95)</b>   | <b>(58)</b>  | <b>5,166</b> |
| Exclusion of inventory holding (gains) losses |                |                | (36)           | (252)                 | 13  |                             |  |   |              | (275)        |
| <b>Exclusion of special items</b>             |                |                |                |                       |   |                             |  |   |              |              |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| <b>Non-recurring (income) charges</b>         |                | <b>1</b>       | <b>(43)</b>    | <b>(2)</b>            | <b>(8)</b>                                    | <b>7</b>                    | <b>(4)</b>   | <b>1</b>  |              | <b>(48)</b>  |
| <b>Other special (income) charges:</b>        |                | <b>197</b>     | <b>(43)</b>    | <b>132</b>            | <b>8</b>                                      | <b>7</b>                    | <b>118</b>   | <b>30</b>   |              | <b>449</b>   |
| environmental charges                         |                |                | 13             | 54                    |   |                             | 127  | 12  |              | 206          |
| asset impairments                             |                | 150            |                | 57                    |   |                             | 4  |   |              | 211          |
| risk provisions                               |                |                |                | 9                     |   |                             | 4  | 3   |              | 16           |
| provision for redundancy incentives           |                | 5              | 15             | 12                    | 8   | 7                           | 5  | 15  |              | 67           |
| other   |                | 42             | (71)           |                       |   |                             | (22)   |   |              | (51)         |
| <b>Special items of operating profit</b>      |                | <b>198</b>     | <b>(86)</b>    | <b>130</b>            |   | <b>14</b>                   | <b>114</b>   | <b>31</b>   |              | <b>401</b>   |
| <b>Adjusted operating profit</b>              |                | <b>4,127</b>   | <b>1,309</b>   | <b>(95)</b>           | <b>(129)</b>                                  | <b>250</b>                  | <b>(48)</b>  | <b>(64)</b>   | <b>(58)</b>  | <b>5,292</b> |
| Net finance (expense) income <sup>(a)</sup>   |                | 22             | 3              |                       |   |                             | (4)  | (100)   |              | (79)         |
| Net income from investments <sup>(a)</sup>    |                | 53             | 124            | 14                    | (1)   | 13                          | 5  | 4   |              | 212          |
| Income taxes <sup>(a)</sup>                   |                | (2,139)        | (542)          | 55                    | 39  | (83)                        |  | 60  | 22           | (2,588)      |
| <i>Tax rate (%)</i>                           |                | <i>50.9</i>    | <i>37.7</i>    | <i>67.9</i>           |   | <i>31.6</i>                 |  |   |              | <i>47.7</i>  |
| <b>Adjusted net profit</b>                    |                | <b>2,063</b>   | <b>894</b>     | <b>(26)</b>           | <b>(91)</b>                                   | <b>180</b>                  | <b>(47)</b>  | <b>(100)</b>  | <b>(36)</b>  | <b>2,837</b> |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - adjusted net profit of minority interest    |                |                |                |                       |   |                             |  |   |              | 159          |
| <b>- Eni s adjusted net profit</b>            |                |                |                |                       |   |                             |  |   |              | <b>2,678</b> |
| <b>Eni reported net profit</b>                |                |                |                |                       |   |                             |  |   |              | <b>3,010</b> |
| Exclusion of inventory holding (gains) losses |                |                |                |                       |   |                             |  |   |              | (224)        |
| Exclusion of special items:                   |                |                |                |                       |   |                             |  |   |              | (108)        |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - non-recurring items                         |                |                |                |                       |   |                             |  |   |              | (46)         |
| - other special items                         |                |                |                |                       |   |                             |  |   |              | (62)         |
| <b>Eni s adjusted net profit</b>              |                |                |                |                       |   |                             |  |   |              | <b>2,678</b> |

(a) Excluding special items.

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|   | E&P           | G&P           | R&M          | Petrochemicals | Engineering<br>&<br>Construction | Other<br>activities | Corporate<br>and<br>financial<br>companies | Impact of<br>unrealized<br>intragroup<br>profit<br>elimination | Group      |               |
|---|---------------|---------------|--------------|----------------|----------------------------------|---------------------|--|--|------------|---------------|
| (million euro)                                |               |               |              |                |                                  |                     |  |  |            |               |
| <b>Reported operating profit</b>              |               | <b>16,415</b> | <b>3,933</b> | <b>(1,023)</b> | <b>(822)</b>                     | <b>1,045</b>        | <b>(346)</b>                               | <b>(686)</b>   | <b>125</b> | <b>18,641</b> |
| Exclusion of inventory holding (gains) losses |               |               | (429)        | 1,199          | 166                              |                     |  |  |            | 936           |
| <b>Exclusion of special items</b>             |               |               |              |                |                                  |                     |  |  |            |               |
| <i>of which:</i>                              |               |               |              |                |                                  |                     |  |  |            |               |
| <b>Non-recurring (income) charges</b>         |               |               |              |                | (21)                             |                     |  |  |            | (21)          |
| <b>Other special (income) charges:</b>        | <b>1,001</b>  | <b>37</b>     | <b>411</b>   | <b>281</b>     | <b>(4)</b>                       | <b>102</b>          | <b>409</b>                                 |  |            | <b>2,237</b>  |
| environmental charges                         |               |               | 12           | 76             |                                  |                     | 101  | 120  |            | 309           |
| asset impairments                             |               | 989           | 1            | 299            | 278                              |                     | 5  |  |            | 1,572         |
| net gains on disposal of assets               |               | 4             | 7            | 13             | (5)                              | (4)                 | (14)                                       | (9)  |            | (8)           |
| risk provisions                               |               |               |              |                |                                  |                     | 4  |  |            | 4             |
| provision for redundancy incentives           |               | 8             | 20           | 23             | 8                                |                     | 4  | 28   |            | 91            |
| other   |               |               | (3)          |                |                                  |                     | 2  | 270  |            | 269           |
| <b>Special items of operating profit</b>      | <b>1,001</b>  | <b>37</b>     | <b>390</b>   | <b>281</b>     | <b>(4)</b>                       | <b>102</b>          | <b>409</b>                                 |  |            | <b>2,216</b>  |
| <b>Adjusted operating profit</b>              | <b>17,416</b> | <b>3,541</b>  | <b>566</b>   | <b>(375)</b>   | <b>1,041</b>                     | <b>(244)</b>        | <b>(277)</b>                               | <b>125</b>   |            | <b>21,793</b> |
| Net finance (expense) income <sup>(a)</sup>   |               | 52            | 5            | 1              | 1                                | 1                   | (39)                                       | (785)  |            | (764)         |
| Net income from investments <sup>(a)</sup>    |               | 609           | 420          | 174            | (9)                              | 49                  | 4  | 5  |            | 1,252         |
| Income taxes <sup>(a)</sup>                   |               | (10,069)      | (1,316)      | (231)          | 77                               | (307)               |  | 445  | (48)       | (11,449)      |
| <i>Tax rate (%)</i>                           |               | 55.7          | 33.2         | 31.2           |                                  | 28.1                |  |  |            | 51.4          |
| <b>Adjusted net profit</b>                    | <b>8,008</b>  | <b>2,650</b>  | <b>510</b>   | <b>(306)</b>   | <b>784</b>                       | <b>(279)</b>        | <b>(612)</b>                               | <b>77</b>  |            | <b>10,832</b> |
| <i>of which:</i>                              |               |               |              |                |                                  |                     |  |  |            |               |
| - adjusted net profit of minority interest    |               |               |              |                |                                  |                     |  |  |            | 631           |
| <b>- Eni s adjusted net profit</b>            |               |               |              |                |                                  |                     |  |  |            | <b>10,201</b> |
| <b>Eni reported net profit</b>                |               |               |              |                |                                  |                     |  |  |            | <b>8,825</b>  |
| Exclusion of inventory holding (gains) losses |               |               |              |                |                                  |                     |  |  |            | 723           |
| Exclusion of special items:                   |               |               |              |                |                                  |                     |  |  |            | 653           |
| <i>of which:</i>                              |               |               |              |                |                                  |                     |  |  |            |               |
| - non-recurring items                         |               |               |              |                |                                  |                     |  |  |            | (21)          |
| - other special items                         |               |               |              |                |                                  |                     |  |  |            | 674           |
| <b>Eni s adjusted net profit</b>              |               |               |              |                |                                  |                     |  |  |            | <b>10,201</b> |

(a) Excluding special items.

