Report on the third quarter of 2007

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BASIS OF PRESENTATION

Eni's consolidated report at September 30, 2007, unaudited, has been prepared in compliance with Italian listing standards set by the Commissione Nazionale per le Società e la Borsa (CONSOB) in its regulation for Italian listed companies.

Profit and loss account information is presented for the third quarter of 2007 and for the first nine months of 2007 and for the same periods a year earlier. Balance sheet information is presented at September 30, 2007, June 30, 2007 and December 31, 2006. Tables are comparable with those of 2006 financial statements and the 2007 interim report.

Eni's accounts at September 30, 2007 have been prepared in accordance with the evaluation and measurement criteria set by the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure set forth in Article 6 of the European Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002.

Non-GAAP financial measures disclosed throughout this report are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided for by recommendation CESR/05-178b.

Disclaimer

This report contains certain forward-looking statements, in particular in the Outlook section those regarding capital expenditure, dividends, share repurchases, allocation of future cash flow from operations, future operating performance, gearing, targets of production and sale 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.

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 of operations and changes in net borrowings for the first nine months of the year cannot be extrapolated for the full year.

STATISTIC RECAP

Summary financial data

Third quarter 2006	Third quarter 2007	Change	% Ch.	(€ million)	Nine months 2006	Nine months 2007	Change	% Ch.
20,366	20,190	(176)	(0.9)	Net sales from operations	64,689	61,878	(2,811)	(4.3)
4,828	4,379	(449)	(9.3)	Operating profit	15,370	13,702	(1,668)	(10.9)
5,127	4,245	(882)	(17.2)	Adjusted operating profit (a)	15,714	13,694	(2,020)	(12.9)
2,422	**2,146**	**(276)**	**(11.4)**	**Net profit (b)**	**7,697**	**7,001**	**(696)**	**(9.0)**
0.66	0.59	(0.07)	(10.6)	per ordinary share (€) (c)	2.08	1.91	(0.17)	(8.2)
1.68	1.62	(0.06)	(3.6)	per ADR ($) (c) (d)	5.18	5.13	(0.05)	(1.0)
2,620	**1,892**	**(728)**	**(27.8)**	**Adjusted net profit (a) (b)**	**8,057**	**6,792**	**(1,265)**	**(15.7)**
0.71	0.52	(0.19)	(26.8)	per ordinary share (€) (c)	2.17	1.85	(0.32)	(14.7)
1.81	1.43	(0.38)	(21.0)	per ADR ($) (c) (d)	5.40	4.97	(0.43)	(8.0)
4,555	3,366	(1,189)	(26.1)	Net cash provided by operating activities	15,223	13,049	(2,174)	(14.3)
1,835	2,679	844	46.0	Capital expenditures	4,889	6,936	2,047	41.9

(a) For a detailed explanation of adjusted operating profit and adjusted net profit see "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis" on page 38.
(b) Profit attributable to Eni shareholders.
(c) Fully diluted. Dollar amounts are converted on the basis of the average EUR/USD exchange rate quoted by the ECB for the periods presented.
(d) One ADR (American Depositary Receipt) is equal to two Eni ordinary shares.

Key market indicators

Third quarter 2006	Third quarter 2007	Change	% Ch.		Nine months 2006	Nine months 2007	Change	% Ch.
69.49	74.87	5.38	7.7	Average price of Brent dated crude oil (a)	66.96	67.13	0.17	0.3
1.274	1.375	0.101	7.9	Average EUR/USD exchange rate (b)	1.244	1.344	0.100	8.0
54.55	54.45	(0.10)	(0.2)	Average price in euro of Brent dated crude oil	53.82	49.95	(3.87)	(7.2)
4.27	4.04	(0.23)	(5.4)	Average European refining margin (c)	4.33	4.67	0.34	7.9
3.35	2.94	(0.41)	(12.2)	Average European refining margin in euro	3.48	3.47	(0.01)	(0.3)
3.2	4.5	1.3	40.6	Euribor - three-month rate (%)	2.9	4.1	1.2	41.4
5.4	5.8	0.4	7.4	Libor - three-month dollar rate (%)	5.1	5.5	0.4	7.8

(a) In USD per barile. 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.

Summary operating data

Third quarter 2006	Third quarter 2007	Change	% Ch.			Nine months 2006	Nine months 2007	Change	% Ch.
1,709	**1,659**	**(50)**	**(2.9)**	**Production of hydrocarbons (a)**	(kboe/d)	**1,761**	**1,710**	**(51)**	**(2.9)**
1,041	975	(66)	(6.3)	Liquids	(kbbl/d)	1,080	1,010	(70)	(6.5)
3,834	3,927	93	2.4	Natural gas (a)	(mmcf/d)	3,911	4,017	106	2.7
18.90	**19.74**	**0.84**	**4.4**	**Worldwide gas sales**	(bcm)	**70.55**	**68.31**	**(2.24)**	**(3.2)**
0.81	*0.67*	*(0.14)*	*(17.3)*	*of which: Upstream sales in Europe*		*3.01*	*2.61*	*(0.40)*	*(13.3)*
7.85	8.67	0.82	10.4	Electricity sold	(TWh)	23.24	24.91	1.67	7.2
3.27	3.30	0.03	0.9	Retail sales of refined products in Europe	(mmtonnes)	9.35	9.37	0.02	0.2
1,261	1,354	93	7.4	Petrochemical product sales	(ktonnes)	3,941	4,166	225	5.7

(a) Includes own consumption of natural gas (299 mmcf/d in the third quarter of 2007, 285 mmcf/d in the third quarter of 2006, 295 mmcf/d in the first nine months of 2007 and 285 mmcf/d in the first nine months of 2006).

Group Financial Review

PROFIT AND LOSS ACCOUNT HIGHLIGHTS

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
20,366	20,190	(176)	(0.9)	Net sales from operations	64,689	61,878	(2,811)	(4.3)
109	164	55	50.5	Other income and revenues	481	609	128	26.6
(14,147)	(14,227)	(80)	(0.6)	Operating expenses	(45,266)	(43,731)	1,535	3.4
(57)				*of which: non-recurring items*	*(57)*	*(56)*		
(1,500)	(1,748)	(248)	(16.5)	Depreciation, amortization and impairments	(4,534)	(5,054)	(520)	(11.5)
4,828	**4,379**	**(449)**	**(9.3)**	**Operating profit**	**15,370**	**13,702**	**(1,668)**	**(10.9)**
(42)	(52)	(10)	23.8	Net financial income (expense)	109	(27)	(136)	..
279	495	216	77.4	Net income from investments	746	986	240	32.2
5,065	**4,822**	**(243)**	**(4.8)**	**Profit before income taxes**	**16,225**	**14,661**	**(1,564)**	**(9.6)**
(2,553)	(2,363)	190	7.4	Income taxes	(8,100)	(7,036)	1,064	13.1
50.4	*49.0*	*(1.4)*		*Tax rate (%)*	*49.9*	*48.0*	*(1.9)*	
2,512	2,459	(53)	(2.1)	Net profit	8,125	7,625	(500)	(6.2)
				pertaining to:				
2,422	**2,146**	**(276)**	**(11.4)**	**Eni**	**7,697**	**7,001**	**(696)**	**(9.0)**
90	313	223	..	minority interest	428	624	196	45.8

Third quarter

Eni's net profit for the third quarter of 2007 was €2,146 million, down €276 million from the third quarter of 2006, or 11.4%, due mainly to a lower operating performance down by €449 million, or 9.3%, as a result of a decline in the Exploration & Production and Refining & Marketing divisions. This reduction in operating profit was offset in part by a €190 million decrease in income taxes reflecting lower profit before taxes and a 1.4 percentage points decline in the Group tax rate (from 50.4 to 49%) among other things as a result of a lower share of profit generated by the Exploration & Production division.

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
2,422	**2,146**	**(276)**	**(11.4)**	**Net profit pertaining to Eni**	**7,697**	**7,001**	**(696)**	**(9.0)**
30	(165)			Exclusion of inventory holding (gain) loss	(180)	(275)		
168	(89)			Exclusion of special items:	540	66		
				of which:				
40				*non-recurring items*	*40*	*81*		
128	*(89)*			*other special items*	*500*	*(15)*		
2,620	**1,892**	**(728)**	**(27.8)**	**Eni's adjusted net profit** [(a)]	**8,057**	**6,792**	**(1,265)**	**(15.7)**

(a) For a definition and reconciliation of reported operating profit and reported net profit to adjusted results, which exclude inventory holding gains/losses and special items, see "Reconciliation of reported operating profit and reported net profit to results on an adjusted basis" on page 38.

Eni's adjusted net profit amounted to €1,892 million, down 27.8% from the third quarter 2006. Adjusted net profit is arrived at by excluding an inventory holding gain of €165 million and special gains of €89 million net, resulting in a downward adjustment to net profit (down €254 million).

Special gains related to the divestment of interests in certain associates in the Engineering & Construction division, partly offset by environmental charges and provisions for redundancy incentives.

Return on Average Capital Employed (ROACE)[1] calculated on an adjusted basis for the twelve-month period ending September 30, 2007 was 19.5% (23.9% for the twelve-month period ending September 30, 2006). If Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni and a 51% interest in the three Russian gas companies held according to a 60:40 interest by Eni and Enel as of September 30, 2007, the Group ROACE would stand at 20.1%.

The following table sets forth adjusted net profit by division:

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
1,956	1,372	(584)	(29.9)	Exploration & Production	5,975	4,428	(1,547)	(25.9)
472	465	(7)	(1.5)	Gas & Power	1,989	2,042	53	2.7
257	95	(162)	(63.0)	Refining & Marketing	514	345	(169)	(32.9)
4	18	14	..	Petrochemicals	33	148	115	..
117	174	57	48.7	Engineering & Construction	269	478	209	77.7
(94)	(43)	51	54.3	Other activities	(216)	(163)	53	24.5
(14)	(70)	(56)	..	Corporate and financial companies	(3)	(41)	(38)	..
12	35	23		Impact of unrealized profit in inventory [a]	(76)	20	96	
2,710	**2,046**	**(664)**	**(24.5)**		**8,485**	**7,257**	**(1,228)**	**(14.5)**
				of which:				
90	154	64	71.1	net profit of minorities	428	465	37	8.6
2,620	**1,892**	**(728)**	**(27.8)**	**Eni's adjusted net profit**	**8,057**	**6,792**	**(1,265)**	**(15.7)**

(a) Unrealized profit in inventory concerned intra-group sales of goods and services recorded at period end in the equity of the purchasing business segment.

The decline in the Group adjusted net profit was a result of:

- The reduction of adjusted net profit reported by the **Exploration & Production** division (down €584 million, or 29.9%) due to a weaker operating performance (down €786 million, or 19.2%), which was adversely impacted by the appreciation of the euro over the dollar, a decline in production sold (down 5.6 mmboe) and rising operating costs and amortization charges in connection with higher exploratory activity. Net profit was also impacted by a 6.6 percentage point increase in the tax-rate on an adjusted basis.
- The reduction of adjusted net profit reported by the **Refining & Marketing** division (down €162 million, or 63%) due to a weaker operating performance of refining activity reflecting a negative trading environment which affected results from complex throughputs and the appreciation of the euro over the dollar.

These declines in the adjusted net profit were partly offset by higher adjusted net profit in the Engineering & Construction division (up €57 million; up 48.7%), due to an improved operating performance (up €66 million) relating particularly to favourable demand trends in oilfield services.

The **trading environment** was unfavourable, despite the fact that higher Brent crude prices were recorded averaging $74.87 per barrel, up 7.7% compared to the third quarter 2006. In fact, the benefit of higher oil prices was more than offset by the appreciation of the euro over the dollar (up 7.9%). Also realized refining margins decreased significantly due to the worsening of the ratio between prices of main distillates and Brent quotations (the margin on Brent was down 5.4%) in addition to the narrowing of price differentials between light and heavy crude qualities which penalized complex throughputs by reducing the competitive advantage to process low-cost feedstock. Gas selling margins decreased due to an unfavourable trading environment reflecting indexation mechanisms of purchase/selling prices.

(1) Non-GAAP financial measures disclosed throughout this report are accompanied by explanatory notes and tables to help investors to gain a full understanding of said measures in line with guidance provided for by CESR recommendation No. 2005-178b. See pages 15 and 16 for ROACE, leverage and net borrowings respectively.

First nine months

Eni's net profit for the first nine months of 2007 was €7,001 million, down €696 million from the first nine months of 2006, or 9%, due primarily to a lower operating performance (down €1,668 million, or 10.9%) as a result of a decline in the Exploration & Production and Refining & Marketing divisions, partially offset by the positive performance delivered by the Engineering & Construction, Petrochemicals and Gas & Power divisions. This reduction in operating profit was offset in part by lower income taxes (down by €1,064million) owing to lower profit before taxes and a 1.9 percentage points decline in the Group tax rate (from 49.9 to 48%).

Eni's adjusted net profit amounted to €6,792 million, down 15.7% from the first nine months of 2006. Adjusted net profit is arrived at by excluding an inventory holding gain of €275 million and special charges of €66 million net, resulting in a downward adjustment to net profit (up €209 million).

Special charges related to gains on divestment in the Engineering & Construction division, environmental charges, provisions for redundancy incentives, as well as non-recurring charges related to (i) risk provisions against certain ongoing antitrust proceedings before the European antitrust authority; (ii) a gain deriving from the curtailment of the provision for employee post-retirement benefits deriving from a change in Italian laws regulating this matter for Italian companies.

The decline in the Group adjusted net profit resulted from the reduction of adjusted net profit recorded in the:
(i) Exploration & Production division (down €1,547 million, or 25.9%), due to a weaker operating performance (down €2,644 million, or 21%) which was adversely impacted by the appreciation of the euro over the dollar (8%), a decline in production sold (down 17.8 mmboe), higher operating costs and amortization charges. Performance in this division was also negatively affected by the 3.3 percentage points increase in the adjusted tax rate.
(ii) Refining & Marketing division (down €169 million, or 32.9%), due to weaker realized refining margins particularly on complex throughputs and the appreciation of the euro over the dollar.

These declines in the adjusted net profit were partly offset by a higher adjusted net profit reported in the divisions:

- **Engineering & Construction** (up €209 million, or 77.7%), reflecting an improved operating performance (up €234 million) against the backdrop of favourable demand trends in oilfield services.
- **Petrochemicals** (up €115 million), due to an improved operating performance (up €154 million), reflecting a recovery in product selling margins and a weak operating performance in 2006 resulting from the unplanned downtime of the Priolo craker and downstream plants as a consequence of an accident that occurred at the nearby refinery in April 2006.
- **Gas & Power** (up €53 million, or 2.7%), due to a better operating performance (up €170 million, or 6.5%) reflecting the positive developments in the regulatory framework in Italy and because higher purchase charges were incurred in the first quarter of 2006 due to the climatic emergency in the 2005-2006 winter. These positive factors were offset in part by the impact of unusually mild winter weather conditions affecting natural gas sales volumes by consolidated subsidiaries (down 2.16 bcm, or 3.5%). Divisional results were also negatively impacted by weaker selling margins on gas due to an unfavourable trading environment.

In the first nine months, the **trading environment** was unfavourable due to the appreciation of the euro over the dollar (up 8%), lower realized refining margins, in particular on complex throughputs, and lower gas selling margins due to adverse trends in energy parameters to which purchase and selling prices are indexed. In the first nine months a slight increase in the oil prices (up 0.3%) was recorded with Brent crude prices averaging $67.13 per barrel; when expressed in terms of euros, Brent prices recorded a 7.2 drop.

