Eni at a glance

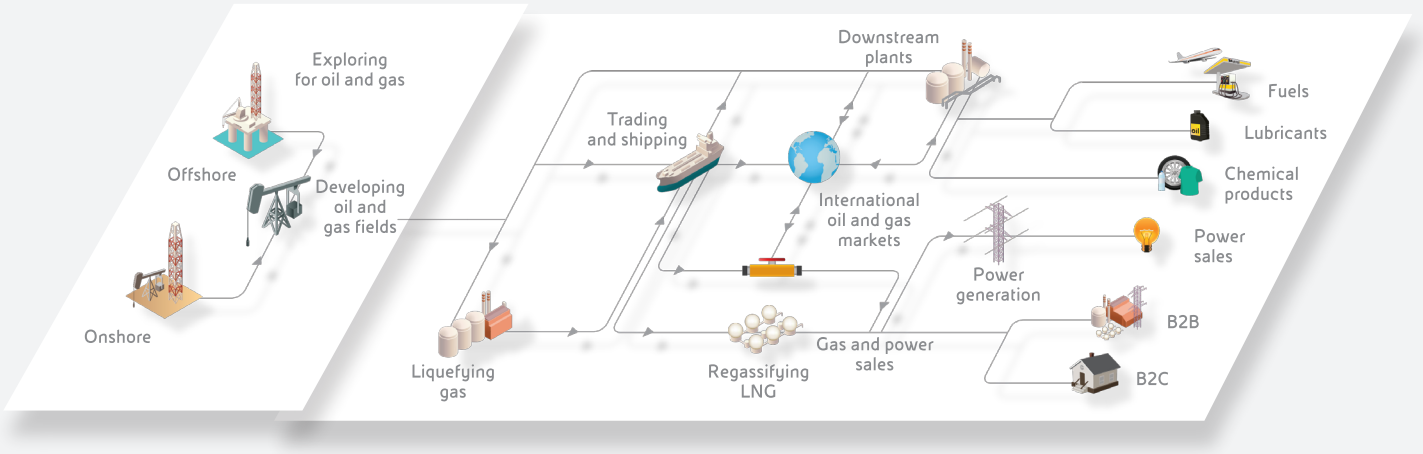
Eni is an integrated company engaged in all the energy supply chain. Eni's strong presence in the gas market, our operations in LNG, our skills in the power generation and refinery activities, strengthened by world class skills in engineering and project management, allow us to catch opportunities in the market and to realize integrated projects.

upstream

Eni engages in oil and natural gas exploration, field development and production, in 42 Countries.
The E&C business is an OEM of turnkey projects, industrial complexes and infrastructures onshore and offshore to the oil and gas industry and provides drilling services.

mid-downstream

Eni engages in the supply, trading and shipping of natural gas, LNG, electricity, fuels and chemical products. Through refineries and chemical plants, Eni processes crude oil and other oil-based feedstock to produce fuels, lubricants and chemical products that are supplied to wholesalers or through retail networks or distributors.



In 2013 Eni achieved solid results in a particularly difficult market. Despite problems in Libya, Nigeria and Algeria the E&P Division confirmed its capability to deliver high profits and cash flow thanks to its cost leadership and extraordinary exploration successes. The Mid and Downstream businesses, while at a disadvantage from the Italian and European crisis, strengthened their restructuring actions achieving a significant improvement in cash generation of approximately €2 billion. The portfolio rationalization permitted by the new discoveries has allowed an anticipated monetization of results and cash. The overall effect of what we did enabled us to deliver an increased net profit amounting to €5.16 billion, up by 23% compared to 2012, to pay a generous dividend and to launch a buyback program, while maintaining a constant debt of €15.43 billion.

Net cash generated by operating activities of €10.97 billion and proceeds from disposals of €6.36 billion, related in particular to the Mozambique project, allowed us to fund completely cash outflows relating to capital expenditure of €12.75 billion and Eni's dividend payments of €3.95 billion.

At December 31, 2013, leverage was 0.25, unchanged from 2012. The Company's excellent results and robust fundamentals underpin a dividend distribution of €1.10 per share (€1.08 in 2012).

In 2013 Eni continued to implement the communication and training program "Eni in safety", with 185 workshops dedicated to Eni's employees. The benefit of this and other programmes in safety is confirmed by the positive trend of the injury frequency rate relating to employees and contractors which improved for the ninth consecutive year (down by 28.7% from 2012). Notwithstanding the 10.5% decrease in the fatality index, six fatal accidents occurred in 2013.

Exploration & Production

Adjusted net profit was €5.95 billion, down by 19.8% from 2012, due to a lower operating performance. Liquids and gas production amounted to 1,619 kboe/d, down by 4.8%, impacted by geopolitical factors.
Solid cash flow at $30 per barrel. As of December 31, 2013 Eni's net proved oil and gas reserves amounted to 6.54 bboe. The organic reserve replacement ratio was 105% on a comparable basis. The reserve life index is 11.1 years.

Gas & Power

In 2013, the Gas & Power Division reported an adjusted operating loss of €246 million, with a decrease of €719 million reflecting raising competitive pressure with plummeting sale prices and margins in Italy, which effects were exacerbated by minimum off-take obligations provided by long-term supply contracts. Benefit from supply portfolio renegotiation amounted to €1.4 billion.
Gas sales were 93.17 bcm with reduction in the main markets, driven by lower demand and increasing competition.

Refining & Marketing

Adjusted net loss was €232 million, affected by plummeting refining margin due to lower demand for refined products, overcapacity and competitive pressure.
In 2013, Eni's average retail market share in Italy was 27.5%.

Versalis

Adjusted net loss was €338 million, which reflected the continuous weakness in demand and margins. Production volumes were 5,817 ktonnes, decreasing by 4.5%.

Engineering & Construction

Adjusted net loss amounted to €253 million due to marketing and operating difficulties and slowdown in acquiring of new orders in onshore and offshore construction business.
Orders acquired were €10,653 million; order backlog amounted to €17,541 million.

Eni's strategy

The 2013 results were achieved in a scenario of increased political instability in certain Countries with Eni's presence in upstream and difficult conditions in the European midstream and downstream markets, particularly in Italy, affected by demand downturn in the challenging competitive environment characterized by lack of profitability.

