profile of the year

Record cash flow

+37% vs 2013

Turnaround actions in mid-downstream

+€1.2 bln

adjusted operating profit

Cash from disposals

€3.68 bln

Distribution yield

8.3%

Overview › In 2014, in spite of an unfavourable trading environment, Eni delivered excellent results underpinned by record cash flow generation. The performance was driven by the increased contribution from upstream production and the accelerated restructuring of the mid and downstream businesses.

Adjusted results › Adjusted operating profit of €11.57 billion and adjusted net profit of €3.71 billion declined by 9% and 16% respectively, compared to 2013. The mid and downstream businesses reported a €1.2 billion improvement driven by contract renegotiations, capacity restructuring and downsizing and cost efficiencies. These positives helped offset the decline of the E&P segment due to lower Brent prices. Additionally, 2014 results were reduced by the loss on the mark-to-market interests in Galp and Snam which underlay two convertible bonds (loss of €0.22 billion).

Net profit › Net profit of €1.29 billion was impacted by extraordinary charges, net of tax effect, of €1.41 billion, which related to asset impairments and the write off of certain deferred tax assets of Italian subsidiaries, as well as the alignment of crude oil and product inventories to current market prices for €1 billion. The 75% reduction from 2013 is attributable to the recognition in the past year of sizeable gains on the divestment of a 20% stake in the Mozambique discovery and on the revaluation of Eni's interest in Artic Russia for an overall €4.7 billion.

Cash flow › Cash flow of €15.1 billion was the best result of the last six years, supported by a reduced working capital in E&P, G&P and Saipem. Proceeds from disposals were €3.68 billion and mainly related to the divestment of Eni's share in Artic Russia, an 8% interest in Galp and in the South Stream project. These cash inflows funded capital expenditure of €12.24 billion, focused on upstream activities, dividend payments (€4 billion) and share repurchases (€0.38 billion), also reducing the Group's net debt by €1.28 billion.

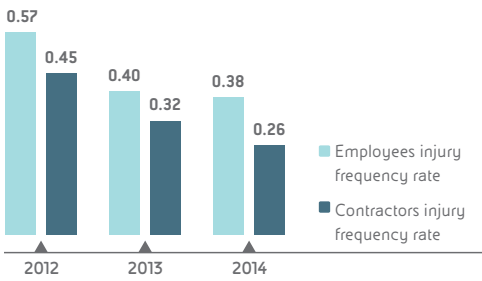
Leverage › As of December 31, 2014, leverage reduced to 0.22, from 0.25 at December 31, 2013.

Dividend › The Company's robust results and strong fundamentals underpin a dividend distribution of €1.12 per share (€1.10 in 2013) of which €0.56 per share paid as interim dividend in September 2014.

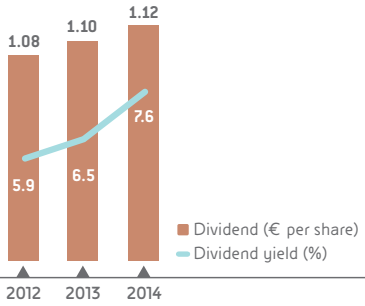
Distribution yield › Share repurchases in 2014 were 21.66 million for a cash outlay of €0.38 billion, together with the dividend this ensured a distribution yield of 8.3%.

Hydrocarbon production › In 2014, Eni's hydrocarbon production was 1.598 million boe/d, up by 0.6% from 2013 on a homogeneous basis i.e. excluding the impact of the divestment of Eni's interest in Artic Russia. Production increases in the United Kingdom, Algeria, the United States and Angola, more than offset mature fields decline. Start-ups and ramp-ups of new fields contributed 126 kboe/d.

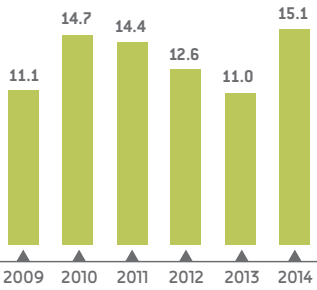
Injury frequency rate
(No. of accidents per million of worked hours)



Dividend and dividend yield



Operating cash flow
(€ billion)



Proved oil and natural gas reserves › Proved oil and gas reserves as of December 31, 2014 were 6.6 bboe. The reserve replacement ratio was 112%. The reserve life index is 11.3 years.

