



# interim update and Q2 results

July 29<sup>th</sup>, 2011

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# H1 results: impacted by two uncertainties...

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## **Libya: suspended production and Greenstream closure**

- E&P: full impact in Q2, reduced volumes by >230kboe/d
- G&P: impact on ebit from lower shipper volumes and supply source substitution
- Refining & Petchem: higher costs from replacing Libyan feedstocks

## **Ongoing gas supply contract renegotiations**

- Expected benefits from renegotiations not included in H1 ebit
- Negotiations with Gazprom and Sonatrach progressing constructively
- Closure expected before year end with retroactive effects



## ... but showing good progress on strategic drivers

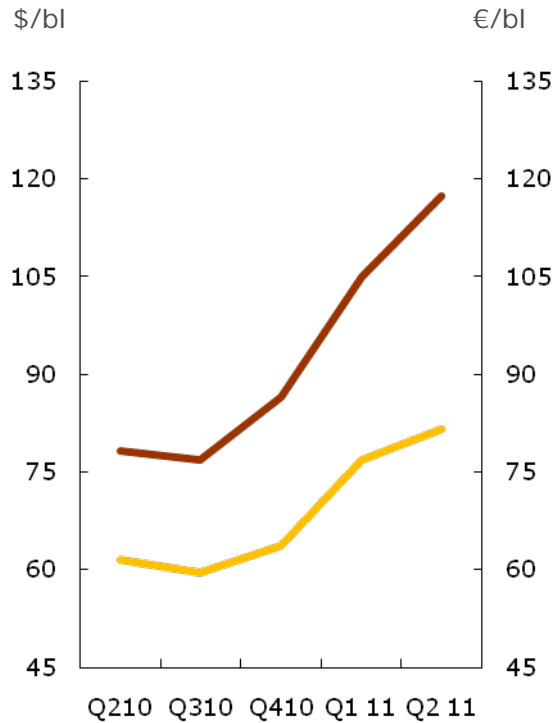
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- Excellent exploration performance
  - Skrugard: new potential hub in Barents Sea
  - Jangkrik: substantial upside in Indonesia
  - Sankofa and Gye Nyame: significant gas discoveries in Ghana
  - Additional resources in new giants (Perla, Block 15/06)
- Progress on main projects
  - Venezuela: defined technical and commercial agreements for Junin-5 and Perla
  - Russia: GSA close to finalisation (Samburgskoye and Urengoskoye FID in H2)
- Strengthening our leading position in the European gas market
- Confirmed objective of delivering value from non-core shareholdings

