ENI ANNOUNCES RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF OF 2008

INTERIM DIVIDEND PROPOSAL OF €0.65 PER SHARE OR $2.04 PER ADR [1]

- **Adjusted net profit: up 4.4% to €2.32 billion for the second quarter and up 9.6% to €5.37 billion for the first half of 2008**
- **Net profit: up 51.6% to €3.44 billion for the second quarter and up 39.2% to €6.76 billion for the first half of 2008**
- **Cash flow: €5.19 billion for the second quarter (€9.95 billion for the first half of 2008)**
- **Oil and natural gas production for the second quarter: up 2.1% to 1.77 million barrels per day; up by 8.1% excluding the impact of price revision in the Company's PSAs (up by 2.8% for the first half of 2008; up by 8.1% excluding the impact of price revision)**
- **Natural gas sales for the second quarter: up 7.7% to 22.16 billion cubic metres (up by 8.6% for the first half 2008)**

San Donato Milanese, July 31, 2008 - Eni, the international oil and gas company, today announces its group results for the second quarter of 2008 (unaudited). The Board has also approved the interim report as of June 30, 2008, which will be published prior to August 2008, together with the independent auditor's report. The most relevant information from the interim report is provided in this press release.

Paolo Scaroni, Chief Executive Officer, commented:
"I am pleased to announce that Eni has delivered a record performance for the first half of 2008, due to high oil prices and to our success in generating industry leading production growth. The Company has continued to make progress in further strengthening our E&P portfolio, whilst expanding our G&P activities into Europe through the acquisition of Distrigaz. Our confidence in the Group's excellent outlook underpins my proposal to Eni's Board on September 11, 2008 to pay an interim dividend of €0.65 per share."

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07	SUMMARY GROUP RESULTS	(€ million)	First Half 2007	First Half 2008	% Ch.
4,218	6,178	5,723	35.7	Operating profit		9,323	11,901	27.7
4,196	5,909	5,605	33.6	Adjusted operating profit [a]		9,449	11,514	21.9
2,267	**3,321**	**3,437**	**51.6**	**Net profit** [b]		**4,855**	**6,758**	**39.2**
0.62	0.91	0.94	51.6	- per ordinary share (€) [c]		1.32	1.85	40.2
1.67	2.73	2.94	76.0	- per ADR ($) [c][d]		3.51	5.66	61.3
2,220	**3,050**	**2,318**	**4.4**	**Adjusted net profit** [a][b]		**4,900**	**5,368**	**9.6**
0.60	0.83	0.64	6.7	- per ordinary share (€) [c]		1.33	1.47	10.5
1.62	2.49	2.00	23.5	- per ADR ($) [c][d]		3.54	4.50	27.1

(a) For a detailed explanation of adjusted operating profit and net profit see page 26.
(b) Profit attributable to Eni shareholders.
(c) Fully diluted. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.
(d) One ADR (American Depositary Receipt) is equal to two Eni ordinary shares.

(1) As converted at the Noon Buying Rate of 1 EUR = 1.569 USD taken from the US Federal Reserve Statistical Release on July 25, 2008.

Financial highlights

Second quarter of 2008

- Adjusted operating profit was €5.61 billion, up 33.6% from the second quarter of 2007. This was due to the better operating performance of the Exploration & Production division, driven by higher realizations and production growth. Partly offsetting these was the euro's appreciation against the dollar (up 15.9%) and rising costs and amortization charges. The Petrochemical and Refining & Marketing divisions reported lower operating profit.
- Adjusted net profit was up 4.4% to €2.32 billion, mainly as a result of the stronger operating performance that was partly offset by a higher tax rate on an adjusted basis (from 48.3% to 57.5%).
- Capital expenditures for the quarter were up 62.3% from a year ago to €3.64 billion mainly related to continuing development activities of oil and gas reserves, exploration projects, and the upgrading of gas transportation infrastructures and Saipem rigs and offshore construction vessels.
- Net cash generated by operating activities amounting to €5.19 billion and coupled with cash from divestments for €145 million was used to fund a part of financing needs associated with expenditures on capital and exploration projects (€3.64 billion), the payment of the balance dividend for the fiscal year 2007 (€2.55 million) and the repurchase of 8 million own shares at a cost of €195 million. Net borrowings in the quarter increased by €974 million to €16.56 billion.

First half of 2008

- Adjusted operating profit for the first half was €11.51 billion, up 21.9% from a year ago, due to a better operating performance reported by the Exploration & Production division, partly offset by lower operating profit reported in the Petrochemical and Refining & Marketing divisions.
- Adjusted net profit was up 9.6% to €5.37 billion, mainly as a result of the stronger operating performance, that was partly offset by a higher tax rate on adjusted basis (from 47.4% to 52.4%).
- Net cash generated by operating activities amounting to €9.95 billion and coupled with cash from divestments for €473 million was used to fund almost all financing needs associated with expenditures on capital and exploration projects (€6.76 billion), dividend payments (€2.55 million), the completion of the acquisition of Burren Energy Plc (€1.7 billion) and the repurchase of 16.6 million own shares at a cost of €388 million. At June 30, 2008 net borrowings amounted to €16.56 billion and increased by €238 million from December 31, 2007. Foreign currency translation effects contributed to the reduction of net borrowings.
- Return on Average Capital Employed (ROACE) (2) calculated on an adjusted basis for the twelve-month period ending June 30, 2008 was 19.8% (21.4% for the twelve-month period ending June 30, 2007).
- Ratio of net borrowings to shareholders' equity including minority interest – leverage (2) – was unchanged at 0.38 with respect to end of 2007.

Interim dividend for 2008

In light of the financial results achieved for the first half of 2008 and the projected full-year results, the CEO will propose the distribution of an interim dividend for the fiscal year 2008 of €0.65 per share (€0.60 per share in 2007; up 8.3%) to the Board of Directors on September 11, 2008. The interim dividend is payable on September 25, 2008 to shareholders on the register on September 22, 2008.

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(2) Non-GAAP financial measures disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided for by CESR Recommendation No. 2005-178b. See pages 36 and 38 for leverage and ROACE, respectively.

Operational highlights and trading environment

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07	KEY STATISTICS		First Half 2007	First Half 2008	% Ch.
1,736	**1,796**	**1,772**	**2.1**	**Production of hydrocarbons**	(kboe/d)	**1,735**	**1,784**	**2.8**
1,026	1,012	998	(2.7)	- Liquids	(kbbl/d)	1,028	1,005	(2.2)
4,082	4,503	4,442	8.6	- Natural gas	(mmcf/d)	4,063	4,472	10.4
20.58	**30.91**	**22.16**	**7.7**	**Worldwide gas sales**	(bcm)	**48.87**	**53.07**	**8.6**
1.02	*1.84*	*1.48*	*45.1*	*- of which: E&P sales*		*2.24*	*3.32*	*48.2*
8.86	**8.16**	**7.21**	**(18.6)**	**Electricity sold**	(TWh)	**16.24**	**15.37**	**(5.4)**
3.18	**3.06**	**3.21**	**0.9**	**Retail sales of refined products in Europe**	(mmtonnes)	**6.06**	**6.27**	**3.5**

Second quarter of 2008

- Oil and natural gas production for the second quarter averaged 1.772 mmboe/d, an increase of 2.1% compared with the second quarter of 2007 mainly due to the benefit of the assets acquired in 2007 and 2008 in the Gulf of Mexico, Congo and Turkmenistan (for an overall increase of 88 kboe/d), as well as continuing production ramp-up in Egypt, Angola, Pakistan and Venezuela. These improvements were partially offset by unplanned facility downtime in the United Kingdom and Australia, and mature field declines in Italy. Higher oil prices resulted in lower volume entitlements in Eni's Production Sharing Agreements (PSAs) and similar contractual schemes, down approximately 100 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 8.1%.
- Eni's worldwide natural gas sales were 22.16 bcm, up 7.7% mainly driven by an increase in international sales that were up by 18.7% mainly reflecting organic growth achieved in European markets.
- Oil and gas realizations in the quarter were up 58% driven by strength in Brent prices (up 76.5% from the second quarter of 2007).
- The trading environment favorably influenced natural gas marketing margins due to favorable trends in the euro vs. the dollar exchange rate.
- Refining results were affected by higher planned and unplanned downtime, the euro's appreciation against the dollar and rising refining utility costs, partly offset by an improved dollar-denominated trading environment. Marketing margins on wholesale markets also weakened.

First half of 2008

- Oil and natural gas production for the first half of 2008 averaged 1.784 mmboe/d, an increase of 2.8% compared with the first half of 2007 mainly due to the benefit of the assets acquired in 2007 and 2008 in the Gulf of Mexico, Congo and Turkmenistan (for an overall increase of 103 kboe/d), as well as continuing production ramp-up in Egypt, Angola, Pakistan and Venezuela. These positives were partially offset by planned and unplanned facility downtime and technical issues in the North Sea, Nigeria and Australia, as well as mature field declines. Higher oil prices resulted in lower volume entitlements in Eni's PSAs and similar contractual schemes, down approximately 90 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 8.1%.
- Eni's worldwide natural gas sales were 53.07 bcm, up 8.6% driven by an increase in international sales that were up by 20.1% mainly reflecting in addition to the higher seasonal sales recorded in the first quarter, organic growth achieved in European markets.
- Oil and gas realizations in the first half of 2008 were up 52.4% driven by strength in Brent prices (up 72.5% from the first half of 2007).
- The trading environment unfavorably affected natural gas marketing margins.

Portfolio developments

Acquisition of Distrigaz SA

On May 29, 2008, upon finalization of an auction procedure in which virtually all the major European gas operators took part, Eni entered into a binding agreement with the French company Suez-Tractebel to buy its 57.243% majority stake in Distrigaz SA, listed on Euronext, for an initial price of €2.74 billion. The deal values Distrigaz at €4.8 billion. In 2007, Distrigaz, the incumbent gas company within Belgium, sold 17 bcm of gas volumes directed to Belgium businesses, resellers and utilities as well as other European markets. Distrigaz's long-term gas supply contracts covered approximately 90% of its annual sales; these supply contracts are with Norway, the Netherlands and Qatar. This deal will strengthen Eni's leadership in the European gas market by securing an incumbent position within the Belgium gas market. The Belgium market will play a crucial role in the development of marketing activities in Europe because it is a liquid gas market and allows easier access for gas connectivity between several European markets. The deal is expected to be finalized by the end of 2008, as soon as authorization from the European Commission is granted and other conditions are met, including the condition that the municipal holding company Publigaz SCRL waives its rights of pre-emption over the transfer of shares from Suez to Eni. Currently Publigaz owns 31.254% of the share capital of Distrigaz. Following the closing of the deal, Eni will launch a mandatory cash offer on remaining Distrigaz shares.
On July 30, 2008 Eni and Publigaz signed a shareholders agreement intended to regulate the governance of Distrigaz. This agreement provides the right of Publigaz to put its shares to Eni in accordance with the terms contained in the shareholders agreement. Publigaz has concurrently waived its pre-emption rights on the 57.243% stake of the share capital of Distrigaz being sold.

Furthermore, Eni signed a preliminary agreement with Suez to dispose of certain assets, also targeting optimization of its asset portfolio. Eni's consideration assets include: (i) Eni's network of low-pressure pipelines serving the consumer area of Rome; this is a 5,300-kilometre long network; (ii) interests in some of Eni's exploration and production properties. Also the two partners are negotiating certain long-term supply contracts whereby Eni will supply to Distrigaz: (i) volumes of electricity up to a maximum of 1.1 GW of generation capacity for 20 years; (ii) volumes of gas to be delivered in Italy and outside Italy up to a 20-year period and an option for Distrigaz to purchase LNG volumes equivalent to 0.9 bcm to be delivered to the Gulf of Mexico for 20 years.

Other portfolio developments

– Defined a cooperation agreement with the Republic of Congo for the extraction of unconventional oil from the Tchikatanga and Tchikatanga-Makola oil sands deposits. The two deposits that cover acreage of approximately 1,790 square kilometres are deemed to contain significant amount of resources based on a recent survey. Eni plans to monetize the heavy oil by applying its EST (Eni Slurry Technology) proprietary technology intended to convert entirely the heavy barrel into high-quality light products. The agreement also comprises construction of a new 450 MW electricity generation plant (Eni's share 20%) to be fired with the associated natural gas from the operated M'Boundi field and a partnership for the production of bio-diesel.
- Signed a memorandum of understanding with the British company Tullow Oil Ltd to purchase a 52% stake and the operatorship of fields in the Hewett Unit and relevant facilities. Eni aims to upgrade certain depleted fields in the area so as to achieve a gas storage facility with a 5 bcm capacity to support seasonal upswings in gas demand in the UK. Once completed, it will be the largest storage site in the UK. This transaction is expected to close by the end of 2008.
- Signed a strategic agreement with the Venezuelan State oil company PDVSA for the definition of a plan to develop a field located in the Orinoco oil belt, with a gross acreage of 670 square kilometres. This block is deemed to contain significant amounts of heavy oil according to a recent survey. Eni plans to monetize the heavy oil using the EST (Eni Slurry Technology).
- Renewed the partnership with the Brazilian oil company Petrobras to implement joint projects targeting crude oil production and processing, production and marketing of bio-fuels and joint assessment of options to monetize gas reserves that were found by Eni offshore Brazil.
- Finalized a strategic oil deal with the Libyan national oil company based on the framework agreement of October 2007. This deal effective from January 1, 2008, extends the terms of Eni titles in Libya until 2042 and

2047 for oil and gas properties respectively. It also targets a number of industrial initiatives designed to monetize the large reserve base, particularly through the implementation of important gas projects.