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| 2007  | E&P | G&P           | R&M          | Petrochemicals | Engineering<br>&<br>Construction | Other<br>activities | Corporate<br>and<br>financial<br>companies | Impact of<br>unrealized<br>intragroup<br>profit<br>elimination | Group       |               |
|---|-----|---------------|--------------|----------------|----------------------------------|---------------------|--|--|-------------|---------------|
| <i>(million euro)</i>                         |     |               |              |                |                                  |                     |  |  |             |               |
| <b>Reported operating profit</b>              |     | <b>13,788</b> | <b>4,127</b> | <b>729</b>     | <b>74</b>                        | <b>837</b>          | <b>(444)</b>                               | <b>(217)</b>   | <b>(26)</b> | <b>18,868</b> |
| Exclusion of inventory holding (gains) losses |     |               | 44           | (658)          | (6)                              |                     |  |  |             | (620)         |
| <b>Exclusion of special items</b>             |     |               |              |                |                                  |                     |  |  |             |               |
| <i>of which:</i>                              |     |               |              |                |                                  |                     |  |  |             |               |
| <b>Non-recurring (income) charges</b>         |     | <b>(11)</b>   | <b>(61)</b>  | <b>35</b>      | <b>(2)</b>                       | <b>(4)</b>          | <b>61</b>                                  | <b>(10)</b>  |             | <b>8</b>      |
| <b>Other special (income) charges:</b>        |     | <b>274</b>    | <b>(18)</b>  | <b>223</b>     | <b>24</b>                        | <b>7</b>            | <b>176</b>                                 | <b>44</b>  |             | <b>730</b>    |
| environmental charges                         |     |               | 15           | 128            |                                  |                     | 210  | 12   |             | 365           |
| asset impairments                             |     | 226           |              | 58             |                                  |                     | 6  |  |             | 290           |
| risk provisions                               |     |               |              | 9              |                                  |                     | 13   |  |             | 22            |
| provision for redundancy incentives           |     | 6             | 38           | 31             | 24                               | 7                   | 18   | 32   |             | 156           |
| other   |     | 42            | (71)         | (3)            |                                  |                     | (71)                                       |  |             | (103)         |
| <b>Special items of operating profit</b>      |     | <b>263</b>    | <b>(79)</b>  | <b>258</b>     | <b>22</b>                        | <b>3</b>            | <b>237</b>                                 | <b>34</b>  |             | <b>738</b>    |
| <b>Adjusted operating profit</b>              |     | <b>14,051</b> | <b>4,092</b> | <b>329</b>     | <b>90</b>                        | <b>840</b>          | <b>(207)</b>                               | <b>(183)</b>   | <b>(26)</b> | <b>18,986</b> |
| Net finance (expense) income <sup>(a)</sup>   |     | 44            | 11           |                | 1                                |                     | (8)  | (154)  |             | (106)         |
| Net income from investments <sup>(a)</sup>    |     | 176           | 420          | 126            | 1                                | 80                  | 5  | 4  |             | 812           |
| Income taxes <sup>(a)</sup>                   |     | (7,780)       | (1,587)      | (136)          | (35)                             | (262)               |  | 192  | 10          | (9,598)       |
| <i>Tax rate (%)</i>                           |     | <i>54.5</i>   | <i>35.1</i>  | <i>29.9</i>    |                                  | <i>28.5</i>         |  |  |             | <i>48.7</i>   |
| <b>Adjusted net profit</b>                    |     | <b>6,491</b>  | <b>2,936</b> | <b>319</b>     | <b>57</b>                        | <b>658</b>          | <b>(210)</b>                               | <b>(141)</b>   | <b>(16)</b> | <b>10,094</b> |
| <i>of which:</i>                              |     |               |              |                |                                  |                     |  |  |             |               |
| - adjusted net profit of minority interest    |     |               |              |                |                                  |                     |  |  |             | 624           |
| <b>- Eni s adjusted net profit</b>            |     |               |              |                |                                  |                     |  |  |             | <b>9,470</b>  |
| <b>Eni reported net profit</b>                |     |               |              |                |                                  |                     |  |  |             | <b>10,011</b> |
| Exclusion of inventory holding (gains) losses |     |               |              |                |                                  |                     |  |  |             | (499)         |
| Exclusion of special items:                   |     |               |              |                |                                  |                     |  |  |             | (42)          |
| <i>of which:</i>                              |     |               |              |                |                                  |                     |  |  |             |               |
| - non-recurring items                         |     |               |              |                |                                  |                     |  |  |             | 35            |
| - other special items                         |     |               |              |                |                                  |                     |  |  |             | (77)          |
| <b>Eni s adjusted net profit</b>              |     |               |              |                |                                  |                     |  |  |             | <b>9,470</b>  |

(a) Excluding special items.

**Table of Contents****Third Quarter of 2008**

|   | <b>E&amp;P</b> | <b>G&amp;P</b> | <b>R&amp;M</b> | <b>Petrochemicals</b> | <b>Engineering<br/>&amp;<br/>Construction</b> | <b>Other<br/>activities</b> | <b>Corporate<br/>and<br/>financial<br/>companies</b> | <b>Impact of<br/>unrealized<br/>intragroup<br/>profit<br/>elimination</b> | <b>Group</b> |              |
|---|----------------|----------------|----------------|-----------------------|---|-----------------------------|--|---|--------------|--------------|
| <i>(million euro)</i>                         |                |                |                |                       |   |                             |  |   |              |              |
| <b>Reported operating profit</b>              |                | <b>5,252</b>   | <b>700</b>     | <b>375</b>            | <b>(78)</b>                                   | <b>276</b>                  | <b>(52)</b>  | <b>(251)</b>  | <b>54</b>    | <b>6,276</b> |
| Exclusion of inventory holding (gains) losses |                |                | (138)          | (218)                 | 22  |                             |  |   |              | (334)        |
| <b>Exclusion of special items</b>             |                |                |                |                       |   |                             |  |   |              |              |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| <b>Non-recurring (income) charges</b>         |                |                |                | (21)                  |   |                             |  |   |              | (21)         |
| <b>Other special (income) charges:</b>        |                | <b>33</b>      | <b>2</b>       | <b>49</b>             | <b>(3)</b>                                    |                             | <b>1</b>   | <b>198</b>  |              | <b>280</b>   |
| environmental charges                         |                |                |                | 22                    |   |                             |  |   |              | 22           |
| asset impairments                             |                | 33             |                | 1                     |   |                             | 1  |   |              | 35           |
| net gains on disposal of assets               |                |                |                | 2                     | 10  | (5)                         | (13)   | (9)   |              | (15)         |
| provision for redundancy incentives           |                | 4              | 1              | 4                     | 1   |                             | 1  | 3   |              | 14           |
| other   |                | (4)            | (1)            | 12                    | 1   |                             | 12   | 204   |              | 224          |
| <b>Special items of operating profit</b>      |                | <b>33</b>      | <b>2</b>       | <b>28</b>             | <b>(3)</b>                                    |                             | <b>1</b>   | <b>198</b>  |              | <b>259</b>   |
| <b>Adjusted operating profit</b>              |                | <b>5,285</b>   | <b>564</b>     | <b>185</b>            | <b>(59)</b>                                   | <b>276</b>                  | <b>(51)</b>  | <b>(53)</b>   | <b>54</b>    | <b>6,201</b> |
| Net finance (expense) income <sup>(a)</sup>   |                | 11             | 2              |                       |   |                             |  | (211)   |              | (198)        |
| Net income from investments <sup>(a)</sup>    |                | 207            | 99             | 47                    |   | 10                          | 3  | 5   |              | 371          |
| Income taxes <sup>(a)</sup>                   |                | (3,048)        | (207)          | (85)                  | 10  | (83)                        |  | 98  | (21)         | (3,336)      |
| <i>Tax rate (%)</i>                           |                | <i>55.4</i>    | <i>31.1</i>    | <i>36.6</i>           |   | <i>29.0</i>                 |  |   |              | <i>52.3</i>  |
| <b>Adjusted net profit</b>                    |                | <b>2,455</b>   | <b>458</b>     | <b>147</b>            | <b>(49)</b>                                   | <b>203</b>                  | <b>(48)</b>  | <b>(161)</b>  | <b>33</b>    | <b>3,038</b> |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - adjusted net profit of minority interest    |                |                |                |                       |   |                             |  |   |              | 148          |
| <b>- Eni s adjusted net profit</b>            |                |                |                |                       |   |                             |  |   |              | <b>2,890</b> |
| <b>Eni reported net profit</b>                |                |                |                |                       |   |                             |  |   |              | <b>2,941</b> |
| Exclusion of inventory holding (gains) losses |                |                |                |                       |   |                             |  |   |              | (187)        |
| Exclusion of special items:                   |                |                |                |                       |   |                             |  |   |              | 136          |
| <i>of which:</i>                              |                |                |                |                       |   |                             |  |   |              |              |
| - non-recurring items                         |                |                |                |                       |   |                             |  |   |              | (21)         |
| - other special items                         |                |                |                |                       |   |                             |  |   |              | 157          |
| <b>Eni s adjusted net profit</b>              |                |                |                |                       |   |                             |  |   |              | <b>2,890</b> |

(a) Excluding special items.