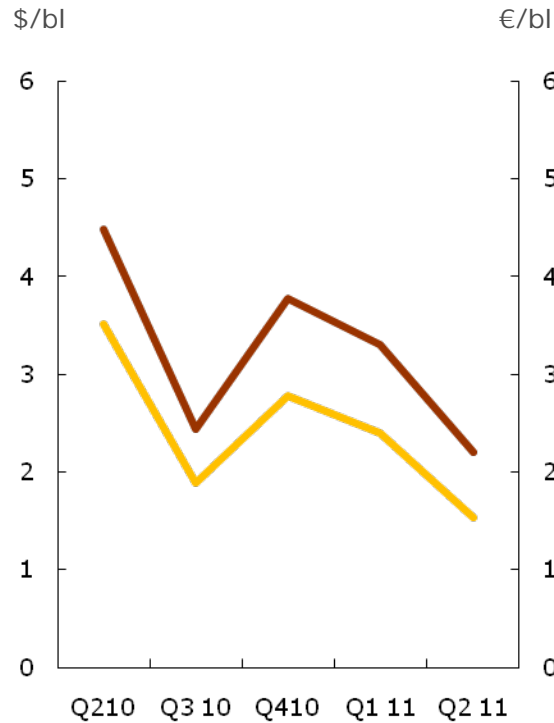


# market environment

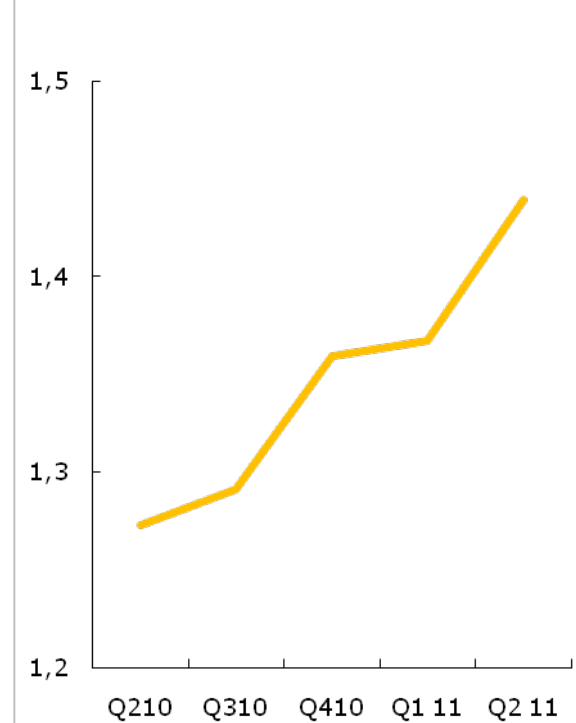
## Brent



## Average European refining margin\*



## €/ \$ exchange rate



■ USD ■ Euro

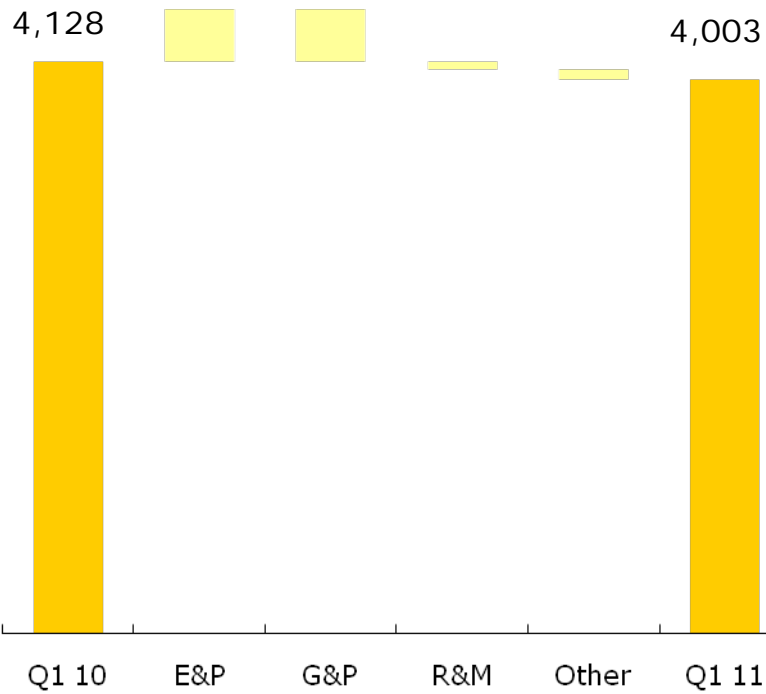


\* Brent/Ural FOB Mediterranean market. Eni calculations on Platt's Oilgram data