- Signed a memorandum of understanding with the state-owned company Qatar Petroleum International to target joint investment opportunities in the exploration and production of oil and gas.
- Made a cash offer to acquire up to 20% of the share capital of Hindustan Oil Exploration Ltd pursuant to the acquisition of Burren Energy Plc, resulting in the indirect acquisition of 27.17% of the share capital of the target company. This company is listed on the main Indian stock markets. Although the formal offer process is not yet completed, the outcome is likely to be positive and Eni believes that it should be able to increase its interest to 47.17%.
- Signed a memorandum of understanding relating to the thermoelectric sector in Egypt whereby the Company will provide its technology for the combined production of electricity and steam from gas-fired plants.
- Signed an agreement to purchase a 17% stake in the share capital of Gaz de Bordeaux Energie Services SAS. Also Eni's associate Altergaz (Eni's interest being 38%) intends to purchase a stake of a similar size. The two partners plans to support the development of the target company by supplying it with up to 250 mmcm/y for ten years to expand sales to residential, commercial and industrial customers.
- Signed a gas supply contract with a thermoelectric customer in Russia. This deal marks the start of Eni's gas marketing activities in the country.
- Started-up the Oooguruk (Eni 30%), Mondo (Eni 20%) and Corocoro (Eni 26%) fields in Alaska, Angola and Venezuela, respectively. Completed the upgrading of facilities at the operated Bhit gas field in Pakistan (Eni 40%) leading to the start-up of the satellite Badhra field.
- Sanctioned the development plan of the operated Nikaitchuq oilfield in Alaska (Eni 100%). Production start-up is expected by the end of 2009.
- Approved the Kitan oilfield development area by the Timor Sea Designated Authority pursuant to the declaration of commercial discovery that was made by Eni. The discovery is located in lease 06-105 in the Joint Petroleum Development Area 170 kilometres off the Timor Leste coast and 500 kilometres off the Australian coast.
- Granted the West Timor exploration lease that covers an area of 4,075 square kilometres onshore and offshore Indonesia.
- Successfully bid for 32 exploration leases offshore the Gulf of Mexico close to certain of Eni's producing fields as well as 18 exploration leases in Alaska.
- Continued exploration success:
  (i) in the UK, a gas and condensates discovery was made near the recent Jasmine discovery (Eni 33%). Joint development of these two structures is being assessed in combination with existing facilities. The oil and gas Kinnoul discovery (Eni 16.67%) is planned to be developed in synergy with the production facilities of Andrew (Eni 16.21%);
  (ii) in Norway, the operated Afrodite and participated Gamma gas discoveries were made (Eni 45% and 17% respectively) and the operated Marulk discovery (Eni 20%) was successfully appraised;
  (iii) in Egypt offshore the Nile delta, the important Satis gas discovery (Eni 50%) will support supplies to the planned capacity expansion at the Damietta liquefaction facility;
  (iv) in the Gulf of Mexico, a number of oil discoveries were made with the Kodiak well (Eni 25%), that will be developed through the facilities of the operated Devil's Tower platform, and the operated Appaloosa/Aransas and the participated Stones-3 wells (Eni 100% and 15% respectively);
  (v) offshore Angola, the oil discovery Sangos 1 in the operated Block 15/06 (Eni 35%) was declared of commercial interest;
  (vi) offshore Sicily (Italy), the operated gas discovery Cassiopea 1 (Eni 60%) was made yielding excellent results.

Outlook for 2008

The outlook for Eni in 2008 remains positive, with key business trends for the year as follows:

- **production of liquids and natural gas** is forecasted to increase by approximately 2% from 2007 (actual oil and gas production averaged 1,736 mmboe/d in 2007) under the management's scenario of Brent crude oil price at $112 per barrel for the full year. Additional production flowing from assets acquired in 2007 and 2008 in the Gulf of Mexico, Congo and Turkmenistan, as well as field start-ups in Angola, Egypt, Venezuela, Congo, Pakistan and the USA will sustain production performance against expected mature field declines and lower volume entitlements in the Company production sharing agreements (PSA). The Company expects to continue to grow robustly in the medium-term in a high-price environment; particularly the Company estimates an average production growth rate of 3% till 2011 assuming Brent price at $120 per barrel over the period. The Company has also revised its long-term oil price assumption to $65 per barrel (real terms 2012);
- **sales volumes of natural gas worldwide** are forecasted to increase by approximately 3% from 2007 (actual sales volumes in 2007 were 98.96 bcm) reflecting the stronger seasonal sales recorded in the first quarter. Eni expects to achieve an increase in international sales driven by growth in a number of target markets in the Rest of Europe and in the LNG business. This sales forecast does not include any contribution from the acquisition of Distrigaz, whilst it takes account of the full contribution coming from upstream gas operations that were acquired in the Gulf of Mexico in midst 2007;
- **refining throughputs on Eni's account** are expected to be unchanged from 2007 (actual throughputs in 2007 were 37.15 mmtonnes). Higher throughputs are forecasted at the Ceska Refinerska as a result of the acquisition of an additional stake made in 2007. This improvement will be offset by an expected decrease in Italy mainly at the Livorno refinery as a result of an unfavorable refining scenario and facility downtime at the Venice refinery. The Sannazzaro refinery is expected to achieve higher processing;
- **retail sales of refined products** are expected to increase by approximately 2% from the 2007 level (11.8 mmtonnes were the comparable volumes achieved in 2007, which excludes volumes marketed in the Iberian Peninsula in 2007). This increase is driven by higher sales in Europe due to the full contribution of assets acquired in 2007 in Central-Eastern Europe and higher market share projected in retail marketing operations in Italy.

In 2008, management expects to spend approximately €14 billion on capital expenditures up 32% from 2007 (€10.59 billion in 2007). Major increases are expected in the development of oil and natural gas reserves, the upgrading of construction vessels and rigs, and the upgrading of natural gas transport infrastructures.
On the basis of planned cash outflows to fund capital expenditures, the acquisition of Distrigaz, and shareholders remuneration, as well as certain expected divestments, management expects the Group's leverage to achieve a lower level compared with 0.38 as reported in 2007, assuming the Company's scenario for Brent prices at 112 $/barrel for the full-year and absent any further acquisitions.

Quarterly accounts set forth herein have been prepared in accordance with the evaluation and measurement criteria set by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Article 6 of the European Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002. Results are presented for the Second Quarter and the First Half of 2008 and for the Second Quarter and the First Half of 2007. Information on liquidity and capital resources relates to the end of the period as of June 30, 2008, March 31, 2008, and December 31, 2007. Tables contained in this press release are comparable with those presented in the management's disclosure section of the Company's annual report and interim report.
Non-GAAP financial measures and other performance indicators disclosed throughout this press release are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided by recommendation CESR/05-178b.

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

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

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

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This press release for the Second Quarter of 2008 (unaudited) is also available on the Eni web site: ***www.eni.it***.

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

Summary result for the second quarter and the first half of 2008

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
19,775	**28,313**	**27,109**	**37.1**	**Net sales from operations**	**41,688**	**55,422**	**32.9**
4,218	**6,178**	**5,723**	**35.7**	**Operating profit**	**9,323**	**11,901**	**27.7**
(262)	(322)	(756)		Exclusion of inventory holding (gains) losses	(107)	(1,078)	
240	53	638		Exclusion of special items	233	691	
				of which:			
56				*- non recurring items*	*56*		
184	*53*	*638*		*- other special items*	*177*	*691*	
4,196	**5,909**	**5,605**	**33.6**	**Adjusted operating profit**	**9,449**	**11,514**	**21.9**
2,267	**3,321**	**3,437**	**51.6**	**Net profit attributable to Eni**	**4,855**	**6,758**	**39.2**
(207)	(241)	(542)		Exclusion of inventory holding (gains) losses	(110)	(783)	
160	(30)	(577)		Exclusion of special items	155	(607)	
				of which:			
81				*- non recurring items*	*81*		
79	*(30)*	*(577)*		*- other special items*	*74*	*(607)*	
2,220	**3,050**	**2,318**	**4.4**	**Adjusted net profit attributable to Eni**	**4,900**	**5,368**	**9.6**
156	172	195	25.0	Adjusted net profit of minority interest	311	367	18.0
2,376	**3,222**	**2,513**	**5.8**	**Adjusted net profit**	**5,211**	**5,735**	**10.1**
				Breakdown by division [(a)]:			
1,647	2,094	2,047	24.3	Exploration & Production	3,056	4,141	35.5
418	1,202	377	(9.8)	Gas & Power	1,577	1,579	0.1
137	66	106	(22.6)	Refining & Marketing	250	172	(31.2)
51	(66)	(102)	..	Petrochemicals	130	(168)	..
159	165	203	27.7	Engineering & Construction	304	368	21.1
(70)	(46)	(68)	2.9	Other activities	(120)	(114)	5.0
115	(123)	26	(77.4)	Corporate and financial companies	29	(97)	..
(81)	(70)	(76)		Impact of unrealized intragroup profit elimination [(b)]	(15)	(146)	
				Net profit			
0.62	0.91	0.94	51.6	per ordinary share (€)	1.32	1.85	40.2
1.67	2.73	2.94	76.0	per ADR ($)	3.51	5.66	61.3
				Adjusted net profit			
0.60	0.83	0.64	6.7	per ordinary share (€)	1.33	1.47	10.5
1.62	2.49	2.00	23.5	per ADR ($)	3.54	4.50	27.1
3,673.2	**3,653.1**	**3,645.1**	**(0.8)**	**Weighted average number of outstanding shares** [(c)] (million)	**3,676.5**	**3,649.1**	**(0.7)**
4,120	**4,759**	**5,191**	**26.0**	**Net cash provided by operating activities**	**9,683**	**9,950**	**2.8**
2,244	**3,118**	**3,641**	**62.3**	**Capital expenditures**	**4,257**	**6,759**	**58.8**

(a) For a detailed explanation of adjusted net profit by division see page 26.
(b) Unrealized intragroup profit concerned intragroup sales of goods and services recorded at period end as an asset of the purchasing business segment.
(c) Fully diluted.

Trading environment indicators

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
68.76	96.90	**121.38**	76.5	Average price of Brent dated crude oil [(a)]	63.26	**109.14**	72.5
1.348	1.500	**1.562**	15.9	Average EUR/USD exchange rate [(b)]	1.329	**1.530**	15.1
51.01	64.60	**77.71**	52.3	Average price in euro of Brent dated crude oil	47.60	**71.33**	49.9
6.90	3.81	**8.04**	16.5	Average European refining margin [(c)]	4.98	**5.93**	19.1
5.12	2.54	**5.15**	0.6	Average European refining margin in euro	3.75	**3.88**	3.5
4.1	4.5	**4.9**	19.5	Euribor - three month rate (%)	3.9	**4.7**	20.5
5.6	3.3	**2.8**	(50.0)	Libor - three month dollar rate (%)	5.5	**3.0**	(45.5)

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

Second quarter of 2008

Group results

Eni's net profit for the second quarter of 2008 was €3,437 million, an increase of €1,170 million from the second quarter of 2007, or 51.6%. This result benefited from higher reported operating profit, which was up €1,505 million, or 35.7%, mainly because of the improved operating performance reported by the Exploration & Production division. The improvement in operating profit was partly offset by higher income taxes, down €228 million. Specifically, higher income taxes currently payable were recorded by both:
(i) subsidiaries of the Exploration & Production division operating outside Italy due to higher taxable profit; and
(ii) Italian subsidiaries operating in the energy sector [(3)] pursuant to recently enacted tax provisions as per Law Decree No. 112 of June 25, 2008, that introduced a 5.5% supplemental tax rate on taxable profit. As this 5.5% supplemental tax rate is effective from January 1, 2008, the second quarter result was affected by an amount of income taxes pertaining to the first quarter of 2008. Management is not able to predict whether the text of the law decree as amended will undertake any adjustments when the Italian Parliament ratifies it. Any possible modification will be accounted in the results of the third quarter of 2008.
The increased taxes currently payable were partly offset by an adjustment to deferred tax relating to:
(a) utilization of deferred tax liabilities recognized on higher carrying amounts of period-end inventories of oil, gas and refined products stated at the weighted-average cost with respect to their tax base according to the last-in-first-out method. In fact, pursuant to above mentioned Law Decree No. 112 of June 25, 2008, energy companies in Italy are required from now on to state inventories of hydrocarbons at the weighted-average cost for tax purposes as opposed to the previous Lifo evaluation and to recognize a one-off amount calculated by applying a special tax with a 16% rate on the difference between the two amounts. Accordingly, profit and loss benefited from the difference between utilization of deferred tax liabilities accrued on hydrocarbons inventories and the mentioned one-off tax. This one-off tax will be paid in three annual instalments of same amount, due from 2009 onwards; (b) application of the Budget Law for 2008 that provided an increase in limits whereby carrying amounts of assets and liabilities of consolidated subsidiaries can be recognized for tax purposes by paying a one-off amount calculated by applying a special tax with a 6% rate. This provision apply to subsidiaries that are included in consolidated accounts for the purpose of preparing the tax return;
(c) enactment of a renewed tax framework in Libya regarding oil companies operating in accordance with production sharing schemes. Based on the new provisions, the tax base of the Company's Libyan oil properties has been reassessed resulting in the partial utilization of previously accrued deferred tax liabilities.

