Refining & Marketing

Key performance indicators

		2009	2010	2011	2012	**2013**
Employees injury frequency rate	(No. of accidents per million of worked hours)	3.18	1.77	1.96	1.08	**0.31**
Contractors injury frequency rate		4.35	3.59	3.21	2.32	**1.68**
Net sales from operations [a]	(€ million)	31,769	43,190	51,219	62,656	**57,329**
Operating profit		(102)	149	(273)	(1,296)	**(1,517)**
Adjusted operating profit		(357)	(181)	(539)	(321)	**(482)**
Adjusted net profit		(197)	(56)	(264)	(179)	**(232)**
Capital expenditure		635	711	866	842	**619**
Refinery throughputs on own account	(mmtonnes)	34.55	34.80	31.96	30.01	**27.38**
Conversion index	(%)	60	61	61	61	**62**
Balanced capacity of refineries	(kbbl/d)	747	757	767	767	**787**
Retail sales of petroleum products in Europe	(mmtonnes)	12.02	11.73	11.37	10.87	**9.69**
Service stations in Europe at year end	(units)	5,986	6,167	6,287	6,384	**6,386**
Average throughput per service station in Europe	(kliters)	2,477	2,353	2,206	2,064	**1,828**
Retail efficiency index	(%)	1.61	1.53	1.50	1.48	**1.28**
Employees at year end	(number)	8,166	8,022	7,591	7,125	**6,942**
Direct GHG emissions	(mmtonnes CO_2eq)	7.29	7.76	7.24	6.03	**5.18**
SO_x (sulphur oxide) emissions	(ktonnes SO_2eq)	21.98	28.05	23.07	16.99	**10.80**
NO_x (nitrogen oxide) emissions	(ktonnes NO_2eq)	7.35	7.96	6.74	5.87	**4.51**
Water consumption rate (refineries)/ refinery throughputs	(cm/tonnes)	35.99	28.36	31.03	25.43	**19.98**
Biofuels marketed	(mmtonnes)	18.15	17.79	13.26	14.83	**10.84**
Customer satisfaction index	(likert scale)	7.93	7.84	7.74	7.90	**8.10**

(a) Before elimination of intragroup sales.

Performance of the year

In 2013, the injury frequency rates decreased from 2012 (down by 71.4% for employees and 27.5% for contractors).

The declining trend of greenhouse gas, SO_x and NO_x emissions, due to lower throughputs during the year, benefited from energy saving measures and increase in use of natural gas to replace fuel oil.

Water consumption rate at the Eni's refineries reduced by 26%.

In the 2013, the Refining & Marketing Division reported sharply lower adjusted net loss amounting to €232 million (€179 million in 2012). This decrease reflected plunging refining margins driven by weak demand for refined products and overcapacity, the effects of which were exacerbated by shrinking price differentials between light and heavy crudes due to lower heavy crudes supplies in the Mediterranean area. The negative trading environment was partly counteracted by efficiency and optimization gains. Marketing results were affected by lower fuel demand and mounting competitive pressure.

In 2013 refining throughputs were 27.38 mmtonnes, down by 8.8% from 2012. In Italy, processed volumes decreased (down 9.4%) due to the planned shutdown of the Venice Refinery following the Green Refinery project and downsizing of all the remaining plants driven by a decline in refining margins. Outside Italy, Eni's refining throughputs decreased by 5.9%, in particular in the Czech Republic.

Retail sales in Italy of 6.64 mmtonnes decreased by 15.2% from 2012. This decline was driven by the current economic downturn and increased competitive pressure. In 2013 Eni's average retail market share was 27.5%, down by 3.7 percentage points from 2012 when sales volumes benefitted from the effect of a promotional campaign made during the summer weekends ("riparti con eni").

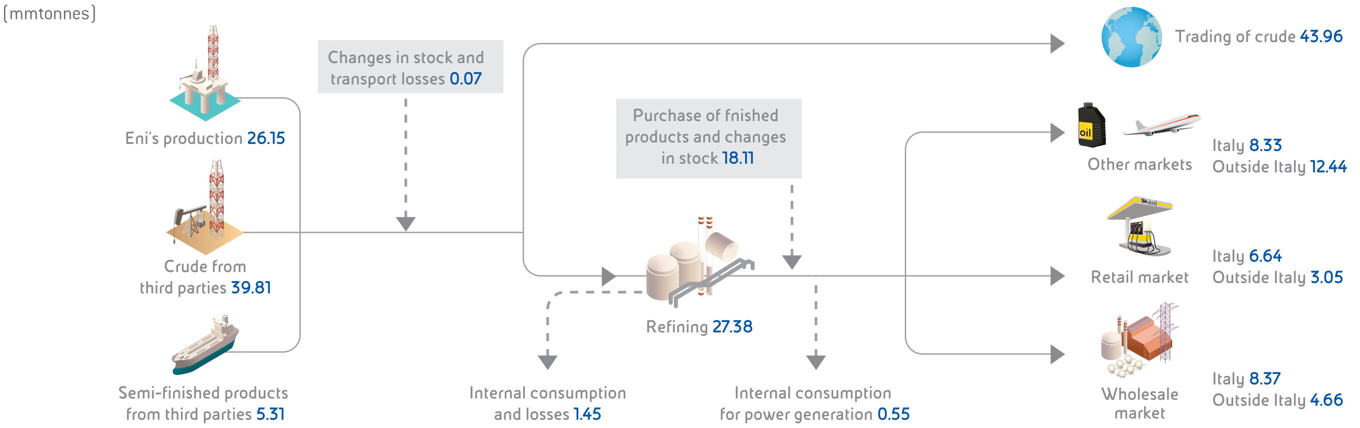
Retail sales in the Rest of Europe of 3.05 mmtonnes were substantially unchanged from 2012 (up 0.3%) due to higher volumes marketed in Germany and Austria, almost completely offset by lower sales in the Czech Republic and Hungary.

