Unlocking value from the sale of Snam

30 May 2012

eni strategy presentation March 2012: our position on Snam

Snam

Separation by September 2013

Process evaluated on 3 criteria:

- Benefits to **eni** shareholders
- Protection of the interests of Snam shareholders
- Consolidation of **eni** balance sheet

"The position of **eni**'s Board is that the disposal process will need to meet three criteria.

• First, it will need to be friendly for **eni**'s shareholders, by which we mean a deal which recognizes the full value of our stake in Snam.

• Secondly, it will need to protect the interests of Snam's shareholders, by limiting the possible overhang on Snam shares.

• Thirdly, it will need to strengthen **eni**'s balance sheet in view of our extraordinary growth prospects, building on exceptional exploration success" *(Strategy Presentation 15/03/12)*

Snam transaction meets our three criteria

1. Recognises a fair price for controlling stake in Snam

- 3% premium on average 30-day trading price
- 5% premium on Snam 2011 RAB
- In line with DCF valuation

2. Limits the overhang on Snam shares

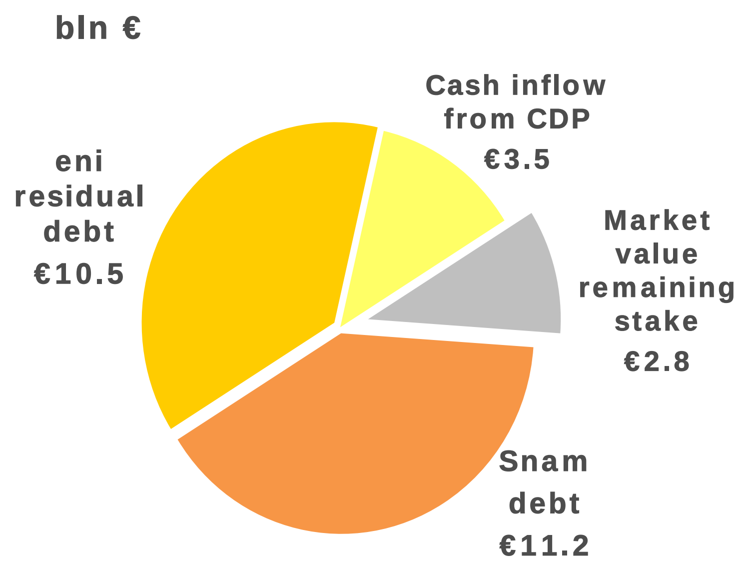
- 30% of Snam goes to a stable, long-term shareholder
- Remaining **eni** holding to be sold through transparent and non-discriminatory process
- Flexibility in terms of timing: no compulsory date to complete **eni** exit

3. Strengthens eni's balance sheet

- Full monetization of **eni** stake in Snam
- Majority of inflow from CDP by YE 2012, balance by H1 2013

the new **eni**: increased financial flexibility

Net debt 2011 (PF)

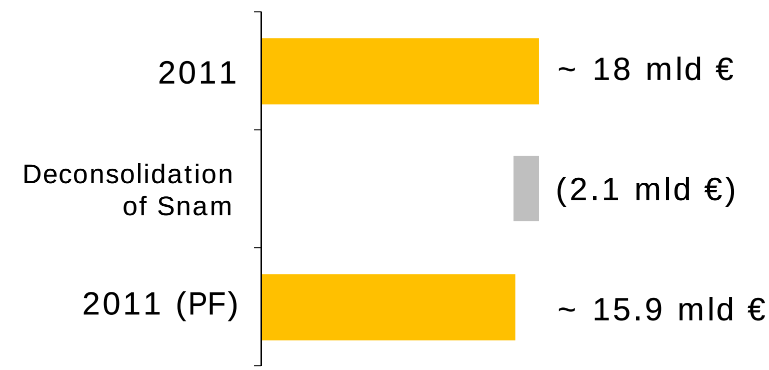


eni D/E 2011 0.46x

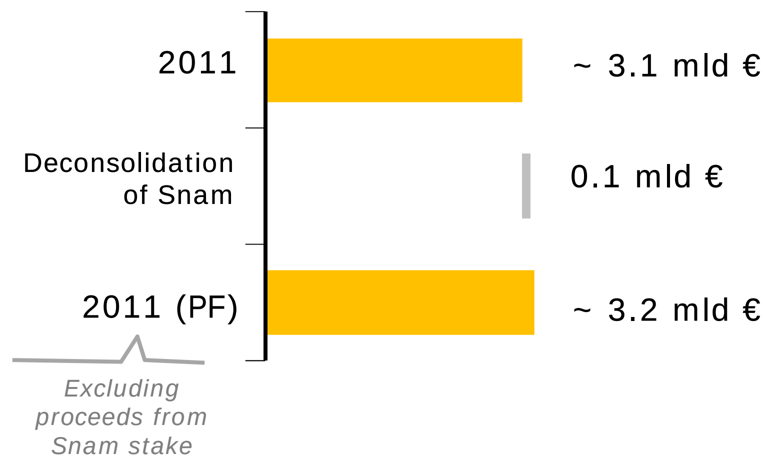
Assuming disposal of entire stake in Snam