In order to tackle with this scenario, management has planned a number of actions that are intended to help the Company to achieve robust performances, against cautious assumptions about the external context whereby we do not anticipate any meaningful improvement in market conditions and have projected flat production profiles in the Company's main Countries at risk of political instability (Libya, Nigeria and Algeria).
Eni set-up its Action Plan on the base of the following strategic guidelines:

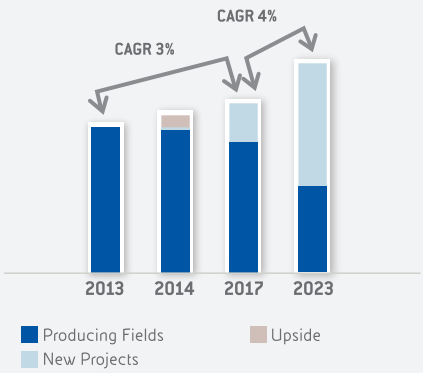
- growth in the upstream supported by monetization of non-core exploration assets;
- continuous engagement in rationalization, rightsizing and modernization in the mid and downstream European markets where Eni is present, selective development of activities in extra European markets with a better perspective growth; as well as
- profitability recovery in the Engineering & Construction segment.

Compared to 2013, management expects robust cash generation, up by 40% in the period 2014-2015 and by 55% in the period 2016-2017. Assuming a Brent price of $90 a barrel for the full year 2017, our projected operating cash flows will provide enough resources to maintain the leverage below the ceiling of 0.30, to finance the planned capital expenditure (€54 billion) and to ensure a progressive increase in the cash returned to shareholders also through the flexible tool of the buyback program.

In **Exploration & Production**, Eni confirms its strategy of organic growth by applying its consolidated development model characterized by Eni's presence in the conventional projects of large dimension as well as efficient structure of development costs, leveraging on significant exploration successes which are proved to be efficient and effective way to achieve the growth of resource base, a driver for production growth/portfolio diversification as well as a vehicle to cash generation by means of discoveries monetization.
The Plan's targets are:

- robust cash generation from operations up on average by 5% on an annual basis;
- production growth at a rate of 3% in the 2014-2017 period, supported by the development of core areas (including Sub-Saharan Africa, Venezuela, Barents Sea, Kazakhstan) coupled with rebalanced risk profile of our portfolio;
- increase of our resource base, up by 3.2 billion boe in the four-year period, which are planned to be achieved through a capital expenditure plan 5% lower than the previous one.

Production growth
(kboe/d)



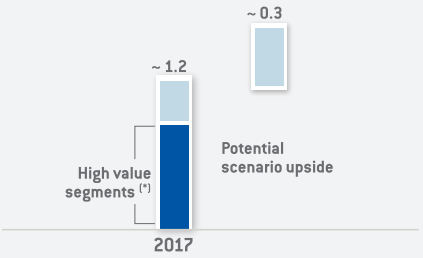
In the **Gas & Power** Division, Eni expects to achieve an increase in cash generation and to restore profitability leveraging on:

- restructuring of our supply portfolio, in order to reach price alignment with the new market conditions and to minimize the impact of take-or-pay risks on future cash flows through a new round of negotiations or arbitrations;
- focus on high value added businesses, such as LNG, through integration with upstream segment and increasing sales in premium markets, particularly in Far East, on trading activities, through the enhancement of the physical and contractual assets in portfolio, as well as the development of our retail customer base;
- the re-engineering of B2B business by means of commercial offers of innovative products for our customers, efficiency actions and integration with the skills of trading unit;
- process re-engineering and cost cutting in our operations.

Management expects that these turnaround drivers will help the Company to restore profitability by 2015 and generate approximately €1.2 billion of adjusted proforma EBITDA in 2017.

Adjusted proforma EBITDA

(€ billion)



(*) Retail, trading, LNG.

In **Refining & Marketing**, Eni intends to restore profitability despite of the continuous worsening of the scenario, which in 2013 saw the fall of the refining margins to an unprecedented level.

In the refining activities, gradual recovery will be supported by:

- the projects of rationalizations and processes reconversion, resulting in a 22% cut of existing refining capacity during the four-year period;
- higher flexibility, process integration, as well as
- efficiency improvement and energy saving projects.

In marketing operations, management intends to strengthen Eni's presence in the retail fuels market by means of:

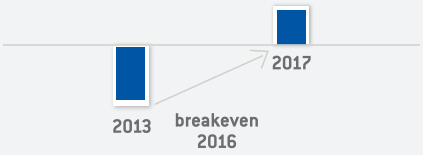
- achievement of higher efficiency results;
- development of non-oil operations; and
- enhancement of LPG and methane distribution.

In the wholesale business, Eni intends to capture opportunities deriving from the closing of third-parties' refineries, in order to safeguard its position. Finally, Eni will launch innovative activities such as the development of new products (LNG in automotive segment) and innovative services (smart mobility).

Based on these initiatives, in the 2014-2017 four-year period Eni expects to increase its adjusted EBIT under constant scenario assumptions for refining and marketing (base 2013) of more than €0.7 billion.

Adjusted EBIT at 2013 scenario

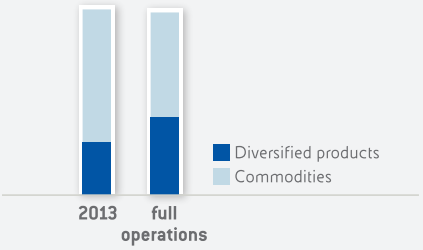
(€ million)



In the **Chemical** sector, in order to mitigate the impacts of the negative scenario, Eni confirms its strategy of:

- optimization/rationalization of productive capacity, with an objective to achieve more adequate and efficient cost position to refocus on products with higher added value;
- development of new supply chains in the field of green chemistry characterized by lower environmental impact and high demand growth rate; as well as
- internationalization of business to serve consumers even more global and markets features with high growth demand rate and also through strategic alliances signed with important international players.