ANALYSIS OF PROFIT AND LOSS ACCOUNT ITEMS

Net sales from operations

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
6,562	6,411	(151)	(2.3)	Exploration & Production	21,021	19,240	(1,781)	(8.5)
5,265	5,215	(50)	(0.9)	Gas & Power	20,198	18,937	(1,261)	(6.2)
10,185	9,052	(1,133)	(11.1)	Refining & Marketing	29,631	25,932	(3,699)	(12.5)
1,743	1,767	24	1.4	Petrolchemicals	5,083	5,243	160	3.1
1,930	2,185	255	13.2	Engineering & Construction	5,010	6,474	1,464	29.2
197	49	(148)	(75.1)	Other activities	662	152	(510)	(77.0)
224	309	85	37.9	Corporate and financial companies	829	926	97	11.7
(5,740)	(4,798)	942		Consolidation adjustment	(17,745)	(15,026)	2,719	
20,366	**20,190**	**(176)**	**(0.9)**		**64,689**	**61,878**	**(2,811)**	**(4.3)**

Third quarter
Eni's net sales from operations (revenues) for the third quarter of 2007 (€20,190 million) were down €176 million, a 0.9% decline from the third quarter of 2006, primarily reflecting the impact of the appreciation of the euro versus the dollar (up 7.9%) and a decline in volumes. These negative factors were partially offset by higher activity levels in the Engineering & Construction and higher oil and refined products dollar prices.

First nine months
Eni's net sales from operations (revenues) for the first nine months of 2007 (€61,878 million) were down €2,811 million, a 4.3% decline from the first nine months of 2006, primarily reflecting the impact of the appreciation of the euro versus the dollar (up 8%) and a decline in volumes. These negative factors were offset in part by higher activity levels in the Engineering & Construction division.

Revenues generated by the Exploration & Production division (€19,240 million) declined by €1,781 million, down 8.5%, mainly due to the impact of the appreciation of the euro versus the dollar and lower hydrocarbon production sold (down 17,8 mmboe, or 3.8%). The impact on revenues changes from variations in dollar realizations was immaterial (oil up 2.1%, natural gas down 2%).

Revenues generated by the Gas & Power division (€18,937 million) declined by €1,261 million, down 6.2%, mainly due to lower natural gas volumes sold (down 2.16 bcm or 3.5%) and lower volumes transported and distributed as a consequence of an unusually mild winter weather. Also, average natural gas prices were lower compared to the first nine months 2006 mainly reflecting negative trends in energy parameters to which gas prices are contractually indexed.

Revenues generated by the Refining & Marketing division (€25,932 million) declined by €3,699 million, down 12.5%, mainly due to the effect of the appreciation of the euro over the dollar and lower product volumes marketed (-1.7 mmtonnes) and lower oil volumes traded (-3.9 mmtonnes), partially offset by increased international product prices.

Revenues generated by the Petrochemical division (€5,243 million) increased by €160 million from the first nine months of 2006, up 3.1%, reflecting mainly the fact that performance in 2006 was impacted by the unplanned downtime of the Priolo craker and downstream plants as a consequence of an accident that occurred at the nearby refinery in April 2006.

Net sales from operations generated by the Engineering and Construction division (€6,474 million) increased by €1,464 million, up 29.2%, due to increased activity levels in the Offshore and Onshore construction businesses.

Revenues by geographic area

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
7,073	**7,092**	**19**	**0.3**	**Italy**	**26,988**	**25,596**	**(1,392)**	**(5.2)**
4,328	3,963	(365)	(8.4)	Rest of European Union	15,820	15,060	(760)	(4.8)
3,220	1,371	(1,849)	(57.4)	Rest of Europe	6,882	4,867	(2,015)	(29.3)
2,130	1,692	(438)	(20.6)	Americas	4,600	4,416	(184)	(4.0)
1,678	3,357	1,679	..	Asia	4,555	5,411	856	18.8
1,680	2,508	828	49.3	Africa	5,175	5,911	736	14.2
257	207	(50)	(19.5)	Other areas	669	617	(52)	(7.8)
13,293	**13,098**	**(195)**	**(1.5)**	**Total outside Italy**	**37,701**	**36,282**	**(1,419)**	**(3.8)**
20,366	**20,190**	**(176)**	**(0.9)**		**64,689**	**61,878**	**(2,811)**	**(4.3)**

Operating expenses

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
13,210	13,265	55	0.4	Purchases, services and other	42,593	40,992	(1,601)	(3.8)
				of which:				
57				*non-recurring items*	*57*	*130*		
120	*39*			*other special items*	*327*	*210*		
937	962	25	2.7	Payroll and related costs	2,673	2,739	66	2.5
				of which:				
				non-recurring items		*(74)*		
35	*70*			*provision for redundancy incentives*	*77*	*89*		
14,147	**14,227**	**80**	**0.6**		**45,266**	**43,731**	**(1,535)**	**(3.4)**

Operating expenses for the first nine months of 2007 (€43,731 million) declined by €1,535 million from the first nine months of 2006, down 3.4%, essentially due to appreciation of the euro versus the dollar. Other factors behind this reduction were: (i) lower supplies of natural gas in line with lower sales, lower purchase prices for natural gas and the fact that in the first quarter of 2006 higher gas supplies costs were recorded due to a climatic emergency for the winter time 2005-2006; (ii) lower costs for refinery maintenance activity. Those reductions were partially offset by rising operating costs in the upstream and by higher purchase prices for refinery and petrochemical feedstock.

Labour costs (€2,739 million) increased by €66 million, up 2.5%, mainly due to an increase in unit labour costs in Italy and outside Italy and an increase in the average number of employees outside Italy in the Engineering & Construction division related to higher activity levels and the Exploration & Production division related to acquired assets. These increases were offset in part by exchange rates differences and a €74 million non-recurring gain deriving from the curtailment of the provision for post-retirement benefits existing at 2006 year-end related to obligations towards Italian employees. In fact, effective January 1, 2007, Italian laws modified Italian post-retirement benefits scheme from a defined benefit plan to a defined contribution one. Following this, the provision for Italian employees was reassessed to take account of the exclusion of future salaries and relevant increases from actuarial calculations.

Employees

(units)	Dec 31, 2006	Sep 30, 2007	Change	% Ch.
Exploration & Production	8,336	9,132	796	9.5
Gas & Power	12,074	11,826	(248)	(2.1)
Refining & Marketing	9,437	9,412	(25)	(0.3)
Petrochemicals	6,025	6,805	780	12.9
Engineering & Construction	30,902	32,634	1,732	5.6
Other activities	2,219	1,412	(807)	(36.4)
Corporate and financial companies	4,579	4,780	201	4.4
	73,572	**76,001**	**2,429**	**3.3**

As of September 30, 2007, employees were 76,001, an increase of 2,429 employees from December 31, 2006, or 3.3%. Employees in Italy were 40,186. The 421 employee increase related mainly to an increase in the headcount (up 429 employees) and changes in consolidation scope.
In the nine months of 2007, 1,840 employees were newly hired, of these 1,316 on open-end contracts and 1,411 employees were dismissed (of these 885 employees on open-end contracts).
Outside Italy employees were 35,815, with a 2,008 employee increase mainly concerning fixed-term workers in the Engineering & Construction division and the acquisition of new activities in the Exploration & Production division (Dominion Resources e Maurel&Prom).

Depreciation and amortization and impairments

Third quarter				(€ million)	Nine months			
2006	**2007**	**Change**	**% Ch.**		**2006**	**2007**	**Change**	**% Ch.**
1,108	1,377	269	24.3	Exploration & Production	3,228	3,893	665	20.6
182	168	(14)	(7.7)	Gas & Power	502	501	(1)	(0.2)
114	107	(7)	(6.1)	Refining & Marketing	333	323	(10)	(3.0)
30	28	(2)	(6.7)	Petrochemicals	91	84	(7)	(7.7)
52	58	6	11.5	Engineering & Construction	139	177	38	27.3
	1	1	..	Other activities	4	3	(1)	(25.0)
12	15	3	25.0	Corporate and financial companies	49	46	(3)	(6.1)
	(3)	(3)		Impact of unrealized profit in inventory	(2)	(7)	(5)	
1,498	**1,751**	**253**	**16.9**	**Total depreciation and amortization**	**4,344**	**5,020**	**676**	**15.6**
2	(3)	(5)	..	Impairments	190	34	(156)	(82.1)
1,500	**1,748**	**248**	**16.5**		**4,534**	**5,054**	**520**	**11.5**

Depreciation and amortization charges (€5,020 million) increased by €676 million, up 15.6%, mainly in the Exploration & Production division (up €665 million) related to higher exploration expenditures (up 709 million on a constant exchange rate basis), the consolidation of activities acquired in the Gulf of Mexico and Congo and the impact on amortization charges of an estimated update of asset retirement obligations for certain Italian and U.S. fields carried out in the preparation of 2006 financial statements, offset in part by exchange rate differences.

Impairment charges for the period at €34 million regarded mainly upstream assets.

Operating profit

An analysis of reported operating profits by division for the periods indicated is provided as follows:

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
4,041	3,309	(732)	(18.1)	Exploration & Production	12,439	9,859	(2,580)	(20.7)
592	590	(2)	(0.3)	Gas & Power	2,499	2,696	197	7.9
250	282	32	12.8	Refining & Marketing	705	702	(3)	(0.4)
31	5	(26)	(83.9)	Petrochemicals	100	216	116	..
145	211	66	45.5	Engineering & Construction	356	601	245	68.8
(185)	(51)	134	72.4	Other activities	(401)	(282)	119	29.7
(65)	(23)	42	64.6	Corporate and financial companies	(207)	(122)	85	41.1
19	56	37		Impact of unrealized profit in inventory	(121)	32	153	
4,828	**4,379**	**(449)**	**(9.3)**		**15,370**	**13,702**	**(1,668)**	**(10.9)**

Adjusted operating profit

An analysis of adjusted operating profits by division for the periods indicated is provided as follows:

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
4,828	**4,379**	**(449)**	**(9.3)**	**Operating profit**	**15,370**	**13,702**	**(1,668)**	**(10.9)**
82	(238)			Exclusion of inventory holding (gains) losses	(253)	(345)		
217	104			Exclusion of special items:	597	337		
				of which:				
57				*non recurring items*	*57*	*56*		
160	*104*			*other special items*	*540*	*281*		
5,127	**4,245**	**(882)**	**(17.2)**	**Adjusted operating profit**	**15,714**	**13,694**	**(2,020)**	**(12.9)**
				break down by division:				
4,095	3,309	(786)	(19.2)	Exploration & Production	12,568	9,924	(2,644)	(21.0)
619	581	(38)	(6.1)	Gas & Power	2,613	2,783	170	6.5
363	119	(244)	(67.2)	Refining & Marketing	642	424	(218)	(34.0)
37	30	(7)	(18.9)	Petrochemicals	65	219	154	..
145	211	66	45.5	Engineering & Construction	356	590	234	65.7
(94)	(43)	51	54.3	Other activities	(222)	(159)	63	28.4
(57)	(18)	39	68.4	Corporate and financial companies	(187)	(119)	68	36.4
19	56	37		Impact of unrealized profit in inventory	(121)	32	153	
5,127	**4,245**	**(882)**	**(17.2)**		**15,714**	**13,694**	**(2,020)**	**(12.9)**

Third quarter

Adjusted operating profit for the third quarter was €4,245 million, down €882 million or 17.2% from the third quarter 2006. Adjusted operating profit is arrived at by excluding an inventory holding gain of €238 million and special charges of €104 million net. The Group operating profit was dragged down by a weaker operating performance recorded in: (i) the Exploration & Production division primarily due to the euro's appreciation against the dollar (7.9%), lower sold production volumes (-5.6 million boe) and higher operating expenses and amortization charges mainly referred to higher exploratory expenditures, and (ii) the Refining & Marketing division due to a weaker refining performance in the wake of a negative trading environment which particularly affected results from complex throughputs and the appreciation of the euro over the dollar.

First nine months

Adjusted operating profit for the first nine months of 2007 was €13,694 million, down 12.9% from a year ago. Adjusted operating profit is arrived at by excluding an inventory holding gain of €345 million and special charges of €337 million net. The main factor affecting this decline was a weaker operating performance reported by (i) the Exploration & Production division (down €2,644 million from the first nine months of 2006, or 21%), primarily due to a 8% appreciation of the euro versus the dollar, lower production sold (down 17.8 mmboe), and rising operating costs and amortization charges; (ii) the Refining & Marketing division (down €218 million from the first nine months of 2006, or 34%) due to the decline in realized refinery margins, particularly on complex throughputs, and the appreciation of the euro over the dollar.

These declines in the adjusted operating profit were partly offset by a higher adjusted operating profit reported in the divisions:

- **Engineering & Construction** (up €234 million, or 65.7%), reflecting the backdrop of favourable demand trends in oilfield services;
- **Petrochemicals** (up €154 million), due to a recovery in product selling margins and to the impact of the unplanned downtime of the Priolo cracker and downstream plants on 2006 performance;
- **Gas & Power** (up €170 million, or 6.5%), reflecting the positive developments in the regulatory framework in Italy and because higher purchase charges were incurred in the first quarter of 2006 due to the climatic emergency in the 2005-2006 winter. These positive factors were offset in part by the impact of unusually mild weather conditions affecting natural sales gas by consolidated subsidiaries (down 2.16 bcm, or 3.5%). Divisional results were also negatively impacted by weaker selling margins on gas due to an unfavourable trading environment.

Net financial expense

In the first nine months 2007, net financial expense (€27 million) increased by €136 million from the first nine months 2006 when a net financial income of €109 was recorded. This decrease was mainly due to: (i) the recognition of fair value gains on certain financial derivatives instruments in the first nine months of 2006 as compared to a fair value loss recorded for these instruments in the first nine months of 2007. Fair value changes on these financial instruments are recorded in the profit and loss account instead of being recognized in connection with related assets, liabilities and commitments because these instruments do not meet the formal criteria to be assessed as hedges under IFRS, including the time value component (for a loss of €82 million) of certain cash flow hedges Eni entered into to hedge commodity risk in connection with the acquisitions of proved and unproved upstream properties executed in the first nine months of 2007 (for more details on this issues see the Balance sheet discussion – under the paragraph net working capital); (ii) the increase in net finance expenses as a result of increasing average net borrowings, higher interest rates on euro (Euribor up 1.2 percentage points) and dollar loans (Libor up 0.4 percentage points).These negatives were partly offset by a €127 million net gain upon fair value valuation through profit and loss account of both the 20% interest in OAO Gazprom Neft and the related call option guaranteed by Eni to Gazprom related to this interest. This net gain is equal to the remuneration of the capital employed according to the contractual arrangements between the two partners (for more details on this issues see the Balance sheet discussion – under the paragraph net working capital);

Net income from investments

The comparison with the first nine months of 2006 data is shown in the table below:

Nine months 2007 (€ million)	**Exploration & Production**	**Gas & Power**	**Refining & Marketing**	**Engineering & Construction**	**Group**
Effect of the application of the equity method of accounting	9	324	152	67	**550**
Dividends	112	2	21		**135**
Net gain on disposals	8			290	**301**
Other income (losses) from investments	(7)				
	122	**326**	**173**	**357**	**986**

Net income from investments in the first nine months of 2007 amounted to €986 million and concerned essentially: (i) Eni's share of income of affiliates accounted for with the equity method of accounting (€550 million), in particular in the Gas & Power, Refining & Marketing and Engineering & Construction division; (ii) net gains on the divestment of interests in certain associates (Haldor TopsØe AS, €264 million, and Camon Group €25 million) of the Engineering & Construction division; (iii) dividends received by affiliates accounted for at cost (€135 million). The table below sets forth an analysis of net income/losses from investment by type for the periods indicated.