Capital expenditure of €619 million related mainly to refining, supply and logistics (€444 million) aimed at improving flexibility and yields, in particular at the Sannazzaro Refinery, as well as marketing activities and streamlining of the retail distribution network of refined products (€175 million).

In 2013 total expenditure in R&D of the Refining & Marketing Division amounted to approximately €33 million, net of general and administrative costs. During the year 6 patent applications were filed.

Production cycle of refined products in 2013

(mmtonnes)



Activities

1. Refining

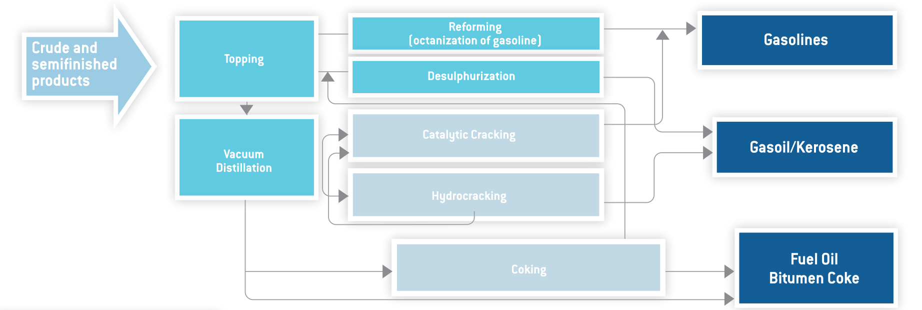
Eni, through its Refining & Marketing Division, is a leader in refining in Italy, with its five wholly-owned refineries (Sannazzaro, Livorno, Venice, Taranto and Gela), and in marketing of petroleum products. In the rest of Europe Eni also holds interests in certain refining poles and is active in retail and wholesale sales in Central-Eastern European countries.

Eni's refining system has balanced capacity of approximately 39.3 mmtonnes (equal to 787 kbbl/d) and a conversion index of 62%. In 2013, total refinery throughputs were 27.38 mmtonnes, of which 22.56 mmtonnes in Italy and 4.82 outside Italy. Total throughputs in wholly-owned refineries were 18.99 mmtonnes, down by 1.85 mmtonnes or 8.9% from 2012. This determined a refinery utilization rate of 66%, down by six percentage points from 2012, consistently with negative scenario. Approximately 23.7% of processed volumes were supplied by Eni's Exploration & Production Division, up by 0.9 percentage point from 2012 (22.8%).

Italy

Eni's refining system in Italy is composed of five wholly-owned refineries and a 50% interest in the Milazzo refinery. Each of Eni's refineries in Italy has operating and strategic features that aim at maximizing the value associated to the asset structure, the geographic location with respect to end markets and the integration with Eni's other activities.

Scheme of the refining cycle



- Simple cycle plants
- Complex cycle plants
- Products

The capacity of complex plants determines the flexibility level of refineries that allows to partially disengage the quality and mix of outputs from properties of processed inputs. The higher the complexity of a plant, the wider the content of heavy molecules and impurities of feedstocks, that lead, however, to a high percentage of light and high quality final products (mainly gasolines and gasoils).

Crude oil that needs to be carried to the refinery by means of pipelines or over long distances by tanker ships undergoes processing for the separation of its components. In refineries crude oil is warmed to a temperature of approximately 400°C so that it turns into vapour. Oil vapours are injected in fractionating columns, also called distillation towers, where they flow upward through a series of plates and cool. At various temperatures they condense and return to a liquid state. While cooling and falling they separate in various hydrocarbon fractions (gasoil, kerosene, naphtha, gasoline, methane, ethane, propane and butane, fuel oil, lubricants, paraffin, wax and bitumen).

Refining system in 2013

	Ownership share	Distillation capacity (total)	Distillation capacity (Eni's share)	Primary balanced refining capacity (Eni's share) [a]	Conversion index	Fluid catalytic cracking - FCC	Residue conversion	Go-Finer/ Mild Hydro-cracking	Mild Hydro-cracking/ Hydro-cracking	Visbreaking/ Thermal Cracking	Coking	Distillation capacity utilization rate (Eni's share)	Balanced refining capacity utilization rate (Eni's share)
	(%)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(%)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(kbbl/d)	(%)	(%)
Wholly-owned refineries		**685**	**685**	**574**	**68**	**69**	**35**	**37**	**66**	**89**	**46**	**61**	**66**
Italy													
Sannazzaro	100	223	223	190	73	34	13		51	29		74	87
Gela	100	129	129	100	142	35		37			46	22	29
Taranto	100	120	120	120	72		22		15	38		65	65
Livorno	100	106	106	84	11							73	92
Venice	100	107	107	80	20					22		44	37
Partially-owned refineries [b]		**874**	**245**	**213**	**47**	**167**	**25**		**99**	**27**		**79**	**84**
Italy													
Milazzo	50	248	124	100	60	45	25		32			77	83
Germany													
Vohburg/Neustadt (Bayernoil)	20	215	43	41	36	49			43			92	92
Schwedt	8.33	231	19	19	42	49				27		95	94
Czech Republic													
Kralupy and Litvinov (Ceska' Rafinerska)	32.4	180	58	53	30	24			24			78	78
TOTAL		**1,559**	**930**	**787**	**62**	**236**	**60**	**37**	**165**	**116**	**46**	**72**	**71**

(a) Actual production capacity: Venice conversion in "Green Refinery", Gela with only a production line working.
(b) Capacity of conversion plant is 100%.