Versalis production mix



In the **Engineering & Construction** segment, the difficulties incurred in certain projects, mainly in the E&C Onshore and Offshore segments, affected severely the business profitability in 2013. Despite this, the sector expects to recover its profitability already in 2014 and to improve gradually marginality in the following years leveraging on the completion of low-margins contracts still present in the current portfolio, effective commercial discipline and investment activities recently completed. These actions will strengthen Saipem's business model in strategic areas and in strategic markets (projects of large dimension and with high technological complexity, in adverse environmental conditions).

Adjusted EBIT

(€ million)

Main data

Key financial data [a] (€ million)	2004	2005	2006	2007	2008	2009	2010	2011	2012[b]	2013
Net sales from operations	57,498	73,692	86,071	87,204	108,082	83,227	98,523	109,589	128,592	**114,722**
of which: continuing operations					*106,978*	*81,932*	*96,617*	*107,690*	*127,220*	***114,722***
Group operating profit	12,399	16,664	19,336	18,739	18,517	12,055	16,111	17,435	15,962	**8,856**
Special items	*(448)*	*(1,210)*	*88*	*(620)*	*2,034*	*1,295*	*2,290*	*1,567*	*4,795*	***3,046***
Profit (loss) on stock	*631*	*1,942*	*1,059*	*885*	*936*	*(345)*	*(881)*	*(1,113)*	*(17)*	***716***
Group adjusted operating profit	12,582	17,396	20,483	19,004	21,487	13,005	17,520	17,889	20,740	**12,618**
Adjusted operating profit - continuing operations					21,322	12,722	16,845	17,230	19,798	**12,618**
Exploration & Production	*8,202*	*12,649*	*15,521*	*13,770*	*17,166*	*9,489*	*13,898*	*16,075*	*18,537*	***14,646***
Gas & Power	*3,448*	*3,783*	*4,117*	*4,414*	*1,778*	*2,022*	*1,268*	*(247)*	*356*	***(663)***
Refining & Marketing	*923*	*1,210*	*794*	*292*	*555*	*(381)*	*(181)*	*(539)*	*(321)*	***(482)***
Versalis	*263*	*261*	*219*	*116*	*(382)*	*(441)*	*(96)*	*(273)*	*(483)*	***(386)***
Engineering & Construction	*215*	*314*	*508*	*840*	*1,041*	*1,120*	*1,326*	*1,443*	*1,474*	***(84)***
Other activities	*(223)*	*(296)*	*(299)*	*(207)*	*(244)*	*(258)*	*(205)*	*(226)*	*(222)*	***(210)***
Corporate and financial companies	*(187)*	*(384)*	*(244)*	*(195)*	*(282)*	*(342)*	*(265)*	*(266)*	*(325)*	***(332)***
Impact of unrealized intragroup profit elimination and consolidation adjustments	*(59)*	*(141)*	*(133)*	*(26)*	*1,690*	*1,513*	*1,100*	*1,263*	*782*	***129***
Adjusted operating profit - discontinued operations					165	283	675	659	942	
Group net profit	7,059	8,788	9,217	10,011	8,825	4,367	6,318	6,860	7,790	**5,160**
of which: continuing operations					*8,996*	*4,488*	*6,252*	*6,902*	*4,200*	***5,160***
discontinued operations					*(171)*	*(121)*	*66*	*(42)*	*3,590*	
Group adjusted net profit	6,645	9,251	10,401	9,569	10,164	5,207	6,869	6,969	7,325	**4,433**
of which: continuing operations					*10,315*	*5,321*	*6,770*	*6,938*	*7,130*	***4,433***
discontinued operations					*(151)*	*(114)*	*99*	*31*	*195*	
Net cash provided by operating activities	12,500	14,936	17,001	15,517	21,801	11,136	14,694	14,382	12,371	**10,969**
of which: continuing operations					*21,506*	*10,755*	*14,140*	*13,763*	*12,356*	***10,969***
discontinued operations					*295*	*381*	*554*	*619*	*15*	
Capital expenditure	7,499	7,414	7,833	10,593	14,562	13,695	13,870	13,438	13,517	**12,750**
of which: continuing operations					*12,935*	*12,216*	*12,450*	*11,909*	*12,761*	***12,750***
discontinued operations					*1,627*	*1,479*	*1,420*	*1,529*	*756*	
Shareholders' equity including non-controlling interests	35,540	39,217	41,199	42,867	48,510	50,051	55,728	60,393	62,558	**61,174**
Net borrowings	10,443	10,475	6,767	16,327	18,376	23,055	26,119	28,032	15,511	**15,428**
Leverage	0.29	0.27	0.16	0.38	0.38	0.46	0.47	0.46	0.25	**0.25**
Net capital employed	45,983	49,692	47,966	59,194	66,886	73,106	81,847	88,425	78,069	**76,602**
Exploration & Production	*16,770*	*19,109*	*17,783*	*23,826*	*31,362*	*32,455*	*37,646*	*42,024*	*42,394*	***45,721***
Gas & Power	*19,554*	*20,075*	*19,713*	*21,333*	*9,636*	*11,024*	*12,931*	*12,367*	*11,124*	***9,735***
Snam					*11,918*	*13,730*	*14,415*	*15,393*		
Refining & Marketing	*5,081*	*5,993*	*5,631*	*7,675*	*7,379*	*8,105*	*8,321*	*9,188*	*8,846*	***7,969***
Versalis	*2,076*	*2,018*	*1,953*	*2,228*	*1,915*	*1,774*	*1,978*	*2,252*	*2,557*	***2,656***
Engineering & Construction	*2,403*	*2,844*	*3,399*	*4,313*	*5,022*	*6,566*	*7,610*	*8,217*	*9,992*	***9,616***
Corporate financial companies and other activities	*277*	*2*	*(95)*	*294*	*24*	*(192)*	*(527)*	*(393)*	*3,659*	***1,382***
Impact of unrealized intragroup profit elimination	*(178)*	*(349)*	*(418)*	*(475)*	*(370)*	*(356)*	*(527)*	*(623)*	*(503)*	***(477)***

(a) Following the divestment of Regulated Businesses in Italy, results of Snam have been accounted as "discontinued operations". Results for the 2008-2011 period have been restated accordingly.
(b) 2012 figures have been restated following the adoption of the International Accounting Standard (IAS) 19 "Employees benefits", effective since January 1, 2013.