**Table of Contents****Analysis of special items**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> |  | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| <b>(48)</b>                        | <b>(21)</b>                       |                                    | <b>Non-recurring charges (income)</b>  | <b>8</b>                  | <b>(21)</b>               |
|                                    |                                   |                                    | <i>of which:</i>   |                           |                           |
| (9)                                |                                   |                                    | - curtailment recognized of the reserve for post-retirement benefits for Italian employees | (83)                      |                           |
| (39)                               | (21)                              |                                    | - provisions and utilizations against antitrust proceedings and regulations                | 91                        | (21)                      |
| <b>449</b>                         | <b>280</b>                        | <b>1,266</b>                       | <b>Other special charges (income):</b>   | <b>730</b>                | <b>2,237</b>              |
| 211                                | 35                                | 904                                | asset impairments  | 290                       | 1,572                     |
| 206                                | 22                                | 239                                | environmental charges  | 365                       | 309                       |
|                                    | (15)                              | 7                                  | net gains on disposal of assets  |                           | (8)                       |
| 16                                 |                                   | (16)                               | risk provisions  | 22                        | 4                         |
| 67                                 | 14                                | 50                                 | provisions for redundancy incentives   | 156                       | 91                        |
| (51)                               | 224                               | 82                                 | other  | (103)                     | 269                       |
| <b>401</b>                         | <b>259</b>                        | <b>1,266</b>                       | <b>Special items of operating profit</b>   | <b>738</b>                | <b>2,216</b>              |
| <b>(23)</b>                        |                                   |                                    | <b>Net finance (expense) income</b>  | <b>(23)</b>               |                           |
| <b>7</b>                           | <b>(2)</b>                        | <b>(52)</b>                        | <b>Net income from investments</b>   | <b>(321)</b>              | <b>(239)</b>              |
|                                    |                                   |                                    | <i>of which:</i>   |                           |                           |
|                                    |                                   |                                    | - gain on the disposal of Haldor Topsøe AS and Camom SA                                    | (290)                     |                           |
|                                    |                                   |                                    | - gain on the disposal of GTT (Gaztransport et Technigaz SAS)                              |                           | (185)                     |
| <b>(508)</b>                       | <b>(121)</b>                      | <b>(90)</b>                        | <b>Income taxes</b>  | <b>(610)</b>              | <b>(1,426)</b>            |
|                                    |                                   |                                    | <i>of which:</i>   |                           |                           |
|                                    | (19)                              | 286                                | - tax impact pursuant to Law decree No. 112 of June 25, 2008 for Italian subsidiaries      |                           | (270)                     |
|                                    | (19)                              | 286                                | . on inventories   |                           | (176)                     |
|                                    |                                   |                                    | . on deferred tax assets   |                           | (94)                      |
|                                    |                                   |                                    | - tax impact pursuant to Budget Law 2008 for Italian subsidiaries                          |                           | (290)                     |
| (394)                              |                                   |                                    | - adjustment to deferred tax for Italian subsidiaries                                      | (394)                     |                           |
|                                    |                                   |                                    | - adjustment to deferred tax for Libyan assets   |                           | (173)                     |
|                                    | (1)                               | (5)                                | - other tax items  | (50)                      | (46)                      |
|                                    | (101)                             | (371)                              | - taxes on special items of operating profit   | (166)                     | (647)                     |
| <b>(123)</b>                       | <b>136</b>                        | <b>1,124</b>                       | <b>Total special items of net profit</b>   | <b>(216)</b>              | <b>551</b>                |
|                                    |                                   |                                    | <i>attributable to:</i>  |                           |                           |
| (15)                               |                                   |                                    | - Minority interest  | (174)                     | (102)                     |
| <b>(108)</b>                       | <b>136</b>                        | <b>1,124</b>                       | <b>- Eni</b>   | <b>(42)</b>               | <b>653</b>                |

**Impairments by segment**

(million euro)

| <b>Fourth<br/>Quarter<br/>2008</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|---------------------------|
| 646 Exploration & Production       | 989                       |
| 149 Refining & Marketing           | 299                       |
| 106 Petrochemicals                 | 278                       |
| 3 Others                           | 6                         |
| <b>904</b>                         | <b>1,572</b>              |

**Table of Contents****Adjusted operating profit**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |  | Full Year 2007 | Full Year 2008 | % Ch.       |
|---------------------|--------------------|---------------------|------------------------|--|----------------|----------------|-------------|
| 4,127               | 5,285              | 2,762               | (33.1)                 | Exploration & Production                           | 14,051         | 17,416         | 23.9        |
| 1,309               | 564                | 812                 | (38.0)                 | Gas & Power  | 4,092          | 3,541          | (13.5)      |
| (95)                | 185                | 201                 | ..                     | Refining & Marketing                               | 329            | 566            | 72.0        |
| (129)               | (59)               | (91)                | 29.5                   | Petrochemicals                                     | 90             | (375)          | ..          |
| 250                 | 276                | 298                 | 19.2                   | Engineering & Construction                         | 840            | 1,041          | 23.9        |
| (48)                | (51)               | (91)                | (89.6)                 | Other activities                                   | (207)          | (244)          | (17.9)      |
| (64)                | (53)               | (114)               | (78.1)                 | Corporate and financial companies                  | (183)          | (277)          | (51.4)      |
| (58)                | 54                 | 301                 |                        | Impact of unrealized intragroup profit elimination | (26)           | 125            |             |
| <b>5,292</b>        | <b>6,201</b>       | <b>4,078</b>        | <b>(22.9)</b>          |  | <b>18,986</b>  | <b>21,793</b>  | <b>14.8</b> |

**Net sales from operations**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |  | Full Year 2007 | Full Year 2008 | % Ch.       |
|---------------------|--------------------|---------------------|------------------------|--|----------------|----------------|-------------|
| 8,038               | 8,879              | 6,623               | (17.6)                 | Exploration & Production                           | 27,278         | 33,391         | 22.4        |
| 8,696               | 7,343              | 12,701              | 46.1                   | Gas & Power  | 27,633         | 36,936         | 33.7        |
| 10,469              | 13,860             | 6,919               | (33.9)                 | Refining & Marketing                               | 36,401         | 45,053         | 23.8        |
| 1,691               | 1,742              | 1,042               | (38.4)                 | Petrochemicals                                     | 6,934          | 6,303          | (9.1)       |
| 2,204               | 2,441              | 2,524               | 14.5                   | Engineering & Construction                         | 8,678          | 9,176          | 5.7         |
| 53                  | 49                 | 41                  | (22.6)                 | Other activities                                   | 205            | 185            | (9.8)       |
| 387                 | 314                | 374                 | (3.4)                  | Corporate and financial companies                  | 1,313          | 1,331          | 1.4         |
|                     | 63                 | 12                  |                        | Impact of unrealized intragroup profit elimination |                | 75             |             |
| (6,160)             | (6,530)            | (5,629)             |                        | Consolidation adjustment                           | (21,186)       | (24,260)       |             |
| <b>25,378</b>       | <b>28,161</b>      | <b>24,607</b>       | <b>(3.0)</b>           |  | <b>87,256</b>  | <b>108,190</b> | <b>24.0</b> |

**Operating expenses**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |                               | Full Year 2007 | Full Year 2008 | % Ch. |
|---------------------|--------------------|---------------------|------------------------|-------------------------------|----------------|----------------|-------|
| 17,187              | 19,081             | 19,803              | 15.2                   | Purchases, services and other | 58,179         | 76,450         | 31.4  |
|                     |                    |                     |                        | <i>of which:</i>              |                |                |       |
| (39)                | (21)               |                     |                        | - non-recurring items         | 91             | (21)           |       |

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|               |               |               |             |                                       |               |               |             |
|---------------|---------------|---------------|-------------|---------------------------------------|---------------|---------------|-------------|
| 260           | 230           | 531           |             | - other special items                 | 470           | 761           |             |
| 1,061         | 948           | 1,084         | 2.2         | Payroll and related costs             | 3,800         | 4,004         | 5.4         |
|               |               |               |             | <i>of which:</i>                      |               |               |             |
| (9)           |               |               |             | - non-recurring items                 | (83)          |               |             |
| 109           | 41            | 50            |             | - provision for redundancy incentives | 198           | 91            |             |
| <b>18,248</b> | <b>20,029</b> | <b>20,887</b> | <b>14.5</b> |                                       | <b>61,979</b> | <b>80,454</b> | <b>29.8</b> |

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**Table of Contents****Depreciation, depletion, amortization and impairments**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 | % Ch. 4Q. 08 vs 4Q. 07 |   | Full Year 2007 | Full Year 2008 | % Ch.       |
|---------------------|--------------------|---------------------|------------------------|---|----------------|----------------|-------------|
| 1,590               | 1,507              | 2,154               | 35.5                   | Exploration & Production                              | 5,483          | 6,733          | 22.8        |
| 186                 | 172                | 230                 | 23.7                   | Gas & Power   | 687            | 742            | 8.0         |
| 110                 | 102                | 110                 |                        | Refining & Marketing                                  | 433            | 430            | (0.7)       |
| 32                  | 18                 | 35                  | 9.4                    | Petrochemicals  | 116            | 117            | 0.9         |
| 71                  | 94                 | 87                  | 22.5                   | Engineering & Construction                            | 248            | 335            | 35.1        |
| 1                   | 2                  |                     | ..                     | Other activities                                      | 4              | 3              | (25.0)      |
| 22                  | 19                 | 22                  |                        | Corporate and financial companies                     | 68             | 76             | 11.8        |
| (3)                 | (4)                | (4)                 |                        | Impact of unrealized intragroup profit elimination    | (10)           | (14)           |             |
| <b>2,009</b>        | <b>1,910</b>       | <b>2,634</b>        | <b>31.1</b>            | <b>Total depreciation, depletion and amortization</b> | <b>7,029</b>   | <b>8,422</b>   | <b>19.8</b> |
| <b>173</b>          | <b>2</b>           | <b>880</b>          | <b>..</b>              | <b>Impairments</b>                                    | <b>207</b>     | <b>1,393</b>   | <b>..</b>   |
| <b>2,182</b>        | <b>1,912</b>       | <b>3,514</b>        | <b>61.0</b>            |   | <b>7,236</b>   | <b>9,815</b>   | <b>35.6</b> |