Proved reserves
6.6 bln boe
at year end

Development of new fields › In 2014 the West Hub project, located offshore in Block 15/06 in Angola, and Nené project in Block Marine XII in Congo were started up, setting the industry benchmark in terms of time-to-market.

Exploration successes › In 2014 Eni continued its track record of exploratory success. Additions to the Company's resource base were approximately 900 million boe, at a competitive cost of $2.1 per barrel. Near-field discoveries marked the year's activity. These are expected to achieve a quick time-to market. In Angola, the Ochigufu discovery found 300 million barrels of oil in place. This increased the resources of the West Hub project, which started up at the end of 2014.
In Congo, in the conventional waters of block Marine XII, the Minsala well was the third discovery in the last two years increasing the block's resources in place by 1 billion barrels.
In Ecuador, the Oglan discovery in Block 10 found 300 million barrels of oil in place, located near the processing facilities of the operated field of Villano.
In Indonesia, the Merakes gas discovery identified a potential in place of 1.3 Tcf, located in proximity of the operated field of Jangkrik, which is currently under development, and will supply gas volumes to the Bontang LNG plant.
In Gabon the Nyonie Deep well discovered an estimated potential of approximately 500 million boe in place of gas and condensates.

Exploration successes
0.9 bln boe
at year end

Acquired acreage › In line with the strategic guidelines of rejuvenating its mineral right portfolio and identifying new potential areas of growth, new exploration acreage was acquired for a total acreage of 100,000 square kilometres net to Eni.

Acquired acreage
100,000 square kilometres

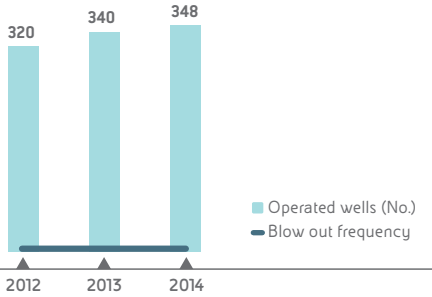
Renegotiation of long-term gas supply contracts and take-or-pay reduction › Following the renegotiation of a number of the main long-term supply contracts, gas prices and related trends were better aligned to market conditions. 70% of long-term gas supply portfolio is now indexed to hub prices. Furthermore, the cash advances paid to suppliers due to the take-or-pay clause in those long-term supply contracts were reduced by €0.66 billion thanks to contract renegotiation and sales optimization.

Take-or-pay
€0.66 bln
of cash benefit

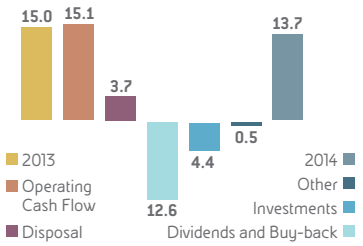
Turnaround in refining › In 2014, the turnaround plan in the R&M achieved a cut of up to 30% of Eni's refining capacity compared to 2012 with the agreement on the conversion of the Gela refinery, the start-up of the green plant in Venice and the disposal of Eni's interest in a refinery in East Europe. Overall the capacity utilization rate increased from the previous year, driving down the breakeven margin of Eni's refineries below $6/bbl.

Refining capacity vs 2012
-30%

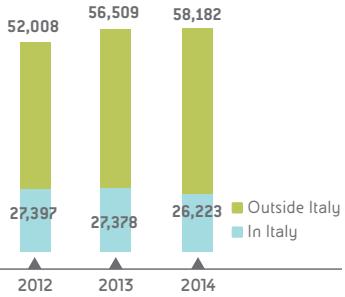
Operative efficiency



2014 net borrowings evolution
(€ billion)



Employees at period end
(number)



Gela project › Eni defined with the Italian Ministry for Economic Development, the Region of Sicily and interested stakeholders (including trade unions and local communities) a plan for the reconversion of the Gela site into a bio-refinery and logistic hub as well as the start-up of industrial initiatives aimed to relaunch the upstream sector in Sicily. The project intends to achieve the long-term sustainability of the Gela site leveraging on a new plan of capital expenditure, proprietary technologies and Eni's people skills.

Green Chemical › An agreement was signed with relevant Italian institutions and stakeholders to restore the profitability of the loss-making Porto Marghera chemical plant. The pillars of the deal are the development of an innovative green chemical project in partnership with the US-based company Elevance Renewable Science Inc and the shutdown of the oil-based petrochemical unit. The green plant will produce specialties destined for high added-value industrial applications.