Third quarter			(€ million)	Nine months		
2006	2007	Change		2006	2007	Change
251	202	(49)	Effect of the application of the equity method of accounting	631	550	(81)
37	4	(33)	Dividends	94	135	41
(4)	290	294	Net gains on disposal	21	301	280
(5)	(1)	4	Other income (losses) from investments			
279	**495**	**216**		**746**	**986**	**240**

Income taxes

Third quarter			(€ million)	Nine months		
2006	2007	Change		2006	2007	Change
			Profit before income taxes			
1,149	875	(274)	Italy	4,462	4,223	(239)
3,916	3,947	31	Outside Italy	11,763	10,438	(1,325)
5,065	**4,822**	**(243)**		**16,225**	**14,661**	**(1,564)**
			Income taxes			
462	411	(51)	Italy	1,758	1,666	(92)
2,091	1,952	(139)	Outside Italy	6,342	5,370	(972)
2,553	**2,363**	**(190)**		**8,100**	**7,036**	**(1,064)**
			Tax rate (%)			
40.2	47.0	6.8	Italy	39.4	39.5	0.1
53.4	49.5	(3.9)	Outside Italy	53.9	51.4	(2.5)
50.4	**49.0**	**(1.4)**		**49.9**	**48.0**	**(1.9)**

Income taxes were €7,036 million, down €1,064 million, or 13.1%, due primarily to lower income before taxes (down €1,564 million). The 48% Group tax rate declined by 1.9 percentage points from the first nine months of 2006 (49.9%) reflecting: (i) a lower share of income before taxes generated by the Exploration & Production division which is subject to a higher rate of taxes compared to the Group's other activities; (ii) the recording of higher income on investments which is subject to a limited tax burden; (iii) the recognition of deferred tax assets related to an increase in assets and liabilities carrying amounts for tax purposes on part of certain Italian subsidiaries upon renewal of the Group option for the Italian consolidated statement for tax purposes. These positive factors were partly offset by a higher tax rate applicable to income before income taxes generated in Algeria due to changes in the fiscal regime implemented in the second half of 2006.

Adjusted tax rate was up 0.6 percentage points to 49.1% (48.5% in the first nine months of 2006), which is calculated as ratio of adjusted net profit to income taxes on an adjusted basis.

Minority interest

Minority interest's share of profit was €624 million and related to Snam Rete Gas SpA (€192 million) and Saipem SpA (€428 million). Minority interest's share of profit of Saipem includes the minority share of gains recorded by Saipem on the divestment of certain interests.

SUMMARIZED GROUP BALANCE SHEET

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

Summarized Group Balance Sheet [(a)]

(€ million)	December 31, 2006	June 30, 2007	September 30, 2007	Ch. vs Dec. 31, 2006	Ch. vs Jun. 30, 2007
Fixed assets					
Property, plant and equipment, net	44,312	45,999	49,029	4,717	3,030
Other tangible assets	629	614	585	(44)	(29)
Inventories - compulsory stock	1,827	1,899	1,987	160	88
Intangible assets, net	3,753	3,962	4,335	582	373
Investments, net	4,246	5,209	5,473	1,227	264
Accounts receivable financing and securities related to operations	557	366	388	(169)	22
Net accounts payable in relation to capital expenditure	(1,090)	(1,178)	(1,296)	(206)	(118)
	54,234	**56,871**	**60,501**	**6,267**	**3,630**
Net working capital					
Inventories	4,752	4,936	5,272	520	336
Trade accounts receivable	15,230	13,388	14,383	(847)	995
Trade accounts payable	(10,528)	(9,751)	(10,375)	153	(624)
Taxes payable and reserve for net deferred income tax liabilities	(5,396)	(6,880)	(7,415)	(2,019)	(535)
Reserve for contingencies	(8,614)	(8,208)	(8,280)	334	(72)
Other operating assets and liabilities:					
- Equity instruments available for sale at fai value through profit and loss		*2,581*	*2,520*	*2,520*	*(61)*
- Other operating assets and liabilities [(b)]	(641)	(711)	(727)	*(86)*	*(16)*
	(5,197)	**(4,645)**	**(4,622)**	**575**	**23**
Employee termination indemnities and other benefits	**(1,071)**	**(936)**	**(934)**	**137**	**2**
Net assets held for sale		**128**	**114**	**114**	**(14)**
Capital employed, net	**47,966**	**51,418**	**55,059**	**7,093**	**3,641**
Shareholders' equity including minority interests	41,199	42,296	43,629	2,430	1,333
Net borrowings	6,767	9,122	11,430	4,663	2,308
Total liabilities and shareholders' equity	**47,966**	**51,418**	**55,059**	**7,093**	**3,641**

(a) For a reconciliation to the statutory tables see Eni's Report on the first half of 2007, under the paragraph: "Reconciliation of Summarized Group Balance Sheet to statutory schemes" pages 52-53.
(b) Include operating financing receivables and securities related to operations for €269 million (€302 million at June 30, 2007 and €245 million at December 31, 2006) and securities covering technical reserves of Eni's insurrance activities for €482 million (€515 million at June 30, 2007 and €417 million at December 31, 2006).

The appreciation of the euro over other currencies, in particular the dollar (at September 30, 2007 the EUR/USD exchange rate was 1.418 as compared to 1.317 at December 31, 2006, up 7.7%) determined with respect to September 30, 2007 an estimated decrease in the book value of net capital employed of approximately €1,700 million, in shareholders' equity of approximately €1,250 million and in net borrowings of approximately €450 million.

At September 30, 2007, **net capital employed** totalled €55,059 million, representing an increase of €7,093 million from December 31, 2006.

Fixed assets

Fixed assets totalled €60,501 million, representing an increase of €6,267 million from December 31, 2006 (€54,234 million) due to capital expenditures (€6,936 million) and acquisition of assets and investments, partly offset by depreciation, amortization and impairments charges (€5,054 million) and currency translation effects.

Other assets include, for a book value of $829 million (corresponding to €585 million at the September 30, 2007 EUR/USD exchange rate), the assets related to the service contract for oil activities in the Dación area of the Venezuelan branch of Eni's subsidiary Eni Dación BV. With effective date April 1, 2006, the Venezuelan State oil company Petróleos de Venezuela SA (PDVSA) unilaterally terminated the Operating Service Agreement (OSA) governing activities at the Dación oil field where Eni acted as a contractor, holding a 100% working interest. As a consequence, starting at the same date, operations at the Dación oil field are conducted by PDVSA. Eni proposed to PDVSA to agree in terms in order to recover the fair value of its Dación assets. On November 2006, based on the bilateral investments treaty in place between the Netherlands and Venezuela (the "Treaty"), Eni commenced a proceeding before on International Centre for Settlement of Investment Disputes (ICSID) Tribunal (i.e. a tribunal acting under the auspices of the ICSID Convention and being competent pursuant to the Treaty) to claim its rights. Despite this action, Eni is still ready to negotiate a solution with PDVSA to obtain a fair compensation for its assets. Based on the opinion of its internal and external legal consultants, Eni believes to be entitled to a compensation for such expropriation in an amount equal to the market value of the OSA before the expropriation took place. The market value of the OSA depends upon its expected profits. In accordance with established international practice, Eni has calculated the OSA's market value using the discounted cash flow method, based on Eni's interest in the expected future hydrocarbon production and associated capital expenditures and operating costs, and applying to the projected cash flow a discount rate reflecting Eni's cost of capital as well as the specific risk of concerned activities. Independent evaluations carried out by a primary petroleum consulting firm fully support Eni's internal evaluation. The estimated net present value of Eni's interest in the Dación field, as calculated by Eni, is higher than the net book value of the Dación assets which consequently have not been impaired. In accordance with the ICSID Convention, a judgement by the ICSID Tribunal awarding compensation to Eni would be binding upon the parties and immediately enforceable as if it were a final judgement of a court of each of the States that have ratified the ICSID Convention. The ICSID Convention was ratified in 143 States.
Accordingly, if Venezuela fails to comply with the award and to pay the compensation, Eni could take steps to enforce the award against commercial assets of the Venezuelan Government almost anywhere those may be located (subject to national law provisions on sovereign immunity).

The item **Investments** comprises a 60% interest in Arctic Russia BV (the former Eni Russia BV) which owns 100% interest in three Russian companies acquired on April 4, 2007 in partnership with Enel, following award of a bid for Lot 2 in the Yukos liquidation procedure. These three companies – OAO Artic Gas, OAO Urengoil and OAO Neftegaztechnologia – are engaged in exploration and development of gas reserves. Eni and Enel granted to Gazprom a call option to acquire a 51% interest in these acquired companies to be exercisable by Gazprom within 24 months starting from the acquisition date. Eni evaluates the investment in Arctic Russia BV under the equity method accounting as it jointly controls the three entities based on ongoing contractual arrangements, therefore exercising significant influence in the financial and operating policy decisions of the investees. This proportion allocated of 60% is the present ownership interest of Eni in the acquired companies determined by not taking into account the eventual exercise of the call option by Gazprom.

Net working capital

At September 30, 2007, **net working capital** totalled €4,622 million, representing an increase of €575 million from December 31, 2006 mainly due to: (i) the acquisition of a 20% interest in the Russian company OAO Gazprom Neft (see below); (ii) the increase in the inventories evaluated applying the weighted average cost method due to the impact of higher oil and refined products prices as recorded in the third quarter of 2007 compared to the fourth quarter 2006; (iii) a receivable upon a dividend approved by OAO Gazprom Neft on June 22, 2007; this dividend has not yet been distributed. These increases were partly offset by decreases in connection with the following items:

(i) higher taxes payable and an increase in deferred tax liability due to the recognition of income taxes and taxable temporary differences for the period and the fact that excise taxes on oil products marketed in Italy in the first 15 days of December are settled within the end of this month, instead of being paid in the following month as it occurs for the other calendar months. These factors were partly offset by the payment of the balance of income taxes due by Italian companies for the fiscal year of 2006 and the recognition of a deferred tax aasset and lower taxes payable in connection with fair value losses on certain cash flow hedges (see next paragraph);

(ii) a €1,072 million loss recognized on the *fair value* evaluation of certain cash flow hedges, which the Group entered into in order to hedge cash flows expected in the 2008-2011 period from the sale of approximately 2% of Eni's proved hydrocarbon reserves as of 2006 year-end in connection with its purchase of certain proved and unproved oil and gas properties onshore in Congo (from the French company Maurel & Prom) and in the Gulf of Mexico (from the US company Dominion) finalized in February and April 2007, respectively.

In the light of this, Eni put in place certain forward sale contracts at a fixed price and call and put options with the same date of exercise. These options can be exercised in presence of crude oil market prices higher or lower compared with preset contractual prices. This treatment does not apply to the time value component arising from market price fluctuations within the range provided by these call and put options which is recognized in the profit and loss account under the item net financial expenses because the hedging relationship is ineffective. This loss was partly offset by gains recorded on the fair value evaluation of certain derivative financial instruments, which do not meet the formal criteria to be recognized as hedges under IFRS, reflecting the depreciation of the US dollar.

The item **Equity instruments** comprises the carrying amount of a 20% interest in OAO Gazprom Neft acquired on April 4, 2007 following finalization of a bid within the Yukos liquidation procedure. This entity is currently listed at the London Stock Exchange. This accounting classification reflects the circumstance that Eni granted to Gazprom a call option on the entire 20% interest to be exercisable by Gazprom within 24 months starting from the acquisition date, at a price of $3.7 billion equalling the bid price, as modified by subtracting dividends received and adding possible share capital increases, a contractual remuneration of 9.4% on the capital employed and financing collateral expenses.

In accordance with the fair value option provided for by IAS 39, Eni evaluated its 20% interest in OAO Gazprom Neft at fair value with changes in fair value recognised through the profit or loss account instead of net equity. Eni elected this way in order to eliminate a recognition inconsistency that would otherwise arise from measuring both the equity instrument and the related call option on different bases. In fact, the call option granted to Gazprom is measured at fair value through profit or loss being a derivative instrument. Consequently, the carrying amount of this equity instrument is determined based on its fair value as expressed by current quoted market prices, as reduced by the fair value amount of the relevant call option, thus equalling the option strike price as of September 30, 2007.

Net assets held for sale including related net borrowings were €114 million and related to the Engineering & Construction division's interest in Gaztransport et Technigaz SAS, a company owing a patent for the construction of tanks to transport LNG.

The share of the Exploration & Production, Gas & Power and Refining & Marketing divisions on net capital employed was 89% (90% at December 31, 2006).

Return On Average Capital Employed (ROACE)

Return on Average Capital Employed for the Group, on an adjusted basis is the return on the Group average capital invested, calculated as ratio between net adjusted profit before minority interest, plus net finance charges on net borrowings net of the related tax effect, and net average capital employed. The tax rate applied on finance charges is the Italian statutory tax rate of 33%. The capital invested as of period-end used for the calculation of net average capital invested is obtained by deducting inventory gains or losses as of in the period, net of the related tax effect.
ROACE by business segment is determined as ratio between adjusted net profit and net average capital invested pertaining to each business segment, adjusting net capital invested as of period-end by net inventory gains or losses (net of the related tax effect based on each business segment specific tax rate).

(€ million)

Calculated on a twelve-month period ending on September 30, 2007	Exploration & Production	Gas & Power	Refining & Marketing	Group
Adjusted net profit	**5,732**	**2,915**	**460**	**9,790**
Exclusion of after-tax finance expenses/interest income	-	-	-	**103**
Adjusted net profit unlevered	**5,732**	**2,915**	**460**	**9,893**
Adjusted capital employed, net				
at the beginning of period	18,733	17,001	5,583	**46,220**
at the end of period	24,111	18,700	5,762	**54,997**
Adjusted average capital employed, net	**21,422**	**17,851**	**5,673**	**50,609**
ROACE adjusted (%)	**26.8**	**16.3**	**8.1**	**19.5**

Assuming Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni and a 51% interest in the three Russian gas companies held according to a 60% interest by Eni as of September 30, 2007, the ROACE of the Group and of the Exploration & Production division would stand respectively at 20.1% and 28.9%.

(€ million)

Calculated on a twelve-month period ending on September 30, 2006	Exploration & Production	Gas & Power	Refining & Marketing	Group
Adjusted net profit	**7,547**	**2,629**	**735**	**10,983**
Exclusion of after-tax finance expenses/interest income	-	-	-	**33**
Adjusted net profit unlevered	**7,547**	**2,629**	**735**	**11,016**
Adjusted capital employed, net				
at the beginning of period	19,299	17,514	5,252	**46,438**
at the end of period	18,733	17,037	5,802	**45,909**
Adjusted average capital employed, net	**19,016**	**17,276**	**5,527**	**46,174**
ROACE adjusted (%)	**39.7**	**15.2**	**13.3**	**23.9**

(€ million)

Calculated on a twelve-month period ending on December 31, 2006	Exploration & Production	Gas & Power	Refining & Marketing	Group
Adjusted net profit	**7,279**	**2,862**	**629**	**11,018**
Exclusion of after-tax finance expenses/interest income	-	-	-	**46**
Adjusted net profit unlevered	**7,279**	**2,862**	**629**	**11,064**
Adjusted capital employed, net				
at the beginning of period	20,206	18,978	5,993	**49,692**
at the end of period	18,590	18,864	5,766	**47,999**
Adjusted average capital employed, net	**19,398**	**18,921**	**5,880**	**48,846**
ROACE adjusted (%)	**37.5**	**15.1**	**10.7**	**22.7**

Net borrowings and leverage

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

(€ million)

	December 31, 2006	June 30, 2007	September 30, 2007	Ch. vs Dec. 31, 2006	Ch. vs Jun. 30, 2007
Total debt	11,699	16,141	15,701	**4,002**	(440)
Short-term debt	*4,290*	*9,061*	7,244	***2,954***	*(1,817)*
Long-term debt	*7,409*	*7,080*	8,457	***1,048***	*1,377*
Cash and cash equivalents	(3,985)	(6,368)	(3,676)	**309**	2,692
Securities not related to operations	(552)	(214)	(178)	**374**	36
Non-operating financing receivables	(395)	(437)	(417)	**(22)**	20
Net borrowings	**6,767**	**9,122**	**11,430**	**4,663**	**2,308**
Shareholders' equity including minority interest	**41,199**	**42,296**	**43,629**	**2,430**	**1,333**
Leverage	***0.16***	***0.22***	***0.26***	***0.10***	***0.04***

Net borrowings at September 30, 2007 were €11,430 million, representing an increase of €4,663 million from December 31, 2006. The high level of cash inflow generated by operating activities (€13,049 million) affected by seasonality in demand for natural gas and certain refined products, cash from divestments (€631 million) and currency translation effects, were more than offset by the cash outflows related to: (i) the acquisition of investments and assets (€8,711 million) mainly relating to the 20% interest in OAO Gazprom Neft and 60% interest in three Russian companies engaged in developing natural gas following finalization of a bid procedure for ex-Yukos assets (€3.7 billion), the purchase of Dominion Resources upstream assets in the Gulf of Mexico (approximately €3.5 billion), the purchase of oil producing assets onshore Congo (approximately €1 billion) and the acquisition of a further 16.11% stake in the Ceska Rafinerska in the Czech Republic (€0.2 billion) increasing Eni's ownership interest to 32.4%; (ii) capital expenditures totalling €6,936 million; (iii) dividend payments (€2,582 million, of which €2,384 million concerning the balance of the 2006 dividend by the parent company Eni SpA and €149 and €71 million were paid by Snam Rete Gas SpA and Saipem SpA, respectively); (iv) the repurchase of own shares for €486 million, Snam Rete Gas SpA and Saipem SpA (totalling €353 million).