Eni's adjusted net profit amounted to €2,318 million, an increase of €98 million or 4.4% from the second quarter of 2007. Adjusted net profit is calculated by excluding an inventory holding gain of €542 million and special gains of €577 million net, resulting in an overall adjustment equal to a decrease of €1,119 million. Special items mainly related to asset impairments, including unproved oil and gas properties, refineries and petrochemicals plants, as well as gains reflecting an adjustment to deferred tax for Italian subsidiaries and Libyan oil properties due to aforementioned new tax rules.

Results by division

The increase in the Group adjusted net profit mainly reflected a higher result reported by:
- The **Exploration & Production** division achieved an increase of €400 million in adjusted net profit, up 24.3%, due to an improved operating performance (up €1,510 million, or 43.4%) driven by higher realizations in dollars (oil up 62.6%; natural gas up 53.8%) and production growth (up 4.7 mmboe). These improvements were partially offset by the appreciation of the euro against the dollar (up 15.9%), rising operating costs and higher amortization charges, also due to increased exploration activity (increasing by €159 million on a constant exchange rate basis). Income taxes increased by € 1,148 million, also reflecting a higher tax rate (from 54.3% to 60.3%) mainly due to the recognition in the second quarter of 2008 of higher income taxes for Italian companies pursuant to new tax rules effective from January 1, 2008 and a higher share of profit earned by subsidiaries outside Italy.
- The **Engineering & Construction** division reported improved net profit (up €44 million, or 27.7%) driven by better operating performance up €50 million due to favourable market conditions.

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

These increases were partly offset by weaker results reported by the oil, gas and petrochemical downstream businesses.

- The **Petrochemical** division incurred a loss at both the operating level and the bottom line reversing previous quarter profit, down €224 million and €153 million respectively. This shortfall was due to a steep decline in selling margins of commodity chemicals, reflecting higher supply costs of oil-based feedstock that were not fully recovered in sales prices.
- The **Gas & Power** division reported lower adjusted net profit (down €41 million, or 9.8%) mainly as a result of higher income taxes pursuant to recently enacted changes to Italian tax rules, effective from January 1, 2008. Operating performance improved from a year ago, up €68 million or 13.1%, reflecting a better performance delivered by regulated businesses in Italy and international transport.
- The **Refining & Marketing** division reported lower adjusted results (down €31 million, or 22.6%) due to a weaker operating performance (down €35 million, or 18.9%) recorded by both refining and wholesale marketing activities, and lower results of equity-accounted entities. These negatives were partly offset by lower income taxes, reflecting smaller profit before taxes.

First half of 2008

Group results

Eni's net profit for the first half of 2008 was €6,758 million, an increase of €1,903 million from the first half of 2007, or 39.2%. This result benefited from higher reported operating profit, which was up €2,578 million, or 27.7%, mainly as a result of an improved performance by the Exploration & Production division. The improved operating result was partly absorbed by higher income taxes (down €809 million), reflecting higher tax currently payable recorded by subsidiaries of the Exploration & Production division operating outside Italy.
On the positive side, an adjustment was recorded relating to deferred tax for Italian companies and for Libyan activities, reflecting the aforementioned new tax rules.

Eni's adjusted net profit amounted to €5,368 million, an increase of €468 million or 9.6% from the first half of 2007. Adjusted net profit is calculated by excluding an inventory holding gain of €783 million and special gains of €607 million net, resulting in an overall adjustment equal to a decrease of €1,390 million. Special items mainly related to asset impairments, including unproved oil and gas properties, refineries and petrochemicals plants, as well as gains reflecting an adjustment to deferred tax for Italian subsidiaries and Libyan oil properties due to aforementioned new tax rules. A special gain was also recorded on the divestment of interests in the Engineering & Construction business.

Results by division

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

- The **Exploration & Production** division achieved an increase of €1,085 million in adjusted net profit, up 35.5%, due to a better operating performance (up €2,754 million, or 41.6%) driven by higher realizations in dollars (oil up 60.9%; natural gas up 40.8%) and production growth (up 11.8 mmboe). These improvements were partially offset by the appreciation of the euro against the dollar (up 15.1%), rising operating costs and higher amortization charges, also due to increased exploration activity (increasing by €417 million at constant exchange rates). Income taxes increased by € 1,859 million, also reflecting a higher tax rate (from 54.5% to 57.1%);
- The **Engineering & Construction** division reported improved net profit (up 64 million, or 21.1%) driven by better operating performance which was up €88 million due to favourable market conditions.

These increases were partly offset by weaker results reported by the oil and petrochemical downstream businesses.

- The **Petrochemicals** division incurred a loss at both the operating level and the bottom line reversing previous year profit, down €414 million and €298 million respectively. This shortfall was due to a steep decline in commodity chemical margins, reflecting higher supply costs of oil-based feedstock that were not fully recovered in sales prices.
- The **Refining & Marketing** division reported lower adjusted results (down €78 million, or 31.2%) as operating performance decreased by €125 million from a year ago, mainly due to poor refining performance.
  This reduction was partly offset by lower income taxes reflecting lower taxable profit.

Liquidity and capital resources

Summarized Group Balance Sheet

(€ million)

	December 31, 2007	March 31, 2008	June 30, 2008	Change vs Dec. 31, 2007	Change vs Mar. 31, 2008
Fixed assets	62,849	64,419	65,391	2,542	972
Net working capital	(3,006)	(3,570)	(4,608)	(1,602)	(1.038)
Provisions for employee benefits	(935)	(910)	(915)	20	(5)
Non-current assets held for sale including related net borrowings	286	266	586	300	320
Capital employed, net	**59,194**	**60,205**	**60,454**	**1,260**	**249**
Shareholders' equity including minority interest	42,867	44,614	43,889	1,022	(725)
Net borrowings	16,327	15,591	16,565	238	974
Total liabilities and shareholders' equity	**59,194**	**60,205**	**60,454**	**1,260**	**249**

Period-end currency translation effects reduced the carrying amounts of net capital employed, shareholders' equity and net borrowings by approximately €1,860 million, €1,310 million and €550 million respectively compared to 2007 year end amounts. This reduction was mainly driven by the appreciation of the euro against the dollar (at June 30, 2008 the EUR/USD exchange rate was 1.576 as compared to 1.472 at December 31, 2007, up 7.1%).

Fixed assets amounted to €65,391 million, representing an increase of €2,542 million from December 31, 2007 due to capital expenditures for the period (€6,759 million) and consolidation of Burren Energy assets (€2,180 million), partly offset by depreciation, depletion and amortization and impairment charges (€4,389 million) and currency translation effects.

Net working capital was in negative territory at €4,608 million decreasing by €1,602 million from December 31, 2007. This decrease mainly resulted from a negative change of €2,672 million (€1,622 million net of the related tax impact) in fair value of certain derivative financial instruments the Company entered into to hedge exposure to variability in future cash flows deriving from the sale of an amount of Eni's proved reserves [4]. An increase in tax currently payables due to income taxes accrued for the period and an increase in excise taxes [5] on oil products marketed in Italy were substantially offset by a decrease recorded in net deferred tax liabilities for Italian companies and activities in Libya.

Shareholders' equity including minority interest amounted to €43,889 million and increased by €1,022 million. This increase reflected net profit for the period (€7,227 million), partly offset by the payment of dividends (€2,551 million), losses upon fair value evaluation of certain cash flow hedges taken to reserve including hedged transactions settled in the period (€1,751 million net of the related tax effect for €1,139 million) as well as a deduction associated with the repurchase of shares in the first half of 2008 (€388 million). Shareholders' equity also decreased as a result of foreign currency translation effects.

At June 30, 2008 **net borrowings** amounted to €16,565 million and increased by €238 from December 31, 2007 and by €974 million from March 31, 2008. In the quarter, cash inflow generated by operating activities was used to fund a part of funding requirements associated with dividend payments, capital expenditures for the period, as well as share repurchases.

Net capital employed in the Exploration & Production, Gas & Power and Refining & Marketing divisions represented 88% of total net capital employed (89% at December 31, 2007).

(4) More detailed information are provided in the section "Summarized Balance Sheet".
(5) This increase reflects excise taxes on oil products marketed in Italy in the first 15 days of December which are settled within the end of this month, instead of being paid in the following month as in the rest of the year.

Summarized Group Cash Flow Statement

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
4,120	**4,759**	**5,191**	**Net cash provided by operating activities**	**9,683**	**9,950**
(2,244)	(3,118)	(3,641)	Capital expenditures	(4,257)	(6,759)
(4,925)	(1,784)	(165)	Acquisition of investments and businesses [(a)]	(4,935)	(1,949)
140	328	145	Proceeds from disposals [(a)]	152	473
(2,520)	(193)	(2,746)	Dividends to Eni shareholders and shares repurchased	(2,723)	(2,939)
(324)	(20)	(221)	Dividends distributed and shares repurchased by subsidiaries	(569)	(241)
483	764	463	Foreign exchange translation differences and other changes	294	1,227
(5,270)	**736**	**(974)**	**CHANGE IN NET BORROWINGS**	**(2,355)**	**(238)**

(a) Both items include net borrowings acquired or discharged.

In the first half **net cash provided by operating activities** (€9,950 million) coupled with cash from divestments for €473 million were used to fund the cash outflows relating to: (i) capital expenditures totaling €6,759 million; (ii) payment of the balance of the 2007 dividend by Eni SpA (€2,551 million), as well as dividend payment from certain consolidated subsidiaries to minorities (€212 million, relating to Snam Rete Gas and Saipem); (iii) the completion of the acquisition of Burren Energy Plc (cash outflow in 2008 being €1.7 billion net of acquired cash of €0.1 billion; total cash consideration for this transaction amounted to €2.3 billion which includes the amount of Burren's shares purchased in December 2007); (iv) share repurchases by the parent company Eni SpA for a total amount of €388 million.

Share repurchases

From January 1 to June 30, 2008 a total of 16.6 million **own shares** were purchased at a cost of €388 million (on average €23.323 per share). From the beginning of the share buy-back plan (September 1, 2000), Eni has purchased 379.2 million of its own shares, equal to 9.5% of capital stock at issue, at a total cost of €6,581 million (for an average cost of €18.74 per share) representing 88.9% of the amount authorized by the Shareholders Meeting.

More details on balance sheet and cash flow are disclosed on page 36 and following pages.

Other information

Subsequent events

In May 2003 the Italian Ministry of the Environment sued Eni's subsidiary Syndial SpA (former EniChem) for environmental damages allegedly caused when EniChem managed the facilities at Pieve Vergonte from 1990-1996. With a temporarily executive Decision n. 4991/08 dated July 8, 2008 the District Court of Turin ordered Syndial to pay the Italian Ministry of the Environment the sum of €1,833.5 million for the claim, plus legal interests that accrue from the filing of the decision. Syndial and its technical-legal consultants consider the decision and the amount of the compensation to be without factual and legal basis and concluded that a negative outcome of this proceeding is unlikely. In addition the sentence has been considered to lack sufficient elements to quantify the liability that Syndial should recognize in the case of an unfavourable outcome. Specifically, the Court's Decision did not gave consideration to the fact that Eni took over responsibility for this plant pursuant to a State law and that the Company could not be held responsible for previous running of the plant that started operations several years before the Company took over. Additionally, the Company considers that the preliminary investigation has failed to demonstrate that the plant's operations were not in compliance with applicable laws and regulations. Based on this technical-legal advice, in concert with external consultants on the matter of accounting principles engaged by Syndial SpA and Eni, no loss provision has been made for this proceeding.
As announced in the press release published on July 16, 2008, Syndial will appeal against the ruling on Pieve Vergonte site of the District Court of Turin as soon as possible.

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

Certain provisions have been recently enacted regulating continuing Italian listing standards of issuers controlling subsidiaries that are incorporated or regulated in accordance with laws of extra-EU countries, also having a material impact on the consolidated financial statements of the parent company.

Regarding the aforementioned provisions, the Company discloses that:

(i) four of Eni's subsidiaries – Eni Congo SA, Eni Petroleum Co, Inc., Eni Norge AS and NAOC-Nigerian Agip Oil Co Ltd – fall within the scope of the new continuing listing standard;

(ii) the Company has already adopted adequate procedures to ensure full compliance with the new regulation.

Financial and operating information by division for the second quarter and the first half of 2008 is provided in the following pages.