**Net income from investments**

(million euro)

| 2008  | Exploration & Production | Gas & Power | Refining & Marketing | Engineering & Construction | Other     | Group        |
|---|--------------------------|-------------|----------------------|----------------------------|-----------|--------------|
| Share of profit (loss) from equity-accounted entities | 177                      | 413         | 16                   | 48                         | 2         | <b>656</b>   |
| Dividends   | 463                      | 5           | 37                   | 5                          |           | <b>510</b>   |
| Net gains on disposal                                 |                          |             | 18                   | 190                        | 10        | <b>218</b>   |
| Other net income (expense)                            | (4)                      |             |                      | (5)                        | (2)       | <b>(11)</b>  |
|   | <b>636</b>               | <b>418</b>  | <b>71</b>            | <b>238</b>                 | <b>10</b> | <b>1,373</b> |

**Income taxes**

(million euro)

|                                   | Full Year 2007 | Full Year 2008 | Change       |
|-----------------------------------|----------------|----------------|--------------|
| <b>Profit before income taxes</b> |                |                |              |
| Italy                             | 5,849          | 1,894          | (3,955)      |
| Outside Italy                     | 14,179         | 17,356         | 3,177        |
|                                   | <b>20,028</b>  | <b>19,250</b>  | <b>(778)</b> |
| <b>Income taxes</b>               |                |                |              |

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|                     |              |              |            |
|---------------------|--------------|--------------|------------|
| Italy               | 1,798        | 320          | (1,478)    |
| Outside Italy       | 7,421        | 9,372        | 1,951      |
|                     | <b>9,219</b> | <b>9,692</b> | <b>473</b> |
| <b>Tax rate (%)</b> |              |              |            |
| Italy               | 30.7         | 16.9         | (13.8)     |
| Outside Italy       | 52.3         | 54.0         | 1.7        |
|                     | <b>46.0</b>  | <b>50.3</b>  | <b>4.3</b> |

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**Table of Contents****Summarized Group balance sheet**

The summarized group 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 this summarized group balance sheet is useful information in assisting investors to assess Eni's capital structure and to analyze its sources of funds and investments in fixed assets and working capital. Management uses the summarized group balance sheet to calculate key ratios such as return on capital employed (ROACE) and the proportion of net borrowings to shareholders' equity (leverage) intended to evaluate whether Eni's financing structure is sound and well-balanced.

**SUMMARIZED GROUP BALANCE SHEET**

(million euro)

|  | Dec. 31, 2007  | Sep. 30, 2008  | Dec. 31, 2008  | Change vs<br>Dec. 31, 2007 | Change vs<br>Sep. 30, 2008 |
|--|----------------|----------------|----------------|----------------------------|----------------------------|
| <b>Fixed assets</b>  |                |                |                |                            |                            |
| Property, plant and equipment                                    | 50,137         | 56,386         | 59,207         | 9,070                      | 2,821                      |
| Other assets   | 563            |                |                | (563)                      |                            |
| Inventories - compulsory stock                                   | 2,171          | 2,555          | 1,196          | (975)                      | (1,359)                    |
| Intangible assets  | 4,333          | 4,863          | 7,713          | 3,380                      | 2,850                      |
| Equity-accounted investments and other investments               | 6,111          | 6,119          | 5,899          | (212)                      | (220)                      |
| Receivables and securities held for operating purposes           | 725            | 972            | 1,211          | 486                        | 239                        |
| Net payables related to capital expenditures                     | (1,191)        | (1,042)        | (782)          | 409                        | 260                        |
|  | <b>62,849</b>  | <b>69,853</b>  | <b>74,444</b>  | <b>11,595</b>              | <b>4,591</b>               |
| <b>Net working capital</b>                                       |                |                |                |                            |                            |
| Inventories  | 5,499          | 6,188          | 6,102          | 603                        | (86)                       |
| Trade receivables  | 15,609         | 15,922         | 16,061         | 452                        | 139                        |
| Trade payables   | (11,092)       | (11,481)       | (12,649)       | (1,557)                    | (1,168)                    |
| Tax payables and provisions for net deferred tax liabilities     | (4,412)        | (5,745)        | (4,965)        | (553)                      | 780                        |
| Provisions   | (8,486)        | (8,430)        | (9,586)        | (1,100)                    | (1,156)                    |
| Other current assets and liabilities:                            |                |                |                |                            |                            |
| <i>Equity instruments</i>  | 2,476          | 2,586          | 2,741          | 265                        | 155                        |
| <i>Other</i> <sup>(a)</sup>                                      | (2,600)        | (2,698)        | (4,326)        | (1,726)                    | (1,628)                    |
|  | <b>(3,006)</b> | <b>(3,658)</b> | <b>(6,622)</b> | <b>(3,616)</b>             | <b>(2,964)</b>             |
| <b>Provisions for employee post-retirement benefits</b>          | <b>(935)</b>   | <b>(966)</b>   | <b>(947)</b>   | <b>(12)</b>                | <b>19</b>                  |
| <b>Net assets held for sale including related net borrowings</b> | <b>286</b>     | <b>505</b>     | <b>68</b>      | <b>(218)</b>               | <b>(437)</b>               |
| <b>CAPITAL EMPLOYED, NET</b>                                     | <b>59,194</b>  | <b>65,734</b>  | <b>66,943</b>  | <b>7,749</b>               | <b>1,209</b>               |
| <b>Shareholders' equity</b>                                      |                |                |                |                            |                            |
| attributable to:   |                |                |                |                            |                            |
| - Eni  | 40,428         | 45,107         | 44,495         | 4,067                      | (612)                      |
| - Minority interest  | 2,439          | 2,804          | 4,072          | 1,633                      | 1,268                      |

|  |               |               |               |              |              |
|--|---------------|---------------|---------------|--------------|--------------|
|  | 42,867        | 47,911        | 48,567        | 5,700        | 656          |
| Net borrowings                                   | 16,327        | 17,823        | 18,376        | 2,049        | 553          |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b> | <b>59,194</b> | <b>65,734</b> | <b>66,943</b> | <b>7,749</b> | <b>1,209</b> |

(a) Include receivables and securities for financing operating activities for euro 410 million at December 31, 2008 (euro 331 million at September 30, 2008 and euro 248 million at December 31, 2007) and securities covering technical reserves of Eni's insurance activities for euro 302 million at December 31, 2008 (euro 356 million at September 30, 2008 and euro 368 million at December 31, 2007).

The carrying amount of the expropriated assets relating to the Dación oilfield in Venezuela (corresponding to euro 563 million as of December 31, 2007) has been reclassified from the item **Other assets** to **Net payables related to capital expenditures**, following the settlement agreement with the Republic of Venezuela. Under the terms of this agreement, Eni will receive a cash compensation, a part of which has been already collected, to be paid in seven yearly installments, yielding interest income from the date of the settlement. The net present value of this cash compensation is in line with the book value of assets, net of the related provisions. Part of the cash compensation was collected in the period.

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The item **Investments** among fixed assets comprises a 60% interest in Arctic Russia BV (the former Eni Russia BV) amounting to euro 895 million. As of the balance sheet date Arctic Russia held 100% interest in three Russian companies acquired on April 4, 2007 in partnership with Enel (Eni 60%, Enel 40%), following award of a bid for Lot 2 in the Yukos liquidation procedure. The three companies – OAO Arctic Gas, OAO Urengoil and OAO Neftegaztehnologiya – engage in exploration and development of gas reserves. Eni and Enel granted to Gazprom a call option to acquire a 51% interest in the three companies to be exercisable by Gazprom within 24 months from the acquisition date. Eni assesses the investment in Arctic Russia BV under the equity method as it jointly controls the three entities based on ongoing shareholder arrangements, therefore exercising significant influence in the financial and operating policy decisions of the investees. This 60% interest corresponds to the present ownership interest of Eni in the acquired companies determined by not taking into account the possible exercise of the call option by Gazprom. The carrying amount of the three entities is lower than the strike price of the call option with respect to the underlying stake. The strike price equals the bid price as modified by subtracting dividends received and adding possible share capital increases, a contractual remuneration of 9.4% on the capital employed and financing collateral expenses.

The item **Equity instruments** among net working capital comprises the carrying amount for euro 2,741 million (\$3,815 million based on the exchange rate at December 31, 2008) of a 20% interest in OAO Gazprom Neft acquired on April 4, 2007 following finalization of a bid within the Yukos liquidation procedure. This entity is currently listed at the London Stock Exchange where approximately 5% of the share capital is traded, while Gazprom currently holds a 75% stake. This accounting classification reflects the circumstance that Eni granted to Gazprom a call option on the entire 20% interest to be exercisable by Gazprom within 24 months from the acquisition date, at a price of \$3.7 billion equaling the bid price, as modified by subtracting dividends distributed and adding possible share capital increases, a contractual remuneration of 9.4% on the capital employed and financing collateral expenses.