Sannazzaro: with a balanced primary refining capacity of 190 kbbl/d and a conversion index of 72.8%, it is considered one of the most efficient in Europe. It is located in the Po Valley and supplies mainly the markets of North-Western Italy and Switzerland. A high degree of flexibility of Sannazzaro refinery allows it to process a wide range of feedstock. With regards to logistics, this refinery is located on the route of the Central Europe Pipeline, which links the Genoa terminal with French-speaking Switzerland. Sannazzaro refinery is provided with two primary distillation plants and related facilities, including in particular three desulphurization units. Conversion is performed through a fluid catalytic cracker (FCC), two hydrocrackers (HdCK) that enable middle distillate conversion (one of them started up in 2009) and visbreaking thermal conversion unit with a tar gasification plant (heavy residue from visbreaking) which produces syngas for the nearby EniPower power station at Ferrera Erbognone.
In October 2013, Eni started-up at Sannazzaro the first conversion plant employing the Eni Slurry Technology (EST), with a 23 kbbl/d capacity. The plant processes extra heavy crudes with high sulphur content and produces high quality middle distillates (in particular gasoil), reducing the yield of fuel oil to zero. Moreover, the Short Contact Time-Catalytic Partial Oxidation project for hydrogen production is underway. In addition, Eni is developing a conversion technology by means of Slurry Dual Catalyst (an evolution of EST) that is based on the combination of two nanocatalysts and could contribute to the breakthrough of the EST technology, improvement of product quality, reduction of expenditure and operating costs.
At the Sannazzaro Refinery, the detailed design of a project for the hydrogen production employing the proprietary technology Hydrogen SCT-CPO (Short Contact Time-Catalytic Partial Oxidation) is nearing completion. This reforming technology transforms gaseous and liquid hydrocarbons (also derived from biomass) into synthetic gas (carbon monoxide and hydrogen) at competitive costs.

Taranto: the refinery has balanced primary refining capacity of 120 kbbl/d and a conversion index of 72%. This refinery can process a wide range of crudes and other feedstock. It processes most of the oil produced in Eni's Val d'Agri fields (2.87 mmtonnes in 2013) and transported to Taranto through the Monte Alpi pipeline. Complex cycles are achieved through a Residue Hydroconversion Unit (RHU) - Hydrocracking process and a "Two Stage" Visbreaking - Thermal Cracking unit.

Gela: the refinery has balanced primary refining capacity of 100 kbbl/d and a conversion index of 142%. Gela refinery represents an upstream integrated pole with the production of heavy crude oil obtained from nearby Eni fields in Sicily, while downstream it is integrated with Eni's nearby petrochemical plants. Located on the Southern coast of Sicily, it mainly produces fuels for automotive use and other feedstock. Its high conversion level is ensured by a catalytic cracking unit integrated with go finer for feedstock upgrading and two coking plants enabling conversion of heavy residues topping or vacuum residues. The power plant of this refinery also contains modern fume treatment plants (so-called SNOx) which allow full compliance with the tightest environmental standards, removing almost all sulphur and nitrogen composites coming from the coke burning-process.
In 2013 Eni launched a project for the renovation and recovery of the Gela refinery. The refinery will be able to generate profits through the maximization of diesel production and the interruption of gasoline and polyethylene production and will enhance its eco-compatibility. In particular, the project provides for the closing of gasoline (FCC and ancillary) and polyethylene lines as well as the conversion of go finer in hydrocracking.

Livorno: the refinery has balanced primary refining capacity of 84 kbbl/d and a conversion index of 11%. It produces mainly gasoline, gasoil, fuel oil for bunkering and lubricant bases. The refinery includes, beyond the primary distillation plants, two lubricant manufacturing lines. The refinery is connected with Livorno's docks by highways, railways and oil pipeline, while it is connected with the Florence storage sites by two pipelines, permitting to optimize intake, handling and distribution of products.

