Eni announces results for the first quarter of 2013

Rome, April 24, 2013 - Eni, the international oil and gas company, today announces its group results for the first quarter of 2013[1] (unaudited).

Financial Highlights[2]

- Adjusted operating profit: €3.79 billion, down 36% excluding Snam contribution to the first quarter of 2012[3];
- Adjusted net profit: €1.43 billion, down 39% excluding Snam contribution to the first quarter of 2012[3];
- Cash flow: €2.80 billion;
- Leverage: down to 0.24.

Operational Highlights

- Oil and natural gas production: down 4.9% to 1.6 mmboe/d affected by one-offs in Nigeria, Libya and the UK;
- Natural gas sales: down 1.3% to 30.2 billion cubic meters due to the disposal of Galp;
- Signed an agreement with CNPC to sell 28.57% of the share capital of Eni East Africa, which currently owns a 70% interest in Area 4 in Mozambique, at the agreed price of $4.21 billion in cash; access to a promising shale gas block in China;
- Acquired exploration licences in areas of high potential in Timor Leste, Cyprus, Egypt and the Gulf of Mexico;
- Versalis entered partnership agreements with Genomatica, Pirelli and Yulex targeting continuing expansion in the bio-technologies and the bio-rubber segment.

Paolo Scaroni, Chief Executive Officer, commented:

"We confirm our growth and profitability targets for the full year 2013, in spite of a slower first quarter. This was negatively impacted by lower oil&gas production due to contingencies as well as to the current downturn in the gas market. Our E&P Division confirms its production growth targets for 2013 driven by continuing progress in developing ongoing projects. The G&P Division will benefit from the renegotiation of supply contracts which will mitigate the impact of a still very negative market. The R&M Division and Versalis, which both delivered strong improvements over the same period a year ago, will continue with their respective programs to drive a recovery in profitability".

(1) This press release represents the quarterly report prepared in compliance with Italian listing standards as provided by article 154-ter of the Italian code for securities and exchanges (Testo Unico della Finanza).
(2) Throughout this press release, changes in the Group results for the first quarter 2013 are calculated with respect to results earned by the Group continuing operations in the first quarter 2012 considering that at the time Snam was consolidated in the Group accounts and reported as discontinued operations based on IFRS 5.
(3) The Snam contribution excluded is the result of Snam transactions with Eni included in the continuing operations results of the first quarter 2012 according to IFRS 5. Adjusted operating profit and adjusted net profit are not provided by IFRS.

Financial Highlights

Fourth Quarter 2012	SUMMARY GROUP RESULTS [a]	(€ million)	First Quarter 2012	2013	% Ch.
4,970	**Adjusted operating profit - continuing operations [b]**		**6,237**	**3,792**	**(39.2)**
4,970	**Adjusted operating profit - continuing operations excluding Snam contribution**		**5,965**	**3,792**	**(36.4)**
1,518	**Adjusted net profit - continuing operations**		**2,465**	**1,434**	**(41.8)**
0.42	- per share (€) [c]		0.68	0.40	(41.2)
1.09	- per ADR ($) [c] [d]		1.78	1.06	(40.4)
1,518	**Adjusted net profit - continuing operations excluding Snam contribution**		**2,360**	**1,434**	**(39.2)**
(1,964)	**Net profit - continuing operations**		**3,544**	**1,543**	**(56.5)**
(0.54)	- per share (€) [c]		0.98	0.43	(56.1)
(1.40)	- per ADR ($) [c] [d]		2.57	1.14	(55.6)
3,425	**Net profit - discontinued operations**		**73**		..
1,461	**Net profit**		**3,617**	**1,543**	**(57.3)**

(a) Attributable to Eni's shareholders.
(b) For a detailed explanation of adjusted operating profit and net profit see paragraph "Reconciliation of reported operating and net profit to results on an adjusted basis".
(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.

Adjusted operating profit

In the first quarter of 2013 Eni reported adjusted operating profit of €3.79 billion, down by 39.2% from the first quarter of 2012, mainly driven by the Exploration & Production and the Gas & Power Divisions. Excluding Snam's contribution to the results earned by continuing operations in the first quarter of 2012, the decline in the first quarter of 2013 operating profit was 36.4%. Results of the Exploration & Production Division were affected by lower crude oil prices (Brent benchmark down 5% from the same quarter in 2012) and lower hydrocarbon production (down 4.9%) due to one-offs (adjusted operating profit down 21.5%).
The Gas & Power Division reported an adjusted operating loss of €148 million, representing a decline from the year-ago profit of €1,019 million which was boosted by the economic benefit associated with contract renegotiations, certain of which had retroactive effects. The loss in the first quarter 2013 was driven by decreasing selling prices against the backdrop of an ongoing downturn in demand and strong competitive pressure, while the Company is expecting developments in the renegotiation of its supply contracts. The Engineering & Construction segment reported weak results (down 46%) which were adversely affected by falling demand for oilfield services and lower margins at certain works.
In contrast, the performance improved markedly both in the Refining & Marketing Division (up 32.1%) and of Versalis (up 62.7%) driven by cost efficiencies and optimization measures, as well as a slight recovery in the pricing environment.

Adjusted net profit

Adjusted net profit of the first quarter of 2013 amounted to €1.43 billion, down by 41.8% from the first quarter of 2012. Excluding Snam's contribution to the results earned by continuing operations in the first quarter of 2012, the decline in the first quarter of 2013 net profit was 39.2% driven by a weakening operating performance and an increased consolidated tax rate (up 5 percentage points) mainly reflecting a growing share of taxable income earned by the Exploration & Production subsidiaries which are subject to a higher tax rate than the Italian statutory tax rate for corporate profits.

Capital expenditure

Capital expenditure amounting to €3.12 billion mainly related to continuing development of oil and gas reserves and exploration projects. The Group also incurred expenditures of €0.11 billion to finance joint-venture projects and equity investees.

Balance sheet and Cash flow

Net borrowings [4] as of March 31, 2013 amounted to €15.99 billion, representing a small increase from December 31, 2012 (up €0.47 billion). Net cash provided by operating activities (€2.80 billion) funded most of the cash requirements for the capital expenditure incurred in the period.
The ratio of net borrowings to shareholders' equity including non-controlling interest – leverage [5] – decreased to 0.24 at March 31, 2013 (0.43 as of March 31, 2012 and 0.25 at December 31, 2012). This improvement was due to an increased Group total equity which was mainly driven by foreign currency translation differences for approximately €1.2 billion at foreign subsidiaries as the US dollar strengthened against the euro (up by 3% from 1.32 as of December 31, 2012 to 1.28 dollars per euro as of March 31, 2013).

(4) Information on net borrowings composition is furnished on page 28.
(5) Non-GAAP financial measures disclosed throughout this press release are accompanied by explanatory notes and tables to help investors gain a full understanding of said measures in line with guidance provided for by CESR Recommendation No. 2005-178b. See page 28 for leverage.

Operational Highlights and Trading Environment

Fourth Quarter 2012	KEY STATISTICS		First Quarter 2012	First Quarter 2013	% Ch.
1,747	**Production of oil and natural gas** [a]	(kboe/d)	**1,683**	**1,600**	**(4.9)**
912	- liquids	(kbbl/d)	867	818	(5.7)
4,584	- natural gas	(mmcf/d)	4,480	4,290	(4.7)
25.08	**Worldwide gas sales**	(bcm)	**30.61**	**30.22**	**(1.3)**
10.13	**Electricity sales**	(TWh)	**12.29**	**9.16**	**(25.5)**
2.55	**Retail sales of refined products in Europe**	(mmtonnes)	**2.53**	**2.33**	**(7.9)**

(a) Production of oil and natural gas of the first quarter of 2012 has been expressed on the basis of the updated natural gas conversion factor of 5,492 cubic feet of gas per barrel of oil equivalent.

Exploration & Production
In the first quarter of 2013, Eni's liquids and gas production was 1.6 million boe/d, down 4.9% from the same quarter of 2012. Performance was affected by force majeure events in Nigeria and Libya and by the shutdown of the non-operated Elgin/Franklin field (Eni's interest 21.87%) in the UK, that restarted in March 2013 after almost one year of stop. Production was also impacted by the disposals made in 2012 relating to the divestment of a 10% interest in the Karachaganak field and the reduction of the stake in the Portuguese company Galp. New production start-ups and ramp-ups, particularly in Russia, Egypt and Angola, offset mature fields decline.

Gas & Power
In the first quarter of 2013, natural gas sales of 30.22 bcm declined by 1.3% from the first quarter of 2012. When excluding the impact on volumes of the loss of significant influence on Galp, gas sales were broadly in line with the same quarter of the previous year. Against the backdrop of the ongoing downturn in demand and intensified competitive pressure, Eni's sales in Italy (12.53 bmc) performed fairly well with a 3.1% gain. The drivers were the wholesale segment where the Company expanded the number of clients and higher sales at Italian spot markets. On the negative side, sales were negatively impacted by declines in the industrial and residential segments and a drop in comsumption due to the economic recession.
Sales in Europe decreased by 10.4% (down by 6.9% when excluding Galp) mainly in Turkey, Hungary and Benelux, partly offset by higher volumes sold in the UK, mainly at hubs. Sales to importers in Italy grew (up by 0.44 bcm) due to improved availability of Libyan gas. Sales on markets outside Europe were another bright spot (up by 0.39 bcm) due to strong LNG sales in the Far East markets, mainly in South Korea.

Refining & Marketing
In the first quarter of 2013, the refining margin in the Mediterranean area partially recovered from the depressed levels registered in the same period a year ago (the benchmark margin on Brent crude in the Mediterranean area averaged $3.97 per barrel in the first quarter of 2013, up by 36% from the first quarter of 2012). However, the absolute margin level remained in unprofitable territory due to falling demand, unsustainable high costs for oil feedstock and excess capacity, partly offset by improved price differentials between light and heavy refined products to which Eni's complex refineries are leveraged.
In the first quarter of 2013, Eni marketed lower volumes at its Italian retail outlets, down by 8.8% due to a steep decline in consumption and growing competitive pressure. This trend was reflected in the market share (29.1%) declining by 1.3 percentage points compared to the same period of the previous year (30.4%).
Retail sales in the European market declined by 5.6% mainly in Western Europe.

Business developments

Mozambique
In March 2013, Eni signed a preliminary agreement with CNPC to sell 28.57% of the share capital of its subsidiary Eni East Africa, which currently owns a 70% interest in Area 4 in Mozambique, for an agreed price equal to $4,210 million. The deal is subject to approval by relevant authorities. Once finalized, CNPC indirectly acquires, through its 28.57% equity investment in Eni East Africa, a 20% interest in Area 4, while Eni will retain a 50% interest through the remaining controlling stake in Eni East Africa. In addition, Eni and CNPC signed a joint study agreement for the development of the Rongchang block with shale gas resources, over an area of approximately 2,000 square kilometres, located in the Sichuan Basin, in China near the consumer markets of the Country.