The existing shareholder agreements establish that the governance of the investee will be modified to allow Eni to exercise significant influence through participation in the financial and operating policy decisions of the investee in case Gazprom does not exercise its call option. The carrying amount of the investee equals the strike price of the call option as of December 31, 2008. Eni decided not to adjust the carrying amount of the investee to the market prices at the balance sheet date resulting in \$1,961 million for the following reasons:

- (i) in case Gazprom exercises the call option, Eni will receive an amount equal to the carrying amount;
- (ii) in case Gazprom does not exercise the call option, Eni will be granted significant influence in the decision-making process of the investee and consequently assess the investee in accordance with the equity method of accounting provided by IAS28 for interests in associates. Under the equity method, Eni is required to allocate the purchase price to the corresponding interest in net equity and the residual amount to the asset fair values. Subsequently, the carrying amount is adjusted to reflect Eni's share of losses and profits of the investee. Based on currently available information, the equity method would result in a amount not lower than the current carrying amount of the investee.

Table of Contents**Net borrowings and Leverage**

Leverage is a measure of a company's level of indebtedness, calculated as the ratio between net borrowings which is calculated by excluding cash and cash equivalents and certain very liquid assets from financial debt and shareholders equity, including minority interests. Management makes use of leverage in order to assess the soundness and efficiency of the Group balance sheet in terms of optimal mix between net borrowings and net equity, and to carry out benchmark analysis with industry standards. In the medium term, management plans to maintain a strong financial structure targeting a level of leverage up to 0.40.

(million euro)

|   | Dec. 31, 2007 | Sep. 30, 2008 | Dec. 31, 2008 | Change vs<br>Dec. 31, 2007 | Change vs<br>Sep. 30, 2008 |
|---|---------------|---------------|---------------|----------------------------|----------------------------|
| Total debt  | 19,830        | 21,320        | 20,865        | 1,035                      | (455)                      |
| Short-term debt                                       | 8,500         | 9,275         | 6,834         | (1,666)                    | (2,441)                    |
| Long-term debt  | 11,330        | 12,045        | 14,031        | 2,701                      | 1,986                      |
| Cash and cash equivalents                             | (2,114)       | (2,330)       | (1,967)       | 147                        | 363                        |
| Securities held for non-operating purposes            | (174)         | (114)         | (185)         | (11)                       | (71)                       |
| Financing receivables held for non-operating purposes | (1,215)       | (1,053)       | (337)         | 878                        | 716                        |
| <b>Net borrowings</b>                                 | <b>16,327</b> | <b>17,823</b> | <b>18,376</b> | <b>2,049</b>               | <b>553</b>                 |
| Shareholders' equity including minority interest      | 42,867        | 47,911        | 48,567        | 5,700                      | 656                        |
| <b>Leverage</b>                                       | <b>0.38</b>   | <b>0.37</b>   | <b>0.38</b>   | <b>-</b>                   | <b>0.01</b>                |

**Borrowings and Bonds classified by currency**

(million euro)

|        | Total debt at December 31, 2007 |              |                          |              |               |              | Total debt at December 31, 2008 |              |                          |              |               |              |
|--------|---------------------------------|--------------|--------------------------|--------------|---------------|--------------|---------------------------------|--------------|--------------------------|--------------|---------------|--------------|
|        | short-term                      |              | long-term <sup>(a)</sup> |              | Total         |              | short-term                      |              | long-term <sup>(a)</sup> |              | Total         |              |
|        |                                 | %            |                          | %            |               | %            |                                 | %            |                          | %            |               | %            |
| Euro   | 5,453                           | 70.2         | 9,973                    | 82.6         | 15,426        | 77.8         | 3,829                           | 59.9         | 12,284                   | 84.9         | 16,133        | 77.2         |
| Dollar | 1,591                           | 20.5         | 900                      | 7.5          | 2,491         | 12.6         | 1,332                           | 20.9         | 912                      | 6.3          | 2,244         | 10.8         |
| Pound  | 609                             | 7.8          | 882                      | 7.3          | 1,491         | 7.5          | 1,154                           | 18.1         | 859                      | 5.9          | 2,013         | 9.6          |
| Yen    | 3                               | -            | 281                      | 2.3          | 284           | 1.4          | 3                               | -            | 367                      | 2.5          | 370           | 1.8          |
| Other  | 107                             | 1.5          | 31                       | 0.3          | 138           | 0.7          | 69                              | 1.1          | 56                       | 0.4          | 125           | 0.6          |
|        | <b>7,763</b>                    | <b>100.0</b> | <b>12,067</b>            | <b>100.0</b> | <b>19,830</b> | <b>100.0</b> | <b>6,387</b>                    | <b>100.0</b> | <b>14,478</b>            | <b>100.0</b> | <b>20,865</b> | <b>100.0</b> |

(a) Including the portion of long-term debt due within 12 months for euro 447 million and euro 737 million at December 31, 2008 and December 31, 2007, respectively.

**Table of Contents****Bonds maturing in 18-months period starting on December 31, 2008**

(million euro)

| Issuing entity                    | Amount at December 31, 2008<br>(a) |
|-----------------------------------|------------------------------------|
| <b>Eni Coordination Center SA</b> | 261                                |
| <b>Eni Lasmio Plc</b>             | 151                                |
|                                   | <b>412</b>                         |

(a) Amounts in euro at December 31, 2008 include interest accrued and discount on issue.

**Bonds issued in 2008**

| Issuing company                   | Nominal<br>amount<br>(million) | Currency | Currency<br>amounts at<br>Dec. 31, 2008<br>(a) | Maturity  | Rate     | %         |
|-----------------------------------|--------------------------------|----------|--|-----------|----------|-----------|
| <b>Eni SpA</b>                    | 2,500                          | EUR      | 2,497  | 2014-2017 | fixed    | 4.75-5.87 |
| <b>Eni Coordination Center SA</b> | 150                            | GBP      | 158  | 2018      | fixed    | 6.13      |
| <b>Eni Coordination Center SA</b> | 100                            | EUR      | 104  | 2028      | fixed    | 5.44      |
| <b>Eni Coordination Center SA</b> | 5,000                          | YEN      | 40   | 2015      | fixed    | 1.53      |
| <b>Eni UK Holding Plc</b>         | 11                             | GBP      | 11   | 2013      | variable |           |
|                                   |                                |          | <b>2,810</b>                                   |           |          |           |

(a) Amounts in euro at December 31, 2008 include interest accrued and discount on issue.

**Changes in shareholders' equity**

(million euro)

|  |               |
|--|---------------|
| <b>Shareholders' equity at December 31, 2007</b>                       | <b>42,867</b> |
| Net profit for the period  | 9,558         |
| Reserve for cash flow hedges   | 1,211         |
| Dividends paid to Eni's shareholders                                   | (4,910)       |
| Dividends paid by consolidated subsidiaries to shareholders            | (297)         |
| Shares repurchased   | (778)         |
| Distrigaz minority interest  | 1,142         |
| Distrigaz put option   | (1,495)       |
| Treasury shares attributed against employee share incentive schemes    | 32            |
| Impact of share repurchases made by consolidated subsidiaries (Saipem) | (31)          |
| Currency translation differences                                       | 1,074         |
| Other changes  | 194           |

|   |               |
|---|---------------|
| <b>Total changes</b>                            | <b>5,700</b>  |
| <b>Shareholders equity at December 31, 2008</b> | <b>48,567</b> |
| Attributable to:                                |               |
| - <b>Eni</b>                                    | <b>44,495</b> |
| - Minority Interest                             | 4,072         |



**Table of Contents****Return On Average Capital Employed (ROACE)**

Return on Average Capital Employed for the Group, on an adjusted basis is the return on the Group average capital invested, calculated as ratio between net adjusted profit before minority interest, plus net finance charges on net borrowings net of the related tax effect, and net average capital employed. The tax rate applied on finance charges is the Italian statutory tax rate of 33% effective from January 1, 2008 (33% in previous reporting periods). The capital invested as of period-end used for the calculation of net average capital invested is obtained by deducting inventory gains or losses as of in the period, net of the related tax effect. ROACE by division is determined as the ratio between adjusted net profit and net average capital invested pertaining to each division and rectifying the net capital invested as of period-end, from net inventory gains or losses (after applying the division specific tax rate).