# Q2 consolidated results

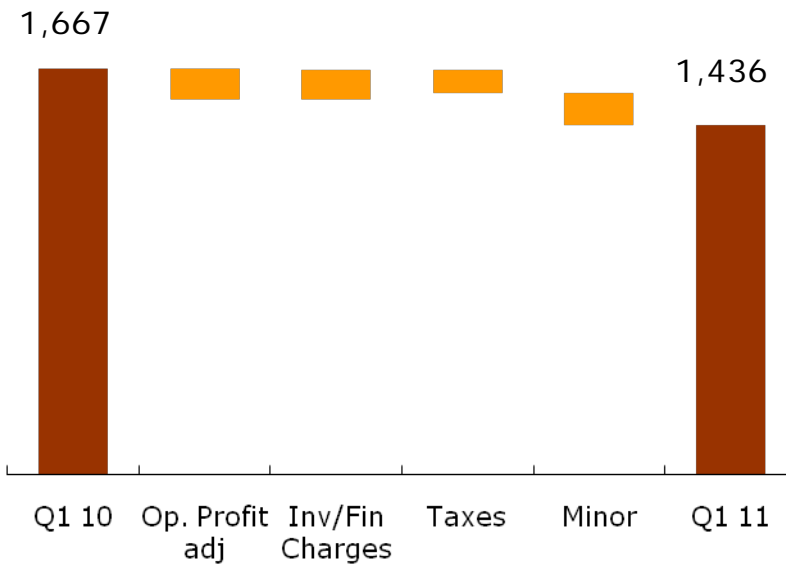
## Adj. operating profit

Million €



## Adj. net profit

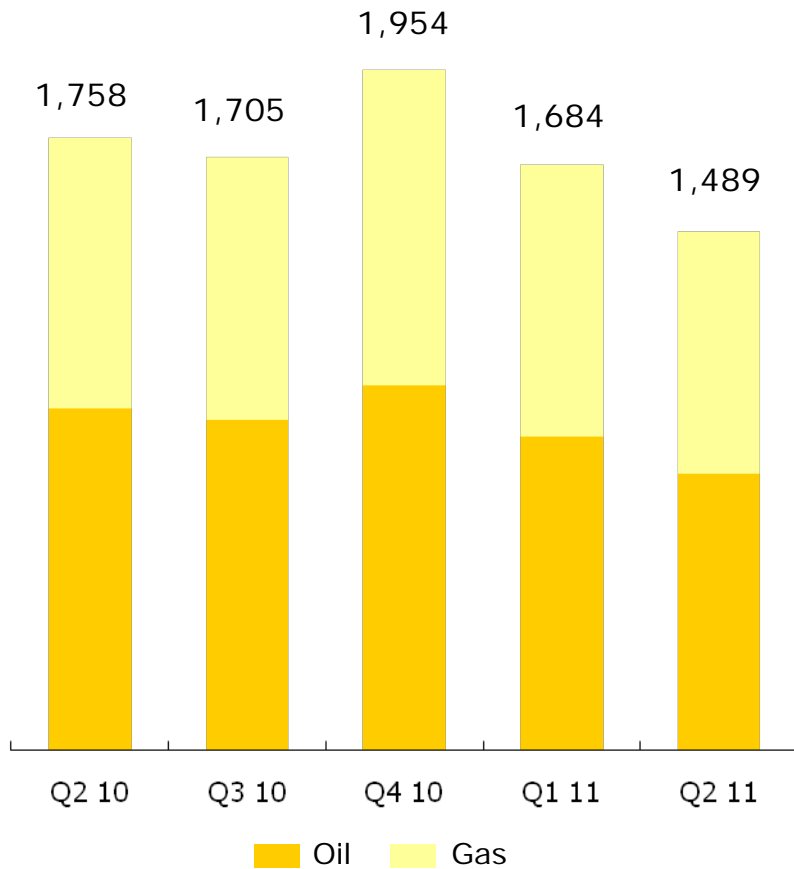
Million €



# E&P performance

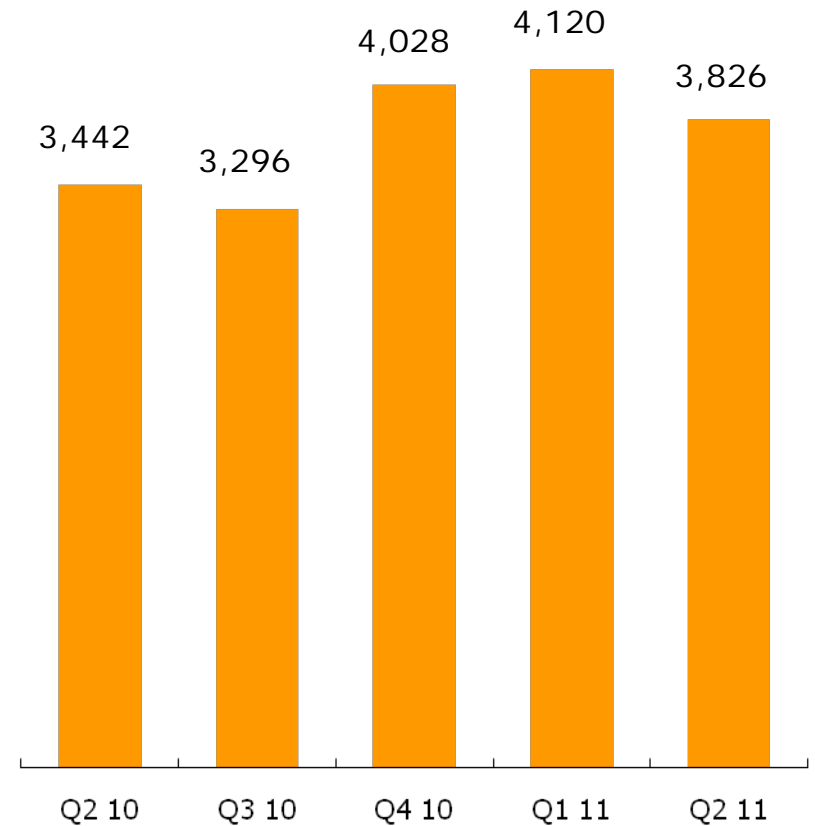