→ **eni** D/E 2011(PF) < 0.20x

EBIT 2011

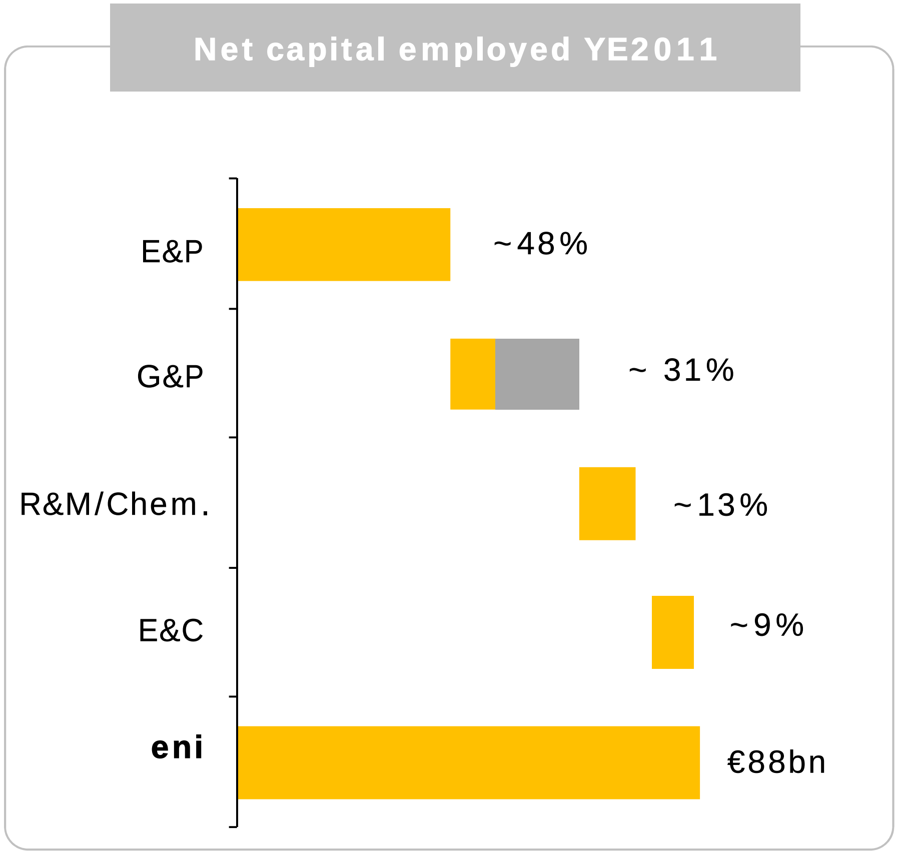


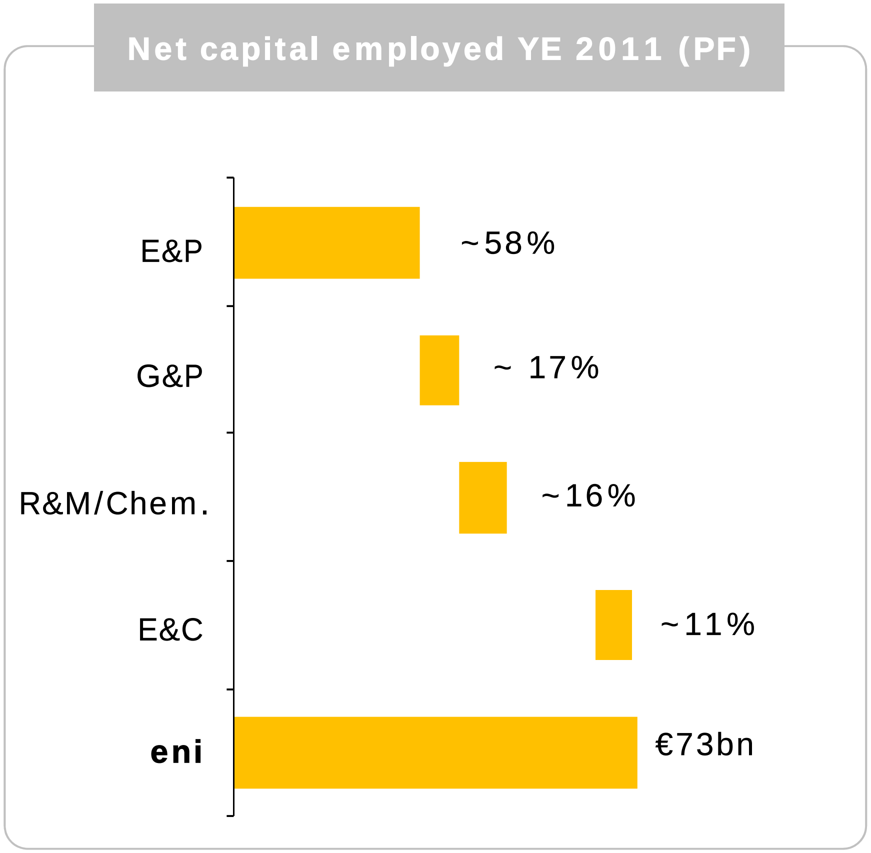
Free cash flow 2011



Note: Data at year-end 2011

the new **eni**: increased upstream exposure





- E&P capital employed rising to 58% from 48%
- G&P exposure falling from 31% to 17%
- **eni** ROACE proforma rising from 9.9% to 10.4%

The new **eni**: growth and returns

Ensure appropriate financial strength

- Maintain adequate gearing in the context of new upstream-focused business model
- High liquidity reduces reliance on credit market in volatile environment

Continue to invest in high-return E&P portfolio

- New project pipeline with IRR of >20% at our oil-price scenario
- Additional growth potential from world-class exploration discoveries

Reward shareholders

- Robust returns supported by delivery of profitable production growth
- Launch of new buyback programme to return cash with high flexibility