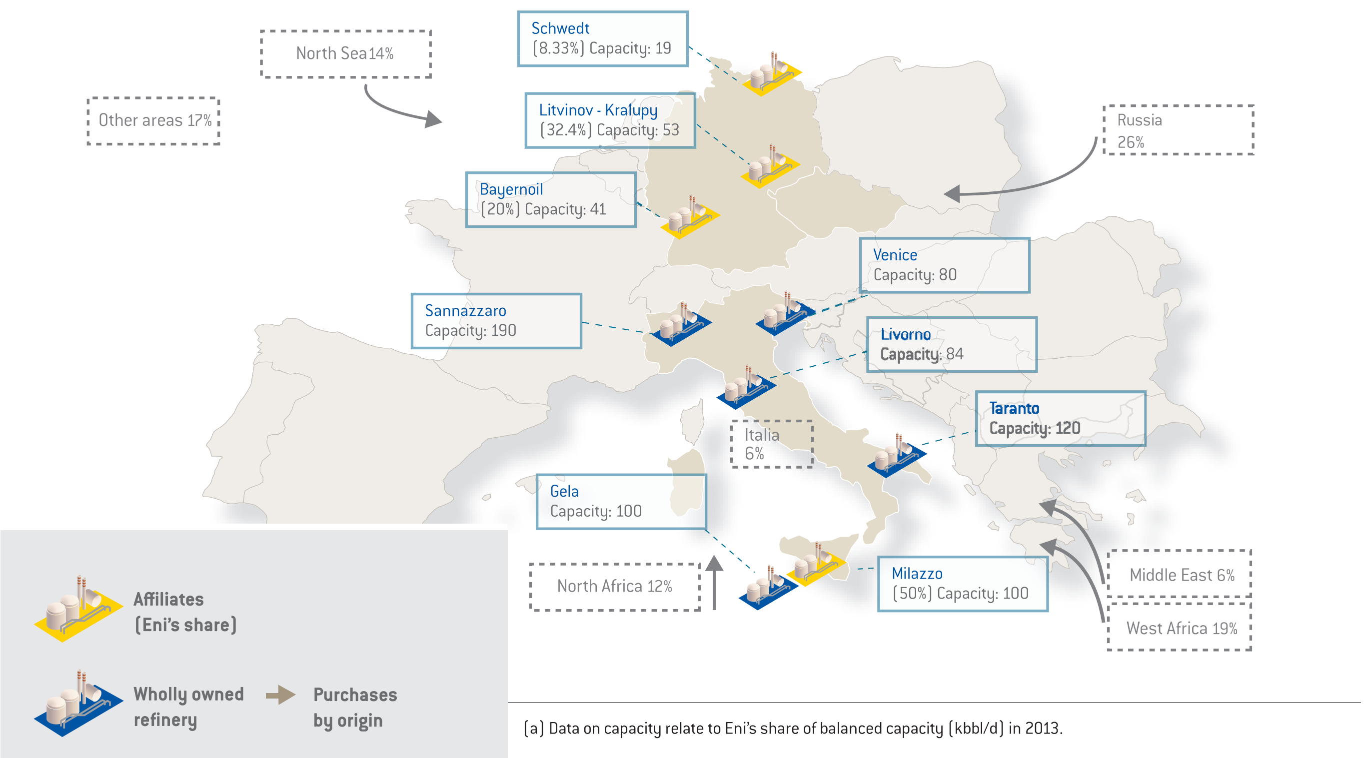
Venice: the refinery, with balanced primary refining capacity of 80 kbbl/d and a conversion index of 20%, supplies mainly markets of North-Eastern Italy and Austria. In September 2013, Eni started its conversion into a bio-refinery, with an objective of mechanical completion by the end of the year and the production start-up in April of 2014. The conversion exploits an established proprietary technology (Ecofining) for the production of innovative bio-fuels, with lower environmental impact (reduced emissions of particulate) and higher motoring efficiency, exceeding technical limits of bio-fuels mixture currently present on the market. Ecofining technology is flexible with regard to the raw material, capable to convert the second-generation feedstock (exhausted vegetable oils and animal grease) which are not in competition with alimentary chain.

Milazzo: jointly-owned by Eni and Kuwait Petroleum Italy, the refinery has balanced primary refining capacity of 100 kbbl/d (Eni's share) and a conversion rate of 60%. Located on the northern coast of Sicily, it is provided with two primary distillation plants, one unit of fluid catalytic cracking (FCC), one hydrocracking unit for the conversion of middle distillates (HdCK) and one unit devoted to the residue treatment process (LC-Finer).

Outside Italy

In Germany, Eni holds an 8.3% interest in the Schwedt refinery and a 20% interest in Bayernoil, an integrated pole that includes Vohburg and Neustadt refineries. Eni's refining capacity in Germany amounts to approximately 60 kbbl/d, mainly used to supply Eni's distribution network in Bavaria and Eastern Germany.
Eni holds a 32.4% stake in Ceska Rafinerska, which owns and operates two refineries in the Czech Republic, Kralupy and Litvinov. Eni's share of balance refining capacity is about 53 kbbl/d.

Eni's refining system [a] and main supply flows



(a) Data on capacity relate to Eni's share of balanced capacity (kbbl/d) in 2013.

2. Logistics

Eni is one of the major operators in storage and transport of petroleum products in Italy with its logistical integrated infrastructure which includes oil pipelines network, the system of 20 owned and directly managed storage sites and a network for the sale and storage of refined products, LPG and crudes. Eni's logistics model is organized in a hub structure including five main areas. These hubs monitor and centralize the handling of product flows aiming to drive forward more efficiency, particularly in cost control of collection and delivery of orders. Eni holds interests in five societies established in partnership with the major Italian operators. These are located in Vado Ligure - Genova (Petrolig), Arquata Scrivia (Sigemi), Venice (Petroven), Ravenna (Petra) and Trieste (DCT) with the objective of reducing logistic costs and increasing efficiency. In addition, Eni operates in the transport of oil and refined products: (i) by sea through spot and long-term lease contracts of tanker ships; and (ii) on land through the pipeline network, of which Eni owns approximately 1,462 kilometers. Secondary distribution to retail and wholesale markets is effected through third parties who also own their means of transportation.

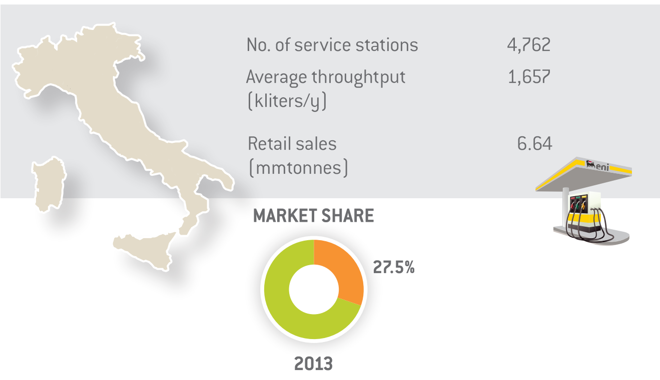
3. Marketing

Retail Italy

Eni is a leader in the Italian retail market of refined products with a 27.5% market share, down by 3.7 percentage points from 2012

when sales volumes benefited of the effect of a promotional campaign made during the summer weekends ("riparti con eni").
In 2013, retail sales in Italy of 6.64 mmtonnes decreased by approximately 1.19 mmtonnes or 15.2% from 2012, driven by lower consumption of gasoil and gasoline, in particular at highway service stations reflecting the decline in freight transportation and high competitive pressure. Average gasoline and gasoil throughputs (1,657 kliters) decreased by approximately 318 kliters from 2012.
At December 31, 2013, Eni's retail network in Italy consisted of 4,762 service stations, 18 stations less than at December 31, 2012 (4,780 service stations), resulting from the negative balance of the closing of service stations with low throughput (51 units), the release of one motorway concession, partially offset by the positive contribution of acquisitions/releases of lease concessions (34 units).

