Eni strengthens its strategic objectives

- Confirmed hydrocarbon production goal of 3% average annual growth to 2017, thanks to the accelerated development of new discoveries
- Breakeven for G&P businesses brought forwards to 2014 on renegotiation of long-term gas contracts and strong performance of trading, LNG and power
- Cash breakeven target for R&M activities confirmed by end 2015 despite worsening market conditions, thanks to higher capacity reductions (-50% from -35%)
- Increased value from disposals: € 11 bn compared to the previous target of € 9 billion
- Launched cost reduction plan, targeting cumulated savings of € 1.7bn by 2017
- Operating cash flow to grow from € 11bn in 2013 to more than € 15bn on average in the 2014-15 period (an increase of over 40%)
- Average annual free cash flow in 2014-2015 to be 20% higher than in 2013

London, July 31, 2014 – Claudio Descalzi, Eni’s CEO, is today updating the financial community on Eni’s medium term strategy and objectives.

In the context of the continuing deterioration of the European market, Eni’s strategy is focused on growing cash flow generation by creating value in upstream, accelerating the restructuring of its gas and refining activities and reducing costs.

Average operating cash flow in the 2014-2015 period will be in excess of €15 billion, more than 40% higher than the €11 billion generated in 2013.
**Exploration & Production activities**  
Leveraging its significant exploration success, Eni confirms a 3% increase in average annual hydrocarbon production between 2014 and 2017.

Eni will maximize the value of its portfolio through the:

- timely development of new fields; in the 2014-2015 period, Eni will complete 15 projects that will contribute more than 70% of the new production targeted by 2017;
- accelerated development of recent oil discoveries in Congo, Egypt and Nigeria, which will partially offset the impact of Kashagan and Angola LNG delays;
- value creation from exploration, where Eni has a strategy of high initial exposure and subsequent dilution upon exploration success and appreciation of the asset.

**Gas & Power activities**  
Thanks to the renegotiation of long-term gas contracts and the strong performance of its business segments, Eni has brought forward operating profit and cash flow breakeven for the gas & power sector to 2014, despite deteriorating market conditions. The company continues to pursue the realignment of its gas supply to market prices. This is currently 60% complete and, as expected, will be fully achieved by 2016. Recent negotiations will also enable the full recovery by 2017 of gas pre-paid under take-or-pay contracts, with a cash benefit of €1.9 bn.

**Refining & Marketing activities**  
In a market characterized by a continuous margin decline and by excess European refining capacity, Eni has increased its capacity reduction goal from 35% to over 50%. This will be achieved by converting part of its plants in Italy and further reductions in the company’s presence across Europe. Eni is therefore able to confirm R&M operating cash flow breakeven by the end of 2015 and ebit breakeven by 2016, despite the worsening scenario.

**Corporate Structure**  
Eni has introduced a new organizational structure with even greater focus on oil & gas business priorities and on the centralization of technical and staff services. In this context the shareholding in Saipem is not considered core. Eni is therefore examining a range of options, with the support of a financial advisor, and will update the market as appropriate. In the meanwhile, Eni maintains debt funding for Saipem, adding to its financial solidity.
Cost reduction program
Eni has started a cost reduction program that focuses primarily on reducing business support expenses. Combined with the efficiencies created by the recent reorganization, this program will save €250 million in 2014 and an aggregate of €1.7 billion in the 2014-17 period.

Optimizing asset portfolio
Thanks to recent exploration discoveries and to a greater focus on its core business, Eni is able to increase its 2014-17 divestiture program by €2 billion for a total of €11 billion, of which €6 billion to be achieved between 2014 and 2015.

Cash flow
Average annual operating cash flow in 2014-2015 will be higher than €15 billion, an improvement on the target announced in February. This compares to the €11 billion generated in 2013. Upstream growth, the turnaround in mid-downstream activities, rigorous control of costs and investments, and planned divestments will lead to a 20% increase in average annual free cash flow for the 2014-2015 period when compared to last year.

Company Contacts:
Press Office: Tel. +39.0252031875 – +39.0659822030
Freephone for shareholders (from Italy): 800940924
Freephone for shareholders (from abroad): 800 11 22 34 56
Switchboard: +39-0659821
ufficio.stampa@eni.com
secreteriasocietaria.azionisti@eni.com
investor.relations@eni.com
Web site: www.eni.com