(million euro)

| Calculated on a twelve-month period ending on<br>December 31, 2008 | Exploration<br>& Production | Gas & Power   | Refining &<br>Marketing | Group         |
|--|-----------------------------|---------------|-------------------------|---------------|
| <b>Adjusted net profit</b>   | <b>8,008</b>                | <b>2,650</b>  | <b>510</b>              | <b>10,832</b> |
| Exclusion of after-tax finance expenses/interest income            |                             |               |                         | <b>335</b>    |
| <b>Adjusted net profit unlevered</b>                               | <b>8,008</b>                | <b>2,650</b>  | <b>510</b>              | <b>11,167</b> |
| Adjusted capital employed, net:                                    |                             |               |                         |               |
| - at the beginning of the period                                   | 24,643                      | 20,516        | 7,675                   | 59,194        |
| - at period end  | 31,343                      | 21,339        | 8,263                   | 67,666        |
| <b>Adjusted average capital employed, net</b>                      | <b>27,993</b>               | <b>20,928</b> | <b>7,969</b>            | <b>63,430</b> |
| <b>ROACE adjusted (%)</b>  | <b>28.6</b>                 | <b>12.7</b>   | <b>6.4</b>              | <b>17.6</b>   |

(million euro)

| Calculated on a twelve-month period ending on<br>December 31, 2007 | Exploration<br>& Production | Gas & Power   | Refining &<br>Marketing | Group         |
|--|-----------------------------|---------------|-------------------------|---------------|
| <b>Adjusted net profit</b>   | <b>6,491</b>                | <b>2,936</b>  | <b>319</b>              | <b>10,094</b> |
| Exclusion of after-tax finance expenses/interest income            |                             |               |                         | <b>174</b>    |
| <b>Adjusted net profit unlevered</b>                               | <b>6,491</b>                | <b>2,936</b>  | <b>319</b>              | <b>10,268</b> |
| Adjusted capital employed, net:                                    |                             |               |                         |               |
| - at the beginning of the period                                   | 18,590                      | 18,906        | 5,631                   | 47,966        |
| - at period end  | 24,643                      | 20,547        | 7,149                   | 58,695        |
| <b>Adjusted average capital employed, net</b>                      | <b>21,617</b>               | <b>19,727</b> | <b>6,390</b>            | <b>53,331</b> |
| <b>ROACE adjusted (%)</b>  | <b>30.0</b>                 | <b>14.9</b>   | <b>5.0</b>              | <b>19.3</b>   |



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## Summarized Group cash flow statement and change in net borrowings

Eni's summarized group cash flow statement derives from the statutory statement of cash flows. It enables investors to understand the link existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred from the beginning of period to the end of period. The measure enabling such a link is represented by the free cash flow which is the cash in excess of capital expenditure needs. Starting from free cash flow it is possible to determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/receivables (issuance/repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; (ii) changes in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences. The free cash flow is a non-GAAP measure of financial performance.

**SUMMARIZED GROUP CASH FLOW STATEMENT**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |  | Full Year 2007 | Full Year 2008 |
|---------------------|--------------------|---------------------|--|----------------|----------------|
| 3,184               | 3,089              | (758)               | <b>Net profit</b>  | <b>10,809</b>  | <b>9,558</b>   |
|                     |                    |                     | <i>Adjustments to reconcile to cash generated from operating profit before changes in working capital:</i> |                |                |
| 1,909               | 2,086              | 5,365               | - depreciation, depletion and amortization and other non monetary items                                    | 6,346          | 11,325         |
| 2                   | 4                  | (16)                | - net gains on disposal of assets  | (309)          | (219)          |
| 2,132               | 3,287              | 520                 | - dividends, interest, income taxes and other changes  | 8,850          | 9,069          |
| <b>7,227</b>        | <b>8,466</b>       | <b>5,111</b>        | <b>Cash generated from operating profit before changes in working capital</b>                              | <b>25,696</b>  | <b>29,733</b>  |
| (4,759)             | (2,733)            | 1,002               | Changes in working capital related to operations   | (10,179)       | (7,937)        |
| <b>2,468</b>        | <b>5,733</b>       | <b>6,113</b>        | <b>Net cash provided by operating activities</b>   | <b>15,517</b>  | <b>21,796</b>  |
| (3,657)             | (3,112)            | (4,691)             | Capital expenditures   | (10,593)       | (14,562)       |
| (954)               | (186)              | (1,877)             | Acquisition of investments and businesses  | (9,665)        | (4,020)        |
| 28                  | 91                 | 415                 | Disposals  | 659            | 979            |
| (323)               | (509)              | (365)               | Other cash flow related to capital expenditures, investments and disposals                                 | (35)           | (285)          |
| <b>(2,438)</b>      | <b>2,017</b>       | <b>(405)</b>        | <b>Free cash flow</b>  | <b>(4,117)</b> | <b>3,908</b>   |
| (857)               | 2,172              | 586                 | Borrowings (repayment) of debt related to financing activities   | (479)          | 929            |
| 4,275               | (681)              | (426)               | Changes in short and long-term financial debt  | 8,761          | 1,003          |
| (2,453)             | (2,752)            | (84)                | Dividends paid and changes in minority interests and reserves  | (5,836)        | (5,994)        |
| (89)                | 56                 | (34)                | Effect of changes in consolidation and exchange differences  | (200)          | 7              |
| <b>(1,562)</b>      | <b>812</b>         | <b>(363)</b>        | <b>CHANGE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>  | <b>(1,871)</b> | <b>(147)</b>   |

**CHANGES IN NET BORROWINGS**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> |   | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|-----------------------------------|------------------------------------|---|---------------------------|---------------------------|
| <b>(2,438)</b>                     | <b>2,017</b>                      | <b>(405)</b>                       | <b>Free cash flow</b>   | <b>(4,117)</b>            | <b>3,908</b>              |
| (244)                              | 59                                | (352)                              | Net borrowings of acquired companies                          | (244)                     | (285)                     |
| 27                                 | (35)                              | 216                                | Net borrowings of divested companies                          |                           | 181                       |
| 211                                | (547)                             | 72                                 | Exchange differences on net borrowings and other changes      | 637                       | 141                       |
| (2,453)                            | (2,752)                           | (84)                               | Dividends paid and changes in minority interests and reserves | (5,836)                   | (5,994)                   |
| <b>(4,897)</b>                     | <b>(1,258)</b>                    | <b>(553)</b>                       | <b>CHANGE IN NET BORROWINGS</b>                               | <b>(9,560)</b>            | <b>(2,049)</b>            |

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**Table of Contents****CAPITAL EXPENDITURES BY SEGMENT**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> |  | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| 2,063                              | 2,051                             | 3,032                              | Exploration & Production                           | 6,625                     | 9,545                     |
| 478                                | 383                               | 540                                | Gas & Power  | 1,366                     | 1,794                     |
| 429                                | 193                               | 422                                | Refining & Marketing                               | 979                       | 965                       |
| 57                                 | 52                                | 92                                 | Petrochemicals                                     | 145                       | 212                       |
| 589                                | 480                               | 570                                | Engineering & Construction                         | 1,410                     | 2,027                     |
| 16                                 | 16                                | 22                                 | Other activities                                   | 59                        | 52                        |
| 60                                 | 20                                | 39                                 | Corporate and financial companies                  | 108                       | 95                        |
| (35)                               | (83)                              | (26)                               | Impact of unrealized intragroup profit elimination | (99)                      | (128)                     |
| <b>3,657</b>                       | <b>3,112</b>                      | <b>4,691</b>                       |  | <b>10,593</b>             | <b>14,562</b>             |

2008 **capital expenditures** amounting to euro 14,562 million (euro 10,593 million in 2007) related mainly to:

- Development activities (euro 6,429 million) deployed mainly in Kazakhstan, Egypt, Angola, Congo, the United States and Italy, and exploratory projects (euro 1,918 million) of which 93% was spent outside Italy, primarily in the United States, Egypt, Nigeria, Angola and Libya. Capital expenditures for the purchase of proved and unproved property (euro 836 million) related to the extension of Eni's mineral rights in Libya, following the agreement signed in October 2007 with NOC, the National Oil Corporation and the acquisition of a 34.81% stake in Abo project in Nigeria. In the first nine months of 2008, net acreage increased of 57,000 square kilometers (99% operated by Eni);
- Upgrading of natural gas import pipelines to Italy (euro 233 million) and development and maintenance of Eni's natural gas transport network in Italy (euro 1,130 million);
- Projects aimed at improving the conversion capacity and flexibility of refineries, including the construction of a new hydrocracking unit at the Sannazzaro refinery (euro 630 million), as well as building and upgrading service stations in Italy and outside Italy (euro 298 million);
- Upgrading of the fleet used in the Engineering & Construction division (euro 2,027 million).

**Disposals** amounting to euro 979 million (euro 1,160 million including discharged net borrowings) mainly related to the sale of the Engineering & Construction division's 30% stake in GTT (Gaztransport et Technigaz SAS), a company owning a patent for the construction of tanks to transport LNG, and of the Refining & Marketing division stake in Agip España.