Retail in Italy - Eni's competitive position



Premium fuels

In 2013 sales of premium fuels (fuels of the "Eni Blu+" line, featured with higher performance and lower environmental impact) were affected by the decline in domestic consumption as well as high price levels and registered a decline compared to the previous year. In particular, sales of Eni BluDiesel+ amounted to approximately 231 mmtonnes (approximately 278 mmliters) with a decline of approximately 61 ktonnes from 2012 and represented 5.3% of volumes of gasoil marketed by Eni's retail network. At December 31, 2013, service stations marketing BluDiesel+ totaled 3,909 units (4,123 at year-end 2012) covering approximately 82% of Eni's network. Retail sales of BluSuper+ amounted to approximately 30 ktonnes (approximately 41 mmliters), decreasing by 4 ktonnes from 2012, and covered 1.6% of gasoline sales on Eni's retail network (broadly in line with previous year). As of December 31, 2013, service stations marketing BluSuper+ totaled 2,171 units (2,505 at year-end 2012), covering approximately 46% of Eni's network. In 2013 Eni continued the development of innovative bio-fuels as well as proprietary additives and detergents that provide better gasoline and gasoil with a "keep clean" component.

Commercial initiatives

Within the initiatives aimed at favoring consumption in a negative economic scenario and creating a sounder customer relationship, Eni launched the following initiatives:

Comarketing

From the first months of 2013, Eni signed a number of agreements with its partners active in the sectors of large distribution, telecommunications and clothing, in order to give an immediate economic advantage to the customers in possession of Eni's loyalty cards. For Eni, this means being able to give Italian customers more value in their daily purchases of large consumption goods and at the same time increase the contacts and incentivize the average throughput.
In order to support these activities, in 2013 Eni emitted 4 million of discount codes, 1.6 million of which were utilized, for the total of 40 million of litres sold.

Loyalty and payment cards

Eni's fidelity and payment cards combine point accumulation program, related to purchase of fuel and non-oil products in Eni's stations and in the stations of Eni's commercial partners, with reloadable and credit card functions. By means of fidelity and payment cards, as well as cards previously emitted within "you&eni" program, customers can accelerate the point accumulation in Eni's branded service stations and in about 30 million stores displaying the CartaSì or Mastercard brands.
The cards are available in four different versions:

- basic prepaid with one time ceiling of €1,000 and an annual expense ceiling of €2,500;
- prepaid with contract for an annual expense ceiling at €12,500;
- credit card;
- prepaid young, designed for young people between the ages of 14 and 23, with one time ceiling of €1,000 and an annual expense ceiling of €2,500.

As of January 31, 2014 approximately 1,100,000 of new cards were requested (95% of which were basic prepaid), 150,000 of which were activated with first recharge.
As of December 31, 2013, approximately 2.8 million customers effected at least one transaction within the program. The cards which were active on the monthly basis averaged 1.3 million. In 2013, volumes sold to customers accumulating points on their cards accounted for approximately 37% of all network throughputs.
In 2013, Eni launched two important initiatives, in order to support the new card emission and activation of their payment function:

- the promotion "2€ for every 20 litres", lasted until October 31, 2013. Thanks to this special promotional offer, customers who refuel using you&eni or young&eni were entitled to a free fuel bonus of 2€ in extra you&eni points for every 20 litres purchased with the card, up to a daily maximum of €10 for every 100 litres;
- the promotion "Promo coi fiocchi" which offered you&eni and young&eni payment cards customers a bonus (in you&eni points) in free fuel after every refill of the certain amount.

Multicard Routex

The Routex Multicard is a service platform based on Fuel Card designed for business customers (transport professionals and car fleets managers). Its commercial offer includes fuel purchase without using cash, recurring invoicing, deferred payment, discount to fuel prices, reports on consumption and distances covered, possibility of services purchase related to the trip. This initiative aims at gaining loyalty from customers across Europe as the card can be used in Italy on all eni/Agip branded service stations and, in its international version, on the service stations of all members of the Routex consortium (Aral, BP, OMV and Statoil).

Electronic fuel coupons

In September 2013, Eni started to sell rechargeable fuel vouchers, designed especially for business customers.

Non-oil

Eni continued its engagement in enriching the offer of non-oil products and services in Eni's service stations in Italy by developing the following franchised chains:

- "enicafè&shop", which is a chain of 659 coffee shops and stores, set up according innovative format through the transformation of the pre-existing shops and stores, where food as well as other products and services (such as wifi connection) are marketed;
- "eni wash", which is a format deployed at 280 stations areas, which provides for car washing with no-scratch brushes of latest generation. The offer "eni wash" allows to choose one of the three types of self-service wash with the same price in all Italy. The payment stations, new to Italian market, accept coins, banknotes, ATM and credit cards;
- "enishop24", which is a vending machine format deployed at 620 stations. It's a self-service area with 2 o 3 vending machines where the customers can buy food, beverage products as well as personal care products.

In 2013, non-oil returns on the network, including lubricants margins, were €36.9 million.