Exploration & Production

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07	RESULTS [a]	(€ million)	First Half 2007	First Half 2008	% Ch.
6,468	**8,782**	**9,107**	**40.8**	**Net sales from operations**		**12,829**	**17,889**	**39.4**
3,418	**4,339**	**4,719**	**38.1**	**Operating profit**		**6,550**	**9,058**	**38.3**
65	37	274		Exclusion of special items		65	311	
				of which:				
(12)				Non-recurring items		(12)		
77	37	274		Other special items:		77	311	
76	*36*	*274*		*- asset impairments*		*76*	*310*	
1	*1*	*1*		*- provision for redundancy incentives*		*1*	*2*	
		(1)		*- other*			*(1)*	
3,483	**4,376**	**4,993**	**43.4**	**Adjusted operating profit**		**6,615**	**9,369**	**41.6**
3,359	*4,291*	*4,961*	*47.7*	*Exploration & Production*		*6,425*	*9,252*	*44.0*
124	*85*	*32*	*(74.2)*	*Storage Business*		*190*	*117*	*(38.4)*
31	15	8		Net finance income (expense) [b]		(4)	23	
90	112	151		Net income from investments [b]		100	263	
(1,957)	(2,409)	(3,105)		Income taxes [b]		(3,655)	(5,514)	
54.3	*53.5*	*60.3*		*Tax rate (%)*		*54.5*	*57.1*	
1,647	**2,094**	**2,047**	**24.3**	**Adjusted net profit**		**3,056**	**4,141**	**35.5**
				Results also include:				
1,307	1,538	1,721	*31.7*	amortization and depreciation		2,547	3,259	28.0
				of which:				
402	564	492	22.4	exploration expenditures		777	1,056	35.9
302	*435*	*371*	*22.8*	*- amortization of exploratory drilling expenditures and other*		*615*	*806*	*31.1*
100	*129*	*121*	*21.0*	*- amortization of geological and geophysical exploration expenses*		*162*	*250*	*54.3*
1,471	**2,122**	**2,340**	**59.1**	**Capital expenditures**		**2,837**	**4,462**	**57.3**
				of which:				
375	*528*	*453*	*20.8*	*- exploration expenditures* [c]		*748*	*981*	*31.1*
23	*39*	*59*	..	*- storage*		*34*	*98*	..
				Production [d] [e]				
1,026	1,012	998	(2.7)	Liquids [f]	(kbbl/d)	1,028	1,005	(2.2)
4,082	4,503	4,442	8.6	Natural gas	(mmcf/d)	4,063	4,472	10.4
1,736	**1,796**	**1,772**	**2.1**	**Total hydrocarbons**	(kboe/d)	**1,735**	**1,784**	**2.8**
				Average realizations				
64.58	85.72	105.02	62.6	Liquids [f]	($/bbl)	59.47	95.71	60.9
5.06	6.80	7.78	53.8	Natural gas	($/mmcf)	5.18	7.29	40.8
50.82	**65.64**	**80.32**	**58.0**	**Total hydrocarbons**	($/boe)	**47.96**	**73.11**	**52.4**
				Average oil market prices				
68.76	96.90	121.38	76.5	Brent dated	($/bbl)	63.26	109.14	72.5
51.01	64.60	77.71	52.3	Brent dated	(€/bbl)	47.60	71.33	49.9
64.89	97.94	123.98	91.1	West Texas Intermediate	($/bbl)	61.44	110.96	80.6
265.92	305.47	401.88	51.1	Gas Henry Hub	($/kmc)	266.28	353.50	32.8

(a) From 2008, adjusted operating profit is reported for the "Exploration & Production" and "Storage" businesses, within the Exploration & Production division. Prior period data have been restated accordingly.
(b) Excluding special items.
(c) Includes exploration bonuses.
(d) Supplementary operating data is provided on page 42.
(e) Includes Eni's share of production of equity-accounted entities.
(f) Includes condensates.

Results

Exploration & Production business

Adjusted operating profit of the Exploration & Production business for **the second quarter of 2008** was €4,961 million, up €1,602 million or 47.7% from the second quarter of 2007 due to higher realizations in dollars (oil up 62.6%; natural gas up 53.8%) and increased production volumes (up 4.7 mmboe). These improvements were partly offset by the following:

- the adverse impact of the appreciation of the euro against the dollar (approximately €720 million);
- rising operating costs and amortization charges taken in connection with development activities. This increase also reflected consolidation of assets acquired;
- higher amortization charges incurred in connection with exploration activity (€90 million; €159 million on a constant exchange rate basis).

Additionally, higher production royalties were incurred associated with higher production volumes and prices. It is worth mentioning that royalties due in Italy were calculated without taking into account certain tax provisions that were first enacted pursuant to Law Decree No. 112 of June 25, 2008, under article 81, line 1 to 7, and then repealed by the Italian Government pursuant to an amendment to the bill filed with Italian Parliament in view of approving Law Decree No. 112.

Adjusted operating profit of the Exploration & Production business for **the first half of 2008** was €9,252 million, up € 2,827 million or 44% from the first half of 2007 due to higher realizations in dollars (oil up 60.9%; natural gas up 40.8%) and increased production sales volumes (up 11.8 mmboe). These improvements were partially offset by the appreciation of the euro against the dollar (down approximately €1,300 million), rising operating costs and higher amortization charges taken in connection with development activities mainly due to consolidation of acquired assets. Exploration expenditures were up €417 million on a constant exchange rate basis.

Storage business

Second quarter of 2008 adjusted operating profit reported by the natural gas storage business was €32 million (€117 million in the first half of 2008) down €92 million or 74.2% from the second quarter of 2007 (down €73 million or 38.4% from the first half of 2007).

Adjusted net profit of the Exploration & Production division for the second quarter of 2008 was €2.047 million, an increase of €400 million and up 24.3% from the second quarter of 2007. This was due to an improved operating performance partly offset by higher income taxes also due to an increase recorded in the adjusted tax rate (from 54.3% to 60.3%) mainly due to the recognition in the second quarter of 2008 of higher income taxes for Italian companies pursuant to new tax rules effective from January 1, 2008 and a higher share of profit earned by subsidiaries outside Italy.

Adjusted net profit of the Exploration & Production division for the first half of 2008 was €4,141 million, an increase of €1,085 million and up 35.5% from the first half of 2007. This was due to an improved operating performance partly offset by higher income taxes also due to an increase recorded in the adjusted tax rate (from 54.5% to 57.1%).

Special charges not accounted for in the adjusted operating profit of €274 million in the second quarter and €311 million in the first half primarily regarded impairment of unproved properties and other assets.
Other special items primarily regarded an adjustment to deferred tax relating to enactment of a renewed tax framework in Libya regarding oil companies operating in accordance with production sharing schemes. Based on the new provisions, the tax base of the Company's Libyan oil properties has been reassessed resulting in the utilization of previously accrued deferred tax liabilities.

Liquids and gas realizations for the quarter increased on average by 58% in dollar terms (up 52.4% in the first half) driven by higher Brent prices.
Liquid realizations for the quarter amounted to $105.02 per barrel ($95.71 per barrel in the first half) and were reduced by approximately $7.01 per barrel ($5.70 per barrel in the first half) due to the settlement of certain commodity derivatives relating to the sale of 11.5 mmbbl (23 mmbbl in the first half). This was part of a derivative transaction the Company entered into to hedge exposure to variability in future cash flows expected from the sale of a portion of the Company's proved reserves for an original amount of approximately 125.7 mmbbl in the 2008-2011period, decreasing to 102.7 mmbbl at the end of June. These hedging transactions were undertaken in connection with the acquisition of oil and gas assets in Congo and in the Gulf of Mexico that were executed in 2007. Excluding this impact, liquid realizations would have been $112.03 per barrel ($101.41 per barrel in the first half).
Average gas realizations were supported by a better sales mix reflecting higher volumes marketed on the basis of spot prices on the US market.
Liquid realizations and the impact of commodity derivatives were as follows:

First Quarter			Second Quarter		First Half	
2008	LIQUIDS		2007	2008	2007	2008
88.1	Sales volumes	(mmbbl)	93.3	94.5	187.3	182.6
11.5	Sales volumes hedged by derivatives (cash flow hedges)			11.5		23.0
90.01	Total price per barrel, excluding derivatives	($/bbl)	64.58	112.03	59.47	101.41
(4.29)	Realized gains (losses) on derivatives			(7.01)		(5.70)
85.72	Total average price per barrel		64.58	105.02	59.47	95.71

Operating review

Exploration & Production business

Oil and natural gas production for the second quarter of 2008 was 1,772 kboe/d, an increase of 36 kboe/d from the second quarter of 2007, or 2.1%. Production growth mainly stemmed from the contribution of the assets acquired in 2007 and 2008 in the Gulf of Mexico, Congo and Turkmenistan (for an overall increase of 88 kboe/d), as well as the continuing production ramp-up in Egypt Angola, Pakistan and Venezuela. These improvements were partially offset by unplanned facility downtime in the United Kingdom and Australia as well as mature field declines in Italy. Higher oil prices resulted in lower volume entitlements in Eni's Production Sharing Agreements (PSAs) and similar contractual schemes, down approximately 100 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 8.1%. The share of oil and natural gas produced outside Italy was 88% (88% in the second quarter of 2007).

Liquids production was 998 kbbl/d, down 28 kbbl/d from the second quarter of 2007 or 2.7%. Production decreases were reported mainly in the United Kingdom and Australia due to unplanned facilities downtime and lower volume entitlements associated with high oil prices that were mainly reported in Angola. Production increases were achieved in the Gulf of Mexico, Congo and Turkmenistan, benefiting from acquisitions in 2007 and 2008. Production ramp-up in Egypt and the start-up of the Corocoro field (Eni's interest 26%) in Venezuela also supported growth.

Natural gas production was 4,442 mmcf/d and increased by 360 mmcf/d from the second quarter 2007, up 8.6%. This improvement was mainly driven by the acquired assets in the Gulf of Mexico in 2007 and the ramp-up production of the Zamzama field (Eni's interest 17.75%) and start-up of the Badhra field (Eni operator with a 40% interest) in Pakistan. Gas production decreased in the United Kingdom and in Italy due to mature field declines.

Oil and natural gas production for the first half of 2008 averaged 1,784 kboe/d, an increase of 49 kboe/d compared to the same period last year (up 2.8%). This improvement mainly benefited from the assets acquired in the Gulf of Mexico, Congo and Turkmenistan (up 103 kboe/d), as well as continuing production ramp-up in Egypt, Angola, Pakistan and Venezuela. These positives were partially offset by planned and unplanned facility downtime in the North Sea, Nigeria and Australia as well as mature field declines. Higher oil prices resulted in lower volume entitlements in Eni's PSAs and similar contractual schemes, down approximately 90 kboe/d. When excluding the impact of lower entitlements in PSAs, production was up 8.1%. The share of oil and natural gas produced outside Italy was 89% (87% in the first half of 2007).

Production of liquids was 1,005 kbbl/d and decreased by 23 kbbl/d from the first half of 2007 or 2.2%. Production decreases were mainly reported in the North Sea and Australia. The impact of lower entitlements in Eni's PSAs was mainly reported in Angola. The acquired assets in the Gulf of Mexico, Congo and Turkmenistan as well as field start-ups in Egypt and Venezuela supported production growth.

Production of natural gas for the first half of 2008 was 4,472 mmcf/d and increased by 409 mmcf/d, or 10.4%, mainly in the Gulf of Mexico and Pakistan. Production decreased in the United Kingdom and Italy due to mature field declines.

Storage business
In the quarter, customers injected 3.1 bcm into the Company's storage deposits, an increase of 63% over the second quarter of 2007, reflecting stronger seasonal uplifts in the first quarter.

Gas & Power

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07	RESULTS [a] (€ million)	First Half 2007	First Half 2008	% Ch.
5,179	**9,907**	**6,985**	**34.9**	**Net sales from operations**	**13,722**	**16,892**	**23.1**
465	**1,652**	**632**	**35.9**	**Operating profit**	**2,106**	**2,284**	**8.5**
68	(77)	(61)		Exclusion of inventory holding (gains) losses	108	(138)	
(14)	3	16		Exclusion of special items	(12)	19	
				of which:			
(18)				Non-recurring items	(18)		
4	3	16		Other special items:	6	19	
1		*14*		*- environmental charges*	*1*	*14*	
3	*3*	*4*		*- provision for redudancy incentives*	*5*	*7*	
		(2)		*- other*		*(2)*	
519	**1,578**	**587**	**13.1**	**Adjusted operating profit**	**2,202**	**2,165**	**(1.7)**
167	*956*	*137*	*(18.0)*	*Marketing*	*1,263*	*1,093*	*(13.5)*
255	*499*	*317*	*24.3*	*Regulated businesses in Italy* [b]	*714*	*816*	*14.3*
97	*123*	*133*	*37.1*	*International transport*	*225*	*256*	*13.8*
1	(1)	2		Net finance income (expense) [c]	4	1	
103	135	98		Net income from investments [c]	218	233	
(205)	(510)	(310)		Income taxes [c]	(847)	(820)	
32.9	*29.8*	*45.1*		*Tax rate (%)*	*34.9*	*34.2*	
418	**1,202**	**377**	**(9.8)**	**Adjusted net profit**	**1,577**	**1,579**	**0.1**
305	**411**	**460**	**50.8**	**Capital expenditures**	**526**	**871**	**65.6**
				Natural gas sales (bcm)			
17.79	**26.44**	**18.84**	**5.9**	**Sales of consolidated subsidiaries**	**42.59**	**45.28**	**6.3**
11.67	16.96	11.61	(0.5)	- Italy (includes own consumption)	28.47	28.57	0.4
5.86	9.36	6.96	18.8	- Rest of Europe	13.76	16.32	18.6
0.26	0.12	0.27	3.8	- Outside Europe	0.36	0.39	8.3
1.77	**2.63**	**1.84**	**4.0**	**Eni's share of sales of natural gas of affiliates**	**4.04**	**4.47**	**10.6**
19.56	**29.07**	**20.68**	**5.7**	**Total sales and own consumption (G&P)**	**46.63**	**49.75**	**6.7**
1.02	1.84	1.48	45.1	E&P in Europe and in the Gulf of Mexico	2.24	3.32	48.2
20.58	**30.91**	**22.16**	**7.7**	**Worldwide gas sales**	**48.87**	**53.07**	**8.6**
18.38	**25.26**	**20.10**	**9.4**	**Gas volumes transported in Italy** (bcm)	**41.89**	**45.36**	**8.3**
11.16	15.31	11.95	7.1	Eni	26.71	27.26	2.1
7.22	9.95	8.15	12.9	On behalf of third parties	15.18	18.10	19.2
8.86	**8.16**	**7.21**	**(18.6)**	**Electricity sold** (TWh)	**16.24**	**15.37**	**(5.4)**

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

Results

Second quarter of 2008

The Gas & Power division reported adjusted operating profit of €587 million for the second quarter of 2008, an increase of €68 million or 13.1% from the second quarter of 2007. This increase was due to an improved operating performance delivered by the regulated businesses in Italy and the international transport business, partly offset by lower results recorded by electricity generation activities.