Key market indicators		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Average price of Brent dated crude oil [a]		38.22	54.38	65.14	72.52	96.99	61.51	79.47	111.27	111.58	**108.66**
Average EUR/USD exchange rate [b]		1.244	1.244	1.256	1.371	1.471	1.393	1.327	1.392	1.285	**1.328**
Average price in euro of Brent dated crude oil		30.72	43.71	51.86	52.90	65.93	44.16	59.89	79.94	86.83	**81.82**
Average European refining margin [c]		4.35	5.78	3.79	4.52	6.49	3.13	2.66	2.06	4.83	**2.64**
Average European refining margin Brent/Ural [c]		7.03	8.33	6.50	6.45	8.85	3.56	3.47	2.90	4.94	**2.60**
Euribor - three-month euro rate	(%)	2.1	2.2	3.1	4.3	4.6	1.2	0.8	1.4	0.6	**0.2**

(a) In US dollars per barrel. Source: Platt's Oilgram.
(b) Source: ECB.
(c) In US dollars per barrel FOB Mediterranean Brent dated crude oil. Source: Eni calculations based on Platt's Oilgram data.

Selected operating data		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Corporate [a]											
Employees at period end	(number)	71,572	71,773	72,850	75,125	71,714	71,461	73,768	72,574	77,838	**82,289**
of which: - *women*		*10,326*	*10,620*	*10,841*	*10,977*	*11,611*	*11,955*	*12,161*	*12,542*	*12,860*	***13,601***
- *outside Italy*		*32,691*	*34,036*	*35,818*	*38,634*	*41,971*	*42,633*	*45,967*	*45,516*	*51,034*	***55,507***
Female managers	(%)	12.5	12.4	13.5	14.1	16.3	17.3	18.0	18.5	18.9	**19.4**
Employees injury frequency rate	(number of accidents per million of worked hours)	3.99	2.74	2.45	1.93	1.22	0.84	0.80	0.65	0.57	**0.40**
Contractors injury frequency rate		7.84	2.59	1.54	1.45	1.09	0.97	0.71	0.57	0.45	**0.32**
Fatality index	(fatal injuries per one hundred millions of worked hours)	5.64	3.38	2.31	2.97	2.75	1.20	4.77	1.94	1.10	**0.98**
Oil spills due to operations	(barrels)	7,813	6,908	6,151	6,731	4,749	6,259	4,269	7,295	3,759	**1,901**
Direct GHG emission	(mmtonnes CO_2eq)	58.34	61.85	60.72	67.25	59.59	55.49	58.26	49.13	52.50	**47.30**
R&D expenditure [b]	(€ million)	257	204	222	208	211	233	218	190	211	**197**
Exploration & Production											
Proved reserves of hydrocarbons	(mmboe)	7,218	6,837	6,436	6,370	6,600	6,571	6,843	7,086	7,166	**6,535**
Reserve life index	(years)	12.1	10.8	10.0	10.0	10.0	10.2	10.3	12.3	11.5	**11.1**
Production of hydrocarbons	(kboe/d)	1,624	1,737	1,770	1,736	1,797	1,769	1,815	1,581	1,701	**1,619**
Gas & Power											
Sales of consolidated companies (including own consumption)	(bcm)	76.49	82.62	85.76	84.83	89.32	89.60	82.00	84.05	84.30	**83.60**
Sales of Eni's affiliates (Eni's share)		5.84	7.08	7.65	8.74	8.91	7.95	9.41	9.85	8.29	**6.96**
Total sales and own consumption (G&P)		82.33	89.70	93.41	93.57	98.23	97.55	91.41	93.90	92.59	**90.56**
E&P sales in Europe and in the Gulf of Mexico		4.70	4.51	4.69	5.39	6.00	6.17	5.65	2.86	2.73	**2.61**
Worldwide gas sales		87.03	94.21	98.10	98.96	104.23	103.72	97.06	96.76	95.32	**93.17**
Electricity sold	(TWh)	16.95	27.56	31.03	33.19	29.93	33.96	39,54	40.28	42.58	**35.05**
Refining & Marketing											
Throughputs on own account	(mmtonnes)	37.69	38.79	38.04	37.15	35.84	34.55	34,80	31.96	30.01	**27.38**
Balanced capacity of wholly-owned refineries	(kbbl/d)	504	524	534	544	737	747	757	767	767	***787***
Sales of refined products	(mmtonnes)	53.54	51.63	51.13	50.15	49.16	45.59	46.80	45.02	48.33	**43.49**
Retail sales in Europe		14.40	12.42	12.48	12.65	12.03	12.02	11,73	11.37	10.87	**9.69**
Service stations at year end	(units)	9,140	6,282	6,294	6,440	5,956	5,986	6,167	6,287	6,384	**6,386**
Average throughput per service station	(kliters/y)	1,970	2,479	2,470	2,486	2,502	2,477	2,353	2,206	2,064	**1,828**
Versalis											
Production	(ktonnes)	7,118	7,282	7,072	8,795	7,372	6,521	7,220	6,245	6,090	**5,817**
of which: - *Intermediates*		*4,236*	*4,450*	*4,275*	*5,688*	*5,110*	*4,350*	*4,860*	*4,101*	*3,595*	***3,462***
- *Polymers*		*2,882*	*2,832*	*2,797*	*3,107*	*2,262*	*2,171*	*2,360*	*2,144*	*2,495*	***2,355***
Average plant utilization rate	(%)	75.2	78.4	76.4	80.6	68.6	65.4	72.9	65.3	66.7	**65.3**
Engineering & Construction											
Orders acquired	(€ million)	5,784	8,395	11,172	11,845	13,860	9,917	12,935	12,505	13,391	**10,653**
Order backlog at year end		8,521	10,122	13,191	15,390	19,105	18,370	20,505	20,417	19,739	**17,514**

(a) Following the divestment of Regulated Businesses in Italy, data for the year 2012 do not include Snam contribution. Results for the 2008-2011 period have been restated accordingly.
(b) Net of general and administrative costs.