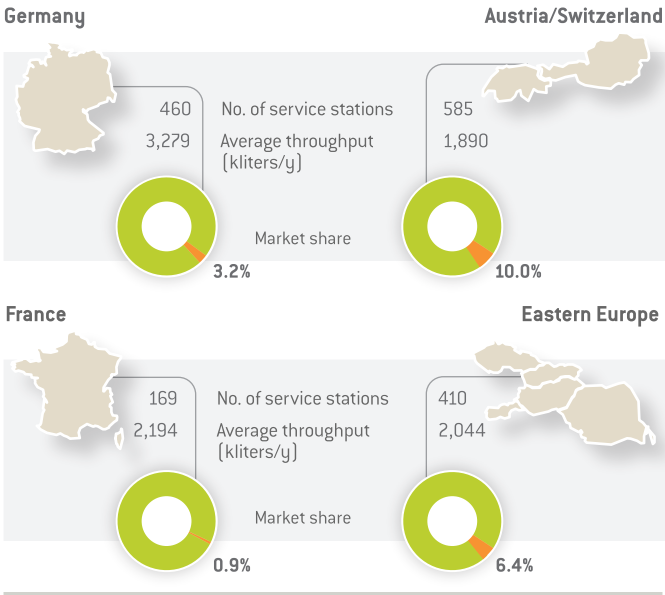
Smart Mobility

In December 2013, Eni launched in Milan the initiative "Enjoy", a car sharing free floating with the objective of developing products and services for sustainable mobility. This service is provided in partnership with major Italian players (Fiat, Trenitalia, Cartasì, allows the customers to pick up and release a car in any part of the covered area and represents a new and economic, sustainable and efficient alternative to owing car. The service is simple and completely online, the tariffs are all inclusive and competitive in comparison with competitors'. As part of the development strategy of "Enjoy", the service well be extended to other major Italian cities and abroad. In addition, other innovative products and services related to mobility will be developed.

Retail Rest of Europe

Retail sales in the Rest of Europe of 3.05 mmtonnes registered a slight increase compared to 2012 (up by 0.3% or 10 ktonnes). Higher volumes marketed in Germany and Austria were almost completely offset by lower sales in the Czech Republic and Hungary. At December 31, 2013 Eni's retail network in the Rest of Europe consisted of 1,624 service stations, with an increase of 20 units from December 31, 2013 (1,604 service stations). The network evolution was as follows: (i) the closing of 25 low throughput service stations mainly in France; (ii) the positive balance of acquisitions/releases of lease concessions (26 units) in particular in Germany and Austria; (iii) the purchase of 18 service stations, in particular in France and Germany; (iv) the opening of one new outlet. Average throughput (2,322 kliters) was in line with 2012 (2, 319 kliters). Eni's strategy in the rest of Europe aims at increasing its market share, particularly in Germany, Austria and in Eastern European Countries (in particular, in Czech Republic) leveraging on the synergies ensured by the proximity of these markets to Eni's production and logistics facilities.

Retail rest of Europe - 2013 Eni's competitive position



4. Wholesale Business

Fuels

Eni markets gasoline and other fuels on the wholesale market in Italy, including diesel fuel for automotive use and for heating purposes, for agricultural vehicles and for vessels and fuel oil. Major customers are resellers, agricultural users, manufacturing industries, public utilities and transports, as well as final users (transporters, condominiums, farmers, fishers, etc.). Eni provides its customers with its expertise in the area of fuels with a wide range of products that cover all market requirements. Along with traditional products provided with the high quality Eni standard, there is also an innovative low environmental impact line, which includes AdvanceDiesel especially targeted for heavy duty public and private transports. Customer care and product distribution is supported by a widespread commercial and logistical organization presence all over Italy and articulated in local marketing offices and a network of agents and concessionaires.
Wholesale sales in Italy (8.37 mmtonnes) declined by approximately 253 ktonnes, or 2.9%, mainly due to declining sales of bunkering and bitumen due to lower demand, almost completely offset by higher sales of fuel oil and minor products. Average market share in 2013 was 28.8% (29.5% in 2012). Supplies of feedstock to the chemical industry (1.32 mmtonnes) registered a slight increase compared to 2012 (up 62 ktonnes) due to higher feedstock supplies.
Wholesale sales in the Rest of Europe of approximately 4.23 mmtonnes increased by 6.8% from 2012 due to higher sales in Slovenia and France. Sales declined in Austria. Other sales (19.45 mmtonnes) decreased by 3.75 mmtonnes, or 16.2%, mainly due to lower sales to other oil companies.
Eni is also active in the international market of bunkering, marketing marine fuel mainly in 106 ports, of which 72 are in Italy. In 2013, marine fuel sales were 1.33 mmtonnes (of which 1.23 mmtonnes in Italy).

LPG

In Italy, Eni is leader in LPG production, marketing and sale with 619 ktonnes sold for heating and automotive use equal to a 20.8% market share. An additional 206 ktonnes of LPG were marketed through other channels mainly to oil companies and traders. LPG activities in Italy are supported by direct production, availability from 5 bottling plants and 4 owned storage sites, in addition to products imported at coastal storage sites located in Livorno, Naples and Ravenna.
Outside Italy, LPG sales in 2013 amounted to 510 ktonnes of which 389 ktonnes in Ecuador where LPG market share is around 37.8%.

Lubricants

Eni operates seven (owned and co-owned) blending plants, in Italy, Europe, North and South America, Africa and the Far East. With a wide range of products composed of over 650 different blends Eni masters international state of the art know-how for the formulation of products for vehicles (engine oil, special fluids and transmission oils) and industries (lubricants for hydraulic systems, industrial machinery and metal processing). In Italy, Eni is leader in the manufacture and sale of lubricant bases. Base oils are manufactured primarily at Eni's refinery in Livorno. Eni also owns one facility for the production of additives and solvents in Robassomero. In 2013, retail and wholesale sales in Italy amounted to 94 ktonnes with a 23.6% market share. Eni also sold approximately 3 ktonnes of special products (white oils, transformer oil and anti-freeze fluids). Outside Italy sales amounted to approximately 170 ktonnes, of these about 40% were registered in Europe (mainly Spain, Germany, Austria and France).