Special charges for the quarter amounted to €16 million (€7 million reported by the marketing business and €9 million reported by the regulated businesses in Italy) mainly regarded provisions for environmental charges and redundancy incentives.

Adjusted net profit for the second quarter of 2008 was €377 million, a decrease of €41 million or 9.8% over the second quarter of 2007 in spite of a positive operating performance. This decrease reflected higher income taxes due by Italian energy companies related to recently enacted tax provisions effective from January 1, 2008.

First half of 2008
The Gas & Power division reported adjusted operating profit of €2,165 million for the first half of 2008, a decrease of €37 million or 1.7% from the first half of 2007. This decrease reflected lower results recorded by marketing activities, partially offset by an improved performance delivered by the regulated businesses in Italy.

Special charges for the first half amounted to €19 million (€8 million reported by the marketing business and €11 million reported by the regulated businesses in Italy) mainly regarding provisions for redundancy incentives and environmental charges.

Adjusted net profit for the first half of 2008 was €1,579 million, an increase of €2 million or 0.1% from the first half of 2007. Certain equity-accounted affiliates reported higher earnings, which helped to offset a weaker operating performance. Income taxes decreased mainly due to a lower taxable profit.

Operating review

Marketing
This business reported **adjusted operating profit** of €137 million **for the second quarter of 2008**, a decrease of €30 million or 18% from the second quarter of 2007. This shortfall was due to a lower operating result delivered by the power generation activity mainly due to the incurrence of provisions relating to the circumstance that the Authority for Electricity and Gas questioned whether certain electricity revenues recorded in previous periods (2005 and 2006) were entitled to be subsidized.
Marketing activities posted stable results. Better margins on gas sales were recorded as a result of favorable trends in the euro vs. the US dollar exchange rate as well as favorable weather conditions and a growth achieved on European markets. These improvements were offset by the impact of a stronger competitive pressure on certain market segments in Italy.

This business reported **adjusted operating profit** of €1,093 million **for the first half of 2008**, a decrease of €170 million or 13.5% from the first half of 2007 mainly due to:
- the fact that certain provisions accrued in previous reporting periods were partially recycled through the 2007 first quarter profit and loss due to favorable developments with Italy's regulatory framework. Those provisions were originally accrued due to the implementation of resolution No. 248/2004 and following ones by the Italian Authority for Electricity and Gas regarding the indexation mechanism of the raw material cost in supply contracts to resellers and residential customers;
- lower margins on gas sales in Italy recorded as a result of unfavorable trends in energy parameters to which gas purchase costs and selling prices are indexed regarding seasonal sales to residential customers;
- a lower operating result delivered by the power generation activity due to the charge taken in the second quarter.

These negatives were partly offset by an higher sales volumes, also reflecting stronger seasonal sales in the first quarter.

NATURAL GAS SALES

(bcm)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
11.69	**16.99**	**11.61**	**(0.7)**	**Italy**	**28.50**	**28.60**	**0.4**
1.48	3.21	1.24	(16.2)	- Wholesalers	6.21	4.45	(28.3)
0.46	1.10	1.02	..	- Gas release	0.95	2.12	..
0.68	0.15	0.37	(45.6)	- Italian exchange for gas and spot markets	0.68	0.52	(23.5)
3.10	3.24	2.56	(17.4)	- Industries	6.83	5.80	(15.1)
3.00	*2.75*	*2.46*	*(18.0)*	*Industries*	*6.33*	*5.21*	*(17.7)*
0.10	*0.49*	*0.10*		*Medium-sized enterprises and services*	*0.50*	*0.59*	*18.0*
3.88	4.77	4.27	10.1	- Power generation	7.81	9.04	15.7
0.61	2.90	0.82	34.4	- Residential	3.15	3.72	18.1
1.48	1.62	1.33	(10.1)	- Own consumption	2.87	2.95	2.8
8.89	**13.92**	**10.55**	**18.7**	**International sales**	**20.37**	**24.47**	**20.1**
2.26	3.80	3.04	34.5	- Importers in Italy	5.71	6.84	19.8
4.93	7.76	5.41	9.7	- European markets	11.48	13.17	14.7
1.46	*1.92*	*1.71*	*17.1*	*Iberian Peninsula*	*2.92*	*3.63*	*24.3*
0.91	*1.64*	*1.01*	*11.0*	*Germany – Austria*	*2.28*	*2.65*	*16.2*
0.32	*1.24*	*0.35*	*9.4*	*Hungary*	*1.37*	*1.59*	*16.1*
0.81	*0.68*	*0.79*	*(2.5)*	*Nord Europe*	*1.57*	*1.47*	*(6.4)*
1.08	*1.59*	*1.05*	*(2.8)*	*Turkey*	*2.46*	*2.64*	*7.3*
0.34	*0.58*	*0.45*	*32.4*	*France*	*0.77*	*1.03*	*33.8*
0.01	*0.11*	*0.05*	*..*	*Other*	*0.11*	*0.16*	*45.5*
0.68	0.52	0.62	(8.8)	- Extra European markets	0.94	1.14	21.3
1.02	1.84	1.48	45.1	- E&P in Europe and in the Gulf of Mexico	2.24	3.32	48.2
20.58	**30.91**	**22.16**	**7.7**	**Worldwide gas sales**	**48.87**	**53.07**	**8.6**

In the **second quarter of 2008, natural gas sales** were 22.16 bcm, an increase of 1.58 bcm or 7.7% from the second quarter of 2007 driven by an increase in international sales that were up by 18.7% mainly reflecting organic growth achieved in European markets. Sales included own consumption, sales by affiliates and upstream sales in Europe and the Gulf of Mexico.

In Italy, sales volumes decreased by 0,08 bcm to 11.61 reflecting lower supplies to industrial customers (down 0.54 bcm) and wholesalers (down 0.24 bcm) and which were mainly related to competitive pressure and a gas release program [(6)] agreed upon by Eni and the Italian Antitrust Authority late in 2007. These decreases were partly offset by higher sales to the power generation segment (up 0.39 bcm) and higher seasonal sales to residential customers (up 0.21 bcm).

International sales were up by 1.66 bcm, or 18.7%, to 10.55 bcm. Main increases were achieved in:
- sales to importers to Italy, up by 0.78 bcm, or 34.5%, mainly due to the circumstance that in 2007 a part of these sales were replaced with direct sales in Italy;
- european markets, where volumes increased by 0.48 bcm, or 9.7%, mainly in Spain (up 0.25 bcm), France (up 0.11 bcm), and Germany-Austria (up 0.10 bcm);
- Exploration & Production sales were up by 0.46 bcm or 45.1% to production ramp-up of acquired assets in the Gulf of Mexico.

In the **first half of 2008, natural gas sales** were 53.07 bcm, an increase of 4.20 bcm or 8.6% from the first half of 2007 driven by an increase in international sales that were up by 20.1% mainly reflecting in addition to the higher seasonal sales recorded in the first quarter, organic growth achieved in European markets. Sales included own consumption, sales by affiliates and upstream sales in Europe and the Gulf of Mexico.

In Italy, volumes grew by 0.10 bcm to 28.60 reflecting higher supplies to the power generation segment (up 1.23 bcm) and higher seasonal sales to residential customers (up 0.57 bcm). These increases were partially offset by lower supplies to wholesalers (down 1.76 bcm) and industrial customers (down 1.03 bcm) mainly relating to competitive pressure and a gas release program (up 1.17 bcm) agreed upon by Eni and the Italian Antitrust Authority late in 2007.

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

International sales were up by 4.10 bcm, or 20.1%, to 24.47 bcm. Main increases were achieved in:
- sales to importers to Italy, up by 1.13 bcm, or 19.8%;
- European markets, where volumes increased by 1.69 bcm, or 14.7%, mainly in Spain (up 0.71 bcm), Germany-Austria (up 0.37 bcm) and France (up 0.26 bcm);
– markets outside Europe (up 0.20 bcm, or 21.3%), particularly higher LNG sales to the Asiatic markets (up 0.17 bcm) were reported by the affiliate Unión Fenosa Gas (50% Eni's share);
- Exploration & Production sales were up by 1.08 bcm or 48.2% to production ramp-up of the acquired assets in the Gulf of Mexico.

In the **second quarter of 2008**, **electricity sales** were 7.21 TWh, down 18.6% from second quarter of 2007 due to lower availability of electricity production. This decrease mainly reflected planned and unplanned facility downtime at Eni's operated plants in Livorno and Brindisi. The lowered sales volumes mainly related to lower sales to the Italian Exchange for electricity.

In the **first half of 2008**, **electricity sales** were 15.37 TWh, down 5.4% from first half of 2007.

Regulated businesses in Italy
This business reported **adjusted operating profit** of €317 million **for the second quarter of 2008**, an increase of €62 million or 24.3% from the second quarter of 2007 due to:
- an improved operating performance reported by the distribution activity, up €42 million, reflecting higher seasonal volumes of gas distributed and operating expenses reduction measures;
- an improved operating performance reported by the transport activity, up €20 million, reflecting higher volumes transported, recognition in tariff of expenditures incurred for network upgrading the previous year and lowered operating expenses.

This business reported **adjusted operating profit** of €816 million **for the first half of 2008**, an increase of €102 million or 14.3% from the first half of 2007. The increase was delivered both by the distribution activity, up €71 million, and by the transport activity, up €32 million.

In the **second quarter of 2008, volumes of gas transported** increased by 1.72 bcm, or 9.4%, to 20.10 bcm, from the second quarter of 2007, mainly due to higher volumes transported for rebuilding storage stocks.

In the **first half of 2008, volumes of gas transported** increased by 3.47 bcm, or 8.3%, to 45.36 bcm, from the first half of 2007.

Other performance indicators

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
758	**1,843**	**799**	**5.4**	**EBITDA pro-forma adjusted**	**2,688**	**2,642**	**(1.7)**
356	1,190	331	(7.0)	Marketing	1,670	1,521	(8.9)
218	477	275	26.1	Regulated businesses in Italy	648	752	16.0
184	176	193	4.9	International transport	370	369	(0.3)

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) on an adjusted basis is calculated by adding amortization and depreciation charges to adjusted operating profit on a pro forma basis. This performance indicator, which is not a GAAP measure under either IFRS or U.S. GAAP, includes:
- adjusted EBITDA of Eni's wholly owned subsidiaries;
- Eni's share of adjusted EBITDA of Snam Rete Gas (55.59% as of June 30, 2008), which is fully consolidated when preparing consolidated financial statements in accordance with IFRS;
- Eni's share of adjusted EBITDA generated by certain affiliates which are accounted for under the equity method for IFRS purposes.
Management also evaluates performance in Eni's Gas & Power division on the basis of this measure taking account of the evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided with the intent to assist investors and financial analysts in assessing the Eni Gas & Power divisional performance as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities.

Refining & Marketing

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07	RESULTS (€ million)	First Half 2007	First Half 2008	% Ch.
8,937	**10,980**	**13,294**	**48.8**	**Net sales from operations**	**16,880**	**24,274**	**43.8**
430	**232**	**615**	**43.0**	**Operating profit**	**420**	**847**	**..**
(299)	(207)	(609)		Exclusion of inventory holding (gains) losses	(187)	(816)	
54	5	144		Exclusion of special items	72	149	
				of which:			
37				Non-recurring items	37		
17	5	144		Other special items:	35	149	
15	*6*			*- environmental charges*	*32*	*6*	
1		*149*		*- asset impairments*	*1*	*149*	
2	*2*	*4*		*- provision for redudancy incentives*	*3*	*6*	
(1)	*(3)*	*(9)*		*- other*	*(1)*	*(12)*	
185	**30**	**150**	**(18.9)**	**Adjusted operating profit**	**305**	**180**	**(41.0)**
33	62	2		Net income from investments [a]	84	64	
(81)	(26)	(46)		Income taxes [a]	(139)	(72)	
37.2	*28.3*	*30.3*		*Tax rate (%)*	*35.7*	*29.5*	
137	**66**	**106**	**(22.6)**	**Adjusted net profit**	**250**	**172**	**(31.2)**
185	**149**	**201**	**8.6**	**Capital expenditures**	**319**	**350**	**9.7**
				Global indicator refining margin			
6.90	3.81	8.04	16.5	Brent ($/bbl)	4.98	5.93	19.1
5.12	2.54	5.15	0.6	Brent (€/bbl)	3.75	3.88	3.5
8.43	6.04	11.25	33.5	Brent/Ural ($/bbl)	7.25	8.64	19.2
				Refinery throughputs and sales (mmtonnes)			
8.24	7.52	7.39	(10.3)	Refinery throughputs on own account Italy	16.10	14.91	(7.4)
1.08	1.43	1.31	21.3	Refinery throughputs on own account Rest of Europe	2.22	2.74	23.4
7.09	6.35	6.34	(10.6)	Refinery throughputs of wholly-owned refineries	13.76	12.69	(7.8)
2.19	2.06	2.18	(0.5)	Retail sales Italy	4.17	4.24	1.7
0.99	1.00	1.03	4.0	Retail sales Rest of Europe	1.89	2.03	7.4
3.18	**3.06**	**3.21**	**0.9**	**Sub-total retail sales**	**6.06**	**6.27**	**3.5**
2.66	2.56	2.80	5.3	Wholesale Italy	5.27	5.36	1.7
1.02	1.20	1.34	31.4	Wholesale Rest of Europe	2.07	2.54	22.7
0.14	0.14	0.14		Wholesale Rest of World	0.27	0.28	3.7
5.02	4.64	4.47	(11.0)	Other sales	10.69	9.11	(14.8)
12.02	**11.60**	**11.96**	**(0.5)**	**Sales**	**24.36**	**23.56**	**(3.3)**
				Refined product sales by region			
6.74	7.59	6.72	(0.3)	Italy	14.04	14.31	1.9
2.01	2.20	2.37	17.9	Rest of Europe	3.96	4.57	15.4
3.27	1.81	2.87	(12.2)	Rest of World	6.36	4.68	(26.4)

(a) Excluding special items.