Share data		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net profit [a] [b]	(€)	1.87	2.34	2.49	2.73	2.43	1.21	1.74	1.89	2.15	**1.42**
Net profit - continuing operations [a] [b] [*]						2.47	1.24	1.72	1.90	1.16	**1.42**
Dividend	(€ million)	0.90	1.10	1.25	1.30	1.30	1.00	1.00	1.04	1.08	**1.10**
Dividend pertaining to the year		3,384	4,086	4,594	4,750	4,714	3,622	3,622	3,695	3,840	**3,949**
Cash flow	(€)	3.31	3.97	4.59	4.23	5.99	3.07	4.06	3.97	3.41	**3.52**
Dividend yield [c]	(%)	4.9	4.7	5.0	5.3	7.6	5.8	6.1	6.6	5.9	**6.5**
Net profit per ADR [d] [*]	(US$)	4.66	5.81	6.26	7.49	7.27	3.45	4.59	5.29	2.98	**3.77**
Dividend per ADR [d]		2.17	2.74	3.14	3.56	3.82	2.79	2.65	2.90	2.78	**2.83**
Cash flow per ADR [d]		8.96	9.40	11.53	11.60	17.63	8.56	10.77	11.05	8.77	**9.04**
Dividend yield per ADR [c]	(%)	5.0	4.7	5.0	5.3	7.6	5.8	6.1	6.6	5.8	**4.6**
Pay-out		48	46	50	47	53	81	57	55	50	***77***
Number of shares at period-end representing share capital	(million shares)	4,004.4	4,005.4	4,005.4	4,005.4	4,005.4	4,005.4	4,005.4	4,005.4	3,634.2	**3,634.2**
Average number of shares outstanding in the year [e] (fully diluted)		3,771.7	3,763.4	3,701.3	3,669.2	3,638.9	3,622.4	3,622.5	3,622.7	3,622.8	**3,622.8**
TSR	(%)	28.5	35.3	14.8	3.2	(29.1)	13.7	(2.2)	5.1	22.0	**1.3**

(*) Following the divestment of Regulated Businesses in Italy, results of Snam have been accounted for as "discontinued operations", based on IFRS 5. Results for the 2008-2011 period have been restated accordingly. Net profit refers to results of continuing operations as reported in Eni consolidated Annual Report.
(a) Calculated on the average number of Eni shares outstanding during the year.
(b) Pertaining to Eni's shareholders.
(c) Ratio between dividend of the year and average share price in December.
(d) One ADR represents 2 shares. Net profit, dividends and cash flow data were converted using average exchange rates. Dividends data were converted at the Noon Buying Rate of the pay-out date.
(e) Calculated by excluding own shares in portfolio.

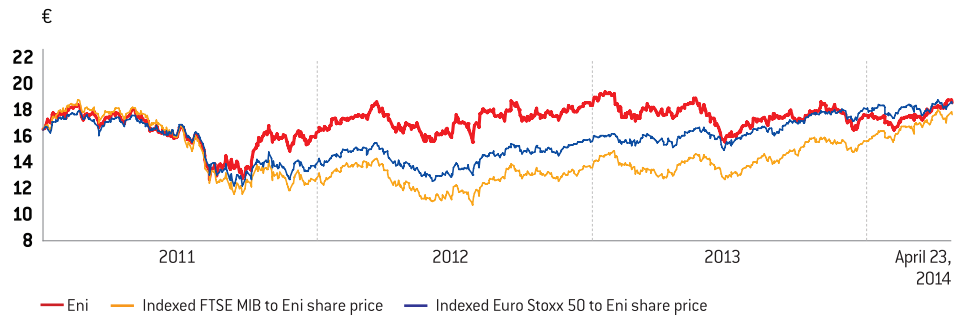
Share information		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Share price - Milan Stock Exchange											
High	(€)	18.75	24.96	25.73	28.33	26.93	18.35	18.56	18.42	18.70	**19.48**
Low		14.72	17.93	21.82	22.76	13.80	12.30	14.61	12.17	15.25	**15.29**
Average		16.94	21.60	23.83	25.10	21.43	16.59	16.39	15.95	17.18	**17.57**
End of the period		18.42	23.43	25.48	25.05	16.74	17.80	16.34	16.01	18.34	**17.49**
ADR price [a] - New York Stock Exchange											
High	(US$)	126.45	151.35	67.69	78.29	84.14	54.45	53.89	53.74	49.44	**52.12**
Low		92.35	118.50	54.65	60.22	37.22	31.07	35.37	32.98	36.85	**40.39**
Average		105.60	134.02	59.97	68.80	63.38	46.36	43.56	44.41	44.24	**46.68**
End of the period		125.84	139.46	67.28	72.43	47.82	50.61	43.74	41.27	49.14	**48.49**
Average daily exchanged shares	(million shares)	20.0	28.5	26.2	30.5	28.7	27.9	20.7	22.9	15.6	**15.4**
Value	(€ million)	338.7	620.7	619.1	773.1	610.4	461.7	336.0	355.0	267.0	**271.4**
Number of shares outstanding at period end [b]	(million shares)	3,770.0	3,727.3	3,680.4	3,656.8	3,622.4	3,622.4	3,622.7	3,622.7	3,622.8	**3,622.8**
Market capitalization [c]											
EUR	(billion)	69.4	87.3	93.8	91.6	60.6	64.5	59.2	58.0	66.4	**63.4**
USD		94.9	104.0	123.8	132.4	86.6	91.7	79.2	75.0	87.7	**87.4**

(a) Effective January 10, 2006 a 5:2 stock split was made. Previous period's prices have not been restated.
(b) Excluding treasury shares.
(c) Number of outstanding shares by reference price at period end.

Data on Eni share placement		1995	1996	1997	1998	2001
Offer price	(€/share)	5.42	7.40	9.90	11.80	13.60
Number of share placed	(million shares)	601.9	647.5	728.4	608.1	200.1
of which: through bonus share			*1.9*	*15.0*	*24.4*	*39.6*
Percentage of share capital [a]	(%)	15.0	16.2	18.2	15.2	5.0
Proceeds	(€ million)	3.254	4,596	6,869	6,714	2,721

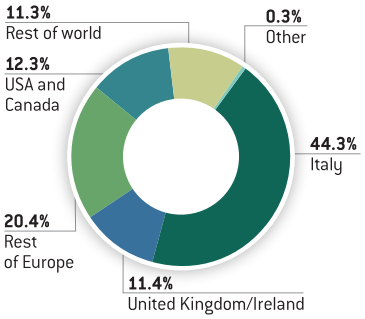
(a) Refers to share capital at December 31, 2013.