From January 1 to September 30, 2007, a total of 19.62 million own shares were purchased by the company for a total amount of €486 million (representing an average cost of €24.772 per share). Since the inception of the share buy-back programme (September 1, 2000), Eni has repurchased 355 million shares, equal to 8.85% of outstanding capital stock, at a total cost of €5,998 million (representing an average cost of €16.915 per share).

Total debt amounted to €15,701 million, of which 7,244 million were short-term (including the portion of long-term debt due within 12 months for €1,047 million) and €8,457 million were long-term.

At September 30, 2007, ***leverage*** – ratio between net borrowings and shareholders' equity – was 0.26 compared with 0.16 at December 31, 2006. Assuming Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft and a 51% interest in ex-Yukos gas assets from Eni as of September 30, 2007, leverage would stand at 0.19.

Net borrowings increased by €2,308 million from June 30, 2007, due to: (i) the acquisition of upstream assets in the Gulf of Mexico (approximately €3.5 billion) and the acquisition of downstream oil assets (€0.2 billion); (ii) capital expenditures for the third quarter totalling €2,679 million; and (iii) the repurchase of own shares (€147million). These outflows were partially offset by cash inflow generated by operating activities in the third quarter (€3,366 million) and cash from divestments (€455 million).

CHANGES IN SHAREHOLDERS' EQUITY

(€ million)		
Shareholders' equity at December 31, 2006		**41,199**
Net profit	7,625	
Reserve for cash flow hedges	(617)	
Dividends paid by Eni to shareholders	(2,384)	
Dividends paid by consolidated subsidiaries to shareholders	(227)	
Shares repurchased	(486)	
Issue of ordinary share capital for employee share incentive schemes	44	
Effect on equity of the shares repurchased by consolidated subsidiaries (Snam Rete Gas and Saipem SpA)	(191)	
Exchange differences from translation of financial statements denominated in currencies other than euro	(1,242)	
Other changes	(92)	
Total changes		**2,430**
Shareholders' equity at September 30, 2007		**43,629**
pertaining to:		
Eni		**41,266**
minority interest		2,363

Shareholders' equity at September 30, 2007 (€43,629 million) increased by €2,430 million from December 31, 2006, mainly due to net profit for the period (€7,625 million), offset in part by the payment of dividends (particularly the balance of 2006 dividend by the parent company Eni SpA), currency translation differences, losses from fair value evaluation of certain cash flow hedges taken to reserve (€617 million net of the related deferred tax asset for €374 million)[1] and the purchase of own shares.

(1) See comment to net capital employed.

SUMMARIZED CASH FLOW STATEMENT AND CHANGE IN NET BORROWINGS

Eni's summarized group cash flow statement derives from the statutory statement of cash flows. It allows to create a link between changes in cash and cash equivalents (deriving from the statutory cash flows statement) occurred from the beginning of period to the end of period and changes in net borrowings (deriving from the summarized cash flow statement) occurred from the beginning of period to the end of period. The measure enabling to make such a link is represented by 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.

Summarized Group Cash Flow Statement [(a)]

Third quarter			(€ million)	Nine months		
2006	2007	Change		2006	2007	Change
2,512	**2,459**	**(53)**	**Net profit**	**8,125**	**7,625**	**(500)**
			adjustments to reconcile to cash generated from operating profit before changes in working capital:			
1,610	1,566	(44)	amortization and depreciation and other non monetary items	4,185	4,437	252
5	(285)	(290)	net gains on disposal of assets	(55)	(311)	(256)
2,538	2,348	(190)	dividends, interest, taxes and other changes	8,121	6,718	(1,403)
6,665	**6,088**	**(577)**	**Cash generated from operating profit before changes in working capital**	**20,376**	**18,469**	**(1,907)**
(1,181)	(1,375)	(194)	Changes in working capital related to operations	(177)	(452)	(275)
(929)	(1,347)	(418)	Dividends received, taxes paid, interest (paid) received	(4,976)	(4,968)	8
4,555	**3,366**	**(1,189)**	**Net cash provided by operating activities**	**15,223**	**13,049**	**(2,174)**
(1,835)	(2,679)	(844)	Capital expenditures	(4,889)	(6,936)	(2,047)
(12)	(3,776)	(3,764)	Investments and purchase of consolidated subsidiaries and businesses	(76)	(8,711)	(8,635)
23	455	432	Disposals	127	631	504
(126)	82	208	Other cash flow related to capital expenditures, investments and disposals	(46)	288	334
2,605	***(2,552)***	***(5,157)***	***Free cash flow***	***10,339***	***(1,679)***	***(12,018)***
(3)	148	151	Borrowings (repayment) of debt related to financing activities	463	378	(85)
(378)	(148)	230	Changes in short and long-term financial debt	(1,521)	4,486	6,007
(260)	(117)	143	Dividends paid and changes in minority interests and reserves	(4,031)	(3,383)	648
17	(23)	(40)	Effect of changes in consolidation and exchange differences	(124)	(111)	13
1,981	**(2,692)**	**(4,673)**	**NET CASH FLOW FOR THE PERIOD**	**5,126**	**(309)**	**(5,435)**

Change in net borrowings

Third quarter			(€ million)	Nine months		
2006	2007	Change		2006	2007	Change
2,605	**(2,552)**	**(5,157)**	**Free cash flow**	**10,339**	**(1,679)**	**(12,018)**
			Net borrowings of acquired companies			
	(3)	(3)	Net borrowings of divested companies	1	(27)	(28)
199	364	165	Exchange differences on net borrowings and other changes	316	426	110
(260)	(117)	143	Dividends paid and changes in minority interests and reserves	(4,031)	(3,383)	648
2,544	**(2,308)**	**(4, 852)**	**CHANGE IN NET BORROWINGS**	**6,625**	**(4,663)**	**(11,288)**

(a) For a reconciliation to the statutory statement of cash flows see Eni's Report on the first half of 2007 under the paragraph: "Reconciliation of Summarized Group Balance Sheet and Summarized Group Cash Flow statement to statutory schemes" pages 54-55.

Capital expenditures

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
1,152	1,725	573	49.7	Exploration & Production	3,266	4,562	1,296	39.7
311	362	51	16.4	Gas & Power	721	888	167	23.2
141	231	90	63.8	Refining & Marketing	373	550	177	47.5
18	32	14	77.8	Petrochemicals	52	88	36	69.2
179	311	132	73.7	Engineering & Construction	403	821	418	..
20	8	(12)	(60.0)	Other activities	34	43	9	26.5
14	20	6	42.9	Corporate and financial companies	40	48	8	20.0
	(10)	(10)		Impact of unrealized profit in inventory		(64)	(64)	
1,835	**2,679**	**844**	**46.0**		**4,889**	**6,936**	**2,047**	**41.9**

In the first nine months of 2007 capital expenditures amounted to €6,936 million (€4,899 million in the first nine months of 2006), of which 86.5% related to the Exploration & Production, Gas & Power and Refining & Marketing divisions.

Exploration & Production

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
10		**(10)**	**..**	**Acquisitions of proved and unproved property**	**13**	**96**	**83**	**..**
				Italy				
10		(10)	..	North Africa	10	11	1	..
				West Africa				
				Rest of world	3	85	82	..
263	**449**	**186**	**70.7**	**Exploration**	**642**	**1,197**	**555**	**86.4**
33	24	(9)	(27.3)	Italy	90	86	(4)	(4.4)
72	105	33	45.8	North Africa	179	274	95	53.1
11	51	40	..	West Africa	105	188	83	79.0
56	30	(26)	(46.4)	North Sea	99	154	55	55.6
91	239	148	..	Rest of world	169	495	326	..
862	**1,258**	**396**	**45.9**	**Development**	**2,573**	**3,223**	**650**	**25.3**
96	144	48	50.0	Italy	270	398	128	47.4
189	233	44	23.3	North Africa	492	628	136	27.6
197	349	152	77.2	West Africa	570	871	301	52.8
98	102	4	4.1	North Sea	285	305	20	7.0
282	430	148	52.5	Rest of world	956	1,021	65	6.8
17	**18**	**1**	**5.9**	**Other**	**38**	**46**	**8**	**21.1**
1,152	**1,725**	**573**	**49.7**		**3,266**	**4,562**	**1,296**	**39.7**

Capital expenditures of the Exploration & Production division (€4,562 million) concerned development of oil and gas reserves directed mainly outside Italy, in particular Kazakhstan, Egypt, Angola and Congo. Development expenditures in Italy concerned in particular well drilling programme and facility upgrading in Val d'Agri and sidetrack and infilling interventions in mature fields. Important expenditures were directed to exploratory projects. About 93% of these expenditures were directed outside Italy in particular the Gulf of Mexico, Egypt, Norway, Nigeria and Brazil. In Italy, exploration activities were directed mainly to the offshore of Sicily.
Acquisition of proved and unproved property concerned mainly a 70% interest in the Nikaitchuq oilfield in Alaska, in which Eni reached a 100% ownership.

As compared to the first nine months of 2006, capital expenditures increased by €1,269 million, up 39.7%, due in particular to an increase in exploration expenditures in the Gulf of Mexico, Egypt, Norway, Brazil and Indonesia, and higher development expenditures in Congo, Egypt, Italy and Angola.

Gas & Power

Third quarter				(€ million)	Nine months			
2006	**2007**	**Change**	**% Ch.**		**2006**	**2007**	**Change**	**% Ch.**
269	267	(2)	(0.7)	Italy	617	684	67	10.9
42	95	53	..	Outside Italy	104	204	100	96.2
311	**362**	**51**	**16.4**		**721**	**888**	**167**	**23.2**
28	**13**	**(15)**	**(53.6)**	**Market**	**41**	**29**	**(12)**	**(29.3)**
	1	1	..	Italy		1	1	..
28	12	(16)	(57.1)	Outside Italy	41	28	(13)	(31.7)
37	**42**	**5**	**13.5**	**Distribution**	**104**	**98**	**(6)**	**(5.8)**
185	**272**	**87**	**47.0**	**Transport**	**437**	**638**	**201**	**46.0**
171	189	18	10.5	Italy	374	462	88	23.5
14	83	69	..	Outside Italy	63	176	113	..
61	**35**	**(26)**	**(42.6)**	**Power generation**	**139**	**123**	**(16)**	**(11.5)**
311	**362**	**51**	**16.4**		**721**	**888**	**167**	**23.2**

Capital expenditures in the Gas & Power division totalled €888 million and related essentially to: (i) development and upgrading of Eni's transport backbones in Italy (€462 million); (ii) upgrades of international gas pipelines (€176 million); (iii) the ongoing construction of combined cycle power plants (€123 million), particularly the Ferrara plant; (iv) development and upgrading of Eni's natural gas distribution network in Italy (€98 million).

Refining & Marketing

Third quarter				(€ million)	Nine months			
2006	**2007**	**Change**	**% Ch.**		**2006**	**2007**	**Change**	**% Ch.**
109	213	104	95.4	Italy	306	496	190	62.1
32	18	(14)	(43.8)	Outside Italy	67	54	(13)	(19.4)
141	**231**	**90**	**63.8**		**373**	**550**	**177**	**47.5**
75	**178**	**103**	**..**	**Refining and Supply and Logistics**	**237**	**392**	**155**	**65.4**
75	178	103	..	Italy	237	392	155	65.4
66	**53**	**(13)**	**(19.7)**	**Marketing**	**133**	**138**	**5**	**3.8**
34	35	1	2.9	Italy	66	84	18	27.3
32	18	(14)	(43.8)	Outside Italy	67	54	(13)	(19.4)
				Other activities	**3**	**20**	**17**	**..**
141	**231**	**90**	**63.8**		**373**	**550**	**177**	**47.5**

Capital expenditures in the Refining & Marketing division amounted to €550 million and concerned: (i) refining, supply and logistics in Italy (€392 million), in particular refining upgrades, including expenditures for improving flexibility and yields of refineries, among which the construction of a new hydrocracking unit at the Sannazzaro refinery, as well as expenditures on health, safety and environment matters; (ii) the upgrading of the retail network in Italy (€84 million); (iii) the upgrading of the retail network and the purchase of service stations in the rest of Europe (€54 million).

Engineering & Construction
Capital expenditures in the Engineering & Construction division amounted to €821 million and concerned: (i) the construction start-up of the new semisubmersible platform Scarabeo 8 and a new pipelayer and a new deepwater drilling ship Saipem 12000; (ii) conversion of two tanker ships into FPSO vessels that will operate in Brazil on the Golfinho 2 field and in Angola.

Investments and purchase of consolidated subsidiaries and businesses
Investments and purchase of consolidated subsidiaries and businesses for the first nine months of 2007 amounted to €8,711 million and related mainly to the 20% interest in OAO Gazprom Neft and 60% interest in three Russian companies engaged in developing natural gas following finalization of a bid procedure for ex-Yukos assets (€3.7 billion), the purchase of Dominion Resources upstream assets in the Gulf of Mexico (approximately €3.5 billion), the purchase of oil producing assets onshore Congo (approximately €1 billion) and the acquisition of a further 16.11% stake in the Ceska Rafinerska in the Czech Republic (€0.2 billion) increasing Eni's ownership interest to 32.4%.

Disposals
Disposals for the first nine months of 2007 amounted to €631 million and related mainly to the divestment of interests in certain associates in the Engineering & Construction division.

POST-CLOSING EVENTS

Strategic agreement with the Libyan National Oil Company
As part of Eni's strategic partnership with the Libyan National Oil Company, on October 16, 2007, both parties signed a major industrial agreement aimed at:
- Extending the duration of Eni's mineral rights in Libya by a 25-year term, with the possibility of a further five-year extension for oil properties till 2042 and ten-year extension for gas properties till 2047. This will enable Eni to develop its long-life producing fields over a longer time frame by applying its advanced techniques for maximizing the recoverability of hydrocarbons.
- Monetizing additional and substantial gas reserves by expanding Libya's gas export capacity from 8 to 16 bcm/y. The planned expansion will be achieved through the upgrading of the Greenstream export line by 3 bcm/y, which will increase export capacity to Italy, and through the construction of a new LNG plant of 5 bcm/y for worldwide markets; and
- Overhauling the exploration activities in areas where Eni is already present.

The two partners estimated that the planned initiatives will entail expenditures of approximately US$28 billion over 10 years. This deal further strengthens Eni's competitive position in Libya, reaffirming its leadership among the international oil companies engaged in this Country.

Status of the Kashagan Project
In late June 2007 Agip KCO, as operator of the Kashagan oilfield (18.52 per cent stake), located offshore in the Caspian Sea in Kazakhstan, filed certain revisions to the sanctioned development plan of the field with the Kazakh Authorities. These revisions confirmed, among other things, a rescheduling of the production start-up to 2010. The Kazakh Authorities rejected the proposed revisions to the sanctioned development plan. In August 2007, the Government of the Kazakh Republic sent the companies forming the North Caspian Sea Production Sharing Agreement ("NCSPSA") consortium a notice of dispute alleging failure on part of the consortium to fulfil certain contractual obligations and violation of the Republic's laws.
All parties are in discussions aimed at resolving the dispute on amicable terms and have agreed that these discussions will continue beyond the 22 October, 2007 contractual deadline.