Timor Sea

Eni was awarded a new exploration Production Sharing Contract (PSC) covering an area of 662 square kilometres lying within the Joint Petroleum Development Area (JPDA), which is administered by both Australia and Timor-Leste. The PSC foresees the commitment to drill two exploration wells during the first two years and separate options for the drilling of two contingent wells. Eni has identified a number of oil prospects in this area which could be exploited in conjunction with the nearby producing Kitan field, if there are any discoveries.

Venezuela

In March 2013, production started up (Accelerated Early Production) at the giant Junin 5 field (Eni's interest 40%), located in the Orinoco oil belt. Early production of the first phase is expected at plateau of 75 kbbl/d in 2015, targeting a long-term production plateau of 240 kbbl/d to be reached by 2018.

United States

Eni was awarded the exploration license of five offshore blocks. In the Central Gulf of Mexico Lease Sale 227 international bidding round, located in the high potential areas of the Mississippi Canyon and the Desoto Canyon, which consolidate Eni's position in the Gulf of Mexico.

Algeria

In January 2013, production started at the MLE field (Eni's interest 75%) as part of the MLE-CAFC integrated project. A natural gas treatment plant started operations with a production and export capacity of approximately 320 mmcf/d of gas, 15 kbbl/d of oil and condensates and 12 kbbl/d of LPG. Four export pipelines link it to the national grid system.

Cyprus

Eni signed Exploration and Production Sharing Contracts with the relevant authorities of the Republic of Cyprus, for Blocks 2, 3 and 9 located in the Cypriot deep offshore portion of the Levantine basin over an area of around 12,530 square kilometres, thus marking Eni's entry into the Country.

Egypt

Eni was awarded a deepwater exploration block (Block 9) in the EGAS 2012 international bidding round, located in the Eastern Mediterranean offshore Egypt.

Versalis

As regards expansion in bio-plastic sectors and diversification in basic chemicals, Eni's subsidiary Versalis entered into a number of partnerships with primary operators in bio technologies and rubbers:

- with Genomatica for the establishment of a technological joint venture aimed at developing a new technology for the production of butadiene from non-food crops. This joint venture will also hold exclusive rights for the industrial application of the above mentioned technology in Europe, Asia and Africa. Versalis will invest over $20 million in Genomatica to support development of the integrated end-to-end process. It will also aim to be the first to license the process and build commercial plants;
- with Pirelli, with the signing of a Memorandum of Understanding to kick off a joint research project for the use of natural rubber from Guayule in tire production;
- with Yulex, an agricultural-based biomaterials company, for the start-up of a project aimed at the manufacture of bio-rubber in a production complex in Southern Europe. The partnership will cover the entire manufacturing chain. Versalis will manufacture products for different applications aiming at optimizing the entire production process for the tire industry.

Russia

Eni signed an agreement with the Russian upstream company Rosneft to develop a trading and logistics business with the aim of developing synergies between the companies' respective logistics infrastructure networks, extracting additional value from their own equity crude portfolios and refined products production. The agreement strengthened the partnership between Eni and Rosneft, part of strategy for the development of Eni's activities in the Russian upstream.

Vietnam

Eni signed an agreement with Vietnamese National oil company Vietnam Oil and Gas Group (Petrovietnam), for the joint evaluation of non conventional resources in the Country.

Exploration activity

Exploration activities yielded positive results in:

- Mozambique, with two new natural gas offshore discoveries within the Mamba Complex, in Area 4, at the Coral 3 and Mamba Sud 3 delineation wells, that increased the potential of Area 4 operated by Eni at 80 trillion cubic feet of gas in place;
- Angola, with the oil discovery Vandumbu 1 ST located in the offshore 15/06 block (Eni's interest operator with a 35% interest) with a production capacity in excess of 5 kbbl/d of oil;
- Pakistan, with the gas discovery of Lundali 1 in the onshore Sukhpur Concession (Eni's interest operator with a 45% interest) with a production capacity in excess of 3 kboe/d.

Outlook

The 2013 outlook features risks and uncertainties that weigh down the global economic recovery, mainly due to continuing weak fundamentals in the Eurozone. A number of factors will contribute to support the price of oil including ongoing geopolitical risk as well as improved balance between world demand and supplies of crude oil and oil products. Management expects continuing weak conditions in the European gas, refining and marketing of fuels and chemical sectors. Demand for energy commodities is anticipated to remain sluggish due to the economic stagnation and unit margins are exposed to competitive pressure in an extremely volatile environment. In this scenario, the recovery of profitability in the Gas & Power and Refining & Marketing Divisions and Versalis will depend mainly on management actions to optimise operations and improve the cost position.

Management expects the key production and sales trends of Eni businesses to be as follows:

- **production of liquids and natural gas**: yearly average production is expected to grow compared to 2012.The start-up of major projects, as the ones in Algeria and Angola, and ramp-up of the fields started in 2012 more than offset the decline in mature production fields, the effect of 2012 asset disposals, and the impact of first quarter one-offs, which are largely solved;
- **gas sales**: natural gas sales are expected to be in line with 2012, excluding the impact of the Galp divestment (94.19 bcm in 2012, including consolidated sales and Eni's share of joint ventures). In a scenario of continuing weak demand and strong competition, management plans to retain the Company's market share and sales volumes in the industrial wholesale by leveraging innovative commercial offers, synergies between commercial and trading activities and expansion and retention of the retail customer portfolio. International expansion in the LNG business is expected to continue by boosting the Company's presence in the more lucrative Far East markets;
- **refining throughputs on Eni's account:** in a scenario of stagnant consumption, volumes are expected to be substantially in line with those processed in 2012 (30.01 million tonnes in 2012). This projection assumes the restart of the Gela plant in June 2013 and the start-up of the new EST technology conversion plant at Sannazzaro, as well as the shut down of the Venice plant to start the Green Refinery project;
- **retail sales of refined products in Italy and the Rest of Europe:** retail sales are expected to be in line with those of 2012 (10.87 million tonnes, 2012 total), net of the effect of the "riparti con eni" marketing campaign which was executed in the summer of 2012. Management expects a modest fall in domestic retail volumes due to an anticipated contraction in domestic demand, the effect of which will be absorbed by the expected increase in sales in the Rest of Europe. In this intensely competitive context, management intends to preserve the Company's market share in Italy by leveraging marketing initiatives to build customers loyalty, the strength of the Eni brand with the completion of network rebranding, service excellence and development of the oil and non-oil offer;
- **Engineering & Construction:** the profitability prospects of this business are expected to be adversely affected by the conclusion of highly-profitable projects, an anticipated slowdown in order acquisitions and the start of lower margin projects in the Onshore and Offshore Engineering and Construction businesses.

In 2013, management expects a capital budget in line with 2012 (€12.76 billion in capital expenditure and €0.57 billion in financial investments in 2012, excluding Snam investments). In 2013, the company will be focused on the development of hydrocarbon reserves in Sub-Saharan and North Africa, Norway, the United States, Iraq, Kazakhstan and Venezuela, the exploration projects in Sub-Saharan Africa, Norway, Egypt, the United States and emerging areas, as well as optimization and selective growth initiatives in other sectors, the start-up of the Green Refinery works in Venice, and elastomers and bio-technologies in the Chemical sector. Assuming a Brent price of $90 a barrel on average for the full year 2013, the ratio of net borrowings to total equity – leverage – is projected to be almost in line with the level achieved at the end of 2012, due to cash flows from operations and portfolio management.

This press release for the first quarter of 2013 (unaudited) provides data and information on business and financial performance in compliance with article 154-ter of the Italian code for securities and exchanges ("Testo Unico della Finanza" – TUF). Results and cash flow are presented for the first quarter of 2013 and for the first quarter and the fourth quarter of 2012. Information on liquidity and capital resources relates to end of the period as of March 31, 2013, and December 31, 2012. Statements presented in this press release are comparable with those presented in the management's disclosure section of the Company's annual report and interim report.
Quarterly accounts set forth herein have been prepared in accordance with the evaluation and recognition 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, which are disclosed in our annual report for the year ended December 31, 2012, as updated with new IFRS provisions effective January 1, 2013, which are summarized below. With Commission Regulation (EU) No. 475/2012 of June 5, 2012, the revised IAS 19 "Employee Benefits" (hereinafter "IAS 19") has been endorsed. The document requires interalia: (i) to recognize actuarial gains and losses in other comprehensive income, eliminating the possibility to adopt the corridor approach. Actuarial gains and losses recognized in other comprehensive income will not be recycled through profit and loss account in subsequent periods; and (ii) to replace the separate presentation of the expected return on plan assets and the interest cost, with a single "net interest expense or income". This aggregate is determined by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability. The new provisions require, interalia, additional disclosures with reference to defined benefit plans. IAS 19 is effective for annual periods beginning on or after January 1, 2013. Under the transition requirements of IAS 19, the new provisions are applied retrospectively by adjusting the opening balance as of January 1, 2012 and the 2012 profit and loss account. In the Group consolidated accounts for the first quarter 2013, the enactment of the new provisions of IAS 19 determined a pre-tax and post-tax effect amounting to, respectively: (i) a decrease of equity as of January 1, 2012 of €123 million and €61 million; (ii) a decrease of equity as of December 31, 2012 of €269 million and €155 million, of which €149 million and €96 million related to the 2012 actuarial gains and losses recognised in other comprehensive income. The effect on net profit for the first quarter 2012 was immaterial. In addition, the Company has reclassified interest expense on employee benefit plans as an interest expense in lieu of operating expenses (payroll costs) correspondingly changing operating profit by €12 million.

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, Massimo Mondazzi, 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 records.

Disclaimer

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, 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 quarter of the year cannot be extrapolated on an annual basis.