**Table of Contents****Capital expenditure****EXPLORATION & PRODUCTION**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |   | Full Year 2007 | Full Year 2008 |
|---------------------|--------------------|---------------------|---|----------------|----------------|
|                     | 3                  | 219                 | <b>Acquisitions of proved and unproved property</b> | <b>96</b>      | <b>836</b>     |
|                     | 3                  | 22                  | North Africa  | 11             | 626            |
|                     |                    | 197                 | West Africa   |                | 210            |
|                     |                    |                     | Rest of world                                       | 85             |                |
| <b>462</b>          | <b>334</b>         | <b>603</b>          | <b>Exploration</b>                                  | <b>1,659</b>   | <b>1,918</b>   |
| 18                  | 38                 | 26                  | Italy   | 104            | 135            |
| 106                 | 51                 | 134                 | North Africa  | 380            | 398            |
| 51                  | 66                 | 255                 | West Africa   | 239            | 460            |
| 39                  | 32                 | 34                  | North Sea   | 193            | 214            |
| 8                   | 14                 | 7                   | Caspian Area  | 36             | 28             |
| 240                 | 133                | 147                 | Rest of world                                       | 707            | 683            |
| <b>1,489</b>        | <b>1,645</b>       | <b>2,055</b>        | <b>Development</b>                                  | <b>4,643</b>   | <b>6,429</b>   |
| 132                 | 137                | 174                 | Italy   | 461            | 570            |
| 320                 | 307                | 397                 | North Africa  | 948            | 1,246          |
| 472                 | 415                | 522                 | West Africa   | 1,343          | 1,717          |
| 92                  | 149                | 144                 | North Sea   | 397            | 505            |
| 217                 | 303                | 259                 | Caspian Area  | 733            | 997            |
| 256                 | 334                | 559                 | Rest of world                                       | 761            | 1,394          |
| <b>76</b>           | <b>50</b>          | <b>116</b>          | <b>Storage</b>                                      | <b>145</b>     | <b>264</b>     |
| <b>36</b>           | <b>19</b>          | <b>39</b>           | <b>Other expenditures</b>                           | <b>82</b>      | <b>98</b>      |
| <b>2,063</b>        | <b>2,051</b>       | <b>3,032</b>        |   | <b>6,625</b>   | <b>9,545</b>   |

**GAS & POWER**

(million euro)

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |                                      | Full Year 2007 | Full Year 2008 |
|---------------------|--------------------|---------------------|--------------------------------------|----------------|----------------|
| 390                 | 352                | 466                 | Italy                                | 1,074          | 1,486          |
| 88                  | 31                 | 74                  | Outside Italy                        | 292            | 308            |
| <b>478</b>          | <b>383</b>         | <b>540</b>          |                                      | <b>1,366</b>   | <b>1,794</b>   |
| <b>86</b>           | <b>48</b>          | <b>68</b>           | <b>Marketing</b>                     | <b>238</b>     | <b>198</b>     |
| 34                  | 25                 | 25                  | - Marketing                          | 63             | 91             |
| 12                  | 3                  |                     | Italy                                | 13             | 16             |
| 22                  | 22                 | 25                  | Outside Italy                        | 50             | 75             |
| 52                  | 23                 | 43                  | - Power generation                   | 175            | 107            |
| <b>326</b>          | <b>326</b>         | <b>423</b>          | <b>Regulated businesses in Italy</b> | <b>886</b>     | <b>1,363</b>   |
| 229                 | 277                | 324                 | - Transport                          | 691            | 1,130          |
| 97                  | 49                 | 99                  | - Distribution                       | 195            | 233            |

|            |            |            |                                |              |              |
|------------|------------|------------|--------------------------------|--------------|--------------|
| <b>66</b>  | <b>9</b>   | <b>49</b>  | <b>International transport</b> | <b>242</b>   | <b>233</b>   |
| <b>478</b> | <b>383</b> | <b>540</b> |                                | <b>1,366</b> | <b>1,794</b> |

**REFINING & MARKETING**

(million euro)

| <b>Fourth<br/>Quarter<br/>2007</b> | <b>Third<br/>Quarter<br/>2008</b> | <b>Fourth<br/>Quarter<br/>2008</b> |                                       | <b>Full Year<br/>2007</b> | <b>Full Year<br/>2008</b> |
|------------------------------------|-----------------------------------|------------------------------------|---------------------------------------|---------------------------|---------------------------|
| 377                                | 168                               | 364                                | Italy                                 | 873                       | 850                       |
| 52                                 | 25                                | 58                                 | Outside Italy                         | 106                       | 115                       |
| <b>429</b>                         | <b>193</b>                        | <b>422</b>                         |                                       | <b>979</b>                | <b>965</b>                |
| <b>283</b>                         | <b>120</b>                        | <b>259</b>                         | <b>Refining, Supply and Logistics</b> | <b>675</b>                | <b>630</b>                |
| 283                                | 120                               | 259                                | Italy                                 | 675                       | 630                       |
| <b>144</b>                         | <b>60</b>                         | <b>157</b>                         | <b>Marketing</b>                      | <b>282</b>                | <b>298</b>                |
| 92                                 | 35                                | 99                                 | Italy                                 | 176                       | 183                       |
| 52                                 | 25                                | 58                                 | Outside Italy                         | 106                       | 115                       |
| <b>2</b>                           | <b>13</b>                         | <b>6</b>                           | <b>Other activities</b>               | <b>22</b>                 | <b>37</b>                 |
| <b>429</b>                         | <b>193</b>                        | <b>422</b>                         |                                       | <b>979</b>                | <b>965</b>                |

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## Exploration &amp; Production

## PRODUCTION OF OIL AND NATURAL GAS BY REGION

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |   | Full Year 2007 | Full Year 2008 |              |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| <b>1,815</b>        | <b>1,764</b>       | <b>1,854</b>        | <b>Production of oil and natural gas</b> <sup>(a) (b)</sup> | (kboe/d)       | <b>1,736</b>   | <b>1,797</b> |
| 207                 | 196                | 190                 | Italy   |                | 212            | 199          |
| 641                 | 666                | 635                 | North Africa  |                | 594            | 645          |
| 316                 | 352                | 356                 | West Africa   |                | 327            | 335          |
| 279                 | 217                | 244                 | North Sea   |                | 261            | 237          |
| 111                 | 104                | 128                 | Caspian Area  |                | 112            | 123          |
| 261                 | 229                | 301                 | Rest of world   |                | 230            | 258          |
| <b>162.1</b>        | <b>154.4</b>       | <b>163.2</b>        | <b>Oil and natural gas sold</b> <sup>(a)</sup>              | (mmboe)        | <b>611.4</b>   | <b>632.0</b> |

## PRODUCTION OF LIQUIDS BY REGION

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |   | Full Year 2007 | Full Year 2008 |              |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| <b>1,048</b>        | <b>1,015</b>       | <b>1,079</b>        | <b>Production of liquids</b> <sup>(a)</sup> | (kbbbl/d)      | <b>1,020</b>   | <b>1,026</b> |
| 73                  | 66                 | 65                  | Italy                                       |                | 75             | 68           |
| 372                 | 358                | 314                 | North Africa                                |                | 337            | 338          |
| 271                 | 304                | 314                 | West Africa                                 |                | 280            | 289          |
| 167                 | 131                | 142                 | North Sea                                   |                | 157            | 140          |
| 64                  | 69                 | 83                  | Caspian Area                                |                | 70             | 81           |
| 101                 | 87                 | 161                 | Rest of world                               |                | 101            | 110          |

## PRODUCTION OF NATURAL GAS BY REGION

| Fourth Quarter 2007 | Third Quarter 2008 | Fourth Quarter 2008 |   | Full Year 2007 | Full Year 2008 |              |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| <b>4,401</b>        | <b>4,302</b>       | <b>4,449</b>        | <b>Production of natural gas</b> <sup>(a) (b)</sup> | (mmcf/d)       | <b>4,114</b>   | <b>4,424</b> |
| 768                 | 743                | 717                 | Italy   |                | 790            | 750          |
| 1,551               | 1,767              | 1,843               | North Africa  |                | 1,474          | 1,762        |
| 256                 | 280                | 241                 | West Africa   |                | 274            | 261          |
| 643                 | 497                | 587                 | North Sea   |                | 595            | 558          |
| 267                 | 198                | 260                 | Caspian Area  |                | 238            | 245          |
| 916                 | 817                | 801                 | Rest of world                                       |                | 743            | 848          |

(a) Includes Eni's share of production of equity-accounted entities.

(b) Includes volumes of gas consumed in operations (283 and 297 mmcf/d in the fourth quarter 2008 and 2007, respectively, 281 and 296 mmcf/d in 2008 and 2007, respectively, and 275 mmcf/d in the third quarter of 2008).





**Table of Contents****Petrochemicals**

(ktonnes)

| Fourth Quarter 2007                    | Third Quarter 2008 | Fourth Quarter 2008 |                        | Full Year 2007 | Full Year 2008 |
|--|--------------------|---------------------|------------------------|----------------|----------------|
| <b>Sales of petrochemical products</b> |                    |                     |                        |                |                |
| 776                                    | 591                | 411                 | Basic petrochemicals   | 3,023          | 2,419          |
| 245                                    | 221                | 216                 | Styrene and elastomers | 1,041          | 976            |
| 326                                    | 318                | 250                 | Polyethylene           | 1,449          | 1,289          |
| <b>1,347</b>                           | <b>1,130</b>       | <b>877</b>          |                        | <b>5,513</b>   | <b>4,684</b>   |
| <b>2,183</b>                           | <b>1,885</b>       | <b>1,351</b>        | <b>Production</b>      | <b>8,795</b>   | <b>7,372</b>   |

**Engineering & Construction**

(million euro)

| Fourth Quarter 2007    | Third Quarter 2008 | Fourth Quarter 2008 |                   | Full Year 2007 | Full Year 2008 |
|------------------------|--------------------|---------------------|-------------------|----------------|----------------|
| <b>Orders acquired</b> |                    |                     |                   |                |                |
| 743                    | 270                | 692                 | Offshore          | 3,496          | 4,381          |
| 2,109                  | 4,663              | 1,804               | Onshore           | 6,070          | 7,522          |
| 1,250                  | 547                |                     | Offshore drilling | 1,644          | 760            |
| 315                    | 12                 | 401                 | Onshore drilling  | 635            | 1,197          |
| <b>4,417</b>           | <b>5,492</b>       | <b>2,897</b>        |                   | <b>11,845</b>  | <b>13,860</b>  |

(million euro)

|                      | Dec. 31, 2007<br>(a) | Dec. 31, 2008 |
|----------------------|----------------------|---------------|
| <b>Order backlog</b> | <b>15,390</b>        | <b>19,105</b> |

(a) Net of the backlog of divested companies (Haldor Topsøe AS e Camom SA) for a total amount of euro 166 million in orders acquired and euro 181 million in order backlog.