Eni share price in Milan - (December 31, 2010 - April 23, 2014)



Source: Eni calculations based on REUTERS data

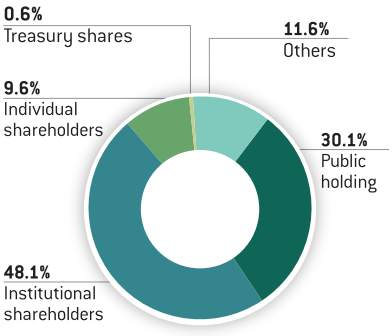
Shareholders distribution by geographic area (*)



Eni ADR price in New York - (December 31, 2010 - April 23, 2014)

Source: Eni calculations based on REUTERS data

Class of shareholders (*)



(*) As of January 10, 2014.

Eni's business model

Eni's business model targets long-term value creation by delivering on profitability and growth, improving efficiency and mitigating risks, taking into account the interests of all the stakeholders.
The main capitals used by Eni (financial capital, manufacture capital, intellectual capital, natural capital, human capital, social and relationship capital) are classified in accordance with the criteria included in the "International IR Framework" published by the International Integrated Reporting Council (IIRC). Our 2013 robust financial results and sustainability performance rely on the responsible and efficient use of our capitals which resulted in operational excellence, asset integrity, handling of operational risk, preservation of health, safety and the environment.

These results are based on the great attention paid to the specific features of the Countries where Eni operates and thus on cooperation for their development. Starting from an assessment of their potential Eni promotes partnerships providing local people new opportunities for growth and development. This is a competitive lever in the Countries where Eni's experience is more recent but also in more established areas. In each one of them, our objective is to create high quality jobs targeted at local resources on an equal opportunity basis.
The culture of plurality is a distinctive feature of Eni's strongly internationally oriented business model.

strategic guidelines

What are the strategic guidelines to use and develop our assets?

> profitable growth
> strict capex discipline
> focus on core areas
> partnerships with NOCs
> reduction of time to market
> operatorship
> gas supply contracts renegotiation
> leadership in the european gas market
> capacity reduction in commodity businesses
> leveraging on asset flexibility
> focus on customers and premium/niche segments

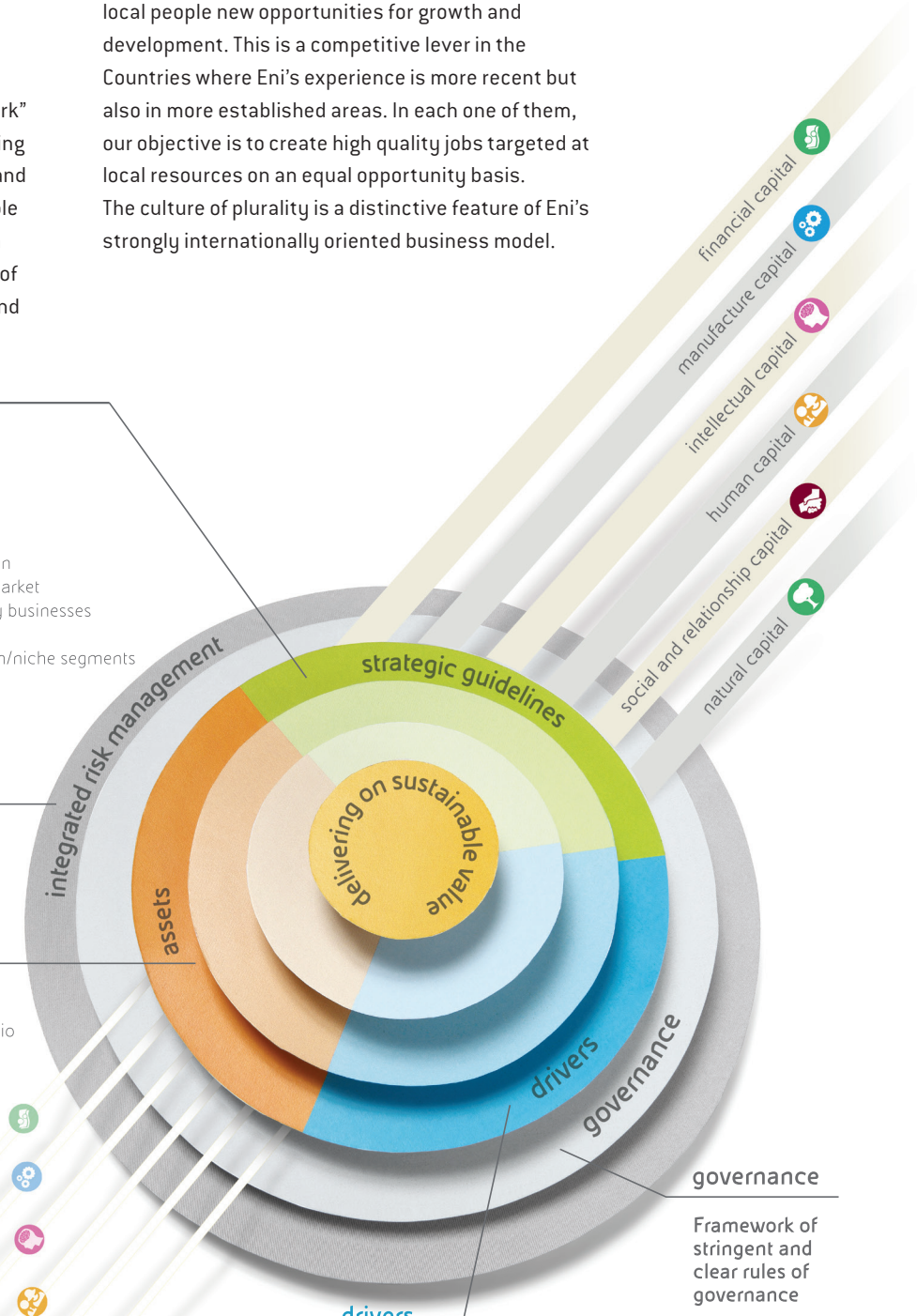
integrated risk management

Integrated risk management model across our businesses

assets

What distintive assets for delivering Sustainable Value?