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This press release for the first quarter of 2013 (unaudited) is also available on the Eni web site ***eni.com.***

Quarterly consolidated report

Summary results for the first quarter of 2013

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
32,523	**Net sales from operations - continuing operations**	**33,140**	**31,165**	**(6.0)**
1,650	**Operating profit - continuing operations**	**6,549**	**3,834**	**(41.5)**
560	Exclusion of inventory holding (gains) losses	(412)	10	
2,760	Exclusion of special items	100	(52)	
4,970	**Adjusted operating profit - continuing operations**	**6,237**	**3,792**	**(39.2)**
	Breakdown by Division:			
4,867	*Exploration & Production*	*5,095*	*3,999*	*(21.5)*
42	*Gas & Power*	*1,019*	*(148)*	*..*
(7)	*Refining & Marketing*	*(224)*	*(152)*	*32.1*
(116)	*Versalis*	*(169)*	*(63)*	*62.7*
320	*Engineering & Construction*	*378*	*204*	*(46.0)*
(80)	*Other activities*	*(45)*	*(55)*	*(22.2)*
(82)	*Corporate and financial companies*	*(80)*	*(82)*	*(2.5)*
26	*Impact of unrealized intragroup profit elimination and other consolidation adjustments* [a]	*263*	*89*	
4,970	**Adjusted operating profit - continuing operations excluding Snam contribution**	**5,965**	**3,792**	**(36.4)**
(202)	Net finance (expense) income [b]	(282)	(203)	
82	Net income from investments [b]	172	141	
(3,267)	Income taxes [b]	(3,412)	(2,275)	
67.4	*Tax rate (%)*	*55.7*	*61.0*	
1,583	**Adjusted net profit - continuing operations**	**2,715**	**1,455**	**(46.4)**
(1,964)	**Net profit attributable to Eni's shareholders - continuing operations**	**3,544**	**1,543**	**(56.5)**
340	Exclusion of inventory holding (gains) losses	(279)	7	
3,142	Exclusion of special items	(800)	(116)	
1,518	**Adjusted net profit attributable to Eni's shareholders - continuing operations**	**2,465**	**1,434**	**(41.8)**
	Adjusted net profit - discontinued operations	74		..
1,518	**Adjusted net profit attributable to Eni's shareholders**	**2.539**	**1.434**	**(43,5)**
1,518	**Adjusted net profit - continuing operations excluding Snam contribution**	**2.360**	**1.434**	**(39.2)**
	Net profit attributable to Eni's shareholders - continuing operations			
(0.54)	per share (€)	0.98	0.43	(56.1)
(1.40)	per ADR ($)	2.57	1.14	(55.6)
	Adjusted net profit attributable to Eni's shareholders - continuing operations			
0.42	per share (€)	0.68	0.40	(41.2)
1.09	per ADR ($)	1.78	1.06	(40.4)
3,622.8	**Weighted average number of outstanding shares** [c]	**3.622,7**	**3.622,8**	
2,107	**Net cash provided by operating activities - continuing operations**	**4,121**	**2,798**	**(32.1)**
	Net cash provided by operating activities - discontinued operations	74		..
2,107	**Net cash provided by operating activities**	**4,195**	**2,798**	**(33.3)**
3,890	**Capital expenditure - continuing operations**	**2,632**	**3,119**	**18.5**

(a) Unrealized intragroup profit elimination mainly pertained to intra-group sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of the end of the period.
(b) Excluding special items.
(c) Fully diluted (million shares).

Trading environment indicators

Fourth Quarter 2012		First Quarter 2012	2013	% Ch.
110.02	Average price of Brent dated crude oil [a]	118.49	112.60	(5.0)
1.297	Average EUR/USD exchange rate [b]	1.311	1.321	0.8
84.83	Average price in euro of Brent dated crude oil	90.38	85.24	(5.7)
2.54	Average European refining margin [c]	2.92	3.97	36.0
2.83	Average European refining margin Brent/Ural [c]	3.26	4.30	31.9
1.96	Average European refining margin in euro	2.23	3.01	35.0
10.49	Price of NBP gas [d]	9.34	11.46	22.7
0.2	Euribor - three-month euro rate (%)	1.0	0.2	(80.0)
0.3	Libor - three-month dollar rate (%)	0.5	0.3	(40.0)

(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.
(d) In USD per million BTU (British Thermal Unit). Source: Platt's Oilgram.

Group results

In the first quarter of 2013, **net profit pertaining to Eni's shareholders** amounted to €1,543 million, with a reduction of €2,001 million (down by 56.5%) from the first quarter of 2012. This decline was driven by lower operating profit (down 41.5%) mainly recorded by the Exploration & Production Division due to a weaker pricing environment and lower production volumes, and the Gas & Power Division dragged down by falling sale prices and the circumstance that the same quarter of the previous year benefitted from the economic benefit associated with the contract renegotiations, certain of which had retroactive effects.
Net profit was also affected by: (i) lower income from investments, as in the first quarter of 2012 a substantial, extraordinary gain was recorded on Eni's shareholding in Galp due to an equity transaction made by a Galp subsidiary which was reported in profit (€835 million). In the first quarter of 2013, an overall gain of €42 million was recognized in profit on fair value evaluation at market prices of Eni's financial assets Galp and Snam relating to the portion of both interests which served as underlying shares of convertible bonds; (ii) an increased consolidated tax rate (up by eleven percentage points) mainly reflecting lower profit on equity-accounted investments which are non-taxable items and a growing share of taxable income earned by the Exploration & Production subsidiaries which are subject to a higher tax rate than the Italian statutory tax rate for corporate profits.
Net finance expense declined by €139 million due to lower finance charges driven by a decreased level of net borrowings and lower costs of borrowings driven by movements in key market benchmarks.

Adjusted operating profit amounted to €3,792 million, down by 39.2% from the first quarter of 2012. When excluding the contribution of Snam to the continuing operations of the first quarter 2012, adjusted operating profit was down by 36.4%.
Adjusted net profit pertaining to Eni's shareholders was €1,434 million, a decline of €1,031 million (or 41.8%) from the first quarter of 2012. When excluding the contribution of Snam to the continuing operations of the first quarter 2012, adjusted net profit decline reduced to 39.2%.
Adjusted net profit was calculated by excluding an inventory holding loss amounting to €7 million and special gains of €116 million stated net of exchange rate differences and exchange rate derivative instruments reclassified in operating profit (a gain of €56 million) as they mainly related to derivative transactions entered into to manage exposure to the exchange rate risk implicit in commodity pricing formulas.

Special gains in operating profit (€52 million, net of the above mentioned exchange rate gains) mainly related to: (i) the reversal of unutilized provisions for €102 million accounted in the 2012 financial statements reflecting price revisions at certain supply contracts due to the settlement of an arbitration proceeding, which outcome was better than management's expectations; (ii) net gains on the disposal of certain non strategic upstream assets in the Exploration & Production Division (€50 million); (iii) impairment of capital expenditure on assets impaired in previous reporting periods (€16 million); (iv) exchange rate differences and exchange rate derivative instruments reclassified as operating items (a gain of €56 million); (v) provisions for environmental issues and redundancy incentives (€7 million and €4 million, respectively).

Results by Division

The Group's adjusted net profit was determined by lower adjusted operating profit reported by the Exploration & Production, Gas & Power and Engineering & Construction Divisions, offset by a recovery in the Refining & Marketing Division and Versalis performances.

Exploration & Production

In the first quarter of 2013, the Exploration & Production Division reported a 21.5% decrease in adjusted operating profit to €3,999 million, down by €1,096 million, driven by weaker realizations in dollar terms (on average down by 7.7%) and lower production volumes (down by 4.9%). Adjusted net profit amounted to €1,670 million, down by 16.2% benefiting from the reduction of the adjusted tax rate (down by 3 percentage points) due to a lower share of taxable profit reported in Countries with higher taxation.

Gas & Power

The Gas & Power Division reported an adjusted operating loss of €148 million, compared to a profit of €1,019 million in the first quarter of 2012, with the latter benefiting from gains on contract renegotiations, certain of which had retroactive effects. The operating loss reported in the first quarter of 2013 was due to the Marketing activity, which was adversely affected by weak gas demand and falling gas sale prices in Italy. Also the International transport activity reduced its operating profit (down by 15.4%). Adjusted net loss of the Gas & Power Division worsened by €827 million, from a profit of €736 million to a loss of €91 million in the first quarter of 2013 also impacted by lower results at equity-accounted entities.

Engineering & Construction

The Engineering & Construction segment reported a lower adjusted operating profit, which was down by 46% to €204 million (down €174 million from the first quarter of 2012). The decline was driven by a slowdown in activities and lower profitability of certain contracts as a number of high-margin contracts were completed in 2012. Adjusted net profit (€130 million) decreased by 52% compared to the first quarter of 2012.

Refining & Marketing

The Refining & Marketing Division reported an appreciable improvement in operating losses to €152 million, which were reduced by 32.1%, down by €72 million, from the first quarter of 2012. This positive trend was driven by cost efficiencies and better refinery performance. The trading environment was characterized by a recovery in refining margins supported by higher prices for premium distillates and higher price differentials between light and heavy products; however fuel demand continued to decline. Adjusted net loss amounted to €50 million, with a reduction of €93 million from the first quarter of 2012, reflecting the better operating performance and higher results from equity-accounted entities.

Versalis

Versalis significantly reduced its adjusted operating losses, down to €63 million in the first quarter of 2013 from a loss of €169 million in the same quarter last year. The improved performance was mainly due to cost efficiencies and a slight recovery in the pricing environment. These positives were partly offset by the impact of weak commodity demand on the back of the economic downturn. Adjusted net loss improved by €61 million, from a loss of €119 million in the first quarter of 2012, to €58 million in the first quarter of 2013.

Summarized Group Balance Sheet [6]

(€ million)

	Dec. 31, 2012 [(a)]	Mar. 31, 2013	Change
Fixed assets			
Property, plant and equipment	63,466	65,442	1,976
Inventories - Compulsory stock	2,538	2,583	45
Intangible assets	4,487	4,564	77
Equity-accounted investments and other investments	9,347	9,640	293
Receivables and securities held for operating purposes	1,457	1,510	53
Net payables related to capital expenditure	(1,142)	(1,064)	78
	80,153	**82,675**	**2,522**
Net working capital			
Inventories	8,496	8,275	(221)
Trade receivables	19,966	23,937	3,971
Trade payables	(14,993)	(16,857)	(1,864)
Tax payables and provisions for net deferred tax liabilities	(3,204)	(4,477)	(1,273)
Provisions	(13,603)	(13,275)	328
Other current assets and liabilities	2,473	2,182	(291)
	(865)	**(215)**	**650**
Provisions for employee post-retirement benefits	**(1,374)**	**(1,395)**	**(21)**
Assets held for sale including related liabilities	**155**	**177**	**22**
CAPITAL EMPLOYED, NET	**78,069**	**81,242**	**3,173**
Eni shareholders' equity	59,060	61,774	2,714
Non-controlling interest	3,498	3,483	(15)
Shareholders' equity	**62,558**	**65,257**	**2,699**
Net borrowings	**15,511**	**15,985**	**474**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**78,069**	**81,242**	**3,173**
Leverage	**0.25**	**0.24**	**(0.01)**

(a) For a description of the application of IAS 19, see methodology on page 6.

The depreciation of the euro versus the US dollar recorded at March 31, 2013 from December 31, 2012 (the EUR/USD exchange rate was 1.28 as of March 31, 2013, as compared to 1.32 as of December 31, 2012, down by 3%) increased net capital employed and net equity by €1,158 million, as a result of exchange rate translation differences.

Fixed assets amounted to €82,675 million, representing an increase of €2,522 million from December 31, 2012, reflecting capital expenditure incurred in the period (€3,119 million) and higher exchange rate translation differences, partly offset by depreciation, depletion, amortization and impairment charges (€2,138 million).