Galp Energia plans to exercise its call option on downstream oil activities in Spain and Portugal
Galp Energia, in accordance with the agreements signed in December 2005 between majority shareholders (Eni 33.34%, Amorim Energia and Caixa General de Depositos), announced the intention to exercise its call option for the acquisition of Eni's Agip branded oil products marketing activities. The option excludes the lubricants business in Spain and Portugal, both in the retail and wholesale markets. Eni's retail activity in the Iberian region includes more than 350 service stations. The transaction is subject to approval from antitrust authorities.

Other initiatives
On October 19, 2007 Saipem acquired almost the total interest in Frigstad Discoverer Invest Ltd listed on the Norweigen Stock Exchange. This company is engaged in ultra-deep offshore drilling activities by means of an ongoing project for the construction of the semi-submersible rig D90 and is listed on the Norwegian stock exchange. This vessel is expected to be able to drill wells in water depths of up to 3,600 metres. Operations are expected to begin by late 2009 and the transaction will include approximately €520 million of capital expenditure. This will include the purchase of Frigstad Discoverer Invest Ltd, as well as other capital expenditure necessary to complete the vessel.

Eni was awarded 26 new exploration licenses in Gulf of Mexico following an international bid procedure. The acquired acreage is estimated to have a significant mineral potential and it is located nearby other Eni's production facilities. The transaction is subject to the approval from antitrust authorities.

Eni and Sonatrach signed an agreement to extend terms of the development and production licence for oil fields of Block 403 (Eni 50%) in Algeria. In 2006 production from this block represented approximately 13% of Eni's total production in the country.

OUTLOOK FOR 2007

Key Eni's business trends for the year 2007 are as follows:

- **Production of liquids and natural gas** is forecast to be in line with the previous year (actual oil and gas production averaged 1.77 mmboe/d in 2006) under the assumption of full-year Brent crude oil prices at $55 per barrel. Production impacted by continuing social unrest in Nigeria, the loss of the Dación oilfield in Venezuela, unplanned facility shutdowns and mature field declines is expected to be offset by the contribution from assets acquired in the Gulf of Mexico and Congo as well as the organic growth expected in Libya and Kazakhstan.
- **Sales volumes of natural gas worldwide** are expected to increase by a small amount from the previous year (actual sales volumes in 2006 were 97.48 bcm) assuming normal weather conditions for the final part of the current year. Growth is expected to be achieved in European target markets both in terms of market share and volume gains, mainly in Spain, Turkey, France and Germany/Austria and in LNG sales on both the Asian and North American markets. These increases are expected to be offset by: (i) the lower sales volumes forecast in Italy as a result of a mild winter time in the initial part of the current year and the competitive pressures, partly offset by the increases in the natural gas sales to the residential and thermoelectric sectors in the fourth quarter due to ongoing marketing initiatives; (ii) the lower natural gas offtakes from importers in Italy due to sluggish growth in domestic consumptions.
- **Sales volumes of electricity** are expected to increase by approximately 4.5% from 2006 (actual volumes in 2006 were 31.03 TWh), due to an expected increase in traded volumes.
- **Refining throughputs** are forecast to marginally decrease from 2006 (actual throughputs in 2006 were 38.04 mmtonnes), reflecting expiration of a processing contract at the Priolo refinery at the end of 2006. Excluding this reduction, throughputs are expected to increase, reflecting better volume performance at the Livorno, Gela and Sannazzaro refineries. Higher throughputs are also expected outside Italy as a result of the acquisition of a further 16.11% stake in Ceska Rafinerska in the Czech Republic which took effect on September 1, 2007.
- **Retail sales of refined products** are expected to marginally increase from 2006 (actual volumes sold in 2006 were 12.48 mmtonnes), driven by increased sales in Europe as a result of the acquisition of a number of service station networks in target markets in Central-Eastern Europe (approximately 100 outlets) which took effect on October 1, 2007 in addition to upgrades. As a result of initiatives in the Italian market, sales are expected to remain unchanged despite a decline in domestic consumption.

Eni's expenditures on capital and exploration projects in 2007 are expected to amount to approximately €10.5 billion, including expenditures for developing acquired upstream assets, representing a 35% increase on 2006. Approximately 86% of this capital expenditure programme is expected to be deployed in the Exploration & Production, Gas & Power and Refining & Marketing divisions. Furthermore, acquisitions of assets and interests amounting to €9.2 billion are forecast for 2007, of which €3.73 billion relate to the acquisition of ex-Yukos assets; €4.5 billion relate to the purchase of proved and unproved oil and gas properties in the Gulf of Mexico and onshore Congo, and €0.4 billion relate to the purchase of refining and marketing assets in the Central-Eastern Europe. If Gazprom exercises its call options to purchase a 20% interest in OAO Gazprom Neft held by Eni and a 51% interest in the three Russian gas companies held according to a 60:40 interest by Eni and Enel, net cash outflows used in investing activities will decrease to €16.5 billion. On the basis of expected cash outflows for planned capital expenditures, acquisitions, and shareholders remuneration, while assuming a $55/barrel scenario for the Brent crude oil, Eni foresees its leverage to settle in the low or high end of the 0.3 to 0.4 range by the end of the year, depending on the exercising of the above mentioned call options by Gazprom.

Operating Results by Division

EXPLORATION & PRODUCTION

Third quarter				(€ million)		Nine months			
2006	2007	Change	% Ch.			2006	2007	Change	% Ch.
				Results					
6,562	6,411	(151)	(2.3)	**Net sales from operations**[a]		21,021	19,240	(1,781)	(8.5)
4,041	3,309	(732)	(18.1)	**Operating profit**		12,439	9,859	(2,580)	(20.7)
54				Exclusion of special items:		129	65		
				of which:					
				Non-recurring items			(12)		
54				Other special items		129	77		
48				*- asset impairments*		*180*	*76*		
3				*- gains on disposal of assets*		*(54)*			
3				*- provision for redundancy incentives*		*3*	*1*		
4,095	3,309	(786)	(19.2)	**Adjusted operating profit**		12,568	9,924	(2,644)	(21.0)
(11)	26	37		Net financial income (expense)[b]		(37)	22	59	
37	23	(14)		Net income from investments[b]		103	123	20	
(2,165)	(1,986)	179		Income taxes[b]		(6,659)	(5,641)	1,018	
52.5	*59.1*	*6.6*		*Tax rate (%)*		*52.7*	*56.0*	*3.3*	
1,956	1,372	(584)	(29.9)	**Adjusted net profit**		5,975	4,428	(1,547)	(25.9)
				Results also include:					
1,106	1,377	271	24.5	amortizations and depreciations		3,358	3,924	566	16.9
				of which:					
189	*389*	*200*	..	*- amortizations of exploratory drilling expenditure and other*		*505*	*1,004*	*499*	*98.8*
66	*115*	*49*	*74.2*	*- amortizations of geological and geophysical exploration expenses*		*151*	*277*	*126*	*83.4*
1,152	1,725	573	49.7	**Capital expenditures**		3,266	4,562	1,296	39.7
263	*449*	*186*	*70.7*	*of which: exploration expenditures*[c]		*642*	*1,197*	*555*	*86.4*
				Production[d]					
1,041	975	(66)	(6.3)	Liquids[e]	(kbbl/d)	1,080	1,010	(70)	(6.5)
3,834	3,927	93	2.4	Natural gas	(mmcf/d)	3,911	4,017	106	2.7
1,709	**1,659**	**(50)**	**(2.9)**	**Total hydrocarbons**	(kboe/d)	**1,761**	**1,710**	**(51)**	**(2.9)**
				Average realisations					
65.20	70.95	5.75	8.8	Liquids[e]	($/bbl)	61.81	63.11	1.30	2.1
5.44	5.14	(0.30)	(5.6)	Natural gas	($/mcf)	5.27	5.16	(0.11)	(2.0)
52.21	**54.38**	**2.17**	**4.2**	**Total hydrocarbons**	($/boe)	**50.00**	**50.02**	**0.02**	**0.0**
				Average oil market prices					
69.49	74.87	5.38	7.7	Brent dated	($/bbl)	66.96	67.13	0.17	0.3
54.55	54.45	(0.10)	(0.2)	Brent dated	(€/bbl)	53.82	49.95	(3.87)	(7.2)
70.38	75.48	5.10	7.2	West Texas Intermediate	($/bbl)	68.02	66.12	(1.90)	(2.8)
214.36	217.89	3.53	1.6	Gas Henry Hub	($/kmc)	239.08	246.15	7.07	3.0

(a) Before elimination of intragroup sales.
(b) Excluding special items.
(c) Includes exploration bonuses.
(d) Includes Eni's share of production of equity-accounted entities.
(e) Includes condensates.

RESULTS

Third quarter

Adjusted operating profit for the third quarter 2007 was €3,309 million, a decrease of €786 million from the third quarter 2006, or 19.2%, due primarily to:
(i) the adverse impact of the appreciation of the euro versus the dollar (approximately €290 million);
(ii) lower production sold (down 5.6 mmboe);
(iii) higher expenses incurred in connection with exploration activities (€249 million; €283 million on a constant exchange rate basis); (iv) rising operating costs and amortization/depreciation charges reflecting the impact of sector specific inflation.

Oil and gas realizations in dollars increased by 4.2% due to higher liquid realizations as compared to the marker Brent which benefited from narrowing differentials between heavy and light crude recorded in the third quarter, partly offset by lower gas realizations, related to the time-lag in indexation mechanisms.

Adjusted net profit was €1,372 million, down €584 million, or 29.9% from the third quarter of 2006, primarily due to a weaker operating performance and an increase in tax rate from 52.5% to 59.1%, due to a higher share of profit before income taxes generated in countries with higher marginal tax rates.

First nine months

Adjusted operating profit recorded for the first first nine months of 2007 amounted to €9,924 million, down €2,644 million or 21% from first first nine months of 2006, due mainly to:

(i) the adverse impact of the appreciation of the euro over the dollar (approximately €870 million);
(ii) a decline in production sold (down 17.8 mmboe);
(iii) higher exploration expenses (€625 million, €709 million at constant exchange rates);
(iv) rising operating costs and amortization and depreciation charges.

Adjusted net profit of €4,428 million declined by €1,547 million, down 25.9% from first first nine months of 2006 due to a weaker operating performance and an increase in the adjusted tax rate (from 52.7% to 56%) due to a change in the fiscal regime of Algeria enacted in the second half of 2006.

Special charges excluded by the adjusted operating profit of €65 million for the first first nine months 2007 primarily related to the depreciation of mineral assets.

PRODUCTION

Third quarter						Nine months			
2006	2007	Change	% Ch.			2006	2007	Change	% Ch.
1,709	**1,659**	**(50)**	**(2.9)**	**Daily production of oil and natural gas** [(a)(b)]	(kboe/d)	**1,761**	**1,710**	**(51)**	**(2.9)**
235	204	(31)	(13.2)	Italy		239	214	(25)	(10.5)
554	568	14	2.5	North Africa		550	578	28	5.1
365	324	(41)	(11.2)	West Africa		372	331	(41)	(11.0)
254	213	(41)	(16.1)	North Sea		279	254	(25)	(9.0)
301	350	49	16.3	Rest of world		321	333	12	3.7
152.3	**147.0**	**(5.3)**	**(3.5)**	**Oil and natural gas production sold** [(a)]	(mmboe)	**465.9**	**449.3**	**(16.6)**	**(3.6)**

Third quarter						Nine months			
2006	2007	Change	% Ch.			2006	2007	Change	% Ch.
1,041	**975**	**(66)**	**(6.3)**	**Daily production of liquids** [(a)]	(kbbl/d)	**1,080**	**1,010**	**(70)**	**(6.5)**
77	73	(4)	(5.2)	Italy		79	75	(4)	(5.1)
330	315	(15)	(4.5)	North Africa		327	326	(1)	(0.3)
315	275	(40)	(12.7)	West Africa		325	283	(42)	(12.9)
164	136	(28)	(17.1)	North Sea		177	153	(24)	(13.6)
155	176	21	13.5	Rest of world		172	173	1	0.6

Third quarter						Nine months			
2006	2007	Change	% Ch.			2006	2007	Change	% Ch.
3,834	**3,927**	**93**	**2.4**	**Daily production of natural gas** [(a)(b)]	(mmcf/d)	**3,911**	**4,017**	**106**	**2.7**
906	751	(155)	(17.1)	Italy		924	797	(127)	(13.7)
1,283	1,455	172	13.4	North Africa		1,278	1,448	170	13.3
287	282	(5)	(1.7)	West Africa		266	280	14	5.3
517	443	(74)	(14.3)	North Sea		586	579	(7)	(1.2)
841	996	155	18.4	Rest of world		857	913	56	6.5

(a) Includes Eni's share of production of equity-accounted entities.
(b) Includes own consumption of natural gas (299 mmcf/d in the third quarter of 2007, 285 mmcf/d in the third quarter of 2006, 295 mmcf/d in the first nine months of 2007 and 285 mmcf/d in the first nine months of 2006).

Third quarter
Oil and natural gas production in the third quarter of 2007 averaged 1,659 kboe/d, a decrease of 50 kboe/d compared to the same period last year (down 2.9%). This reduction was due primarily to the negative impact of disruptions resulting from continuing social unrest in Nigeria (down 25 kboe/d), unplanned downtime and technical issues in the North Sea, particularly the accident occurred to the Cats pipeline, and mature fields declines in Italy and the United Kingdom. Increased oil prices reduced volume entitlements (down 11 kboe/d) for the recovery of expenditures and operating costs in Eni's Production Sharing Agreements and buy-back contracts. These negative effects were offset in part by the contribution of recently acquired properties in the Gulf of Mexico and Congo (up 77 kboe/d) and organic growth achieved in Kazakhstan and Libya. 88% of oil and natural gas was produced outside Italy (86% in the third quarter of 2006).

Daily production of oil and condensates (975 kbbl/d) decreased by 66 kbbl/d, or 6.3% from the third quarter 2006. Production decreases were reported mainly in: (i) Nigeria and the North Sea due to the above mentioned causes; (ii) mature field declines in particular in Italy and the United Kingdom. Main increases were registered in: (i) the Gulf of Mexico and Congo due to the contribution of purchased assets; (ii) Kazakhstan due to a better performance of the Karachaganak field and to the fact that maintenance activities were performed in 2006.

Daily production of natural gas for the third quarter (3,927 mmcf/d) increased by 93 mmcf/d, or 2.4% mainly in the Gulf of Mexico, Libya as a result of the build-up of the Western Libyan Gas Project, Egypt for the development of reserves in the Nile Delta, Kazakhstan and Norway. Gas production decreased due to mature field declines in Italy and in the United Kingdom due to technical issues.

First nine months
Oil and natural gas production for the first first nine months of 2007 averaged 1,710 kboe/d, a decrease of 51 kboe/d compared to the same period last year (down 2.9%), due to disruptions in Nigeria related to social unrest (down 27 kboe/d), unplanned downtime and technical issues in the North Sea and mature field declines in particular in Italy and the United Kingdom. As compared to the same period in 2006, production performance for the period was impacted also by the loss of production at the Venezuelan Dación oilfield (down 20 kbbl/d) as a consequence of the unilateral cancellation of the service agreement for the field exploitation by the Venezuelan State Oil Company PDVSA which took effect on April 1, 2006. These negative factors were offset in part by the contribution of recently acquired assets in the Gulf of Mexico and Congo and production increases in Libya and Kazakhstan. Oil and natural gas production share outside Italy was 88% (86% in the first first first nine months of 2006).