> solid resource base
> giant projects
> high potential exploration portfolio
> low cost position
> diversified gas supply portfolio
> large and International customer base
> plant efficiency
> eni brand



governance

Framework of stringent and clear rules of governance

drivers

What principles for delivering Sustainable Value?

> cooperation for host countries' development
> integration all along the energy supply chain
> excellence in conducting our operations
> innovation in developing competitive solutions
> inclusiveness of Eni's people and diversity promotion
> responsibility in managing the business

The inclusion of all Eni's people with their diversity merges with the protection of health and safety on the workplace, with the professional development and engagement in the company's objectives. Eni guarantees equal treatment to all its people defining worldwide remuneration policies and committing itself and its suppliers to the respect of the basic workers' rights in all the Countries of operation.
Responsibility is assumed as commitment to transparency and anticorruption practices while respecting human rights in all areas and promoting the development of Countries and their society. In deploying its activities, Eni activates a flow of resources that can be crucial for economic growth. Only a strict discipline of integrity and promotion of transparency, in particular as concerns payments to producing Countries can protect from corruption and build the basis for a proper use of these resources aimed at sustainable development.
Our way of doing business is based on operating excellence that leverages on best practices, quality systems, advanced and high quality technologies to guarantee full respect of communities and their environment. A safe management of plants and the mitigation of risks represent a prerequisite for a proper environmental management and for the reduction of environmental impacts.
The exploration of frontier areas and Asian territories that are considered difficult and environmentally sensitive are the result not only of Eni's drive to development while applying new technologies but also of a responsible and sustainable corporate strategy.
Eni's presence worldwide in the most sensitive areas was made possible by technological innovation and the application of advanced methodologies that allow work also in harsh contexts guaranteeing the protection of the environments and the conservation of sensitive ecosystems and biodiversity.
Lastly, as an integrated energy company, Eni works alongside governments of producing Countries in planning and designing solutions for the development of local energy systems, cooperating with national companies in the development of energy sources and building infrastructure for their use and monetization. One of the main actions performed concerns the fight against energy poverty in particular in Sub-Saharan Africa with the support of the development of local technologies and the reduction of waste where infrastructure already exists.
Eni has in fact started a new path of evolution and relaunch of its chemical and refining activities directing its focus on the so called green chemistry and bio-refining.
The table below describes the main results associated to each capital. For detailed information and results from the use of financial and manufacture capitals, see the Consolidated Sustainability Statements and the Financial Review of the 2013 Annual Report.

human capital

Safety		2009	2010	2011	2012	2013
Injury frequency rate	(number of accidents per million of worked hours)	0.92	0.75	0.60	0.49	0.35
- employees		0.84	0.80	0.65	0.57	0.40
- contractors		0.97	0.71	0.57	0.45	0.32
Fatality index	(fatal injuries/one hundred millions of worked hours)	1.20	4.77	1.94	1.10	0.98
- employees		0.89	6.66	1.19	0.87	1.74
- contractors		1.40	3.55	2.38	1.23	0.53
Safety expenditure and investments	(€ million)	488	260	320	371	409
Professional illnesses reported	(number)	123	184	135	69	68
Health and hygiene expenditure and investments	(€ million)	78	55	79	48	51

Employees		2009	2010	2011	2012	2013
Employees as of December 31	(number)	71,461	73,768	72,574	77,838	82,289
- men		59,506	61,607	60,032	64,978	68,688
- women		11,955	12,161	12,542	12,860	13,601
Employees abroad by type		42,633	45,967	45,516	51,034	55,507
- locals		33,483	35,835	34,801	39,668	43,121
- Italian expatriates		2,771	3,123	3,208	3,867	3,955
- International expatriates (including TCN)		6,379	7,009	7,507	7,499	8,431
Senior Managers employed		1,437	1,454	1,468	1,474	1,475
- of which women		141	147	152	159	160
Managers/Supervisors employed		12,395	12,837	12,754	13,199	13,637
- of which women		2,258	2,421	2,477	2,615	2,767
Employees		33,931	34,599	36,019	38,497	39,943
- of which women		9,171	9,040	9,394	9,777	10,310
Workers employed		23,698	24,878	22,333	24,668	27,234
- of which women		385	553	519	309	364
Local employees abroad by professional category		33,483	35,835	34,801	39,668	43,121
- of which senior managers		224	228	228	223	216
- of which managers/supervisors		3,138	3,461	3,476	3,798	4,001
- of which employees		15,533	16,269	17,529	19,683	20,522
- of which workers		14,588	15,877	13,568	15,964	18,382
Training hours	(thousand hours)	2,930	2,949	3,127	3,132	4,350

social and relationship capital

Spending for the territory	(€ million)	2009	2010	2011	2012	2013
Total spending for the territory		98	107	101	91	**101**
- of which interventions on the territories from agreements, conventions and PSA		70	75	69	63	**58**
- of which short-term investments linked to initiatives in favour of the territories		1	4	1	3	**1**
- of which association memberships fees		1	2	2	2	**2**
- of which contributions to the Eni Foundation		5	5	3	-	**10**
- of which sponsorships for the territory		16	17	22	19	**26**
- of which contributions to the Eni Enrico Mattei Foundation		4	4	4	4	**4**

Procurement by geographical area 2013		Africa	Americas	Asia	Italy	Rest of Europe	Oceania
Number of suppliers	(number)	**7,105**	**6,116**	**5,246**	**9,980**	**9,940**	**520**
Total procurement	(€ million)	**8,434**	**2,871**	**5,036**	**10,714**	**5,340**	**419**
- in goods	(%)	17.5	24.2	16.2	11.2	17.9	10.3
- in works		16.3	26.3	21.5	12.4	26.1	1.0
- in services		60.8	47.8	49.2	73.1	53.7	88.2
- of which unidentifiable		5.4	1.7	13.1	3.3	2.3	0.5