Net working capital amounted to a negative €215 million, representing an increase of €650 million mainly due to higher trade receivables net of higher trade payables (up by €2,107 million) reflecting seasonal gas sales, and the utilization of accrued provisions (down by €328 million) reflecting the settlement of a price revision in the gas segment. Those increases were partly offset by increased tax payables and provisions for net deferred tax liabilities accrued in the quarter (up by €1,273 million) mainly reflecting the fact that Italian excise taxes due on fuels and gas consumed in the second half of December 2012, were paid in advance within the end of the same month. Additionally gas inventories decreased in the quarter.

Net assets held for sale including related liabilities (€177 million) related to non-strategic assets in the Exploration & Production and Refining & Marketing Divisions.

Shareholders' equity including non-controlling interest was €65,257 million, representing an increase of €2,699 million from December 31, 2012. This was due to comprehensive income for the period (€2,775 million) as a result of net profit (€1,564 million) and foreign currency translation differences (€1,158 million). Fair value evaluation at market price of the Snam and Galp financial instruments resulted in gains through equity of €14 million and €61 million, respectively.

(6) 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 Cash Flow Statement [7]

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	Change
(1,899)	**Net profit - continuing operations**	**3,794**	**1,564**	**(2,230)**
	Adjustments to reconcile net profit to cash provided by operating activities:			
5,274	- depreciation, depletion and amortization and other non monetary items	1,142	2,055	913
(136)	- net gains on disposal of assets	(23)	(51)	(28)
3,350	- dividends, interest, taxes and other changes	3,697	2,364	(1,333)
(1,372)	Changes in working capital related to operations	(1,645)	(471)	1,174
(3,110)	Dividends received, taxes paid, interest (paid) received	(2,844)	(2,663)	181
2,107	**Net cash provided by operating activities - continuing operations**	**4,121**	**2,798**	**(1,323)**
	Net cash provided by operating activities - discontinued operations	74		(74)
2,107	**Net cash provided by operating activities**	**4,195**	**2,798**	**(1,397)**
(3,890)	**Capital expenditure - continuing operations**	**(2,632)**	**(3,119)**	**(487)**
	Capital expenditure - discontinued operations	(239)		239
(3,890)	**Capital expenditure**	**(2,871)**	**(3,119)**	**(248)**
(56)	Investments and purchase of consolidated subsidiaries and businesses	(245)	(113)	132
4,338	Disposals	52	75	23
458	Other cash flow related to capital expenditure, investments and disposals	(262)	(23)	239
2,957	**Free cash flow**	**869**	**(382)**	**(1,251)**
(46)	Borrowings (repayment) of debt related to financing activities	(2)	936	938
(903)	Changes in short and long-term financial debt	(362)	1,829	2,191
(102)	Dividends paid and changes in non-controlling interest and reserves	(6)	(63)	(57)
(8)	Effect of changes in consolidation and exchange differences	(9)	11	20
1,898	**NET CASH FLOW**	**490**	**2,331**	**1,841**

Change in net borrowings

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	Change
2,957	**Free cash flow**	**869**	**(382)**	**(1,251)**
	Net borrowings of acquired companies	(2)	(6)	(4)
12,449	Net borrowings of divested companies			
(11,198)	Exchange differences on net borrowings and other changes	(255)	(23)	232
(102)	Dividends paid and changes in non-controlling interest and reserves	(6)	(63)	(57)
4,106	**CHANGE IN NET BORROWINGS**	**606**	**(474)**	**(1,080)**

Net cash provided by operating activities (€2,798 million) funded almost completely the cash outflows relating to capital expenditure totalling €3,119 million and investments (€113 million), determining a small increase in net borrowings (€474 million).

(7) 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 flow statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred from the beginning of the 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.

Other information

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 regulate 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, as of March 31, 2013, the provision of Article No. 36 of Italian exchanges regulation in accordance with Italian continuing listing standards apply to Eni's subsidiaries
Burren Energy (Bermuda) Ltd, Eni Congo SA, Eni Norge AS, Eni Petroleum Co Inc, NAOC-Nigerian Agip Oil Co Ltd, Nigerian Agip Exploration Ltd, Burren Energy (Congo) Ltd, Eni Finance USA Inc, Eni Trading & Shipping Inc and Eni Canada Holding Ltd. Eni has already adopted adequate procedures to ensure full compliance with the regulation.

Financial and operating information by Division for the first quarter of 2013 is provided in the following pages.

Exploration & Production

Fourth Quarter 2012	RESULTS	(€ million)	First Quarter 2012	2013	% Ch.
9,249	**Net sales from operations**		**9,343**	**7,783**	**(16.7)**
4,552	**Operating profit**		**5,094**	**4,053**	**(20.4)**
315	Exclusion of special items:		1	(54)	
458	*- asset impairments*				
(129)	*- gains on disposal of assets*		*(12)*	*(51)*	
7	*- risk provisions*				
(2)	*- provision for redundancy incentives*		*1*	*1*	
(1)	*- re-measurement gains/losses on commodity derivatives*		*21*	*2*	
4	*- exchange differences and derivatives*		*(9)*	*(7)*	
(22)	*- other*			*1*	
4,867	**Adjusted operating profit**		**5,095**	**3,999**	**(21.5)**
(63)	Net financial income (expense) [a]		(67)	(63)	
(40)	Net income (expense) from investments [a]		43	20	
(2,971)	Income taxes [a]		(3,079)	(2,286)	
62.4	*Tax rate (%)*		*60.7*	*57.8*	
1,793	**Adjusted net profit**		**1,992**	**1,670**	**(16.2)**
	Results also include:				
2,495	- amortization and depreciation		1,817	1,754	(3.5)
	of which:				
459	exploration expenditure		398	390	(2.0)
336	*- amortization of exploratory drilling expenditures and other*		*283*	*330*	*16.6*
123	*- amortization of geological and geophysical exploration expenses*		*115*	*60*	*(47.8)*
3,142	**Capital expenditure**		**2,018**	**2,330**	**15.5**
	of which:				
403	*- exploratory expenditure* [b]		*358*	*466*	*30.2*
	Production [c] [d]				
912	Liquids [e]	(kbbl/d)	867	818	(5.7)
4,584	Natural gas	(mmcf/d)	4,480	4,290	(4.7)
1,747	**Total hydrocarbons**	(kboe/d)	**1,683**	**1,600**	**(4.9)**
	Average realizations				
101.38	Liquids [e]	($/bbl)	111.54	102.32	(8.3)
7.48	Natural gas	($/mmcf)	7.33	7.18	(2.0)
74.04	**Total hydrocarbons**	($/boe)	**78.14**	**72.10**	**(7.7)**
	Average oil market prices				
110.02	Brent dated	($/bbl)	118.49	112.60	(5.0)
84.83	Brent dated	(€/bbl)	90.38	85.24	(5.7)
88.23	*West Texas Intermediate*	($/bbl)	102.99	94.30	(8.4)
3.39	Gas Henry Hub	($/mmbtu)	2.45	3.49	45.6

(a) Excluding special items.
(b) Includes exploration licenses acquisition costs and exploration bonuses.
(c) Supplementary operating data is provided on page 36.
(d) Includes Eni's share of production of equity-accounted entities.
(e) Includes condensates.

Results

In the first quarter 2013, the Exploration & Production Division reported an adjusted operating profit amounting to €3,999 million, representing a decrease of €1,096 million from the first quarter 2012, down by 21.5%, driven by lower oil prices for market benchmarks (Brent crude price of 112.6 $/barrel in the first quarter 2013, down by 5% compared to the same period of the previous year) and lower production sold.

Special items excluded from adjusted operating profit amounted to a net gain of €54 million and mainly related to the disposal of non-strategic assets and exchange rate differences and derivatives instruments reclassified as operating items (a gain of €7 million).

Adjusted net profit declined by €322 million to €1,670 million (down 16.2%) from the first quarter of 2012 due to a decreased operating result partly offset by a lower adjusted tax rate (down 3 percentage points) due to a lower share of taxable profit reported in Countries with higher taxation.

Operating review

In the first quarter of 2013, Eni's liquids and gas production was 1.6 million boe/d, down 4.9% from the same quarter of 2012. Performance was affected by force majeure events in Nigeria and Libya and by the shutdown of the non-operated Elgin/ Franklin field (Eni's interest 21.87%) in the UK, that restarted in March 2013 after almost one year of stop. Production was also impacted by the disposals made in 2012 relating to the divestment of a 10% interest in the Karachaganak field and the reduction of the stake in the Portuguese company Galp. New production start-ups and ramp-ups, particularly in Russia, Egypt and Angola, offset mature fields decline. The share of oil and natural gas produced outside Italy was 89%.

Liquids production (818 kbbl/d) decreased by 49 kbbl/d, or 5.7%, due to lower production in Nigeria, Libya and the UK. These negatives were partly offset by the start ups/ramp-ups of new fields mainly in Egypt and Russia, as well as higher production in Iraq and Algeria.

Natural gas production (4,290 mmcf/d) declined by 190 mmcf/d (down 4.7%) due to lower production in Nigeria, Libya and the UK. These negatives were partially offset by the start-ups/ramp-ups mainly in Russia and Egypt.

Gas & Power

Fourth Quarter 2012	RESULTS [*]	(€ million)	First Quarter 2012	2013	% Ch.
8,931	**Net sales from operations**		**12,128**	**10,842**	**(10.6)**
(1,814)	**Operating profit**		**916**	**(105)**	..
350	Exclusion of inventory holding (gains) losses		13	(37)	
1,506	Exclusion of special items:		90	(6)	
1	*- environmental charges*				
1,645	*- asset impairments*				
1	*- gains on disposal of assets*		*(1)*		
(155)	*- risk provisions*		*97*	*(102)*	
1	*- provision for redundancy incentives*			*1*	
(118)	*- exchange differences and derivatives*		*(10)*	*82*	
131	*- other*		*4*	*13*	
42	**Adjusted operating profit**		**1,019**	**(148)**	..
(33)	*Marketing*		*928*	*(225)*	..
75	*International transport*		*91*	*77*	*(15.4)*
5	Net finance income (expense) [a]		7	7	
23	Net income from investments [a]		106	30	
(156)	Income taxes [a]		(396)	20	
..	*Tax rate (%)*		*35.0*	..	
(86)	**Adjusted net profit**		**736**	**(91)**	..
97	**Capital expenditure**		**32**	**28**	**(12.5)**
	Natural gas sales	(bcm)			
10.15	Italy		12.15	12.53	3.1
14.93	International sales		18.46	17.69	(4.2)
12.85	*- Rest of Europe*		*16.31*	*15.14*	*(7.2)*
1.36	*- Extra European markets*		*1.45*	*1.84*	*26.9*
0.72	*- E&P sales in Europe and in the Gulf of Mexico*		*0.70*	*0.71*	*1.4*
25.08	**WORLDWIDE GAS SALES**		**30.61**	**30.22**	**(1.3)**
	of which:				
22.70	*- Sales of consolidated subsiadiaries*		*27.19*	*27.77*	*2.1*
1.66	*- Eni's share of sales of natural gas of affiliates*		*2.72*	*1.74*	*(36.0)*
0.72	*- E&P sales in Europe and in the Gulf of Mexico*		*0.70*	*0.71*	*1.4*
10.13	**Electricity sales**	(TWh)	**12.29**	**9.16**	**(25.5)**

(*) G&P results include Marketing and International transport activities.
(a) Excluding special items.