Results

Second quarter of 2008

The Refining & Marketing division reported an adjusted operating profit of €150 million for the second quarter of 2008, a decrease of €35 million or 18.9% from the second quarter of 2007 mainly due to a reduced operating performance delivered by the refining business. This weak performance was affected by the euro's appreciation against the dollar and rising refining utility expenses, as well as higher planned and unplanned downtime at the Venice and Milazzo refineries. These negatives were partly offset by and improved dollar-denominated trading environment. Wholesale marketing activities in Italy also posted a weaker result as rapidly escalating costs of products were not fully transferred to selling prices due to a time lag. This shortfall was partly offset by improved retail operating profit.

Adjusted net profit for the quarter was €106 million, down €31 million or 22.6%, mainly due to a reduced operating profit. This decrease was partly offset by lower income taxes, reflecting smaller profit before taxes.

First half of 2008
The Refining & Marketing division reported an adjusted operating profit of €180 million for the first half of 2008, a decrease of €125 million or 41.0% from the first half of 2007 mainly due to a weaker operating performance delivered by the refining business as a result of higher planned and unplanned downtime, the euro's appreciation against the dollar and rising refining utility expenses. Also marketing activities in Italy reported a weaker operating result due to reduced wholesale margins, partly offset by better performance delivered by retail activities.

Adjusted net profit for the first half was €172 million, down €78 million or 31.2%, mainly due to a reduced operating profit. This decrease was partly offset by reduced income taxes.

Special charges excluded from the adjusted operating profit amounted to €144 million for the quarter and €149 million for the first half of 2008 and mainly related to refinery impairments.

Operating Review

Second quarter of 2008
Eni's refining throughputs for the second quarter of 2008 were 8.70 mmtonnes, down 6.7% from the second quarter of 2007. Volumes processed in Italy decreased by 10.3% due to planned and unplanned refinery downtime at the Venice, Taranto and Milazzo plants, whilst processing at the Livorno refinery were reduced due to a more challenging refining environment. Volumes processed outside Italy increased by 21.3% mainly due to higher capacity entitlements at the Ceska Rafinerska in the Czech Republic and the purchase of an additional ownership interest made in 2007.

Sales of refined products for the second quarter of 2008 decreased by 65 ktonnes, or 0.5%, to 11.96 mmtonnes compared to the second quarter of 2007. This decrease was mainly due to lower volumes supplied to oil companies and traders, partly offset by higher sales on wholesale markets in the rest of Europe and in Italy.

There was a marginal decline in retail sales in Italy (2.18 mmtonnes) which were down by 10 ktonnes, or 0.5%, as compared to the second quarter of 2007. However, this decrease was smaller relative to the one reported in national fuel consumption.
Wholesale sales in Italy (2.80 mmtonnes) increase by 140 ktonnes, or 5.3%, mainly due to higher consumption on the bunkers' market.

Retail sales in the rest of Europe (1.03 mmtonnes) increased by 40 ktonnes, or 4%, mainly reflecting additional volumes from the service stations acquired in the Czech Republic and Hungary in the fourth quarter of 2007. Wholesale sales (1.34 mmtonnes) increased by 320 ktonnes, or 31.4%, compared to the second quarter of 2007. This was due to increased volumes marketed in the Czech Republic, while lower volumes were marketed in France and Austria.

First half of 2008
Eni's refining throughputs for the first half of 2008 were 17.65 mmtonnes, down 3.7% from the first half of 2007. Volumes processed in Italy decreased by 7.4% due to planned and unplanned refinery downtime at the Venice, Taranto and Milazzo plants, as well as at the Livorno refinery due to a more challenging refining environment. Volumes processed outside Italy increased by 23.4% mainly due to higher capacity entitlements at the Ceska Rafinerska in the Czech Republic and the purchase of an additional ownership interest made in 2007.

Sales of refined products for the first half 2008 decreased by 0.80 mmtonnes, or 3.3%, to 23.56 mmtonnes compared to the first half of 2007. This decrease was mainly due to lower volumes supplied to oil companies and traders, partly offset by higher sales on both retail and wholesale markets in the rest of Europe and in Italy.

Retail sales in Italy (4.24 mmtonnes) increased by 70 ktonnes, or 1.7%, as compared to the first half of 2007. This improvement reflected market share gain, up one percentage point from 28.8% in the first half of 2007.
Wholesale sales in Italy (5.36 mmtonnes) increase by 90 ktonnes, or 1.7%, mainly due to higher consumption in the bunkers' market.

Retail sales in the rest of Europe (2.03 mmtonnes) increased by 140 ktonnes, or 7.4%, mainly reflecting additional volumes from the service stations acquired in the Czech Republic, Hungary and Slovakia in the fourth quarter of 2007.
Wholesale sales (2.54 mmtonnes) increased by 470 ktonnes, or 22.7%, compared to the first half of 2007. This was due to increased volumes marketed in the Czech Republic and Switzerland, while lower volumes were marketed in Austria and France.

Profit and loss account

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
19,775	28,313	27,109	37.1	Net sales from operations	41,688	55,422	32.9
164	170	236	43.9	Other income and revenues	445	406	(8.8)
(14,042)	(20,359)	(19,179)	(36.6)	Operating expenses	(29,504)	(39,538)	(34.0)
(56)				*of which non recurring items*	*(56)*		
(1,679)	(1,946)	(2,443)	(45.5)	Depreciation, depletion, amortization and impairments	(3,306)	(4,389)	(32.8)
4,218	**6,178**	**5,723**	**35.7**	**Operating profit**	**9,323**	**11,901**	**27.7**
158	(100)	39	(75.3)	Finance income (expense)	25	(61)	..
289	529	340	17.6	Net income from investments	491	869	77.0
4,665	**6,607**	**6,102**	**30.8**	**Profit before income taxes**	**9,839**	**12,709**	**29.2**
(2,242)	(3,012)	(2,470)	(10.2)	Income taxes	(4,673)	(5,482)	(17.3)
48.1	*45.6*	*40.5*		*Tax rate (%)*	*47.5*	*43.1*	
2,423	3,595	3,632	49.9	Net profit	5,166	7,227	39.9
				Attributable to:			
2,267	**3,321**	**3,437**	**51.6**	**- Eni**	**4,855**	**6,758**	**39.2**
156	274	195	25.0	- minority interest	311	469	50.8
2,267	**3,321**	**3,437**	**51.6**	**Net profit attributable to Eni**	**4,855**	**6,758**	**39.2**
(207)	(241)	(542)		Exclusion of inventory holding (gain) loss	(110)	(783)	
160	(30)	(577)		Exclusion of special items:	155	(607)	
				of which:			
81				*- non recurring items*	*81*		
79	*(30)*	*(577)*		*- other special items*	*74*	*(607)*	
2,220	**3,050**	**2,318**	**4.4**	**Eni's adjusted net profit** (a)	**4,900**	**5,368**	**9.6**

(a) For a detailed explanation of adjusted operating profit and adjusted net profit see page 26.

Non-GAAP Measure

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

Management evaluates Group and business performance on the basis of adjusted operating profit and adjusted net profit, which are arrived at by excluding inventory holding gains or losses and special items. Further, finance charges on finance debt, interest income, gains or losses deriving from evaluation of certain derivative financial instruments at fair value through profit or loss as they do not meet the formal criteria to be assessed as hedges under IFRS, and exchange rate differences are excluded when determining adjusted net profit of each business segment. The taxation effect of the items excluded from adjusted net profit is determined based on the specific rate of taxes applicable to each item. The Italian statutory tax rate of 33% is applied to finance charges and income recorded by companies in the energy sector, whilst a tax rate of 27.5% is applied to all other companies from January 1, 2008 (33% in previous reporting periods for all companies).
Adjusted operating profit and adjusted net profit are non-GAAP financial measures under either IFRS, or U.S. GAAP. Management includes them in order to facilitate a comparison of base business performance across periods and allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models. In addition, management uses segmental adjusted net profit when calculating return on average capital employed (ROACE) by each business segment.

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

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

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

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

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

(€ million)

First half of 2008	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**9,058**	**2,284**	**847**	**(272)**	**467**	**(141)**	**(112)**	**(230)**	**11,901**
Exclusion of inventory holding (gains) losses		(138)	(816)	(124)					(1,078)
Exclusion of special items									
of which:									
Non-recurring (income) charges									
Other special (income) charges:	**311**	**19**	**149**	**171**		**39**	**2**		**691**
environmental charges		14	6			28			48
asset impairments	310		149	172		2			633
risk provisions						20			20
provision for redudancy incentives	2	7	6			1	11		27
other	(1)	(2)	(12)	(1)		(12)	(9)		(37)
Special items of operating profit	**311**	**19**	**149**	**171**		**39**	**2**		**691**
Adjusted operating profit	**9,369**	**2,165**	**180**	**(225)**	**467**	**(102)**	**(110)**	**(230)**	**11,514**
Net finance (expense) income [(a)]	23	1				(12)	(73)		(61)
Net income from investments [(a)]	263	233	64	2	26				588
Income taxes [(a)]	(5,514)	(820)	(72)	55	(125)		86	84	(6,306)
Tax rate (%)	*57.1*	*34.2*	*29.5*		*25.4*				*52.4*
Adjusted net profit	**4,141**	**1,579**	**172**	**(168)**	**368**	**(114)**	**(97)**	**(146)**	**5,735**
of which:									
- adjusted net profit of minority interest									367
- Eni's adjusted net profit									**5,368**
Eni's reported net profit									**6,758**
Exclusion of inventory holding (gains) losses									(783)
Exclusion of special items:									(607)
of which:									
- non-recurring items									
- other special items									*(607)*
Eni's adjusted net profit									**5,368**

(a) Excluding special items

(€ million)

First half of 2007	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**6,550**	**2,106**	**420**	**211**	**390**	**(231)**	**(99)**	**(24)**	**9,323**
Exclusion of inventory holding (gains) losses		108	(187)	(28)					(107)
Exclusion of special items									
of which:									
Non-recurring (income) charges	**(12)**	**(18)**	**37**	**6**	**(11)**	**65**	**(11)**		**56**
Other special (income) charges:	**77**	**6**	**35**			**50**	**9**		**177**
environmental charges		1	32			83			116
asset impairments	76		1			6			83
risk provisions						9			9
provision for redudancy incentives	1	5	3			1	9		19
other			(1)			(49)			(50)
Special items of operating profit	**65**	**(12)**	**72**	**6**	**(11)**	**115**	**(2)**		**233**
Adjusted operating profit	**6,615**	**2,202**	**305**	**189**	**379**	**(116)**	**(101)**	**(24)**	**9,449**
Net finance (expense) income [(a)]	(4)	4				(4)	29		25
Net income from investments [(a)]	100	218	84	2	38				442
Income taxes [(a)]	(3,655)	(847)	(139)	(61)	(113)		101	9	(4,705)
Tax rate (%)	*54.5*	*34.9*	*35.7*		*27.1*				*47.4*
Adjusted net profit	**3,056**	**1,577**	**250**	**130**	**304**	**(120)**	**29**	**(15)**	**5,211**
of which:									
- adjusted net profit of minority interest									311
- Eni's adjusted net profit									**4,900**
Eni's reported net profit									**4,855**
Exclusion of inventory holding (gains) losses									(110)
Exclusion of special items:									155
of which:									
- non-recurring items									*81*
- other special items									*74*
Eni's adjusted net profit									**4,900**

(a) Excluding special items

(€ million)

Second Quarter of 2008	E&P	G&P	R&M	Petrochemicals	Engineering & Construction	Other activities	Corporate and financial companies	Impact of unrealized intragroup profit elimination	Group
Reported operating profit	**4,719**	**632**	**615**	**(240)**	**253**	**(94)**	**(34)**	**(128)**	**5,723**
Exclusion of inventory holding (gains) losses		(61)	(609)	(86)					(756)
Exclusion of special items									
of which:									
Non-recurring (income) charges									
Other special (income) charges:	**274**	**16**	**144**	**169**		**38**	**(3)**		**638**
environmental charges		14				28			42
asset impairments	274		149	170		1			594
risk provisions						20			20
provision for redudancy incentives	1	4	4			1	6		16
other	(1)	(2)	(9)	(1)		(12)	(9)		(34)
Special items of operating profit	**274**	**16**	**144**	**169**		**38**	**(3)**		**638**
Adjusted operating profit	**4,993**	**587**	**150**	**(157)**	**253**	**(56)**	**(37)**	**(128)**	**5,605**
Net finance (expense) income (a)	8	2				(12)	41		39
Net income from investments (a)	151	98	2	2	11				264
Income taxes (a)	(3,105)	(310)	(46)	53	(61)		22	52	(3,395)
Tax rate (%)	*60.3*	*45.1*	*30.3*		*23.1*				*57.5*
Adjusted net profit	**2,047**	**377**	**106**	**(102)**	**203**	**(68)**	**26**	**(76)**	**2,513**
of which:									
- adjusted net profit of minority interest									195
- Eni's adjusted net profit									**2,318**
Eni's reported net profit									**3,437**
Exclusion of inventory holding (gains) losses									(542)
Exclusion of special items:									(577)
of which:									
- non-recurring items									
- other special items									*(577)*
Eni's adjusted net profit									**2,318**

(a) Excluding special items.