Oxygenates

Eni, through its subsidiary Ecofuel (Eni's interest 100%), sold approximately 1 mmtonnes/y of oxygenates mainly ethers (approximately 2.7% of world demand) and methanol (approximately 0.6% of world demand). About 72% of products are manufactured in Italy in Eni's plants in Ravenna, in Venezuela (in joint venture with Pequiven) and Saudi Arabia (in joint venture with Sabic) and the remaining 28% is bought and resold. Eni also distributes bio-ETBE (Ethyl-Tertiary-Butyl-Ether) on the Italian market in compliance with the new legislation indicating the minimum content of bio-fuels. Bio-ETBE is a kind of MTBE that gained a relevant position in the formulation of gasoline in the European Union, due to the fact that it is produced from ethanol from agricultural crops and qualified as bio-component in the European directive on bio-fuels. Starting from March 1, 2010, Italian regulation on bio-fuels content has been changed from 3% to 3.5%. Through Bio-ETBE and FAME blending into fossil fuels Eni covered the compliance within 109.6% in 2011. From January 1, 2012, the compulsory content of bio-fuels increases to 4.5% from 4% in 2011, Eni plans to cover compliance through Bio-ETBE, FAME and biodiesel in its Venice refinery and direct blending of ethanol in gasolines in particular in some plants of the Sannazzaro refinery.

Supply of oil	(mmtonnes)	2009	2010	2011	2012	2013
Equity crude oil						
Production outside Italy		29.84	26.90	24.29	23.57	**22.46**
Production in Italy		2.91	3.24	3.35	3.35	**3.69**
		32.75	**30.14**	**27.64**	**26.92**	**26.15**
Other crudes oil						
Purchases on spot markets		14.94	20.95	20.44	24.95	**25.27**
Purchases under long-term contracts		19.71	17.16	10.94	10.34	**14.54**
		34.65	**38.11**	**31.38**	**35.29**	**39.81**
Total crude oil purchases		**67.40**	**68.25**	**59.02**	**62.21**	**65.96**
Purchases of intermediate products		2.92	3.05	4.26	4.53	**5.31**
Purchase of products		13.98	15.28	15.85	20.52	**17.79**
TOTAL PURCHASES		**84.30**	**86.58**	**79.13**	**87.26**	**89.06**
Consumption for power generation		(0.96)	(0.92)	(0.89)	(0.75)	**(0.55)**
Other changes [a]		(1.64)	(2.69)	(1.12)	(1.63)	**(1.06)**
		81.70	**82.97**	**77.12**	**84.88**	**87.45**

(a) Include changes in inventories, transport declines, consumption and losses.

Refinery capacity		2009	2010	2011	2012	2013
Primary distillation capacity [a]	(kbbl/d)	930	930	930	930	**930**
Balanced capacity [a]		747	757	767	767	**787**
Refinery throughputs on own account		480	514	455	417	**380**
Distillation capacity utilization rate	(%)	73	73	72	72	**66**

(a) Eni's share.

Availability of refined products (mmtonnes)	2009	2010	2011	2012	2013
ITALY					
At wholly-owned refineries	24.02	25.70	22.75	20.84	**18.99**
Less input on account of third parties	(0.49)	(0.50)	(0.49)	(0.47)	**(0.57)**
At affiliate refineries	5.87	4.36	4.74	4.52	**4.14**
Refinery throughputs on own account	**29.40**	**29.56**	**27.00**	**24.89**	**22.56**
Consumption and losses	(1.60)	(1.69)	(1.55)	(1.34)	**(1.23)**
Products available for sale	**27.80**	**27.87**	**25.45**	**23.55**	**21.33**
Purchases of refined products and change in inventories	3.73	4.24	3.22	3.35	**4.42**
Products transferred to operations outside Italy	(3.89)	(4.18)	(1.77)	(2.36)	**(1.85)**
Consumption for power generation	(0.96)	(0.92)	(0.89)	(0.75)	**(0.55)**
Sales of products	**26.68**	**27.01**	**26.01**	**23.79**	**23.35**
OUTSIDE ITALY					
Refinery throughputs on own account	**5.15**	**5.24**	**4.96**	**5.12**	**4.82**
Consumption and losses	(0.25)	(0.24)	(0.23)	(0.23)	**(0.22)**
Products available for sale	**4.90**	**5.00**	**4.73**	**4.89**	**4.60**
Purchases of finished products and change in inventories	10.12	10.61	12.51	17.29	**13.69**
Products transferred from Italian operations	3.89	4.18	1.77	2.36	**1.85**
Sales of products	**18.91**	**19.79**	**19.01**	**24.54**	**20.14**
Refinery throughputs on own account	**34.55**	**34.80**	**31.96**	**30.01**	**27.38**
Total equity crude input	5.11	5.02	6.54	6.39	**5.93**
Total sales of refined products	**45.59**	**46.80**	**45.02**	**48.33**	**43.49**
Crude oil sales	**36.11**	**36.17**	**32.10**	**36.56**	**43.96**
TOTAL SALES	**81.70**	**82.97**	**77.12**	**84.89**	**87.45**

Sales in Italy and outside Italy by market (mmtonnes)	2009	2010	2011	2012	2013
Retail	9.03	8.63	8.36	7.83	**6.64**
Wholesale	9.56	9.45	9.36	8.62	**8.37**
	18.59	**18.08**	**17.72**	**16.45**	**15.01**
Petrochemicals	1.33	1.72	1.71	1.26	**1.32**
Other markets	6.76	7.21	6.58	6.08	**7.01**
Sales in Italy	**26.68**	**27.01**	**26.01**	**23.79**	**23.34**
Retail rest of Europe	2.99	3.10	3.01	3.04	**3.05**
Wholesale rest of Europe	3.66	3.88	3.84	3.96	**4.23**
Wholesale outside Europe	0.41	0.42	0.43	0.42	**0.43**
	7.06	**7.40**	**7.28**	**7.42**	**7.71**
Other markets	11.85	12.39	11.73	17.12	**12.44**
Sales outside Italy	**18.91**	**19.79**	**19.01**	**24.54**	**20.15**
Total sales	**45.59**	**46.80**	**45.02**	**48.33**	**43.49**