Daily production of oil and condensates (1,010 kbbl) decreased by 70 kbbl/d, or 6.5% from the same period in 2006. Production decreases were reported mainly in Nigeria, Venezuela and the North Sea due to the above mentioned causes. Main increases were registered in Kazakhstan, reflecting a better performance at the Karachaganak field and in the United States, due to the resumption of full activity at plants damaged by hurricanes in the second half of 2005.
Daily production of natural gas for first first nine months of 2007 (4,017 mmcf/d) increased by 106 mmcf, or 2.7% mainly in Libia, as a result of production ramp-up at the Bahr Essalam field, in the Gulf of Mexico due to asset acquisition and in Norway, particularly at the Aasgard (Eni's interest 14.81%) and Kristin (Eni's interest 8.25%) fields. Gas production in Italy and in the United Kingdom decreased due to mature field declines.

GAS & POWER

Third quarter 2006	2007	Change	% Ch.	(€ million)	Nine months 2006	2007	Change	% Ch.
				Results				
5,265	**5,215**	**(50)**	**(0.9)**	**Net sales from operations** [(a)]	**20,198**	**18,937**	**(1,261)**	**(6.2)**
592	**590**	**(2)**	**(0.3)**	**Operating profit**	**2,499**	**2,696**	**197**	**7.9**
(6)	(28)			Exclusion of inventory holding (gains) losses	(26)	80		
33	19			Exclusion of special items:	140	7		
				of which:				
57				Non-recurring items	57	(18)		
(24)	19			Other special items	83	25		
				- asset impairments	*51*			
3	*1*			*- environmental provisions*	*42*	*2*		
5	*18*			*- provisions for redundancy incentives*	*22*	*23*		
(32)				*- other*	*(32)*			
619	**581**	**(38)**	**(6.1)**	**Adjusted operating profit**	**2,613**	**2,783**	**170**	**6.5**
186	*131*	*(55)*	*(29.6)*	*Market and Distribution*	*1,230*	*1,376*	*146*	*11.9*
230	*272*	*42*	*18.3*	*Transport in Italy*	*801*	*826*	*25*	*3.1*
140	*131*	*(9)*	*(6.4)*	*International transportation*	*435*	*418*	*(17)*	*(3.9)*
63	*47*	*(16)*	*(25.4)*	*Power generation* [(b)]	*147*	*163*	*16*	*10.9*
6	4	(2)		Net financial incomes (expense) [(c)]	17	8	(9)	
100	78	(22)		Net income from investments [(c)]	392	296	(96)	
(253)	(198)	55		Income taxes [(c)]	(1,033)	(1,045)	(12)	
34.9	*29.9*	*(5.0)*		*Tax rate (%)*	*34.2*	*33.9*	*(0.3)*	
472	**465**	**(7)**	**(1.5)**	**Adjusted net profit**	**1,989**	**2,042**	**53**	**2.7**
311	**362**	**51**	**16.4**	**Capital expenditures**	**721**	**888**	**167**	**23.2**
				Natural gas sales (bcm)				
16.47	**17.11**	**0.64**	**3.9**	**Sales of consolidates companies**	**61.86**	**59.70**	**(2.16)**	**(3.5)**
10.89	11.46	0.57	5.2	Italy (includes own consumption)	41.43	39.93	(1.50)	(3.6)
5.31	5.29	(0.02)	(0.4)	Rest of Europe	19.79	19.05	(0.74)	(3.7)
0.27	0.36	0.09	33.3	Outside Europe	0.64	0.72	0.08	12.5
1.62	**1.96**	**0.34**	**21.0**	**Sales of natural gas of Eni's affiliates (net to Eni)**	**5.68**	**6.00**	**0.32**	**5.6**
18.09	**19.07**	**0.98**	**5.4**	**Total sales and own consumption G&P**	**67.54**	**65.70**	**(1.84)**	**(2.7)**
0.81	0.67	(0.14)	(17.3)	Upstream in Europe	3.01	2.61	(0.40)	(13.3)
18.90	**19.74**	**0.84**	**4.4**	**Worldwide gas sales**	**70.55**	**68.31**	**(2.24)**	**(3.2)**
19.02	**16.98**	**(2.04)**	**(10.7)**	**Gas volumes transported in Italy** (bcm)	**65.54**	**58.87**	**(6.67)**	**(10.2)**
12.09	10.60	(1.49)	(12.3)	Eni	42.12	37.31	(4.81)	(11.4)
6.93	6.38	(0.55)	(7.9)	On behalf of third parties	23.42	21.56	(1.86)	(7.9)
7.85	**8.67**	**0.82**	**10.4**	**Electricity sold** (TWh)	**23.24**	**24.91**	**1.67**	**7.2**

(a) Before elimination of intragroup sales.
(b) Starting on January 1, 2007, results from marketing of electricity have been included in results from market and distribution activities following an internal reorganization. As a consequence of this, electricity generation activity conducted by EniPower subsidiary comprises only results from production of electricity. Prior quarter results have not been restated.
(c) Excluding special items.

RESULTS

Third quarter

Adjusted operating profit for the third quarter of 2007 was €581 million, representing a decline of €38 million from the third quarter of 2006, or 6.1%. This was due mainly to a decline in gas selling margins due to an unfavourable trading environment reflecting different reference periods for energy parameters to which

natural gas purchase and selling prices are contractually indexed. This trend was particularly significant in the thermoelectric segment. Also selling margins to wholesalers declined due to the current scheme for the indexation of the raw material component in tariffs.
These negative factors were partly offset by: (i) a growth achieved in sales volumes from consolidated subsidiaries (up 3.9%); and (ii) better operating performance recorded by transport activities in Italy reflecting tariff entitlements against expenditures incurred for upgrading the network.
Adjusted net profit of the third quarter of 2007 decreased by €7 million to €465 million, down 1.5%.

First nine months
Adjusted operating profit for the first first nine months of 2007 increased by €170 million to €2,783, up 6.5%, notwithstanding the occurrence of unusually mild winter weather conditions resulting in lower volumes sold of natural gas by consolidated subsidiaries (down 2.16 bcm, or 3.5%). Despite this negative impact, divisional results were driven by:

(i) The positive impact of favourable developments with Italy's regulatory framework. This reflected the enactment of resolution No. 79/2007 by the Authority for Electricity and Gas implementing a more favourable indexation mechanism of the raw material cost component in supplies to residential users compared to what was in force in the first half of 2006. Additionally, Eni fulfilled obligations provided by this resolution to renegotiate wholesale contracts based on the same indexation mechanism resulting in the partial reversal of provisions accrued in 2005 and in the first half of 2006 with respect to expected charges for these renegotiations;
(ii) Higher supply costs incurred in the same period last year caused by a climatic emergency during the 2005-2006 winter;
(iii) Better operating performance recorded by transport activities in Italy.

In the first nine months of 2007 the impact of the trading environment on gas selling margins yielded a decline in operating results as compared to the first nine months of 2006, owing to the unfavourable trends recorded in the third quarter.

Net adjusted profit for the first nine months of 2007 was €2,042 million, representing an increase of €53 million over the first nine months of 2006, up 2.7%. This reflected higher adjusted operating profit, offset in part by weaker performance in certain affiliates accounted for under the equity method of accounting.

Other performance indicators

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
882	**797**	**(85)**	**(9.6)**	**EBITDA adjusted**	**3,364**	**3,485**	**121**	**3.6**
345	*268*	*(77)*	*(22.3)*	*Market*	*1,460*	*1,606*	*146*	*10.0*
193	*215*	*22*	*11.4*	*Regulated business*	*895*	*863*	*(32)*	*(3.6)*
250	*234*	*(16)*	*(6.4)*	*International transportation*	*766*	*753*	*(13)*	*(1.7)*
94	*80*	*(14)*	*(14.9)*	*Power generation*	*243*	*263*	*20*	*8.2*

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) on an adjusted basis is calculated by adding to adjusted operating profit amortization and depreciation charges on a pro forma basis. This performance indicator, which is not a GAAP measure under either IFRSs or U.S. GAAP, includes
Adjusted EBITDA of Eni's wholly-owned subsidiaries;
Eni's share of adjusted EBITDA of Snam Rete Gas (55%), which is fully-consolidated when preparing consolidated financial statements in accordance with IFRSs;
Eni's share of adjusted EBITDA generated by certain affiliates which are accounted for under the equity-method for IFRSs purposes.
Management evaluates performance in Eni's Gas & Power division also on the basis of this measure taking account of the evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided with the intent to assist investors and financial analysts in assessing the Eni Gas & Power divisional performance as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities.

SALES

Third quarter				(bcm)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
10.89	**11.46**	**0.57**	**5.2**	**Italy**	**41.44**	**39.96**	**(1.48)**	**(3.6)**
1.36	2.01	0.65	47.8	Wholesalers	8.09	8.90	0.81	10.0
0.31	0.42	0.11	35.5	Gas release	1.44	1.37	(0.07)	(4.9)
2.74	2.57	(0.17)	(6.2)	Industries	9.83	8.90	(0.93)	(9.5)
4.47	4.32	(0.15)	(3.4)	Power generation	12.37	12.13	(0.24)	(1.9)
0.51	0.52	0.01	2.0	Residential	5.13	4.17	(0.96)	(18.7)
1.50	1.62	0.12	8.0	Own consumption	4.58	4.49	(0.09)	(2.0)
6.65	**6.72**	**0.07**	**1.1**	**Rest of Europe**	**24.84**	**23.91**	**(0.93)**	**(3.7)**
2.81	1.61	(1.20)	(42.7)	Importers in Italy	10.32	7.32	(3.00)	(29.1)
3.84	5.11	1.27	33.1	Target markets	14.52	16.59	2.07	14.3
1.41	*1.94*	*0.53*	*37.6*	*- Iberian Peninsula*	*3.88*	*4.86*	*0.98*	*25.3*
0.71	*1.11*	*0.40*	*56.3*	*- Germany - Austria*	*3.22*	*3.39*	*0.17*	*5.3*
0.23	*0.15*	*(0.08)*	*(34.8)*	*- Hungary*	*2.20*	*1.52*	*(0.68)*	*(30.9)*
0.57	*0.68*	*0.11*	*19.3*	*- Northern Europe*	*1.84*	*2.25*	*0.41*	*22.3*
0.75	*0.87*	*0.12*	*16.0*	*- Turkey*	*2.48*	*3.33*	*0.85*	*34.3*
0.13	*0.28*	*0.15*	*..*	*- France*	*0.70*	*1.05*	*0.35*	*50.0*
0.04	*0.08*	*0.04*	*100.0*	*- Other*	*0.20*	*0.19*	*(0.01)*	*(5.0)*
0.55	**0.89**	**0.34**	**61.8**	**Outside Europe**	**1.26**	**1.83**	**0.57**	**45.2**
0.81	0.67	(0.14)	(17.3)	Upstream in Europe	3.01	2.61	(0.40)	(13.3)
18.90	**19.74**	**0.84**	**4.4**	**Worldwide gas sales**	**70.55**	**68.31**	**(2.24)**	**(3.2)**

Third quarter

In the third quarter of 2007, natural gas sales of 19.74 bcm, including own consumption, Eni's share of sales by affiliates and upstream sales in Europe grew by 0.84 bcm from the third quarter of 2006, up 4.4%. In particular volumes on target markets in the rest of Europe grew by 1.27 bcm, in Italy volumes grew by 0.57 bcm and outside Europe volumes grew by 0.34 bcm. These increases were offset in part by lower supplies to Italian importers (down 1.20 bcm) essentially due lower supplies of Libyan gas and the expiration of a supply contract with Promgas.

In an increasingly competitive market, sales in the Italian market were 11.46 bcm with an increase of 0.57 bcm, or 5.2%. This increase reflected higher sales to wholesalers (up 0.65 bcm), in view of optimizing equity production of Libyan gas, also entailing lower supplies to Italian importers, and higher own consumption[3] (up 0.12 bcm) for power generation. These positives were offset in part by to lower sales to industrial users (down 0.17 bcm) and to the power generation sector (down 0.15 bcm). Sales under the gas release[4] program (0.42 bcm) increased by 0.11 bcm.

Gas sales in target markets of the rest of Europe were 5.11 bcm, including sales of affiliates, with an increase of 1.27 bcm, or 33.1%, due to growth registered in: (i) Spain (up 0.53 bcm); (ii) Germany/Austria (up 0.40 bmc); (iii) France (up 0.15 bcm); (iv) Turkey (up 0.12 bcm).
Sales of Eni's affiliates in the rest of Europe (net to Eni and net of Eni's supplies) amounted to 1.43 bcm, a 0.09 bcm increase or 6.7%. Main sales volumes were achieved by Unión Fenosa Gas (Eni's interest 50%) with 0.42 bcm and GVS (Eni's interest 50%) with 0.33 bcm.
Sales outside Europe (0.89 bcm) increased by 0.34 bcm from the third quarter of 2006, or 61.8%, due to higher volumes of LNG sold by Unión Fenosa Gas (Eni's interest 50%) to the Far East and the United States markets.

(3) In accordance with Article 19, paragraph 4 of Legislative Decree No. 164/2000, the volumes of natural gas consumed in operations by a company or its subsidiaries are excluded from the calculation of ceilings for sales to end customers and from volumes input into the Italian network to be sold in Italy.
(4) In June 2004 Eni agreed with the Antitrust Authority to sell a total volume of 9.2 billion cubic meters of natural gas (2.3 billion cubic meters/year) in the four thermal years from October 1, 2004 to September 30, 2008 at the Tarvisio entry point into the Italian network.

Eni transported 16.98 bcm of natural gas in Italy, a decrease of 2.04 bcm from the third quarter of 2006, down 10.7%, due to a decline in domestic demand.

Volumes transported on behalf of third parties declined by 0.55 bcm, those transported on behalf of Eni declined by 1.49 bcm.

Sales of electricity (8.67 TWh) increased by 0.82 TWh, up 10.4%, due to higher sales to the open market.

First nine months

In the first nine months of 2007, natural gas sales of 68.31 bcm, including own consumption, Eni's share of sales by affiliates and upstream sales in Europe, declined by 2.24 bcm from the first nine months of 2006, or 3.2%, due to declining demand in Europe resulting from unusually mild winter weather conditions. Lower sales in Italy (down 1.48 bcm), in the rest of Europe (down 0.93 bcm) and lower volumes of equity gas from the North Sea (down 0.40 bcm) were offset in part by higher sales outside Europe (up 0.57 bcm).
In an increasingly competitive market, sales in the Italian market were 39.96 bcm with a decline of 1. 48 bcm, or 3.6%, due in particular to lower sales to residential and commercial users (down 0.96 bcm), to industrial users (down 0.93 bcm) and to the power generation sector (down 0.24 bcm), offset in part by higher sales to wholesalers (up 0.81 bcm) in view of optimizing equity production of Libyan gas, also entailing lower supplies to Italian importers.

Sales under the gas release program (1.37 bcm) declined by 0.07 bcm.

Own consumption for electricity generation (4.49 bcm) declined by 0.09 bcm, or 2%.
Sales to importers into Italy declined by 3 bcm, or 29.1%, due to lower offtakes related to mild winter weather conditions and lower supplies of Lybian gas to Italian importers as well as the expiration of a contract with Promgas.

Gas sales in target markets of the rest of Europe were 6.59 bcm, including sales of affiliates with an increase of 2.07 bcm, or 14.3%, due to growth registered in: (i) Spain (up 0.98 bcm); (ii) Turkey (up 0.85 bcm); (iii) Northern Europe (up 0.41 bcm); (iv) France (up 0.35 bcm). This growth was offset in part by lower sales in Hungary (down 0.68 bcm). Sales of Eni's affiliates in the rest of Europe (net to Eni and net of Eni's supplies) amounted to 4.86 bcm, a 0.19 bcm decline. Main sales volumes were achieved by: (i) GVS (Eni's interest 50%) with 1.72 bcm; (ii) Unión Fenosa Gas (Eni's interest 50%) with 1.27 bcm.

Sales outside Europe (1.83 bcm) increased by 0.57 bcm, or 45.2% due to higher volumes on LNG sold by Unión Fenosa Gas (Eni's interest 50%) to the Far East and the United States.