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## **Eni s Board of Directors**

*Rome, February 13, 2009* - Eni s Board of Directors yesterday approved the issue of one or more bonds for an overall maximum amount of euro 1.5 billion, in one or more tranches, by February 12, 2010. The bonds will enable Eni to achieve a better balance between its short-term and medium/long-term debt, and will be listed on regulated markets.

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## **Eni 2009-2012 Strategic Plan and Targets**

- **Production growth: 3.5% CAGR to 2012**
- **Reserves replacement ratio: 130% in the 2009-2012 period**
- **Strengthen European gas market leadership**
- **G&P cumulative 2009-12 EBITDA proforma adjusted: euro 20 billion**
- **Enhance R&M profitability: 2012 +euro 400 million EBIT vs 2008**
- **Efficiency program successfully realized in 2006-2008 to double to euro 2 billion by 2012**

*London, February 13, 2009* - Paolo Scaroni, CEO of Eni, today presented the company's 2009-2012 strategic plan to the financial community.

In spite of the uncertain and volatile energy markets, Eni confirms its strategy of delivering hydrocarbon production and reserve growth, based on a solid portfolio of quality projects. Eni will also strengthen its leadership in the European gas market and maintain a dividend yield amongst the highest in the sector.

### **Exploration & Production**

Eni confirms its strategy of delivering production growth, with an average annual rate of 3.5% for the 2009-2012 period. This growth strategy is based on organic development plans carried out with a reserve replacement ratio of 130%. Beyond the 4-year plan, Eni expects to maintain robust production growth with an average annual growth rate of 3% up to 2015.

In 2012, hydrocarbon production will exceed 2 million boe/day, based on a \$55 per barrel price scenario. In 2009, hydrocarbon production will exceed 1.8 million boe/day, based on a \$43 per barrel price scenario.

Production growth will be focused on three main strategic areas: Africa, OECD Countries and Central Asia/Russia. More than 90% of production and investments to 2012 will be concentrated in these areas.

Eni will maintain a steady growth, even in lower oil price conditions, thanks to its focus on conventional activities and to the quality of its portfolio, which is located largely in low cost production areas and is based upon giant projects

with economy of scale benefits.

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In the next four years, more than 0.5 million boe/day of new production will come on stream, 85% of which is related to projects which will be profitable even under an oil price scenario below \$45 per barrel.

**Gas & Power**

Eni will strengthen its leading position in the European gas market, where it holds a unique competitive position, thanks to diversification and size of its large supply contracts as well as to a vast infrastructure system and customer base.

Despite the lower growth we expect in the European gas markets, Eni will grow its international gas sales by an average 7% a year, thanks also to the contribution of Distrigas. This growth will enable the company to reach total gas sales of 124 billion cubic meters by 2012.

Beyond continuing to grow its market share in core European countries, Eni will increase sales in the US, thanks to the monetization of the gas produced in the Gulf of Mexico.

In the four-year plan Eni, thanks to the growth in regulated activities and its expansion in international markets, will achieve in G&P a total pro-forma adjusted EBITDA of euro 20 billion, 1 billion higher than the target set in the previous plan.

**Refining & Marketing**

Eni's strategy in the R&M sector focuses on the selective strengthening of its refining system, the improvement of quality standards of its marketing activities, and the widespread increase in operating efficiency, targeting an improvement of euro 400 million in EBIT by 2012 excluding scenario effects.

In refining, Eni plans to increase the complexity and the yield in medium distillates, exploiting proprietary technologies.

In marketing, Eni's target is to consolidate its leadership in the Italian market, increasing its market share to 32% by 2012, through loyalty programs and the broadening of non-oil products sales.

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**Investment plan and efficiency program**

In the 2009-2012 plan, Eni will invest euro 48.8 billion, slightly less than in the 2008-2011 plan. Investments in Exploration & Production are estimated at euro 34 billion and will sustain the production growth over the next four years and beyond.

With regard to the efficiency, Eni doubled the program launched in 2006, after having achieved almost euro 1 billion in cost reductions by the end of 2008. The new plan will enable Eni to double costs reduction to about euro 2 billion by 2012, both in real terms and versus the 2005 baseline.

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**Eni: information to Consob regarding the sale of 100% stake  
in Italgas and Stogit to Snam Rete Gas**

*Rome, February 16, 2009* - With reference to the sale by Eni SpA ("Eni") of the 100% stake in Italgas SpA ("Italgas") and Stocaggi Gas Italia ("Stogit") to Snam Rete Gas (controlled with a 50.03% stake) at a price respectively of euro 3,070 million and euro 1,650 million (the "Transaction"), disclosed in the press release issued on February 12, 2009, Eni hereby provides the following information in compliance with section 114 comma 5 of Legislative Decree No. 58/98 ("TUF") and section 71-bis of Consob Regulation No. 11971/1999 ("Regulation on Issuers").

The Board of Directors ("BoD") of Eni was previously informed about the Transaction, in the BoD session of January 22, in which a specific topic thereabout was set in the agenda. In that session, the BoD, including the independent members, raised no objections to the going forward with the preliminary steps towards the implementation of the Transaction.

a) Banca IMI and Rothschild (the "Advisors") have assisted Eni in the structuring of the Transaction and in defining the guidelines in the negotiation with Snam Rete Gas. On February 12, the Advisors released two different fairness opinions to the BoD on the fairness from a financial point of view of the selling price of the stakes in Italgas and Stogit.

Banca IMI and Rothschild are two leading investment banks which own no qualified stake in Eni or any of its subsidiaries, and vice versa, and which are in no material relations with any of the BoD members of Eni or any of its subsidiaries. The mandate has been given to the Advisors considering their high expertise and their strong track record in the specific industry.

b) With reference to the risks of potential conflict of interest of the related parties involved in the Transaction, Eni hereby clarifies, as already disclosed in the press release issued on February 12, that Snam Rete Gas is a subsidiary controlled with a 50.03% stake, but in its capacity as listed company it has prerogatives of autonomous decisions about the carrying out of its business.

The main potential issues of the Transaction are related to the price determination. With reference thereto, the two independent Advisors have stated that the consideration agreed upon for the sale of Italgas and Stogit was fair.



c) The rationale of the Transaction is the creation of an European leading company in the regulated business, which will increase its net invested capital by more than 50% and it will own a wide and balanced business portfolio including transport, distribution and storage of natural gas.

After Transaction completion, Eni Group will benefit from the higher appreciation of Italgas and Stogit by the financial market, thanks to their improved visibility within the Snam Rete Gas perimeter.

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The main impacts envisaged on Eni financial statements after the Transaction completion and the Snam Rete Gas capital increase are:

- expected decrease in equity investments of euro 1.3 billion (due to the decrease of euro 3.2 billion deriving from the disposal of the stake in Italgas and Stogit and to the increase of euro 1.9 billion deriving from the capital increase in Snam Rete Gas);
- expected decrease in net debt of euro 2.8 billion and increase by euro 1.5 billion in equity due to the capital gain (of which euro 1 billion from the sale of Italgas and euro 0.5 billion from the sale of Stogit).

The main impacts envisaged on Eni consolidated financial statements after the Transaction completion and the Snam Rete Gas capital increase are:

- at balance sheet level, an increase of euro 1.5 billion in (i) net debt, (ii) minority interests and total equity, as a consequence of the pro quota subscription of the Snam Rete Gas capital increase by the market;
- at income statement level, a decrease of net income equal to 45% of the aggregate net income of Italgas and Stogit, with a correspondent increase of net income attributable to minority interests.

d) There will be no BoD members fees modification following the Transaction.

e) The Transaction has been unanimously approved by the BoD, with the favorable vote of the independent members and no objections by the board of statutory auditors on the basis of the documentation provided to the BoD and the opinions of the Advisors.

f) With reference to the compliance with the substantial and the procedural correctness required for transactions with related parties, as the implementation rules of the new section 2391-*bis* of the Italian Civil Code have not yet been issued so far, transactions of this kind are submitted to the careful attention of BoD, although their amount does not exceed the threshold requiring a BoD approval. In the present case, the Transaction was submitted to the BoD attention in two subsequent meetings and the decisions of the boards, backed by the Advisors opinions, have been taken unanimously.

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