Results

In the first quarter of 2013 the Gas & Power Division reported an adjusted operating loss of €148 million, down €1,167 million from the first quarter of 2012 when operating profit of €1,019 million was reported. This decline was due to the Marketing business which reported a loss of €225 million driven by falling gas prices particularly in the Italian market against the backdrop of ongoing oversupplies, strong competition and weak demand. In the first quarter of 2012 the Marketing business reported a big profit which was boosted by the economic benefits associated with the renegotiation of gas supply contracts, some of which were retroactive to the beginning of 2011. Results for the International transport business were down by 15.4%.

Special items excluded from operating profit amounted to €6 million for the first quarter and mainly related to the utilization of unused risk provisions accrued for the price revision at certain supply contracts (€102 million) offset in part by the reporting under operating income of exchange rate differences and derivatives entered into to hedge exchange rate risks in commodity pricing formulas (a gain of €82 million).

Adjusted net loss for the first quarter of 2013 of €91 million decreased by €827 million from the first quarter of 2012 due to the same drivers affecting the operating income and lower results reported by equity accounted entities, mainly in Spain and the impact of the Galp disposal.

Operating review

NATURAL GAS SALES BY MARKET

(bcm)

Fourth Quarter 2012		First Quarter 2012	2013	% Ch.
10.15	**ITALY**	**12.15**	**12.53**	**3.1**
1.75	- Wholesalers	1.88	2.40	27.7
2.23	- Italian exchange for gas and spot markets	2.46	2.78	13.0
1.89	- Industries	1.87	1.70	(9.1)
0.27	- Medium-sized enterprises and services	0.41	0.45	9.8
0.58	- Power generation	0.75	0.75	
1.92	- Residential	3.01	2.89	(4.0)
1.51	- Own consumption	1.77	1.56	(11.9)
14.93	**INTERNATIONAL SALES**	**18.46**	**17.69**	**(4.2)**
12.85	**Rest of Europe**	**16.31**	**15.14**	**(7.2)**
0.87	- Importers in Italy	0.78	1.22	56.4
11.98	- European markets	15.53	13.92	(10.4)
1.20	*Iberian Peninsula*	*1.93*	*1.24*	*(35.8)*
2.19	*Germany/Austria*	*2.81*	*2.83*	*0.7*
2.44	*Benelux*	*3.25*	*2.86*	*(12.0)*
0.63	*Hungary*	*0.99*	*0.86*	*(13.1)*
0.87	*United Kingdom*	*1.05*	*1.27*	*21.0*
1.84	*Turkey*	*2.13*	*1.79*	*(16.0)*
2.44	*France*	*2.80*	*2.76*	*(1.4)*
0.37	*Other*	*0.57*	*0.31*	*(45.6)*
1.36	**Extra European markets**	**1.45**	**1.84**	**26.9**
0.72	**E&P sales in Europe and in the Gulf of Mexico**	**0.70**	**0.71**	**1.4**
25.08	**WORLDWIDE GAS SALES**	**30.61**	**30.22**	**(1.3)**

Sales of natural gas for the first quarter of 2013 were 30.22 bcm, a decrease of 0.39 bcm from the first quarter of 2012, down 1.3%, due to an ongoing demand downturn and growing competitive pressure. Sales included Eni's own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and in the Gulf of Mexico. Excluding the loss of significant influence on Galp whereby the Company ceased reporting its share of sales, the first quarter 2013 performance was barely unchanged.

Sales volumes in the Italian market amounted to 12.53 bcm, an increase of 0.38 bcm or 3.1% from the same quarter a year ago, due to higher sales to wholesalers (up 0.52 bcm) related to new client gains and higher sales at Italian spot markets (up 0.32 bcm). These increases more than offset lower volumes sold to industrial and residential users (down 0.17 bcm and down 0.12 bcm, respectively) due to the economic downturn.

Sales to importers in Italy posted a big increase (0.44 bcm or 56.4%) related to a recovery in Libyan supplies.

Sales in Europe (13.92 bcm) decreased by 1.61 bcm, down 10.4%, in particular in the Iberian Peninsula (down 0.69 bcm) due to the exclusion of Galp sales related to the end of affiliation of the company. Net of this effect, sales in Europe decreased by 7% due to declining volumes sold in Benelux (down 0.39 bcm) and Hungary (down 0.13 bcm) affected by strong competitive pressure and Turkey (down 0.34 bcm) due to declining withdrawals by Botas. The opposite trend was recorded in sales in UK (up 0.22 bcm) driven by lively sales at local hubs.

Sales on markets outside Europe followed a positive trend (up 0.39 bcm) due to positive LNG sales in the Far East, in particular in South Korea.

Electricity sales were 9.16 TWh in the first quarter of 2013, decreasing by 25.5%, from a year earlier due to lower volumes traded on the Italian power exchange (down 1.86 TWh) and lower sales to wholesalers and large clients (down 1.59 and down 1.12 TWh, respectively) due to sluggish demand in Italy, partly offset by higher sales to the residential segment (up 0.81 TWh).

Other performance indicators

Follows a breakdown of the pro-forma adjusted EBITDA by business:

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
238	**Pro-forma adjusted EBITDA**	**1,318**	**18**	**(98.6)**
127	Marketing	1,184	(94)	..
111	International transport	134	112	(16.4)

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. This performance indicator includes the adjusted EBITDA of Eni's wholly-owned subsidiaries and Eni's share of adjusted EBITDA generated by certain associates which are accounted for under the equity method for IFRS purposes. Management believes that the EBITDA pro-forma adjusted is an important alternative measure to assess the performance of Eni's Gas & Power Division, taking into account evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided in order to assist investors and financial analysts in assessing the divisional performance of Eni Gas & Power, as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities. The EBITDA pro-forma adjusted is a non-GAAP measure under IFRS.

Refining & Marketing

Fourth Quarter 2012	RESULTS	(€ million)	First Quarter 2012	First Quarter 2013	% Ch.
16,042	**Net sales from operations**		**14,206**	**13,889**	**(2.2)**
(1,077)	**Operating profit**		**113**	**(48)**	**..**
293	Exclusion of inventory holding (gains) losses		(358)	(97)	
777	Exclusion of special items		21	(7)	
26	*- environmental charges*		*4*	*7*	
645	*- asset impairments*		*11*	*16*	
4	*- gains on disposal of assets*				
62	*- risk provisions*				
(7)	*- provision for redundancy incentives*		*1*	*1*	
5	*- exchange differences and derivatives*		*2*	*(21)*	
42	*- other*		*3*	*(10)*	
(7)	**Adjusted operating profit**		**(224)**	**(152)**	**32.1**
(4)	Net finance income (expense) [a]		(1)	1	
8	Net income (expense) from investments [a]		22	49	
26	Income taxes [a]		60	52	
..	*Tax rate (%)*		*..*	*..*	
23	**Adjusted net profit**		**(143)**	**(50)**	**65.0**
360	**Capital expenditure**		**124**	**84**	**(32.3)**
	Global indicator refining margin				
2.54	Brent dated	($/bbl)	2.92	3.97	36.0
1.96	Brent dated	(€/bbl)	2.23	3.01	35.0
2.83	Brent/Ural	($/bbl)	3.26	4.30	31.9
	REFINING THROUGHPUTS AND SALES	(mmtonnes)			
5.35	**Refining throughputs of wholly-owned refineries**		**4.74**	**4.91**	**3.6**
7.56	**Refining throughputs on own account**		**7.17**	**6.96**	**(2.9)**
6.28	- Italy		5.98	5.83	(2.5)
1.28	- Rest of Europe		1.19	1.13	(5.0)
2.55	**Retail sales**		**2.53**	**2.33**	**(7.9)**
1.80	- Italy		1.81	1.65	(8.8)
0.75	- Rest of Europe		0.72	0.68	(5.6)
3.17	**Wholesale sales**		**2.95**	**2.80**	**(5.1)**
2.18	- Italy		2.06	1.86	(9.7)
0.99	- Rest of Europe		0.89	0.94	5.6
0.11	**Wholesale sales outside Europe**		**0.10**	**0.10**	

(a) Excluding special items.

Results

In the first quarter of 2013 the Refining & Marketing Division reported an improved adjusted operating loss amounting to €152 million, better by €72 million or 32.1% than in the first quarter of 2012. This trend was driven by cost efficiencies and improved refinery performance. The scenario was characterized by a recovery in refining margins in the Mediterranean area (the benchmark margin on Brent crude averaged $3.97 per barrel, up 36% from the first quarter of 2012) which was helped by the appreciation in gasoline and an upward trend in price differentials between light and heavy refined products which boosted profitability at Eni's complex refineries. In spite of a reduction in refined products demand, the performance of the Marketing business fared better due to the positive performance registered on the domestic market, in particular in the wholesale business reflecting reduced availability of certain products due to refinery shutdowns by certain competitors.

In the first quarter of 2013, adjusted net loss was €50 million (up €93 million from the first quarter of 2012) mainly due to a better operating performance and higher profit of equity-accounted entities.

Operating review

Eni's refining throughputs for the first quarter of 2013 were 6.96 mmtonnes, with a 2.9% decline from the first quarter of 2012. In Italy processed volumes were barely unchanged from the first quarter of 2012. Lower volumes processed at the Gela (partial shutdown as a result of depressed refining margins) and Milazzo (asset optimization to better leverage operated refineries) refineries were offset by higher capacity utilization at the Venice, Sannazzaro and Taranto plants. Outside Italy, Eni's refining throughputs decreased by 5% to 1.13 mmtonnes mainly due to the shutdowns of Bayernoil and Ceska Refinerska.

Retail sales in Italy (1.65 mmtonnes) decreased by approximately 160 ktonnes, down 8.8%, driven by lower consumption of gasoil and gasoline. LPG consumption increased slightly. Eni's retail market share of 29.1% decreased by 1.3 percentage point from the first quarter 2012 (30.4%).

Wholesale sales in Italy (1.86 mmtonnes) declined by approximately 200 ktonnes, down 9.7% from the same quarter of 2012. Declines were recorded in gasoil and fuel oil due to decreasing demand in the industrial segment, as well as in sales of jet fuel due to lower demand from aviation operators. Average market share in the first quarter of 2013 was 27.6% (28.3% in the first quarter of 2012).

Retail sales in the rest of Europe (approximately 682 ktonnes) declined by 5.6% from the first quarter of 2012 reflecting lower marketed volumes in Germany, the Czech Republic, Hungary and France due to weak demand for fuels.

Wholesale sales in the rest of Europe (approximately 939 ktonnes) increased by 5.6% from the first quarter of 2012, mainly in Germany, Czech Republic and Slovenia. Lower sales were reported mainly in Austria.