Eni transported 58.87 bcm of natural gas in Italy, a decrease of 6.67 bcm from the first nine months of 2006, down 10.2%, due to a decline in domestic demand. Volumes transported on behalf of third parties declined by 1.86 bcm, those transported on behalf of Eni declined by 4.81 bcm.

Sales of electricity (24.91 TWh) increased by 1.67 TWh, up 7.2% due to higher sales on the open market.

REFINING & MARKETING

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
				Results				
10,185	**9,052**	**(1,133)**	**(11.1)**	**Net sales from operations** [a]	**29,631**	**25,932**	**(3,699)**	**(12.5)**
250	**282**	**32**	**12.8**	**Operating profit**	**705**	**702**	**(3)**	**(0.4)**
83	(219)			Exclusion of inventory holding (gains) losses	(171)	(406)		
30	56			Exclusion of special items:	108	128		
				of which:				
				Non-recurring items		37		
30	56			Other special items	108	91		
				- asset impairments	*1*	*1*		
23	*42*			*- environmental provisions*	*84*	*74*		
6	*16*			*- provisions for redundancy incentives*	*17*	*19*		
1				*- provision to the reserve for contingencies*	*4*			
	(2)			*- other*	*2*	*(3)*		
363	**119**	**(244)**	**(67.2)**	**Adjusted operating profit**	**642**	**424**	**(218)**	**(34.0)**
42	28	(14)		Net income from investments [b]	153	112	(41)	
(148)	(52)	96		Income taxes [b]	(281)	(191)	90	
36.5	*35.4*	*(1.1)*		*Tax rate (%)*	*35.3*	*35.6*	*0.3*	
257	**95**	**(162)**	**(63.0)**	**Adjusted net profit**	**514**	**345**	**(169)**	**(32.9)**
141	**231**	**90**	**63.8**	**Capital expenditures**	**373**	**550**	**177**	**47.5**
				Global indicator refining margin				
4.27	4.04	(0.23)	(5.4)	Brent ($/bbl)	4.33	4.67	0.34	7.9
3.35	2.94	(0.41)	(12.2)	Brent (€/bbl)	3.48	3.47	(0.01)	(0.3)
6.82	5.19	(1.63)	(23.9)	Ural ($/bbl)	7.04	6.56	(0.48)	(6.8)

(a) Before elimination of intragroup sales.
(b) Excluding special items.

RESULTS

Third quarter

The Refining & Marketing division reported an adjusted operating profit of €119 million, down €244 million, or 67.2% compared to the third quarter of 2006. This decline reflected a weaker operating performance delivered by the refining business, in the wake of an unfavourable trading environment due to the narrowing of price differentials between light and heavy crude qualities that penalized complex throughputs by reducing the competitive advantage to process low-cost feedstock and the appreciation of the euro over the dollar. Partially offsetting these effects was better yields of refineries.
Marketing activities in Italy reported a marginally lower operating profit mainly due to a decline in wholesale margins, particularly for aviation fuels and bitumen, partially offset by improved results reported by retail marketing reflecting also higher volumes sold.

Adjusted net profit for the third quarter was €95 million, down €162 million, or 63%, from a year ago. Special charges excluded from the adjusted operating profit of the third quarter (€56 million) concerned mainly environmental provisions and employee redundancy incentives.

First nine months

Adjusted operating profit for the first nine months of 2007 amounted to €424 million, down €218 million from the first nine months of 2006, or 34%. This reflected a weaker operating performance delivered by the refining business on the back of an unfavourable trading environment and the appreciation of the euro over the dollar. Partially offsetting these effects were higher yields of refineries and lower downtimes.
Marketing activities in Italy reported a lower operating profit mainly due to (i) lower retail margins;

(ii) a decline in wholesale business results due to lower margins and volumes marketed (down 7.8%), the latter also reflected unusually mild winter weather causing lower sales of home-heating fuels.

The adjusted net profit for the first nine months of 2007 was €345 million, down €169 million, or 32.9%.

Special charges (€128 million) excluded from the adjusted operating profit related mainly to environmental provisions and a risk provision relating to an ongoing antitrust proceeding against European authorities.

Throughputs and sales

Third quarter				(mmtonnes)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
				Throughputs and sales				
8.56	8.28	(0.28)	(3.3)	Refing throughputs on own account Italy	24.30	24.38	0.08	0.3
1.22	1.14	(0.08)	(6.6)	Refing throughputs on own account rest of Europe	3.49	3.36	(0.13)	(3.7)
7.18	6.98	(0.20)	(2.8)	Refing throughputs of wholly-owned refineries	19.81	20.74	0.93	4.7
2.24	2.25	0.01	0.6	Retail sales Italy	6.50	6.43	(0.07)	(1.1)
1.03	1.05	0.02	1.9	Retail sales rest of Europe	2.85	2.94	0.09	3.2
3.27	**3.30**	**0.03**	**0.9**	**Sub-total retail sales**	**9.35**	**9.37**	**0.02**	**0.2**
2.97	2.85	(0.12)	(4.0)	Wholesale Italy	8.81	8.12	(0.69)	(7.8)
1.07	1.14	0.07	6.5	Wholesale Rest of Europe	3.13	3.21	0.08	2.6
0.09	0.14	0.05	55.6	Wholesale Rest of World	0.31	0.41	0.10	32.3
5.68	4.47	(1.21)	(21.3)	Other sales	16.35	15.16	(1.19)	(7.3)
13.08	**11.90**	**(1.18)**	**(9.0)**	**Sales**	**37.95**	**36.27**	**(1.68)**	**(4.4)**
				Refined product sales by region				
7.58	6.65	(0.93)	(12.3)	Italy	22.72	20.70	(2.02)	(8.9)
2.10	2.19	0.09	4.3	Rest of Europe	5.98	6.15	0.17	2.8
3.40	3.06	(0.34)	(10.0)	Rest of World	9.25	9.42	0.17	1.8

Third quarter

In the third quarter of 2007, refining throughputs on Eni's own account (9.42 mmtonnes) decreased by 360 ktonnes as compared to the third quarter of 2006, due to the expiration of a processing contract at the Priolo refinery owned by third parties occurred at the end of 2006 (down 280 ktonnes in the third quarter, down 940 ktonnes in the first nine months). Excluding this effect, refining throughputs in Italy were stable compared to the third quarter of 2006 as a result of:

- Better volume performance at the Gela and Milazzo refineries.
- Lower volume performance at the Sannazzaro and Taranto refineries reflecting planned and unplanned downtime.

In the third quarter of 2007 sales of refined products decreased by 1.17 mmtonnes to 11.91 mmtonnes, down 8.9%, due mainly to sales to oil companies and traders in Italy and outside Italy and lower volumes marketed on wholesale markets in Italy.
Volumes of refined products marketed on the retail market in Italy increased by 0.6% to 2.25 mmtonnes with a higher rate growth compared to domestic consumption supported by Eni's marketing initiatives. Gasoline sales declined, while diesel fuel sales increased driven by ongoing trends in vehicle substitution.
Retail market share in Italy increased slightly from 29.6% in the third quarter of 2006 to 29.8%. Average throughput (0.64 mmliters in the third quarter of 2007) is in line with the same period in 2006.
Volumes marketed on retail markets in the rest of Europe increased by 1.9% to 1.05 mmtonnes, mainly in Spain.
Market share in the rest of Europe was stable at 3.3%.

Average throughput (0.68 mmliters in the third quarter of 2007) decreased by approximately 40 kliters from the same period in 2006.
Sales in the wholesale market in Italy decreased by 4% from the third quarter of 2006, to 2.85 mmtonnes, due to lower sales of heating oil related to competitive pressure and lower demand from the power generation sector.

First nine months
In the first nine months of 2007 refining throughputs on Eni's own account (27.74 mmtonnes) decreased by 50 ktonnes due to the expiration of a processing contract at the Priolo refinery as above described. Excluding this effect, refining throughputs in Italy increased by one million tonnes, or 4%, to 24.38 mmtonnes reflecting better performance at the Livorno and Milazzo, Gela and Venice refineries owing to lower downtime, partially offset by decreases at the Taranto refinery because of a a slow plant resumption following technical issues and Sannazzaro refinery for planned downtime.
In the first nine months of 2007, sales of refined products decreased by 1.68 mmtonnes from the first nine months of 2006, to 36.27 mmtonnes, down 4.4%. This was due to lower volumes sold to oil companies and traders in Italy, lower sales of feedstock to the petrochemical sector as a result of the expiration of a processing contract at the Priolo refinery and lower sales on the wholesale market in Italy.
Sales of refined products on the retail market in Italy were 6.43 mmtonnes, a 1.1% decline, due to competitive pressure.
Retail market share in Italy was 29.1%, slightly decreasing compared with the same period of 2006. A 0.3 percentage point increase was recorded versus the first half of 2007. Average throughput (1.82 mmliters in the first nine months of 2007) declined by about 20 kliters.
Sales in the retail market in the rest of Europe increased by 3.2% to 2.94 mmtonnes, mainly in Spain. Market share in the rest of Europe was stable from the first nine months of 2006 at 3.2%. Average throughput (1.91 mmliters in the first nine months of 2007) increased by approximately 70 kliters from the same period in 2006.

Sales in the wholesale market in Italy decreased by 7.8% to 8.12 mmtonnes, due to lower demand for heating oil from the power generation sector, unusually mild winter weather conditions that impacted sales of heating products (diesel oil and LPG) and competitive pressure.

PETROCHEMICALS

Third quarter				(€ million)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
				Results				
1,743	**1,767**	**24**	**1.4**	**Net sales from operations** [a]	**5,083**	**5,243**	**160**	**3.1**
31	**5**	**(26)**	**(83.9)**	**Operating profit**	**100**	**216**	**116**	**..**
5	9			Exclusion of inventory holding (gains) losses	(56)	(19)		
1	16			Exclusion of special items	21	22		
				of which:				
				Non-recurring items		6		
1	*16*			Other special items	*21*	*16*		
				- asset impairments				
4	*16*			*- provisions for redundancy incentives*	*5*	*16*		
				- provision to the reserve for contingencies	*20*			
(3)				*- other*	*(4)*			
37	**30**	**(7)**	**(18.9)**	**Adjusted operating profit**	**65**	**219**	**154**	**..**
	1	1		Net financial income (expense) [b]		1	1	
				Net income from investments [b]	1	2	1	
(33)	(13)	20		Income taxes [b]	(33)	(74)	(41)	
4	**18**	**14**	**..**	**Adjusted net profit**	**33**	**148**	**115**	**..**
18	**32**	**14**	**77.8**	**Capital expenditures**	**52**	**88**	**36**	**69.2**

(a) Before elimination of intragroup sales.
(b) Excluding special items.

RESULTS

Third quarter

Adjusted operating profit in the third quarter of 2007 amounted to €30 million decreasing by €7 million from the third quarter of 2006 down 18.9% due to lower selling margins, essentially the cracker margin and in the aromatics businesses, offset in part by higher volumes produced and sold as compared to the slow down of 2006 as a consequence of the accident occurred at the Priolo refinery in April 2006 provoking outages at several Eni's petrochemicals plants.

First nine months

Adjusted operating profit in the first nine months of 2007 increased by €154 million from the first nine months of 2006 due mainly to higher selling margins of all main products in addition to the fact that production and sales of the same period of 2006 were hit by an accident occurred at the Priolo refinery in April 2006.

Special charges excluded from the adjusted operating profit of the first nine months of 2007 (€22 million, €16 million in the third quarter of 2007) concerned essentially provisions to the risk reserve related to antitrust procedure pending with European authorities and employees redundancy incentives.

PRODUCTION AND SALES

Third quarter				(ktonnes)	Nine months			
2006	2007	Change	% Ch.		2006	2007	Change	% Ch.
1,729	**2,201**	**472**	**27.3**	**Production**	**5,283**	**6,612**	**1,329**	**25.2**
1,261	**1,354**	**93**	**7.4**	**Sales of petrochemical products**	**3,941**	**4,166**	**225**	**5.7**
680	*737*	*57*	*8.4*	*Basic petrochemicals*	*2,100*	*2,247*	*147*	*7.0*
248	*252*	*4*	*1.6*	*Styrene and elastomers*	*763*	*796*	*33*	*4.3*
333	*365*	*32*	*9.6*	*Polyethylene*	*1,078*	*1,123*	*45*	*4.2*

Third quarter

Sales of petrochemical products (1,354 ktonnes) increased by 93 ktonnes from the third quarter of 2006, up 7.4%, reflecting positive demand trends and the fact that performance in 2006 was hit by an accident occurred at the Priolo refinery in April 2006. Main increases were registered in intermediates (up 14.8%), elastomers (up 10.4%) due also to the purchase of the NBR line in the Porto Torres plant, polyethylene (up 9.6%). Lower sales were recorded by styrene (down

3.2%) dragged by the slowdown in the construction business and in aromatics (down 1.7%) due to lower product availability resulting from the shutdown of the Priolo paraxylene line.
Petrochemical production (2,201 ktonnes) increased by 472 ktonnes from the third quarter of 2006, up 27.3% due to the consolidation of operations at Porto Torres (up 331 ktonnes) and the fact that production and sales of the second quarter of 2006 were by an accident occurred at the Priolo refinery in April 2006. Excluding these effects, production increased by 47 ktonnes (up 3%) due in particular to the growth registered at the Mantova and Gela plants. Lower production was registered at the Porto Marghera and Ferrara plants due to unexpected outages and technical problems.

First nine months
Sales of petrochemical products (4,166 ktonnes) increased by 225 ktonnes from the first nine months of 2006, up 5.7%, increasing in all business areas except for xylene (down 10.6%) affected by the shutdown of the Priolo line. Increases reflect positive market scenario and the fact that performance in 2006 was hit by an accident occurred at the Priolo refinery in April 2006. Higher sales were registered in (i) olefins (up 10.3%) due also to higher product availability, polyethylene (up 4.2%) and styrene (up 3.3%).
Petrochemical production (6,612 ktonnes) increased by 1,329 ktonnes from the first nine months of 2006, up 25.2% due to the consolidation of operations at Porto Torres (up 946 ktonnes) and a good performance at the Ravenna, Gela and Brindisi plants and the effect on 2006 production of the accident occurred at Priolo.

ENGINEERING & CONSTRUCTION

Third quarter				(€ million)	Nine months			
2006	**2007**	**Change**	**% Ch.**		**2006**	**2007**	**Change**	**% Ch.**
				Results				
1,930	**2,185**	**255**	**13.2**	**Net sales from operations** [(a)]	**5,010**	**6,474**	**1,464**	**29.2**
145	**211**	**66**	**45.5**	**Operating profit**	**356**	**601**	**245**	**68.8**
				Exclusion of special items		(11)		
				of which:				
				Non-recurring items		(11)		
145	**211**	**66**	**45.5**	**Adjusted operating profit**	**356**	**590**	**234**	**65.7**
27	29	2		Net income from investments [(b)]	19	67	48	
(55)	(66)	(11)		Income taxes [(b)]	(106)	(179)	(73)	
117	**174**	**57**	**48.7**	**Adjusted net profit**	**269**	**478**	**209**	**77.7**
179	**311**	**132**	**73.7**	**Capital expenditures**	**403**	**821**	**418**	**..**

(a) Before elimination of intragroup sales.
(b) Excluding special items.

RESULTS
Third quarter
Adjusted operating profit for the third quarter of 2007 was €211 million, up €66 million from the third quarter of 2006, up 45.5%, due to a better operating performance in all businesses. Major increases were registered in: (i) the Offshore construction business due to higher activity levels in Saudi Arabia and improved margins; (ii) the Onshore construction business due to higher activity levels in the Far East and in the North Sea increased activity and higher operating efficiency.
Adjusted net profit for the third quarter of 2007 was €174 million, up €57 million from the third quarter of 2006 due to a better operating performance.

First nine months
Adjusted operating profit for the first nine months of 2007 was €590 million, up €234 million from the first nine months of 2006, up 65.7%, due to a better operating performance in all business areas, in particular the higher increases were registered in the Offshore and Onshore construction areas due to higher activity levels and improved margins.
Adjusted net profit for the first nine months of 2007 was €478 million, up €209 million from the first nine months of 2006 due to a better operating performance also of affiliates.

