

Leverage and net borrowings

Leverage is a measure used by management to assess the Company's level of indebtedness. It is calculated as a ratio of net borrowings – which is calculated by excluding cash and cash equivalents and certain very liquid assets from financial debt to shareholders' equity, including minority interest.

Management periodically reviews 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 a benchmarking analysis with industry standards.

(€ million)	December 31, 2012	December 31, 2013	Change
Total debt:	24,463	25,879	1,416
- Short-term debt	5,184	4,891	(293)
- Long-term debt	19,279	20,988	1,709
Cash and cash equivalents	(7,765)	(5,288)	2,477
Securities held for trading and other securities held for non-operating purposes	(34)	(5,037)	(5,003)
Financing receivables for non-operating purposes	(1,153)	(126)	1,027
Net borrowings	15,511	15,428	(83)
Shareholders' equity including non-controlling interest	62,558	61,174	(1,384)
Leverage	0.25	0.25	

Net borrowings as of December 31, 2013, amounted to €15,428 million, substantially in line with 2012 (down €83 million).

Total debt amounted to €25,879 million, of which €4,891 million were short-term (including the portion of long-term

debt due within 12 months equal to €2,149 million) and €20,988 million were long-term.

The ratio of net borrowings to shareholders' equity including non-controlling interest – **leverage** – was 0.25 at December 31, 2013, in line with December 31, 2012.

Comprehensive income

(€ million)	2012	2013
Net profit	8,676	4,972
Other items of comprehensive income:		
Items not reclassifiable to profit and loss account		
Remeasurements of defined benefit plans	(150)	65
Share of "Other comprehensive income" on equity-accounted entities related to remeasurements of defined benefit plans	1	(3)
Taxation	53	(40)
	(96)	22
Items subsequently reclassifiable to profit and loss account		
Foreign currency translation differences	(718)	(1,871)
Fair value evaluation of Eni's interest in Galp and Snam	141	(64)
Change in the fair value of cash flow hedging derivatives	(102)	(199)
Change in the fair value of available-for-sale securities	16	(1)
Share of "Other comprehensive income" on equity-accounted entities	7	1
Taxation	32	63
	(624)	(2,071)
Total comprehensive income	7,956	2,923
Attributable to:		
- Eni's shareholders	7,096	3,164
- Non-controlling interest	860	(241)