Summarized Group profit and loss account

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
32,523	Net sales from operations	33,140	31,165	(6.0)
567	Other income and revenues	236	231	(2.1)
(26,177)	Operating expenses	(24,527)	(25,465)	(3.8)
24	Other operating income (expense)	(92)	41	
(5,287)	Depreciation, depletion, amortization and impairments	(2,208)	(2,138)	3.2
1,650	**Operating profit**	**6,549**	**3,834**	**(41.5)**
(293)	Finance income (expense)	(306)	(167)	45.4
(51)	Net income from investments	1,088	148	86.4
1,306	**Profit before income taxes**	**7,331**	**3,815**	**(48.0)**
(3,205)	Income taxes	(3,537)	(2,251)	36.4
..	*Tax rate (%)*	*48.2*	*59.0*	
(1,899)	**Net profit - continuing operations**	**3,794**	**1,564**	**(58.8)**
3,425	**Net profit - discontinued operations**	**131**		**..**
1,526	**Net profit**	**3,925**	**1,564**	**(60.2)**
1,461	**Net profit attributable to Eni's shareholders**	**3,617**	**1,543**	**(57.3)**
(1,964)	*- continuing operations*	*3,544*	*1,543*	*(56.5)*
3,425	*- discontinued operations*	*73*		*..*
65	**Net profit attributable to non controlling interest**	**308**	**21**	**(93.2)**
65	*- continuing operations*	*250*	*21*	*(91.6)*
	- discontinued operations	*58*		*..*
(1,964)	**Net profit attributable to Eni's shareholders - continuing operations**	**3,544**	**1,543**	**(56.5)**
340	Exclusion of inventory holding (gains) losses	(279)	7	
3,142	Exclusion of special items	(800)	(116)	
1,518	**Adjusted net profit attributable to Eni's shareholders - continuing operations [a]**	**2,465**	**1,434**	**(41.8)**

(a) For a detailed explanation of adjusted operating profit and adjusted net profit see the paragraph "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis".

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, special items and, in determining the business segments' adjusted results, finance charges on finance debt and interest income. The adjusted operating profit of each business segment reports gains and losses on derivative financial instruments entered into to manage exposure to movements in foreign currency exchange rates which impact industrial margins and translation of commercial payables and receivables. Accordingly currency translation effects recorded through profit and loss are also reported within business segments' adjusted operating profit.
The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them. The Italian statutory tax rate is applied to finance charges and income (38% is applied to charges recorded by companies in the energy sector, whilst a tax rate of 27.5% is applied to all other companies). Adjusted operating profit and adjusted net profit are non-GAAP financial measures under either IFRS, or US GAAP. Management includes them in order to facilitate a comparison of base business performance across periods, and to allow financial analysts to evaluate Eni's trading performance on the basis of their forecasting models.

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; (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; or (iii) exchange rate differences and derivatives relating to industrial activities and commercial payables and receivables, particularly exchange rate derivatives to manage commodity pricing formulas which are quoted in a currency other than the functional currency. Those items are reclassified in operating profit with a corresponding adjustment to net finance charges, notwithstanding the handling of foreign currency exchange risks is made centrally by netting off naturally-occurring opposite positions and then dealing with any residual risk exposure in the exchange rate market. 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. Also, special items include gains and losses on re-measurement at fair value of certain non hedging commodity derivatives, including the ineffective portion of cash flow hedges and certain derivatives financial instruments embedded in the pricing formula of long-term gas supply agreements of the Exploration & Production Division.

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. 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 Quarter 2013

	Exploration & Production	Gas & Power	Refining & Marketing	Versalis	Engineering & Construction	Corporate and financial companies	Other activities	Impact of unrealized intragroup profit elimination	GROUP
Reported operating profit	**4,053**	**(105)**	**(48)**	**(94)**	**203**	**(77)**	**(72)**	**(26)**	**3,834**
Exclusion of inventory holding (gains) losses		(37)	(97)	29				115	10
Exclusion of special items:									
environmental charges			7						7
asset impairments			16				1		17
gains on disposal of assets	(51)				1				(50)
risk provisions		(102)							(102)
provision for redundancy incentives	1	1	1			1			4
re-measurement gains/losses on commodity derivatives	2								2
exchange differences and derivatives	(7)	82	(21)	2					56
other	1	13	(10)			(6)	16		14
Special items of operating profit	**(54)**	**(6)**	**(7)**	**2**	**1**	**(5)**	**17**		**(52)**
Adjusted operating profit	**3,999**	**(148)**	**(152)**	**(63)**	**204**	**(82)**	**(55)**	**89**	**3,792**
Net finance (expense) income [a]	(63)	7	1	(1)	(1)	(146)			(203)
Net income from investments [a]	20	30	49			42			141
Income taxes [a]	(2,286)	20	52	6	(73)	37		(31)	(2,275)
Tax rate (%)	*57.8*	..	..		*36.0*				*61.0*
Adjusted net profit	**1,670**	**(91)**	**(50)**	**(58)**	**130**	**(149)**	**(55)**	**58**	**1,455**
of which:									
- Adjusted net profit of non-controlling interest									21
- Adjusted net profit attributable to Eni's shareholders									**1,434**
Reported net profit attributable to Eni's shareholders									**1,543**
Exclusion of inventory holding (gains) losses									7
Exclusion of special items									(116)
Adjusted net profit attributable to Eni's shareholders									**1,434**

(a) Excluding special items.

(€ million)

First Quarter 2012

	Exploration & Production	Gas & Power [a]	Refining & Marketing	Versalis	Engineering & Construction	Corporate and financial companies	OTHER ACTIVITIES [a]		Impact of unrealized intragroup profit elimination	GROUP	DISCONTINUED OPERATIONS			CONTINUING OPERATIONS
							Snam	Other activities			Snam	Consolidation adjustments	Total	
Reported operating profit	**5,094**	**916**	**113**	**(96)**	**380**	**(83)**	**570**	**(38)**	**(9)**	**6,847**	**(570)**	**272**	**(298)**	**6,549**
Exclusion of inventory holding (gains) losses		13	(358)	(67)						(412)				(412)
Exclusion of special items:														
environmental charges			4				2			6	(2)		(2)	4
asset impairments			11							11				11
gains on disposal of assets	(12)	(1)			1		(3)	(11)		(26)	3		3	(23)
risk provisions		97								97				97
provision for redundancy incentives	1		1	1		3	4			10	(4)		(4)	6
re-measurement gains/losses on commodity derivatives	21				(3)					18				18
exchange differences and derivatives	(9)	(10)	2	(7)						(24)				(24)
other		4	3					4		11				11
Special items of operating profit	**1**	**90**	**21**	**(6)**	**(2)**	**3**	**3**	**(7)**		**103**	**(3)**		**(3)**	**100**
Adjusted operating profit	**5,095**	**1,019**	**(224)**	**(169)**	**378**	**(80)**	**573**	**(45)**	**(9)**	**6,538**	**(573)**	**272**	**(301)**	**6,237**
Net finance (expense) income [b]	(67)	7	(1)		(3)	(217)	4	(1)		(278)	(4)		(4)	(282)
Net income from investments [b]	43	106	22		1		12			184	(12)		(12)	172
Income taxes [b]	(3,079)	(396)	60	50	(105)	102	(231)		2	(3,597)	231	(46)	185	(3,412)
Tax rate (%)	*60.7*	*35.0*	..		*27.9*		*39.2*			*55.8*				*55.7*
Adjusted net profit	**1,992**	**736**	**(143)**	**(119)**	**271**	**(195)**	**358**	**(46)**	**(7)**	**2,847**	**(358)**	**226**	**(132)**	**2,715**
of which:														
- Adjusted net profit of non-controlling interest										308			(58)	250
- Adjusted net profit attributable to Eni's shareholders										**2,539**			**(74)**	**2,465**
Reported net profit attributable to Eni's shareholders										**3,617**			**(73)**	**3,544**
Exclusion of inventory holding (gains) losses										(279)				(279)
Exclusion of special items										(799)			(1)	(800)
Adjusted net profit attributable to Eni's shareholders										**2,539**			**(74)**	**2,465**

(a) Following the announced divestment plan, Snam results are reclassified from "Gas & Power" sector to "Other Activities" and accounted as discontinued operations.
(b) Excluding special items.

(€ million)

Fourth Quarter 2012

	Exploration & Production	Gas & Power [a]	Refining & Marketing	Versalis	Engineering & Construction	Corporate and financial companies	OTHER ACTIVITIES [a] Snam	OTHER ACTIVITIES [a] Other activities	Impact of unrealized intragroup profit elimination	GROUP	DISCONTINUED OPERATIONS Snam	DISCONTINUED OPERATIONS Consolidation adjustments	DISCONTINUED OPERATIONS Total	CONTINUING OPERATIONS
Reported operating profit	**4,552**	**(1,814)**	**(1,077)**	**(322)**	**309**	**(88)**		**(108)**	**198**	**1,650**				**1,650**
Exclusion of inventory holding (gains) losses		350	293	89					(172)	560				560
Exclusion of special items:														
environmental charges		1	26	(1)				(9)		17				17
asset impairments	458	1,645	645	104	4					2,856				2,856
gains on disposal of assets	(129)	1	4	1	3					(120)				(120)
risk provisions	7	(155)	62	18		2		31		(35)				(35)
provision for redundancy incentives	(2)	1	(7)		5	2		1						
re-measurement gains/losses on commodity derivatives	(1)			1	(1)					(1)				(1)
exchange differences and derivatives	4	(118)	5	(6)						(115)				(115)
other	(22)	131	42			2		5		158				158
Special items of operating profit	**315**	**1,506**	**777**	**117**	**11**	**6**		**28**		**2,760**				**2,760**
Adjusted operating profit	**4,867**	**42**	**(7)**	**(116)**	**320**	**(82)**		**(80)**	**26**	**4,970**				**4,970**
Net finance (expense) income [b]	(63)	5	(4)	(1)	(3)	(134)		(2)		(202)				(202)
Net income from investments [b]	(40)	23	8	1	21	70		(1)		82				82
Income taxes [b]	(2,971)	(156)	26	(12)	(84)	(61)			(9)	(3,267)				(3,267)
Tax rate (%)	*62.4*	..	..		*24.9*					*67.4*				*67.4*
Adjusted net profit	**1,793**	**(86)**	**23**	**(128)**	**254**	**(207)**		**(83)**	**17**	**1,583**				**1,583**
of which:														
- Adjusted net profit of non-controlling interest										65				65
- Adjusted net profit attributable to Eni's shareholders										**1,518**				**1,518**
Reported net profit attributable to Eni's shareholders										**1,461**			**(3,425)**	**(1,964)**
Exclusion of inventory holding (gains) losses										340				340
Exclusion of special items										(283)			3,425	3,142
Adjusted net profit attributable to Eni's shareholders										**1,518**				**1,518**

(a) Following the announced divestment plan, Snam results are reclassified from "Gas & Power" sector to "Other Activities " and accounted as discontinued operations.
(b) Excluding special items.