Special charges excluded from adjusted net profit (€132 million; €125 million in the third quarter) concerned mainly gains on disposal of interests.

ORDERS ACQUIRED

	Nine months			
(€ million)	**2006**	**2007**	**Change**	**% Ch.**
Orders acquired	**8,604**	**7,428**	**(1,176)**	**(13.7)**
Offshore construction	2,860	2,753	(107)	(3.7)
Onshore construction	4,179	3,961[a]	(218)	(5.2)
Offshore drilling	1,264	394	(870)	(68.8)
Onshore drilling	301	320	19	6.3
of which:				
Eni	1,578	1,077	(501)	(31.7)
third parties	7,026	6,351	(675)	(9.6)
of which:				
Italy	700	407	(293)	(41.9)
Outside Italy	7,904	7,021	(883)	(11.2)

(€ million)	**31.12.2006**	**30.09.2007**	**Change**	**% Ch.**
Order backlog	**13,191**	**13,343**	**152**	**1.2**
Offshore construction	4,283	4,304	21	0.5
Onshore construction	6,285	6,237	(48)	(0.8)
Offshore drilling	2,247	2,334	87	3.9
Onshore drilling	376	468	92	24.5
of which:				
Eni	2,602	2,959	357	13.7
third parties	10,589	10,384	(205)	(1.9)
of which:				
Italy	1,280	948	(332)	(25.9)
Outside Italy	11,911	12,395	484	4.1

(a) Net of the backlog of divested companies (Haldor Topsøe and Camon Group).

Among the main orders acquired in the first nine months of 2007 were:

- An EPC for Sonatrach contract for the construction of three oil stabilization and treatment trains with a capacity of 100 kbbl/d and transport and storage facilities within the development of the Hassi Messaoud onshore field in Algeria.
- An EPC contract for Medgaz for the installation of an underwater pipeline system or the transport of natural gas from Algeria to Spain.
- An EPIC contract for Saudi Aramco for the construction of the nine sea water treatment modules for the expansion of the Qurayya plant within the development of the Khursaniyah field in Saudi Arabia.
- An EPC contract for Saudi Aramco for the realization and installation of 16 platforms, 80 kilometres of underwater pipelines and platform facilities aimed at maintaining the country producing capacity.
- An EPC contract for Saudi Aramco for the construction of stations for pumping in fields the water from expansion of the Qurayya plant.

Orders acquired amounted to €7,428 million, of these projects to be carried out outside Italy represented 95%, while orders from Eni companies amounted to 14% of the total. Eni's order backlog was €13,343 million at September 30, 2007 (€13,191 million at December 31, 2006). Projects to be carried out outside Italy represented 93% of the total order backlog, while orders from Eni companies amounted to 22% of the total.

OTHER ACTIVITIES

Third quarter 2006	2007	Change	% Ch.	(€ million)	Nine months 2006	2007	Change	% Ch.
				Results				
197	**49**	**(148)**	**(75.1)**	**Net sales from operations** [(a)]	**662**	**152**	**(510)**	**(77.0)**
(185)	**(51)**	**134**	**72.4**	**Operating profit**	**(401)**	**(282)**	**119**	**29.7**
91	8			Exclusion of special items	179	123		
				of which:				
				Non-recurring items		65		
91	8			Other special items:	179	58		
12				*- environmental provisions*	*64*	*83*		
6	*(4)*			*- asset impairments*	*10*	*2*		
15	*12*			*- provisions for redundancy incentive*	*16*	*13*		
53				*- provision to the reserve for contingencies*	*75*	*9*		
5				*- other*	*14*	*(49)*		
(94)	**(43)**	**51**	**54.3**	**Adjusted operating profit**	**(222)**	**(159)**	**63**	**28.4**
				Net financial income (expense) [(b)]		(4)	(4)	
				Net income from investments [(b)]	6		(6)	
(94)	**(43)**	**51**	**54.3**	**Adjusted net profit**	**(216)**	**(163)**	**53**	**24.5**
20	**8**	**(12)**	**(60.0)**	**Capital expenditures**	**34**	**43**	**9**	**26.5**

(a) Before elimination of intragroup sales.
(b) Excluding special items.

CORPORATE AND FINANCIAL COMPANIES

Third quarter 2006	2007	Change	% Ch.	(€ million)	Nine months 2006	2007	Change	% Ch.
				Results				
224	**309**	**85**	**37.9**	**Net sales from operations** [(a)]	**829**	**926**	**97**	**11.7**
(65)	**(23)**	**42**	**64.6**	**Operating profit**	**(207)**	**(122)**	**85**	**41.1**
8	8			Exclusion of special items	20	6		
				of which:				
				Non-recurring items		(11)		
8	8			Other special items	*20*	*17*		
2	*8*			*- provisions for redundancy incentives*	*14*	*17*		
6				*- other*	6			
(57)	**(15)**	**42**	**73.7**	**Adjusted operating profit**	**(187)**	**(116)**	**71**	**38.0**
(34)	(83)	(49)		Net financial income (expense) [(b)]	118	(54)	(172)	
				Net income (expense) from investments [(b)]	(1)		1	
77	31	(46)		Income taxes [(b)]	67	132	65	
(14)	**(67)**	**(53)**	**..**	**Adjusted net profit**	**(3)**	**(38)**	**(35)**	**..**
14	**20**	**6**	**42.9**	**Capital expenditures**	**40**	**48**	**8**	**20.0**

(a) Before elimination of intragroup sales.
(b) Excluding special items.

Non-GAAP measures

RECONCILIATION OF REPORTED OPERATING PROFIT AND REPORTED NET PROFIT TO RESULTS ON AN ADJUSTED BASIS

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

The following is a description of items which 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 relevant income or charges pertaining to either: (i) infrequent or unusual events and transactions, being identified as non-recurring items under such circumstances; or (ii) certain events or transactions which are not considered to be representative of the ordinary course of business, as in the case of environmental provisions, restructuring charges, asset impairments or write ups and gains or losses on divestments even though they occurred in past periods or are likely to occur in future ones. As provided for in Decision No. 15519 of July 27, 2006 of the Italian market regulator (CONSOB), non recurring material income or charges are to be clearly reported in the management's discussion and financial tables.
Finance charges or income related to net borrowings excluded from the adjusted net profit of business segments are comprised of interest charges on finance debt and interest income earned on cash and cash equivalents not related to operations. In addition gains or losses on the fair value evaluation of above mentioned derivative financial instruments and exchange rate differences are excluded from the adjusted net profit of business segments.

Therefore, the adjusted net profit of business segments includes finance charges or income deriving from certain segment-operated assets, i.e., interest income on certain receivable financing and securities related to operations and finance charge pertaining to the accretion of certain provisions recorded on a discounted basis (as in the case of the asset retirement obligations in the Exploration & Production division).
Finance charges or interest income and related taxation effects excluded from the adjusted net profit of the business segments are allocated on the aggregate Corporate and financial companies.

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

Third quarter of 2007

(€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized profit in inventory	Group
Reported operating profit	**3,309**	**590**	**282**	**5**	**211**	**(51)**	**(23)**	**56**	**4,379**
Exclusion of inventory holding (gains) losses		(28)	(219)	9					(238)
Exclusion of special items									
of which:									
Non-recurring (income) charges									
Other special charges:		**19**	**56**	**16**		**8**	**5**		**104**
- environmental charges		1	42						43
- asset impairments						(4)			(4)
- provisions to the reserve for contingencies							(3)		(3)
- provision for redundancy incentives		18	16	16		12	8		70
- other			(2)						(2)
Special items of operating profit		**19**	**56**	**16**		**8**	**5**		**104**
Adjusted operating profit	**3,309**	**581**	**119**	**30**	**211**	**(43)**	**(18)**	**56**	**4,245**
Net financial (expense) income (*)	26	4		1			(83)		(52)
Net income from investments (*)	23	78	28		29				158
Income taxes (*)	(1,986)	(198)	(52)	(13)	(66)		31	(21)	(2,305)
Tax rate (%)	*59,1*	*29,9*	*35,4*						*53,0*
Adjusted net profit	**1,372**	**465**	**95**	**18**	**174**	**(43)**	**(70)**	**35**	**2,046**
of which:									
Adjusted net profit of minorities (*)									154
Eni's adjusted net profit									**1,892**
Eni's reported net profit									**2,146**
Exclusion of inventory holding (gains) losses									(165)
Exclusion of special items:									(89)
Non-recurring (income) charges									
Other special charges									*(89)*
Eni's adjusted net profit									**1,892**

(*) Excluding special items.

Third quarter of 2006

(€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized profit in inventory	Group
Reported operating profit	**4,041**	**592**	**250**	**31**	**145**	**(185)**	**(65)**	**19**	**4,828**
Exclusion of inventory holding (gains) losses		(6)	83	5					82
Exclusion of special items									
of which:									
Non-recurring (income) charges		**57**							**57**
Other special charges:	**54**	**(24)**	**30**	**1**		**91**	**8**		**160**
- environmental charges		3	23			12			38
- asset impairments	48					6			54
- gains on disposal of assets	3								3
- provisions to the reserve for contingencies			1			53			54
- provision for redundancy incentives	3	5	6	4		15	2		35
- other		(32)		(3)		5	6		(24)
Special items of operating profit	**54**	**33**	**30**	**1**		**91**	**8**		**217**
Adjusted operating profit	**4,095**	**619**	**363**	**37**	**145**	**(94)**	**(57)**	**19**	**5,127**
Net financial (expense) income (*)	(11)	6					(34)		(39)
Net income from investments (*)	37	100	42		27				206
Income taxes (*)	(2,165)	(253)	(148)	(33)	(55)		77	(7)	(2,584)
Tax rate (%)	*52.5*	*34.9*	*36.5*						*48.8*
Adjusted net profit	**1,956**	**472**	**257**	**4**	**117**	**(94)**	**(14)**	**12**	**2,710**
of which:									
Adjusted net profit of minorities (*)									90
Eni's adjusted net profit									**2,620**
Eni's reported net profit									**2,422**
Exclusion of inventory holding (gains) losses									30
Exclusion of special items:									168
Non-recurring (income) charges									*40*
Other special charges									*128*
Eni's adjusted net profit									**2,620**

(*) Excluding special items.

Nine months of 2007

(€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized profit in inventory	Group
Reported operating profit	**9,859**	**2,696**	**702**	**216**	**601**	**(282)**	**(122)**	**32**	**13,702**
Exclusion of inventory holding (gains) losses		80	(406)	(19)					(345)
Exclusion of special items									
of which:									
Non-recurring (income) charges	**(12)**	**(18)**	**37**	**6**	**(11)**	**65**	**(11)**		**56**
Other special charges:	**77**	**25**	**91**	**16**		**58**	**14**		**281**
- environmental charges		2	74			83			159
- asset impairments	76		1			2			79
- provisions to the reserve for contingencies						9	(3)		6
- provision for redundancy incentives	1	23	19	16		13	17		89
- other			(3)			(49)			(52)
Special items of operating profit	**65**	**7**	**128**	**22**	**(11)**	**123**	**3**		**337**
Adjusted operating profit	**9,924**	**2,783**	**424**	**219**	**590**	**(159)**	**(119)**	**32**	**13,694**
Net financial (expense) income (*)	22	8		1		(4)	(54)		(27)
Net income from investments (*)	123	296	112	2	67				600
Income taxes (*)	(5,641)	(1,045)	(191)	(74)	(179)		132	(12)	(7,010)
Tax rate (%)	*56.0*	*33.9*	*35.6*						*49.1*
Adjusted net profit	**4,428**	**2,042**	**345**	**148**	**478**	**(163)**	**(41)**	**20**	**7,257**
of which:									
Adjusted net profit of minorities (*)									465
Eni's adjusted net profit									**6,792**
Eni's reported net profit									**7,001**
Exclusion of inventory holding (gains) losses									(275)
Exclusion of special items:									66
Non-recurring (income) charges									*81*
Other special charges									*(15)*
Eni's adjusted net profit									**6,792**

(*) Excluding special items.

Nine months of 2006

(€ million)	E&P	G&P	R&M	Petrochemicals	E&C	Other activities	Corporate and financial companies	Impact of unrealized profit in inventory	Group
Reported operating profit	**12,439**	**2,499**	**705**	**100**	**356**	**(401)**	**(207)**	**(121)**	**15,370**
Exclusion of inventory holding (gains) losses		(26)	(171)	(56)					(253)
Exclusion of special items									
of which:									
Non-recurring (income) charges		**57**							**57**
Other special charges:	**129**	**83**	**108**	**21**		**179**	**20**		**540**
- environmental charges		42	84			64			190
- asset impairments	180	51	1			10			242
- gains on disposal of assets	(54)								(54)
- provisions to the reserve for contingencies			4	20		75			99
- provision for redundancy incentives	3	22	17	5		16	14		77
- other		(32)	2	(4)		14	6		(14)
Special items of operating profit	**129**	**140**	**108**	**21**		**179**	**20**		**597**
Adjusted operating profit	**12,568**	**2,613**	**642**	**65**	**356**	**(222)**	**(187)**	**(121)**	**15,714**
Net financial (expense) income (*)	(37)	17					118		98
Net income from investments (*)	103	392	153	1	19	6	(1)		673
Income taxes (*)	(6,659)	(1,033)	(281)	(33)	(106)		67	45	(8,000)
Tax rate (%)	*52.7*	*34.2*	*35.3*						*48.5*
Adjusted net profit	**5,975**	**1,989**	**514**	**33**	**269**	**(216)**	**(3)**	**(76)**	**8,485**
of which:									
Adjusted net profit of minorities (*)									428
Eni's adjusted net profit									**8,057**
Eni's reported net profit									**7,697**
Exclusion of inventory holding (gains) losses									(180)
Exclusion of special items:									540
Non-recurring (income) charges									*40*
Other special charges									*500*
Eni's adjusted net profit									**8,057**

(*) Excluding special items.

Breakdown of special charges

Third quarter 2006	Third quarter 2007	(€ million)	Nine months 2006	Nine months 2007
57		**Non-recurring (income) charges**	**57**	**56**
160	**104**	**Other special charges:**	**540**	**281**
38	43	environmental charges	190	159
54	(4)	asset impairments	242	79
3		gains on disposal of assets	(54)	
54	(3)	provisions to the reserve for contingencies	99	6
35	70	provisions for redundancy incentives	77	89
(24)	(2)	other	14	(52)
217	**104**	**Special items of operating profit**	**597**	**337**
3		Net financial (expense) income	(11)	
(73)	(322)	Net income from investments	(73)	(328)
		of which:		
(73)		*gain on Galp Energia SGPS SA (divestment of assets to Rede Eléctrica National)*	(73)	
	(290)	*gain on divestment of Haldor Topsøe AS and Camon SA*		(290)
21	(30)	Income taxes	27	(102)
168	**(248)**	**Total special items of net profit**	**540**	**(93)**
		pertaining to:		
	(159)	- minorities		(159)
	(89)	**- Eni**		**66**

CERTIFICATION RENDERED BY ENI'S CHIEF FINANCIAL OFFICER, IN HIS POSITION AS MANAGER RESPONSIBLE FOR THE PREPARATION OF FINANCIAL REPORTS, PURSUANT TO ARTICLE 154-BIS PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58/1998.

The undersigned Marco Mangiagalli, in his position as Chief Financial Officer of Eni and manager responsible for the preparation of financial reports, certifies that this quarterly report of Eni SpA prepared on a consolidated basis as of September 30, 2007 corresponds to the company's evidence and accounting books and entries.
This quarterly report, unaudited, was prepared in accordance with rules provided for by the Italian Commissione Nazionale per le Società e la Borsa in its Issuer Regulation and valuation and measurement criteria set forth by IFRSs 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.

Date: October 30, 2007

/s/Marco Mangiagalli

Marco Mangiagalli
Title: Chief Financial Officer

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