Local procurement 2013 by Country

% procurement on local market	Countries
0 - 25 %	UAE, Luxembourg, Malaysia, Mozambique, Peru, Portugal.
26 -49 %	Angola, China, Germany, Iran, Iraq, Libya, Norway, Republic Czech, Slovenia.
50 - 74 %	Algeria, Saudi Arabia, Brazil, Republic of Congo, Croatia, Egypt, France, Ghana, United Kingdom, India, Italy, Kazakhstan, the Netherlands, Pakistan, Singapore, Switzerland, Togo, Tunisia, Hungary.
75 - 100 %	Argentina, Australia, Austria, Belgium, Canada, Cyprus, Ecuador, Gabon, Indonesia, Kenya, Mexico, Nigeria, Poland, Romania, Russia, Spain, United States, Ukraine, Venezuela, Vietnam.

Relations with suppliers		2009	2010	2011	2012	2013
Procurement by macro-class	(€ million)	33,084	31,187	32,586	31,811	**32,814**
Supplier concentration top 20	(%)	24	18	20	15	**17**
Suppliers	(number)	33,447	32,601	31,878	32,621	**34,848**
Qualification cycles carried out during the year		21,066	32,962	26,936	31,991	**46,913**
Suppliers subjected to qualification procedures including screening on human rights		7,798	10,096	11,471	12,471	**14,833**
% procurement from suppliers subjected to qualification procedures including screening on human rights	(%)	87	85	90	88	**87**

Relations with customers		2009	2010	2011	2012	2013
R&M Customer satisfaction						
Customer satisfaction index	(likert scale)	7.93	7.84	7.74	7.90	**8.10**
Customers involved in the satisfaction survey (R&M)	(number)	10,711	30,618	30,524	30,438	**29,863**
G&P Customer satisfaction						
Eni customer satisfaction score	(%)	83.7	87.4	88.6	89.7	**90.4** [b]
Panel Average (G&P) [a]		87.0	87.4	88.9	91.2	**93.1**

(a) The panel analysed refers to companies representing more than 50% of the market with more than 50,000 customers (Source: AEEG survey – carried out on the first half of 2013 – relating to the quality of telephone services of providers of electricity and gas).
(b) The customer satisfaction score for 2013 relates to the first six months as at the date of publication of this document the Authority for Electricity and Gas had not yet published the data for the second half of the year.

natural capital

Environmental performance		2009	2010	2011	2012	2013
Direct GHG emissions	(tons CO_2eq)	55,494,551	58,259,157	49,128,806	52,498,789	47,299,030
- of which CO_2 from combustion and process	(tons)	35,788,121	37,948,625	35,319,845	36,365,220	34.171.33
- of which CO_2 equivalents from flaring	(tons CO_2eq)	13,839,353	13,834,988	9,553,894	9,461,518	8,478,376
- of which CO_2 equivalents from CH_4 (methane)		3,684,874	4,135,523	3,222,051	4,475,756	2,901,503
- of which CO_2 equivalents from venting		2,182,202	2,340,021	1,033,017	2,196,295	1,747,812
CO_2eq emissions/100% net operated hydrocarbon production	(tons CO_2eq/toe)	0.235	0.235	0.206	0.226	0.222
CO_2eq emissions/kWheq (EniPower)	(kg CO_2eq/kWheq)	0.410	0.407	0.404	0.399	0.407
CO_2eq emissions/uEDC (R&M)	(tons CO_2eq/kbbl/SD)	1,240	1,284	1,231	1,143	1,049
NOx (nitrogen oxide) emissions	(tons NO_2eq)	110,910	106,040	97,114	115,571	102,295
SOx (sulphur oxide) emissions	(tons SO_2eq)	45,985	50,085	37,943	30,137	27,949
NMVOC (Non-Methane Volatile Organic Compounds) emissions	(tons)	75,318	68,490	46,228	48,702	43,536
TSP (Total Suspended Particulate) emissions		3,936	3,783	3,297	3,548	2,848
Energy consumption from production activities/100% operated hydrocarbon gross production (E&P)	(GJ/toe)			1,615	1,557	1,536
Total water withdrawals	(mmcm)	2,839.97	2,786.78	2,577.98	2,359.21	2,206.36
Total production and/or process water extracted [a]		59.67	61.15	58.16	61.17	61.32
- of which re-injected		23.32	27.11	25.18	20.82	20.23
Total recycled and/or reused water		490.22	544.63	519.43	519.93	735.89
Total number of oil spills (>1 barrel) [b]	(number)	308	330	418	329	386
Total volume of oil spills (>1 barrel) [b]	(barrels)	21,547	22,964	14,952	12,428	7,903
- of which from sabotage and terrorism		15,288	18,695	7,657	8,669	6,002
- of which due to operations		6,259	4,269	7,295	3,759	1,901
Waste from production activities	(tons)	1,078,839	1,400,488	1,309,135	1,378,385	1,599,931
Hazardous waste from production activities		418,120	489,108	476,552	365,695	374,412
Non hazardous waste from production activities		660,719	911,380	832,582	1,012,690	1,225,519
Environmental expenditure and investments	(€ million)	1,231	916	893	743	711

(a) Since 2012, the amount includes the contribution of production water injected into deep wells for disposal purposes.
(b) Data until 2011 include oil spills which are less than a barrel.

intellectual capital

Technological innovation		2009	2010	2011	2012	2013
R&D expenditure	(€ million)	287	275	246	263	218
- R&D expenditure net of general and administrative costs		233	218	190	211	197
Personnel employed in R&D activities (full time equivalent)	(number)	1,019	1,019	925	975	986
Existing patents		7,751	7,998	8,884	8,931	9,427

Knowledge management	(number)	2009	2010	2011	2012	2013
Knowledge community/network by application sector		44	53	58	63	65
- business		38	48	53	53	55
- transversal		6	5	5	10	10
Participants in knowledge community/network by application sector		1,827	2,624	3,634	4,732	5,676
- business		1,601	2,385	3,376	4,098	4,909
- transversal		226	239	258	634	767