Breakdown of special items

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
17	environmental charges	6	7
2,856	asset impairments	11	17
(120)	gains on disposal of assets	(26)	(50)
(35)	risk provisions	97	(102)
	provisions for redundancy incentives	10	4
(1)	re-measurement gains/losses on commodity derivatives	18	2
(115)	exchange differences and derivatives	(24)	56
158	other	11	14
2,760	**Special items of operating profit**	**103**	**(52)**
91	**Net finance (income) expense**	**24**	**(36)**
	of which:		
115	*exchange rate differences and derivatives*	*24*	*(56)*
(3,337)	**Net income from investments**	**(887)**	**(7)**
	of which:		
(2,042)	- gains on disposal of assets		
(23)	*of which: Galp*		
(2,019)	*Snam*		
(1,451)	- revaluation gains	(835)	
	of which: Galp	*(835)*	
(1,451)	*Snam*		
156	- impairments of equity investments		
203	**Income taxes**	**(39)**	**(21)**
	of which:		
803	*impairment of deferred tax assets of Italian subsidiaries*		
40	*re-allocation of tax impact on intercompany dividends and other special items*	*16*	
(640)	*taxes on special items of operating profit*	*(55)*	*(21)*
(283)	**Total special items of net profit**	**(799)**	**(116)**

Net sales from operations

(€ million)

Fourth Quarter 2012		First Quarter 2012	2013	% Ch.
9,249	Exploration & Production	9,343	7,783	(16.7)
8,931	Gas & Power	12,128	10,842	(10.6)
16,042	Refining & Marketing	14,206	13,889	(2.2)
1,533	Versalis	1,643	1,543	(6.1)
3,291	Engineering & Construction	2,960	2,988	0.9
42	Other activities	29	22	(24.1)
360	Corporate and financial companies	310	326	5.2
88	Impact of unrealized intragroup profit elimination	(97)	(229)	..
(7,013)	Consolidation adjustment	(7,382)	(5,999)	
32,523		**33,140**	**31,165**	**(6.0)**

Operating expenses

(€ million)

Fourth Quarter 2012		First Quarter 2012	2013	% Ch.
24,985	Purchases, services and other	23,409	24,238	3.5
(12)	*of which: - other special items*	*103*	*(95)*	
1,192	Payroll and related costs	1,118	1,227	9.7
	of which: - provision for redundancy incentives	*10*	*4*	
26,177		**24,527**	**25,465**	**3.8**

Depreciation, depletion, amortization and impairments

(€ million)

Fourth Quarter 2012		First Quarter 2012	2013	% Ch.
2,040	Exploration & Production	1,817	1,754	(3.5)
96	Gas & Power	99	91	(8.1)
85	Refining & Marketing	82	72	(12.2)
25	Versalis	22	21	(4.5)
181	Engineering & Construction	166	175	5.4
1	Other activities	1		..
15	Corporate and financial companies	16	14	(12.5)
(6)	Impact of unrealized intragroup profit elimination	(6)	(6)	
2,437	**Total depreciation, depletion and amortization**	**2,197**	**2,121**	**(3.5)**
2,850	**Impairments**	**11**	**17**	**54.5**
5,287		**2,208**	**2,138**	**(3.2)**

Net income from investments

(€ million)

First Quarter 2013	Exploration & Production	Gas & Power	Refining & Marketing	Other activities	Group
Share of gains (losses) from equity-accounted investments	19	30	16	6	**71**
Dividends	2		33		**35**
Net gains on disposal				1	**1**
Other income (expense), net	(1)			42	**41**
	20	**30**	**49**	**49**	**148**

Income taxes

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	Change
	Profit before income taxes			
(1,783)	Italy	2,271	105	(2,166)
3,089	Outside Italy	5,060	3,710	(1,350)
1,306		**7,331**	**3,815**	**(3,516)**
	Income taxes			
837	Italy	534	99	(435)
2,368	Outside Italy	3,003	2,152	(851)
3,205		**3,537**	**2,251**	**(1,286)**
	Tax rate (%)			
..	Italy	23.5	..	..
76.7	Outside Italy	59.3	58.0	(1.3)
..		**48.2**	**59.0**	**10.8**

Adjusted net profit

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
1,793	Exploration & Production	1,992	1,670	(16.2)
(86)	Gas & Power	736	(91)	..
23	Refining & Marketing	(143)	(50)	65.0
(128)	Versalis	(119)	(58)	51.3
254	Engineering & Construction	271	130	(52.0)
(83)	Other activities	(46)	(55)	(19.6)
(207)	Corporate and financial companies	(195)	(149)	23.6
17	Impact of unrealized intragroup profit elimination [a]	219	58	
1,583		**2,715**	**1,455**	**(46.4)**
	Attributable to:			
1,518	**- Eni's shareholders**	**2,465**	**1,434**	**(41.8)**
65	- Non-controlling interest	250	21	(91.6)

(a) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of end of the period.

Leverage and net borrowings

Leverage is a measure used by management to assess the Company's level of indebtedness. It is calculated as a ratio of net borrowings – which is calculated by excluding cash and cash equivalents and certain very liquid assets from financial debt to shareholders' equity, including minority interest. Management periodically reviews leverage in order to assess the soundness and efficiency of the Group balance sheet in terms of optimal mix between net borrowings and net equity, and to carry out benchmark analysis with industry standards.

(€ million)

	Dec. 31, 2012	March 31, 2013	Change
Total debt	24,463	26,332	1,869
Short-term debt	*5,184*	*7,177*	*1,993*
Long-term debt	*19,279*	*19,155*	*(124)*
Cash and cash equivalents	(7,765)	(10,096)	(2,331)
Securities held for non-operating purposes	(34)	(20)	14
Financing receivables for non-operating purposes	(1,153)	(231)	922
Net borrowings	**15,511**	**15,985**	**474**
Shareholders' equity including non-controlling interest	**62,558**	**65,257**	**2,699**
Leverage	**0.25**	**0.24**	**(0.01)**

Bonds maturing in the 18-month period starting on March 31, 2013

(€ million)

Issuing entity	**Amount at March 31, 2013** [a]
Eni Finance International SA	116
Eni SpA	2,827
	2,943

(a) Amounts include interest accrued and discount on issue.

Bonds issued in the First Quarter of 2013 (guarantee by Eni Spa)

Issuing entity	**Nominal amount** (million)	**Currency**	**Amount at March 31, 2013** [a] (€ million)	**Maturity**	**Rate**	**%**
Eni SpA	1,250	EUR	1,223	2016	fixed	0.625
			1,223			

(a) Amounts include interest accrued and discount on issue.

Consolidated financial statements

GROUP BALANCE SHEET

(€ million)

	Dec. 31, 2012	March 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	7,765	10,096
Other financial assets available for sale	235	222
Trade and other receivables	28,747	32,609
Inventories	8,496	8,275
Current tax assets	771	838
Other current tax assets	1,230	1,099
Other current assets	1,624	1,547
	48,868	**54,686**
Non-current assets		
Property, plant and equipment	63,466	65,442
Inventory - compulsory stock	2,538	2,583
Intangible assets	4,487	4,564
Equity-accounted investments	4,262	4,411
Other investments	5,085	5,229
Other financial assets	1,229	1,170
Deferred tax assets	5,027	4,196
Other non-current receivables	4,400	4,606
	90,494	**92,201**
Assets held for sale	**516**	**528**
TOTAL ASSETS	**139,878**	**147,415**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short-term debt	2,223	3,040
Current portion of long-term debt	2,961	4,137
Trade and other payables	23,581	26,203
Income taxes payable	1,622	1,608
Other taxes payable	2,162	3,515
Other current liabilities	1,437	1,523
	33,986	**40,026**
Non-current liabilities		
Long-term debt	19,279	19,155
Provisions for contingencies	13,603	13,275
Provisions for employee benefits	1,374	1,395
Deferred tax liabilities	6,740	5,992
Other non-current liabilities	1,977	1,964
	42,973	**41,781**
Liabilities directly associated with assets held for sale	**361**	**351**
TOTAL LIABILITIES	**77,320**	**82,158**
SHAREHOLDERS' EQUITY		
Non-controlling interest	**3,498**	**3,483**
Eni shareholders' equity:		
Share capital	4,005	4,005
Reserve related to the fair value of cash flow hedging derivatives net of tax effect	(16)	(37)
Other reserves	49,438	56,464
Treasury shares	(201)	(201)
Interim dividend	(1,956)	
Net profit	7,790	1,543
Total Eni shareholders' equity	**59,060**	**61,774**
TOTAL SHAREHOLDERS' EQUITY	**62,558**	**65,257**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**139,878**	**147,415**

GROUP PROFIT AND LOSS ACCOUNT

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
	REVENUES		
32,523	Net sales from operations	33,140	31,165
567	Other income and revenues	236	231
33,090	**Total revenues**	**33,376**	**31,396**
	OPERATING EXPENSES		
24,985	Purchases, services and other	23,409	24,238
1,192	Payroll and related costs	1,118	1,227
24	**OTHER OPERATING (CHARGE) INCOME**	**(92)**	**41**
5,287	**DEPRECIATION, DEPLETION, AMORTIZATION AND IMPAIRMENTS**	**2,208**	**2,138**
1,650	**OPERATING PROFIT**	**6,549**	**3,834**
	FINANCE INCOME (EXPENSE)		
1,137	Finance income	2,337	1,947
(1,412)	Finance expense	(2,604)	(2,143)
(18)	Derivative financial instruments	(39)	29
(293)		**(306)**	**(167)**
	INCOME (EXPENSE) FROM INVESTMENTS		
(156)	Share of profit (loss) of equity-accounted investments	177	71
105	Other gain (loss) from investments	911	77
(51)		**1,088**	**148**
1,306	**PROFIT BEFORE INCOME TAXES**	**7,331**	**3,815**
(3,205)	Income taxes	(3,537)	(2,251)
(1,899)	**Net profit - continuing operations**	**3,794**	**1,564**
3,425	**Net profit - discontinued operations**	**131**	
1,526	**Net profit**	**3,925**	**1,564**
	Eni's shareholders		
(1,964)	- continuing operations	3,544	1,543
3,425	- discontinued operations	73	
1,461		**3,617**	**1,543**
	Non-controlling interest		
65	- continuing operations	250	21
	- discontinued operations	58	
65		**308**	**21**
	Net profit per share (€ per share)		
0.40	- basic	1.00	0.43
0.40	- diluted	1.00	0.43
	Net profit from continuing operations per share (€ per share)		
(0.54)	- basic	0.98	0.43
(0.54)	- diluted	0.98	0.43

COMPREHENSIVE INCOME

(€ million)