(€ million)

Second Quarter of 2007

Reported operating profit	**3,418**	**465**	**430**	**96**	**214**	**(215)**	**(61)**	**(129)**	**4,218**
Exclusion of inventory holding (gains) losses		68	(299)	(31)					(262)
Exclusion of special items									
of which:									
Non-recurring (income) charges	**(12)**	**(18)**	**37**	**6**	**(11)**	**65**	**(11)**		**56**
Other special (income) charges:	**77**	**4**	**17**	**(4)**		**84**	**6**		**184**
environmental charges		1	15			83			99
asset impairments	76		1			3			80
risk provisions						9			9
provision for redudancy incentives	1	3	2	(4)		1	6		9
other			(1)			(12)			(13)
Special items of operating profit	**65**	**(14)**	**54**	**2**	**(11)**	**149**	**(5)**		**240**
Adjusted operating profit	**3,483**	**519**	**185**	**67**	**203**	**(66)**	**(66)**	**(129)**	**4,196**
Net finance (expense) income [(a)]	31	1				(4)	130		158
Net income from investments [(a)]	90	103	33	2	12				240
Income taxes [(a)]	(1,957)	(205)	(81)	(18)	(56)		51	48	(2,218)
Tax rate (%)	*54.3*	*32.9*	*37.2*		*26.0*				*48.3*
Adjusted net profit	**1,647**	**418**	**137**	**51**	**159**	**(70)**	**115**	**(81)**	**2,376**
of which:									
- adjusted net profit of minority interest									156
- Eni's adjusted net profit									**2,220**
Eni's reported net profit									**2,267**
Exclusion of inventory holding (gains) losses									(207)
Exclusion of special items:									160
of which:									
- non-recurring items									*81*
- other special items									*79*
Eni's adjusted net profit									**2,220**

(a) Excluding special items.

(€ milioni)

First Quarter of 2008

Reported operating profit	**4,339**	**1,652**	**232**	**(32)**	**214**	**(47)**	**(78)**	**(102)**	**6,178**
Exclusion of inventory holding (gains) losses		(77)	(207)	(38)					(322)
Exclusion of special items									
of which:									
Non-recurring (income) charges									
Other special (income) charges:	**37**	**3**	**5**	**2**		**1**	**5**		**53**
environmental charges			6						6
asset impairments	36			2		1			39
provision for redudancy incentives	1	3	2				5		11
other			(3)						(3)
Special items of operating profit	**37**	**3**	**5**	**2**		**1**	**5**		**53**
Adjusted operating profit	**4,376**	**1,578**	**30**	**(68)**	**214**	**(46)**	**(73)**	**(102)**	**5,909**
Net finance (expense) income [(a)]	15	(1)					(114)		(100)
Net income from investments [(a)]	112	135	62		15				324
Income taxes [(a)]	(2,409)	(510)	(26)	2	(64)		64	32	(2,911)
Tax rate (%)	*53.5*	*29.8*	*28.3*		*27.9*				*47.5*
Adjusted net profit	**2,094**	**1,202**	**66**	**(66)**	**165**	**(46)**	**(123)**	**(70)**	**3,222**
of which:									
- adjusted net profit of minority interest									172
- Eni's adjusted net profit									**3,050**
Eni's reported net profit									**3,321**
Exclusion of inventory holding (gains) losses									(241)
Exclusion of special items:									(30)
of which:									
- non-recurring items									
- other special items									*(30)*
Eni's adjusted net profit									**3,050**

(a) Excluding special items.

Analysis of special items

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
56			**Non-recurring charges (income)**	**56**	
			of which:		
(74)			*- curtailment recognized of the reserve for post-retirement benefits for Italian employees*	*(74)*	
130			*- provisions and utilizations against antitrust proceedings and other regulations*	*130*	
184	**53**	**638**	**Other special charges (income):**	**177**	**691**
80	39	594	asset impairments	83	633
99	6	42	environmental charges	116	48
9		20	risk provisions	9	20
9	11	16	provisions for redundancy incentives	19	27
(13)	(3)	(34)	other	(50)	(37)
240	**53**	**638**	**Special items of operating profit**	**233**	**691**
			Net finance (expense) income		
(6)	**(185)**		**Net income from investments**	**(6)**	**(185)**
			of which:		
	(185)		*- gain on the disposal of GTT (Gaztransport et Technigaz SAS)*		*(185)*
(74)		**(1,215)**	**Income taxes**	**(72)**	**(1,215)**
			of which:		
		(290)	*- tax impact pursuant to Budget Law 2008 for Italian subsidiaries*		*(290)*
		(537)	*- tax impact pursuant to Law Decree No. 112 of June 25, 2008 for Italian subsidiaries*		*(537)*
		(173)	*- adjustment to deferred tax for Libyan assets*		*(173)*
(46)		*(40)*	*- other tax items*	*(46)*	*(40)*
(28)		*(175)*	*- taxes on special items of operating profit*	*(26)*	*(175)*
160	**(132)**	**(577)**	**Total special items of net profit**	**155**	**(709)**
			attributable to:		
	(102)		- Minority interest		(102)
160	**(30)**	**(577)**	**- Eni**	**155**	**(607)**

Adjusted operating profit

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
3,483	4,376	4,993	43.4	Exploration & Production	6,615	9,369	41.6
519	1,578	587	13.1	Gas & Power	2,202	2,165	(1.7)
185	30	150	(18.9)	Refining & Marketing	305	180	(41.0)
67	(68)	(157)	..	Petrochemicals	189	(225)	..
203	214	253	24.6	Engineering & Construction	379	467	23.2
(66)	(46)	(56)	15.2	Other activities	(116)	(102)	12.1
(66)	(73)	(37)	43.9	Corporate and financial companies	(101)	(110)	(8.9)
(129)	(102)	(128)		Impact of unrealized intragroup profit elimination	(24)	(230)	
4,196	**5,909**	**5,605**	**33.6**		**9,449**	**11,514**	**21.9**

Net sales from operations

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch.
6,468	8,782	9,107	40.8	Exploration & Production	12,829	17,889	39.4
5,179	9,907	6,985	34.9	Gas & Power	13,722	16,892	23.1
8,937	10,980	13,294	48.8	Refining & Marketing	16,880	24,274	43.8
1,802	1,760	1,759	(2.4)	Petrochemicals	3,476	3,519	1.2
2,327	2,051	2,160	(7.2)	Engineering & Construction	4,289	4,211	(1.8)
46	51	44	(4.3)	Other activities	103	95	(7.8)
335	301	342	2.1	Corporate and financial companies	617	643	4.2
(5,319)	(5,519)	(6,582)		Consolidation adjustment	(10,228)	(12,101)	
19,775	**28,313**	**27,109**	**37.1**		**41,688**	**55,422**	**32.9**

Operating expenses

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch
13,143	19,418	18,148	38.1	Purchases, services and other	27,727	37,566	35.5
130				*of which: - non-recurring items*	*130*		
154	*39*	*151*		*- other special items*	*171*	*190*	
899	941	1,031	14.7	Payroll and related costs	1,777	1,972	11.0
(74)				*of which: - non-recurring items*	*(74)*		
9	*11*	*16*		*- provision for redundancy incentives*	*19*	*27*	
14,042	**20,359**	**19,179**	**36.6**		**29,504**	**39,538**	**34.0**

Depreciation, depletion, amortization and impairments

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008	% Ch. 2 Q. 08 vs 2 Q. 07		First Half 2007	First Half 2008	% Ch
1,276	1,538	1,534	20.2	Exploration & Production	2,516	3,072	22.1
167	170	170	1.8	Gas & Power	333	340	2.1
108	112	106	(1.9)	Refining & Marketing	216	218	0.9
25	32	32	28.0	Petrochemicals	56	64	14.3
56	75	79	41.1	Engineering & Construction	119	154	29.4
1	2	(1)	..	Other activities	2	1	(50.0)
15	17	18	20.0	Corporate and financial companies	31	35	12.9
(3)	(3)	(3)		Impact of unrealized intragroup profit elimination	(4)	(6)	
1,645	**1,943**	**1,935**	**17.6**	**Total depreciation, depletion and amortization**	**3,269**	**3,878**	**18.6**
34	**3**	**508**	**..**	**Impairments**	**37**	**511**	**..**
1,679	**1,946**	**2,443**	**45.5**		**3,306**	**4,389**	**32.8**

Net income from investments

(€ million)

Second Quarter of 2008	Exploration & Production	Gas & Power	Refining & Marketing	Engineering & Construction	Other	Group
Share of profit (loss) from equity-accounted entities	27	232	130	20	2	**411**
Dividends	238	2	29	1		**270**
Net gains on disposal				187		**187**
Other income (expense), net	(2)			3		**1**
	263	**234**	**159**	**211**	**2**	**869**

Income taxes

(€ million)

	First half 2007	First half 2008	Change
Profit before income taxes			
Italy	3,348	3,108	(240)
Outside Italy	6,491	9,601	3,110
	9,839	**12,709**	**2,870**
Income taxes			
Italy	1,255	406	(849)
Outside Italy	3,418	5,076	1,658
	4,673	**5,482**	**809**
Tax rate (%)			
Italy	37.5	13.1	(24.4)
Outside Italy	52.7	52.9	0.2
	47.5	**43.1**	**(4.4)**

Summarized Group balance sheet

The summarized group balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which consider the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing. Management believes that this summarized group balance sheet is useful information in assisting investors to assess Eni's capital structure and to analyze its sources of funds and investments in fixed assets and working capital. Management uses the summarized group balance sheet to calculate key ratios such as return on capital employed (ROACE) and the proportion of net borrowings to shareholders' equity (leverage) intended to evaluate whether Eni's financing structure is sound and well-balanced.

SUMMARIZED GROUP BALANCE SHEET

(€ million)

	December 31, 2007	March 31, 2008	June 30, 2008	Change vs Dec. 31, 2007	Change vs Mar. 31, 2008
Fixed assets					
Property, plant and equipment	50,137	52,028	53,032	2,895	1,004
Other assets	563			(563)	
Inventories - Compulsory stock	2,171	2,281	2,401	230	120
Intangible assets	4,333	4,598	4,797	464	199
Equity-accounted investments and other investments	6,111	5,879	5,884	(227)	5
Receivables and securities held for operating purposes	725	699	833	108	134
Net payables related to capital expenditures	(1,191)	(1,066)	(1,556)	(365)	(490)
	62,849	**64,419**	**65,391**	**2,542**	**972**
Net working capital					
Inventories	5,499	5,232	6,213	714	981
Trade receivables	15,609	16,527	15,101	(508)	(1,426)
Trade payables	(11,092)	(10,330)	(10,563)	529	(233)
Tax payables and net deferred tax liabilities	(4,412)	(6,653)	(4,340)	72	2,313
Provisions	(8,486)	(8,292)	(8,296)	190	(4)
Other current assets and liabilities:					
Equity instruments	*2,476*	*2,352*	*2,279*	*(197)*	*(73)*
Other [(a)]	*(2,600)*	*(2,406)*	*(5,002)*	*(2,402)*	*(2,596)*
	(3,006)	**(3,570)**	**(4,608)**	**(1,602)**	**(1,038)**
Provisions for employee benefits	**(935)**	**(910)**	**(915)**	**20**	**(5)**
Net assets held for sale including related net borrowings	**286**	**266**	**586**	**300**	**320**
CAPITAL EMPLOYED, NET	**59,194**	**60,205**	**60,454**	**1,260**	**249**
Shareholders' equity					
attributable to: - Eni	40,428	41,930	41,207	779	(723)
- Minority interest	2,439	2,684	2,682	243	(2)
	42,867	**44,614**	**43,889**	**1,022**	**(725)**
Net borrowings	**16,327**	**15,591**	**16,565**	**238**	**974**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**59,194**	**60,205**	**60,454**	**1,260**	**249**

(a) Include receivables and securities for financing operating activities for €398 million at June 30, 2008 (€305 million at March 31, 2008 and €248 million at December 31, 2007) and securities covering technical reserves of Eni's insurance activities for €356 million at June 30, 2008 (€341 miilion at March 31, 2008 and €368 million at December 31, 2007).

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

At June 30, 2008, net working capital amounted to a negative €4,608 million, representing a decrease of €1,602 million from December 31, 2007 mainly due to (i) a negative change in fair value (€2,672 million, €1,622 million net of taxes) of certain derivative instruments Eni entered into to hedge exposure to variability in future cash flows deriving from the sale of an amount of Eni's proved reserves equal to 2% of proved reserves as of December 31, 2006 corresponding to approximately 125.7 mmbbl in the 2008-2011 period, decreasing to 102.7 mmboe as of end of June. These hedging transactions were undertaken in connection with the acquisition of oil and gas assets in the Gulf of Mexico and Congo that were executed in 2007. An increase in tax payables due to income taxes accrued for the period as well as increased tax payable related to excise taxes (7) on oil products marketed in Italy were absorbed by a decrease recorded in net deferred tax liabilities for Italian companies and for Libyan activities against an increase in deferred tax liabilities recognized in connection with the acquisition of Burren Energy. An increase was recorded in the carrying amounts of oil, gas and refined products inventories stated at the weighted-average cost reflecting higher commodity prices.