Restructuring of petrochemical activities in Sardinia › Operations at the green chemical project of Matrìca started up in 2014, marking the full conversion of the Porto Torres site. The 50/50 joint venture between Eni's subsidiary Versalis and Novamont, Matrìca, is currently producing basic chemical products for industrial applications from renewable feedstock. The Sarroch plant was divested.

Injury frequency rate

-12.6% vs 2013

progressing for the tenth consecutive year

Safety › In 2014 Eni continued to implement the communication and training program "Eni in safety", with workshops dedicated to Eni's employees. The benefit of these and other programmes and investments in safety supported a positive trend in the injury frequency rate relating to employees and contractors which improved for the tenth consecutive year (down by 12.6% from 2013). Notwithstanding the 27% decrease in the fatality index, four fatal accidents occurred in 2014.

› Corporate reporting

Eni is the **first worldwide company** in Transparency

Transparency in Corporate Reporting › In 2014 Eni ranked first in a worldwide survey made by Transparency International about transparency in corporate reporting. The survey analyzed three areas: anti-bribery programs, the organization (e.g. information on subsidiaries, joint arrangements and associates) and the publication of key economic and financial data related to the activities in each country where the company operates.

LEAD Board Programme › Eni is one of the six companies in the world to adhere to the pilot phase of the UN Global Compact LEAD Board Programme, committed to the Board of Directors of certain companies, in order to strengthen their awareness on sustainability issues. During the first module on "the materiality of sustainability Eni's Board of Directors discussed on material sustainability issues leading the company to create sustainable value. The initiative will continue in 2015.

Financial highlights

		2012	2013	2014
Net sales from operations	(€ million)	127,109	114,697	**109,847**
Operating profit		15,208	8,888	***7,917***
Adjusted operating profit		19,883	12,650	**11,574**
Net profit[a]		4,200	5,160	**1,291**
Exclusion of special items		2,953	(1,168)	**1,408**
Exclusion of inventory holding (gains) losses		(23)	438	**1,008**
Adjusted net profit[a]		*7,130*	4,430	**3,707**
Comprehensive income[a]		*7,096*	3,164	**5,995**
Net cash provided by operating activities		12,552	11,026	**15,110**
Capital expenditure - continuing operations		12,805	12,800	**12,240**
of which: exploration expenditure		*1,850*	*1,669*	***1,398***
development expenditure		*8,304*	*8,580*	***9,021***
Purchase of Eni's treasury share				**380**
Dividends to Eni shareholders pertaining to the period[b]		3,912	3,979	**4,042**
Cash dividends to Eni shareholders		3,840	3,949	**4,006**
Total assets at period end		140,192	138,341	**146,207**
Shareholders' equity including non-controlling interest at period end		62,417	61,049	**62,209**
Net borrowings at period end		15,069	14,963	**13,685**
Net capital employed at period end		*77,486*	*76,012*	***75,894***
of which: Exploration & Production		*42,369*	*45,699*	***47,629***
Gas & Power		*10,597*	*9,201*	***7,776***
Refining & Marketing		*8,871*	*7,998*	***7,993***
Versalis		*2,557*	*2,656*	***2,973***
Engineering & Construction		*9,937*	*9,554*	***8,644***
Share price at period end	(€)	18.34	17.49	**14.51**
Weighted average number of shares outstanding	(million)	3,622.8	3,622.8	**3,610.4**
Market capitalization[c]	(€ billion)	66.4	63.4	**52.4**

(a) Attributable to Eni's shareholders.

(b) The amount of dividends for the year 2014 is based on the Board's proposal.

(c) Number of outstanding shares by reference price at year end.

Summary financial data

		2012	2013	2014
Net profit				
- per share[a]	(€)	*1.16*	*1.42*	***0.36***
- per ADR[a] [b]	($)	*2.98*	*3.77*	***0.96***
Adjusted net profit				
- per share[a]	(€)	*1.97*	*1.22*	***1.03***
- per ADR[a] [b]	($)	*5.06*	*3.24*	***2.74***
Cash flow				
- per share[a]	(€)	*3.41*	*3.52*	***4.18***
- per ADR[a] [b]	($)	*8.77*	*9.04*	***11.12***
Adjusted return on average capital employed (Roace)	(%)	10.1	5.9	**5.6**
Leverage		0.24	0.25	**0.22**
Coverage		11.3	8.8	***7.4***
Current ratio		1.4	1.5	**1.5**
Debt coverage		83.4	*73.7*	**110.4**
Dividends pertaining to the year	(€ per share)	1.08	1.10	**1.12**
Pay-out	(%)	50	*77*	**311**
Dividend yield[c]	(%)	5.9	6.5	***7.6***

(a) Fully diluted. Ratio of net profit/cash flow from continuing operations and average number of shares outstanding in the period. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by ECB for the period presented.