Retail and wholesale sales of refined products (mmtonnes)	2009	2010	2011	2012	2013
Italy	**18.59**	**18.08**	**17.72**	**16.45**	**15.01**
Retail sales	**9.03**	**8.63**	**8.36**	**7.83**	**6.64**
Gasoline	3.05	2.76	2.60	2.41	**1.96**
Gasoil	5.74	5.58	5.45	5.08	**4.33**
LPG	0.22	0.26	0.29	0.31	**0.32**
Other	0.02	0.03	0.02	0.03	**0.03**
Wholesale sales	**9.56**	**9.45**	**9.36**	**8.62**	**8.37**
Gasoil	4.30	4.36	4.18	4.07	**4.09**
Fuel oil	0.72	0.44	0.46	0.33	**0.24**
LPG	0.35	0.33	0.31	0.30	**0.30**
Gasoline	0.12	0.16	0.19	0.20	**0.25**
Lubricants	0.09	0.10	0.10	0.09	**0.09**
Bunker	1.38	1.35	1.26	1.19	**1.00**
Jet fuel	1.43	1.46	1.65	1.56	**1.58**
Other	1.17	1.25	1.21	0.88	**0.82**
Outside Italy (retail + wholesale)	**7.06**	**7.40**	**7.28**	**7.42**	**7.71**
Gasoline	1.89	1.85	1.79	1.81	**1.73**
Gasoil	3.54	3.95	3.82	3.96	**4.23**
Jet fuel	0.35	0.40	0.49	0.44	**0.51**
Fuel oil	0.28	0.25	0.23	0.19	**0.22**
Lubricants	0.10	0.10	0.10	0.09	**0.10**
LPG	0.50	0.49	0.50	0.52	**0.51**
Other	0.40	0.36	0.35	0.41	**0.41**
Total	**25.65**	**25.48**	**25.00**	**23.87**	**22.72**

Number of service stations (units)	2009	2010	2011	2012	2013
Italy	**4,474**	**4,542**	**4,701**	**4,780**	**4,762**
Ordinary stations	4,344	4,415	4,574	4,653	**4,636**
Highway stations	130	127	127	127	**126**
Outside Italy	**1,512**	**1,625**	**1,586**	**1,604**	**1,624**
Germany	478	455	454	445	**460**
France	196	188	181	173	**169**
Austria/Switzerland	446	582	547	575	**585**
Eastern Europe	392	400	404	411	**410**
Service stations selling Blu products	4,822	4,994	5,179	5,226	**5,021**
"Multi-Energy" service stations	4	5	5	6	**6**
Service stations selling LPG and natural gas	690	657	864	1,031	**1,024**
Non-oil sales (€ million)	147	137	156	159	**151**

Average throughput (kliters/no. of service stations)	2009	2010	2011	2012	2013
Italy	2,482	2,322	2,173	1,976	**1,657**
Germany	3,167	3,360	3,237	3,226	**3,279**
France	2,193	2,310	2,209	2,121	**2,194**
Austria/Switzerland	1,691	1,711	1,645	1,879	**1,890**
Eastern Europe	2,642	2,508	2,591	2,145	**2,044**
Average throughput	**2,477**	**2,352**	**2,206**	**2,064**	**1,828**

Market shares in Italy (%)	2009	2010	2011	2012	2013
Retail	**31.5**	**30.4**	**30.5**	**31.2**	**27.5**
Gasoline	29.0	27.9	27.8	28.8	**24.8**
Gasoil	33.8	32.5	32.6	33.2	**29.6**
LPG (automotive)	20.2	21.4	22.7	23.1	**20.8**
Lubricants	21.5	35.7	27.7	35.4	**30.4**
Wholesale	**27.5**	**29.2**	**28.6**	**29.5**	**28.8**
Gasoil	32.0	33.5	30.8	33.0	**32.7**
Fuel oil	17.2	17.8	25.5	23.3	**17.5**
Bunker	40.1	40.4	33.6	37.6	**39.4**
Lubricants	23.3	24.0	23.6	24.1	**23.5**
Domestic market share	**29.3**	**29.8**	**29.3**	**30.3**	**28.3**

Retail market shares outside Italy (%)	2009	2010	2011	2012	2013
Central Europe					
Austria	7.3	7.0	9.6	11.7	**11.9**
Switzerland	6.4	6.5	6.6	7.1	**7.3**
Germany	3.4	3.4	3.1	3.2	**3.2**
France	1.1	1.1	1.0	0.9	**0.9**
Eastern Europe					
Hungary	11.6	11.9	11.9	11.9	**11.7**
Czech Republic	11.3	11.8	11.6	10.8	**9.8**
Slovakia	9.2	9.7	9.8	9.7	**9.7**
Slovenia	2.4	2.3	2.2	2.2	**2.3**
Romania	1.2	1.5	1.7	1.8	**1.9**

Capital expenditure (€ million)	2009	2010	2011	2012	2013
Italy	**581**	**633**	**803**	**781**	**551**
Outside Italy	**54**	**78**	**63**	**61**	**68**
	635	**711**	**866**	**842**	**619**
Refining, supply and logistic	**436**	**446**	**638**	**622**	**444**
Italy	436	444	635	618	**444**
Outside Italy		2	3	4	
Marketing	**172**	**246**	**228**	**220**	**175**
Italy	118	170	168	163	**107**
Outside Italy	54	76	60	57	**68**
Other	**27**	**19**			
	635	**711**	**866**	**842**	**619**