	First Quarter 2012	2013
Net profit	**3,925**	**1,564**
Other items of comprehensive income:		
Gains and losses to be brought through profit		
- foreign currency translation differences	*(1,041)*	*1,158*
- fair value evaluation of Eni's interest in Galp		*61*
- fair value evaluation of Eni's interest in Snam		*14*
- change in the fair value of cash flow hedging derivatives	*32*	*(33)*
- change in the fair value of available-for-sale securities	*5*	
- share of "Other comprehensive income" on equity-accounted entities	*15*	*(1)*
- taxation	*(13)*	*12*
Total other items	**(1,002)**	**1,211**
Total comprehensive income	**2,923**	**2,775**
Attributable to:		
- Eni's shareholders	**2,640**	**2,722**
- Non-controlling interest	283	53

CHANGES IN SHAREHOLDERS' EQUITY

(€ million)

Shareholders' equity at December 31, 2012:		**62,558**
Total comprehensive income	2,775	
Dividends distributed by consolidated subsidiaries	(38)	
Acquisition of Tigáz minorities	(26)	
Other changes	(12)	
Total changes		**2,699**
Shareholders' equity at March 31, 2013:		**65,257**
Attributable to:		
- Eni's shareholders		**61,774**
- Non-controlling interest		3,483

GROUP CASH FLOW STATEMENT

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
(1,899)	**Net profit - continuing operations**	**3,794**	**1,564**
	Adjustments to reconcile net profit to net cash provided by operating activities:		
2,437	Depreciation, depletion and amortization	2,197	2,121
2,850	Impairments of tangible and intangible assets, net	11	17
156	Share of loss of equity-accounted investments	(177)	(71)
(136)	Gain on disposal of assets, net	(23)	(51)
	Dividend income	(24)	(35)
(18)	Interest income	(37)	(36)
163	Interest expense	221	184
3,205	Income taxes	3,537	2,251
(156)	Other changes	(885)	(19)
	Changes in working capital:		
874	- inventories	(346)	235
(2,745)	- trade receivables	(2,882)	(3,599)
1,833	- trade payables	(252)	1,564
(338)	- provisions for contingencies	84	(442)
(996)	- other assets and liabilities	1,751	1,771
(1,372)	*Cash flow from changes in working capital*	*(1,645)*	*(471)*
(13)	Net change in the provisions for employee benefits	(4)	7
328	Dividends received	179	34
38	Interest received	12	21
(198)	Interest paid	(290)	(439)
(3,278)	Income taxes paid, net of tax receivables received	(2,745)	(2,279)
2,107	**Net cash provided from operating activities - continuing operations**	**4,121**	**2,798**
	Net cash provided from operating activities - discontinued operations	**74**	
2,107	**Net cash provided from operating activities**	**4,195**	**2,798**
	Investing activities:		
(3,385)	- tangible assets	(2,412)	(2,617)
(505)	- intangible assets	(459)	(502)
	- consolidated subsidiaries and businesses	(178)	(28)
(56)	- investments	(67)	(85)
(15)	- securities	7	(9)
(1,269)	- financing receivables	(224)	(381)
446	- change in payables and receivables in relation to investments and capitalized depreciation	(334)	(82)
(4,784)	*Cash flow from investments*	*(3,667)*	*(3,704)*
	Disposals:		
390	- tangible assets	23	52
	- intangible assets	29	
3,523	- consolidated subsidiaries and businesses		
425	- investments		23
20	- securities	16	20
1,190	- financing receivables	253	1,343
40	- change in payables and receivables in relation to disposals	18	22
5,588	*Cash flow from disposals*	*339*	*1,460*
804	**Net cash used in investing activities** (*)	**(3,328)**	**(2,244)**

GROUP CASH FLOW STATEMENT (continued)

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
(5)	Proceeds from long-term debt	643	988
(81)	Repayments of long-term debt	(542)	(33)
(817)	Increase (decrease) in short-term debt	(463)	874
(903)		**(362)**	**1,829**
	Net acquisition of treasury shares made by consolidated subsidiaries other than the parent company	22	
(1)	Disposal (acquisition) of interests in consolidated subsidiaries	(5)	(25)
(101)	Dividends paid to non-controlling interests	(23)	(38)
(1,005)	**Net cash used in financing activities**	**(368)**	**1,766**
(8)	Effect of exchange rate changes on cash and cash equivalents and other changes	(9)	11
1,898	**Net cash flow for the period**	**490**	**2,331**
5,867	**Cash and cash equivalents - beginning of the period**	**1,500**	**7,765**
7,765	**Cash and cash equivalents - end of the period**	**1,990**	**10,096**

(*) Net cash used in investing activities included investments in certain financial assets to absorb temporary surpluses of cash or as a part of our ordinary management of financing activities. Due to their nature and the circumstance that they are very liquid, these financial assets are netted against finance debt in determing net borrowings. Cash flows of such investments were as follows:

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
	Financing investments:		
2	- securities	7	
(1,074)	- financing receivables	(12)	(168)
(1,072)		**(5)**	**(168)**
	Disposal of financing investments:		
(12)	- securities		15
1,038	- financing receivables	3	1,089
1,026		**3**	**1,104**
(46)	**Net cash flows from financing activities**	**(2)**	**936**

SUPPLEMENTAL INFORMATION

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013
	Effect of investment of companies included in consolidation and businesses		
	Current assets	108	26
	Non-current assets	156	27
	Net borrowings	46	(5)
	Current and non-current liabilities	(84)	(19)
	Net effect of investments	**226**	**29**
	Non-controlling interest		
	Fair value of investments held before the acquisition of control		
	Sale of unconsolidated entities controlled by Eni		
	Purchase price	**226**	**29**
	less:		
	Cash and cash equivalents	(48)	(1)
	Cash flow on investments	**178**	**28**
	Effect of disposal of consolidated subsidiaries and businesses		
2,111	Current assets		
18,739	Non-current assets		
(12,448)	Net borrowings		
(4,115)	Current and non-current liabilities		
4,287	**Net effect of disposals**		
(943)	Fair value of non-controlling interest retained after disposals		
2,019	Gains on disposal		
(1,839)	Non-controlling interest		
3,524	**Selling price**		
	less:		
(1)	Cash and cash equivalents		
3,523	**Cash flow on disposals**		

CAPITAL EXPENDITURE

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
3,142	Exploration & Production	2,018	2,330	15.5
15	*- acquisition of proved and unproved properties*			
403	*- exploration*	*358*	*466*	*30.2*
2,677	*- development*	*1,647*	*1,844*	*12.0*
47	*- other expenditure*	*13*	*20*	*53.8*
97	Gas & Power	32	28	(12.5)
92	*- Marketing*	*31*	*27*	*(12.9)*
5	*- International transport*	*1*	*1*	
360	Refining & Marketing	124	84	(32.3)
233	*- Refinery, supply and logistics*	*110*	*70*	*(36.4)*
127	*- Marketing*	*14*	*14*	
71	Versalis	29	53	82.8
236	Engineering & Construction	315	339	7.6
4	Other activities	5	1	(80.0)
69	Corporate and financial companies	23	62	..
(89)	Impact of unrealized intragroup profit elimination	86	222	
3,890		**2,632**	**3,119**	**18.5**

In the first quarter of 2013, capital expenditure amounting to €3,119 million (€2,632 million in the fist quarter 2012) related mainly to:

- development activities deployed mainly in Norway, United States, Italy, Angola, Kazakhstan, Congo and Nigeria and exploratory activities of which 97% was spent outside Italy, primarily in Mozambique, Togo, Nigeria, Angola and Congo as well as the acquisition of new licenses in the Republic of Cyprus;
- upgrading of the fleet used in the Engineering & Construction Division (€339 million);
- refining, supply and logistics with projects designed to improve the conversion rate and flexibility of refineries (€70 million) as well as upgrading and activities related to compliance to relevant legislation on the refined product retail network (€14 million);
- initiatives to improve flexibility of the combined cycle power plants (€15 million).

EXPLORATION & PRODUCTION CAPITAL EXPENDITURE BY REGION

(€ million)

Fourth Quarter 2012		First Quarter 2012	First Quarter 2013	% Ch.
244	Italy	160	197	23.1
639	Rest of Europe	466	583	25.1
552	North Africa	272	192	(29.4)
886	Sub-Saharan Africa	573	731	27.6
204	Kazakhstan	164	160	(2.4)
272	Rest of Asia	104	209	..
289	America	273	251	(8.1)
56	Australia and Oceania	6	7	16.7
3,142		**2,018**	**2,330**	**15.5**

Exploration & Production

PRODUCTION OF OIL AND NATURAL GAS BY REGION

Fourth Quarter 2012			First Quarter 2012	First Quarter 2013
1,747	**Production of oil and natural gas** [a] [b]	(kboe/d)	**1,683**	**1,600**
195	Italy		188	180
172	Rest of Europe		206	158
610	North Africa		570	554
324	Sub-Saharan Africa		335	313
99	Kazakhstan		111	103
149	Rest of Asia		111	141
166	America		119	119
32	Australia and Oceania		43	32
154.4	**Production sold** [a]	(mmboe)	**149.2**	**135.8**

PRODUCTION OF LIQUIDS BY REGION

Fourth Quarter 2012			First Quarter 2012	First Quarter 2013
912	**Production of liquids** [a]	(kbbl/d)	**867**	**818**
61	Italy		67	63
90	Rest of Europe		112	79
291	North Africa		258	254
234	Sub-Saharan Africa		243	237
60	Kazakhstan		65	60
52	Rest of Asia		34	44
113	America		65	69
11	Australia and Oceania		23	12

PRODUCTION OF NATURAL GAS BY REGION

Fourth Quarter 2012			First Quarter 2012	First Quarter 2013
4,584	**Production of natural gas** [a] [b]	(mmcf/d)	**4,480**	**4,290**
733	Italy		667	646
451	Rest of Europe		520	434
1,753	North Africa		1,711	1,647
495	Sub-Saharan Africa		500	415
216	Kazakhstan		254	233
530	Rest of Asia		423	528
293	America		297	275
113	Australia and Oceania		108	112

(a) Includes Eni's share of production of equity-accounted entities.
(b) Includes volumes of gas consumed in operation (377 and 347 mmcf/d in the first quarter 2013 and 2012, respectively, 415 mmcf/d in the fourth quarter 2012).

Versalis

Fourth Quarter 2012			First Quarter 2012	2013
	Sales of petrochemical products	(€ million)		
777	Intermediates		733	683
708	Polymers		860	807
48	Other revenues		50	53
1,533			**1,643**	**1,543**
	Production	(ktonnes)		
896	Intermediates		849	894
596	Polymers		641	603
1,492			**1,490**	**1,497**

Engineering & Construction

(€ million)

Fourth Quarter 2012		First Quarter 2012	2013
	Orders acquired		
1,816	Engineering & Construction Offshore	2,606	1,005
1,516	Engineering & Construction Onshore	275	913
494	Offshore drilling	148	905
425	Onshore drilling	87	60
4,251		**3,116**	**2,883**

(€ million)

Order backlog	**Dec. 31, 2012**	**March 31, 2013**
	19,739	**19,533**