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

(c) Ratio of dividend for the period and the average price of Eni shares as recorded in December.

Operating and sustainability data

		2012	2013	2014
Employees at period end	(number)	79,405	83,887	**84,405**
of which - women[*]		*12,847*	*13,588*	***13,650***
- outside Italy		*52,008*	*56,509*	***58,182***
Female managers	(%)	18.9	19.4	**19.7**
Training hours	(thousand hours)	3,132	4,349	**3,207**
Employee injury frequency rate	(No. of accidents per million of worked hours)	0.57	0.40	**0.38**
Contractor injury frequency rate		0.45	0.32	**0.26**
Fatality index	(fatal injuries per one hundred millions of worked hours)	1.10	0.98	**0.72**
Oil spills due to operations	(barrels)	3,759	1,901	**1,179**
Direct GHG emissions	(mmtonnes CO_2 eq)	52.84	47.60	**42.93**
R&D expenditure[a]	(€ million)	211	197	**186**
Expenditure for the territory[b]		91	101	**96**
Exploration & Production				
Estimated net proved reserves of hydrocarbons (at year end)	(mmboe)	7,166	6,535	**6,602**
Average reserve life index	(years)	11.5	11.1	**11.3**
Production of hydrocarbons	(kboe/d)	1,701	1,619	**1,598**
Profit per boe[c]	($/boe)	16.0	15.5	**9.9**
Opex per boe[c]		7.1	8.3	**8.4**
Cash flow per boe		32.8	31.9	**30.1**
Finding & Development cost per boe[d]		17.4	19.2	**21.5**
Direct GHG emissions	(mmtonnes CO_2 eq)	28.7	25.9	**23.0**
Produced water re-injected	(%)	49	55	**56**
Community investment	(€ million)	59	53	**63**
Gas & Power				
Worldwide gas sales	(bcm)	95.32	93.17	**89.17**
- in Italy		*34.78*	*35.86*	***34.04***
- outside Italy		*60.54*	*57.31*	***55.13***
Customers in Italy	(million)	7.45	8.00	**7.93**
Electricity sold	(TWh)	42.58	35.05	**33.58**
Water withdrawals per/kWheq produced	(cm/kWheq)	0.012	0.017	**0.017**
Customer satisfaction index	(%)	89.7	92.9	**93.4**
Refining & Marketing				
Refinery throughputs on own account	(mmtonnes)	30.01	27.38	**25.03**
Retail market share	(%)	31.2	27.5	**25.5**
Retail sales of petroleum products in Europe	(mmtonnes)	10.87	9.69	**9.21**
Service stations in Europe at year end	(units)	6,384	6,386	**6,220**
Average throughput of service stations in Europe	(kliters)	2,064	1,828	**1,725**
SOx emissions (sulphur oxide)	(ktonnes SO_2eq)	16.99	10.80	**6.09**
Customer satisfaction index	(likert scale)	7.9	8.1	**8.2**
Versalis				
Production	(ktonnes)	6,090	5,817	**5,283**
Sales of petrochemical products		3,953	3,785	**3,463**
Average plant utilization rate	(%)	66.7	65.3	**71.3**
SOx emissions (sulphur oxide)	(ktonnes SO_2eq)	2.19	1.53	**1.14**
Recycled/reused water	(%)	81.6	86.2	**87.7**
Engineering & Construction				
Orders acquired	(€ million)	13,391	10,062	**17,971**
Order backlog at period end		19,739	17,065	**22,147**
Local procurement	(%)	57.4	54.3	**55.6**
Employees outside Italy		88.1	89.1	**89.9**

(*) Do not include employees of equity accounted entities.

(a) Net of general and administrative costs.

(b) Includes investments for local communities, charities, association fees, sponsorships, payments to Eni Enrico Mattei Foundation and Eni Foundation.

(c) Related to consolidated subsidiaries.

(d) Three year average.