Net borrowings and leverage

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

(€ million)

	Dec. 31, 2007	Mar. 31, 2008	June 30, 2008	Change vs Mar. 31, 2008	Change vs Dec. 31, 2007
Total debt	19,830	19,930	21,323	1,393	1,493
Short-term debt	*8,500*	*9,263*	*10,857*	*1,594*	*2,357*
Long-term debt	*11,330*	*10,667*	*10,466*	*(201)*	*(864)*
Cash and cash equivalent	(2,114)	(2,341)	(1,518)	823	596
Securities not related to operations	(174)	(167)	(114)	53	60
Non-operating financing receivables	(1,215)	(1,831)	(3,126)	1,295	(1,911)
Net borrowings	**16,327**	**15,591**	**16,565**	**974**	**238**
Shareholders' equity including minority interest	**42,867**	**44,614**	**43,889**	**(725)**	**1,022**
Leverage	**0.38**	**0.35**	**0.38**	**0.03**	

Assuming Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni and a 51% interest in the three Russian gas companies held according to a 60:40 interest by Eni and Enel as of June 30, 2008, leverage would stand at 0.31.

Non-operating financing receivables mainly related to a collateral cash deposit (€2,755 million) made by the parent company to guarantee certain cash flow hedging derivatives.

(7) This increase reflects excise taxes on oil products marketed in Italy in the first 15 days of December which are settled within the end of this month, instead of being paid in the following month as in the rest of the year.

Bonds maturing in the 18-months period from June 30, 2008

(€ million)

Issuing entity	Amounts at June 30, 2008 [a]
Eni Coordination Center SA	286
Eni Lasmo Plc	182
	468

(a) Amounts in euro at June 30, 2008 include interest accrued and discount on issue.

Bonds issued in the first half of 2008

Issuing entity	Nominal amount (million)	Currency	Amounts at June 30, 2008 [a] (€ million)	Maturity	Rate	%
Eni SpA	250	EUR	253	11/14/2017	fixed	4.75
Eni Coordination Center SA	5.000	YEN	30	03/13/2015	fixed	1.53
Eni Coordination Center SA	100	EUR	101	04/18/2028	fixed	5.44
Eni UK Holding Plc	17	GBP	21	03/31/2013	variable	
			405			

(a) Amounts in euro at June 30, 2008 include interest accrued and discount on issue.

Changes in shareholders' equity

(€ million)

Shareholders' equity at December 31, 2007		**42,867**
Net profit for the period	7,227	
Reserve for cash flow hedges	(1,751)	
Dividends to Eni's shareholders	(2,551)	
Dividends paid by consolidated subsidiaries to minorities	(224)	
Shares repurchased	(388)	
Treasury shares attributed against employee share incentive schemes	9	
Impact of share repurchases made by consolidated subsidiaries (Saipem)	(9)	
Currency translation differences	(1,312)	
Other changes	21	
Total changes		**1,022**
Shareholders' equity at June 30, 2008		**43,889**
Attributable to:		
- Eni		**41,207**
- Minority interest		2,682

Return On Average Capital Employed (ROACE)

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

(€ million)

Calculated on a twelve-month period ending on **June 30, 2008**	Exploration & Production	Gas & Power	Refining & Marketing	Group
Adjusted net profit	**7,576**	**2,938**	**241**	**10,618**
Exclusion of after-tax finance expenses/interest income	-	-	-	**327**
Adjusted net profit unlevered	**7,576**	**2,938**	**241**	**10,945**
Adjusted capital employed, net				
- at the beginning of period	21,717	18,412	5,775	**51,418**
- at the end of period	23,610	20,045	8,490	**59,282**
Adjusted average capital employed, net	**22,664**	**19,229**	**7,133**	**55,350**
ROACE adjusted (%)	**33.4**	**15.3**	**3.4**	**19.8**

Assuming Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni and a 51% interest in the three Russian gas companies held according to a 60:40 interest by Eni and Enel as of June 30, 2008, ROACE for the Group and for the Exploration & Production division would stand at 20.4% and 35.9%, respectively.

(€ million)

Calculated on a twelve-month period ending on **June 30, 2007**	Exploration & Production	Gas & Power	Refining & Marketing	Group
Adjusted net profit	**6,316**	**2,922**	**622**	**10,454**
Exclusion of after-tax finance expenses/interest income	-	-	-	**4**
Adjusted net profit unlevered	**6,316**	**2,922**	**622**	**10,458**
Adjusted capital employed, net				
- at the beginning of period	19,166	16,706	5,626	**46,257**
- at the end of period	21,717	18,451	5,909	**51,551**
Adjusted average capital employed, net	**20,442**	**17,579**	**5,768**	**48,904**
ROACE adjusted (%)	**30.9**	**16.6**	**10.8**	**21.4**

(€ million)

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

Summarized cash flow statement and change in net borrowings

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

SUMMARIZED CASH FLOW STATEMENT

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
2,423	**3,595**	**3,637**	**Net profit**	**5,166**	**7,227**
			Adjustments to reconcile to cash generated from operating profit before changes in working capital:		
1,620	1,744	2,130	- depreciation, depletion and amortization and other non monetary items	2,871	3,874
(12)	(195)	(12)	- net gains on disposal of assets	(26)	(207)
1,973	2,966	2,296	- dividends, interest, income taxes and other changes	4,370	5,262
6,004	**8,110**	**8,046**	**Cash generated from operating profit before changes in working capital**	**12,381**	**16,156**
478	(1,253)	103	Changes in working capital related to operations	923	(1,150)
(2,362)	(2,098)	(2,958)	Dividends received, taxes paid, interest (paid) received during the period	(3,621)	(5,056)
4,120	**4,759**	**5,191**	**Net cash provided by operating activities**	**9,683**	**9,950**
(2,244)	(3,118)	(3,641)	Capital expenditures	(4,257)	(6,759)
(4,925)	(1,784)	(165)	Acquisition of investments and businesses	(4,935)	(1,949)
164	328	145	Disposals	176	473
358	324	257	Other cash flow related to investing activities	206	581
(2,527)	**509**	**1,787**	**Free cash flow**	**873**	**2,296**
5,265	(629)	(1,200)	Borrowings (repayment) of debt related to financing activities	230	(1,829)
(253)	687	1,423	Changes in short and long-term finance debt	4,634	2,110
(2,821)	(199)	(2,959)	Dividends paid and changes in minority interest and reserves	(3,266)	(3,158)
(19)	(141)	126	Effect of changes in consolidation and exchange differences	(88)	(15)
(355)	**227**	**(823)**	**NET CASH FLOW FOR THE PERIOD**	**2,383**	**(596)**

CHANGES IN NET BORROWINGS

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
(2,527)	**509**	**1,787**	**Free cash flow**	**873**	**2,296**
			Net borrowings of acquired companies		
(24)			Net borrowings of divested companies	(24)	
102	426	198	Exchange differences on net borrowings and other changes	62	624
(2,821)	(199)	(2,959)	Dividends paid and changes in minority interest and reserves	(3,266)	(3,158)
(5,270)	**736**	**(974)**	**CHANGES IN NET BORROWINGS**	**(2,355)**	**(238)**

In the first half of 2008 **capital expenditures** amounting to €6,759 million (€4,257 million in the first half of 2007), related mainly to:

- development activities (€2,827 million) deployed mainly in Egypt, Kazakhstan, Angola, Italy and Congo and exploratory projects (€981 million) of which 93% was spent outside Italy, primarily in the United States, Egypt, Angola, Libya, Norway and United Kingdom. Capital expenditures for the purchase of proved and unproved property (€621 million) related to the extention of the duration of Eni's mineral rights in Libya, following the agreement signed in October 2007 with Noc, the National Oil Corporation;
- upgrading of natural gas import pipelines to Italy and the development and maintenance of Eni's natural gas transport network in Italy (for an overall amount of €703 million);
- projects aimed at improving the conversion capacity and flexibility of refineries, including the construction of a new hydrocracking unit at the Sannazzaro refinery (€251 million), as well as building and upgrading service stations in Italy and outside Italy (€81 million);
- upgrading of the fleet used in the Engineering & Construction division (€977 million).

Investments and purchase of consolidated subsidiaries and businesses (€1,949 million) related mainly to the completion of the acquisition of Burren Energy (€1,700 million, net of acquired cash amounting to €100 million).

Disposals (€473 million) related mainly to the sale of the Engineering & Construction division's 30% stake in GTT (Gaztransport et Technigaz sas). GTT is a company owning a patent for the construction of tanks to transport LNG.

Capital expenditures

EXPLORATION & PRODUCTION

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
23	**324**	**297**	**Acquisitions of proved and unproved property**	**96**	**621**
6	324	277	North Africa	11	601
		13	West Africa		13
17		7	Rest of world	85	7
375	**528**	**453**	**Exploration**	**748**	**981**
28	22	49	Italy	62	71
86	123	90	North Africa	169	213
69	93	46	West Africa	138	139
49	84	64	North Sea	124	148
9	4	3	Caspian Area	19	7
134	202	201	Rest of world	236	403
1,056	**1,258**	**1,569**	**Development**	**1,965**	**2,827**
147	157	200	Italy	254	357
23	*39*	*59*	*of which: storage*	*34*	*98*
207	272	270	North Africa	395	542
256	306	474	West Africa	522	780
114	89	123	North Sea	203	212
182	211	224	Caspian Area	316	435
150	223	278	Rest of world	275	501
17	**12**	**21**	**Other expenditures**	**28**	**33**
1,471	**2,122**	**2,340**		**2,837**	**4,462**

GAS & POWER

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
263	375	293	Italy	425	668
42	36	167	Outside Italy	101	203
305	**411**	**460**		**526**	**871**
52	**32**	**50**	**Marketing**	**112**	**82**
11	*9*	*32*	*- Marketing*	*24*	*41*
	1	12	Italy	8	13
11	8	20	Outside Italy	16	28
41	*23*	*18*	*- Power generation*	*88*	*41*
222	**351**	**263**	**Regulated businesses in Italy**	**329**	**614**
191	*319*	*210*	*- Transport*	*273*	*529*
31	*32*	*53*	*- Distribution*	*56*	*85*
31	**28**	**147**	**International transport**	**85**	**175**
305	**411**	**460**		**526**	**871**

REFINING & MARKETING

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
160	140	178	Italy	283	318
25	9	23	Outside Italy	36	32
185	**149**	**201**		**319**	**350**
110	**113**	**138**	**Refining, Supply and Logistic**	**214**	**251**
110	113	138	Italy	214	251
55	**28**	**53**	**Marketing**	**85**	**81**
30	19	30	Italy	49	49
25	9	23	Outside Italy	36	32
20	**8**	**10**	**Other activities**	**20**	**18**
185	**149**	**201**		**319**	**350**

Exploration & Production

PRODUCTION OF OIL AND NATURAL GAS BY REGION

Second Quarter 2007	First 2008	Second QuarterQuarter 2008			First Half 2007	First Half 2008
1,736	**1,796**	**1,772**	**Production of oil and natural gas** [(a)(b)]	(kboe/d)	**1,735**	**1,784**
215	206	204	Italy		219	205
599	626	652	North Africa		583	639
333	325	305	West Africa		335	315
264	236	249	North Sea		275	243
121	138	124	Caspian Area		117	131
204	265	238	Rest of world		206	251
152.2	**157.0**	**156.9**	**Oil and natural gas sold** [(a)]	(mmboe)	**302.3**	**313.9**

PRODUCTION OF LIQUIDS BY REGION

Second Quarter 2007	First Quarter 2008	Second Quarter 2008			First Half 2007	First Half 2008
1,026	**1,012**	**998**	**Production of liquids** [(a)]	(kbbl/d)	**1,028**	**1,005**
76	72	70	Italy		76	71
333	333	346	North Africa		331	340
285	280	259	West Africa		286	269
155	141	145	North Sea		163	143
79	89	82	Caspian Area		75	86
98	97	96	Rest of world		97	96

PRODUCTION OF NATURAL GAS BY REGION

Second Quarter 2007	First Quarter 2008	Second Quarter 2008			First Half 2007	First Half 2008
4,082	**4,503**	**4,442**	**Production of natural gas** [(a)(b)]	(mmcf/d)	**4,063**	**4,472**
801	768	771	Italy		820	770
1,524	1,681	1,755	North Africa		1,446	1,718
278	260	263	West Africa		279	261
626	550	598	North Sea		647	574
240	283	239	Caspian Area		236	261
613	961	816	Rest of world		635	888

(a) Includes Eni's share of production of equity-accounted entities.
(b) Includes volumes of gas consummed in operations (285 and 296 mmcf/d in the second quarter of 2008 and 2007, respectively, 284 and 292 mmcf/d in the first half of 2008 and 2007 respectively and 282 mmcf/d in the first quarter of 2008).

Petrochemicals

(ktonnes)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
			Sales of petrochemical products		
739	747	670	Basic petrochemicals	1,510	1,417
272	274	265	Styrene and elastomers	544	539
384	353	368	Polyethylene	758	721
1,395	**1,374**	**1,303**		**2,812**	**2,677**
2,181	**2,157**	**1,979**	**Production**	**4,411**	**4,136**

Engineering & Construction

(€ million)

Second Quarter 2007	First Quarter 2008	Second Quarter 2008		First Half 2007	First Half 2008
			Orders acquired		
816	1,581	1,838	Offshore	1,881	3,419
1,597	464	591	Onshore	2,774	1,055
72	131	82	Offshore drilling	144	213
95	79	705	Onshore drilling	149	784
2,580	**2,255**	**3,216**		**4,948**	**5,471**

(€ million)

Orders backlog	**Dec. 31, 2007**	**June 30, 2008**
	15,390	16,191