## Oil & gas production

kboe/d



## Adj. operating profit

Million €

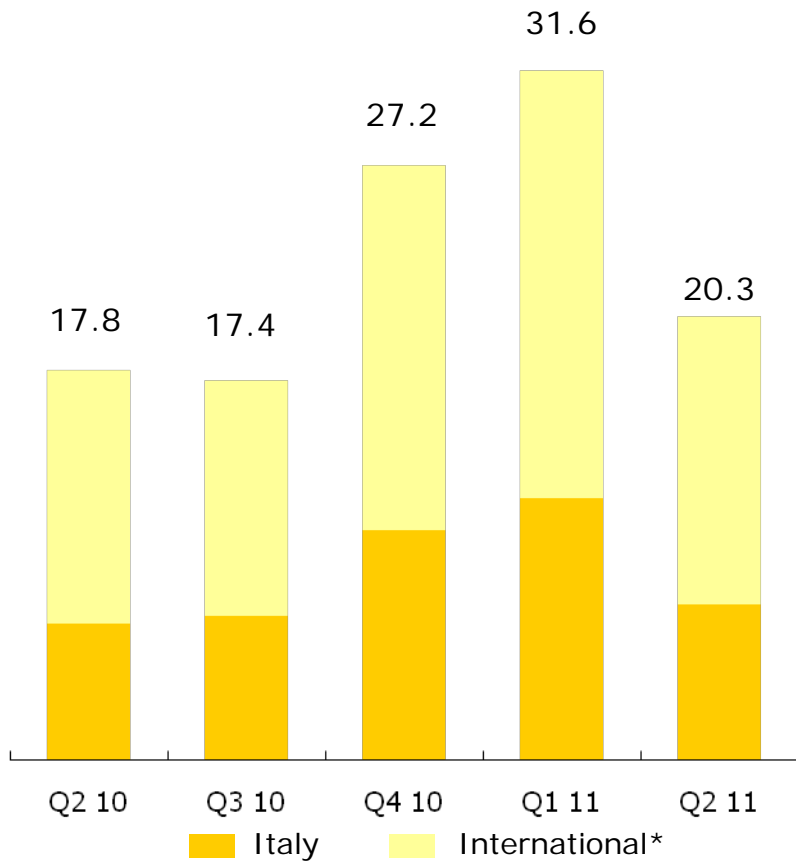


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# G&P performance

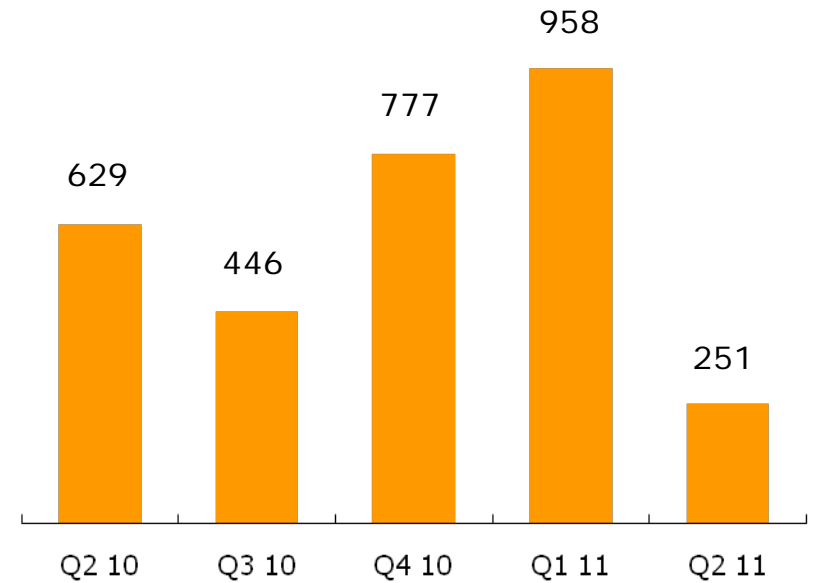
## Gas sales

Bcm



## Adj. operating profit

Million €

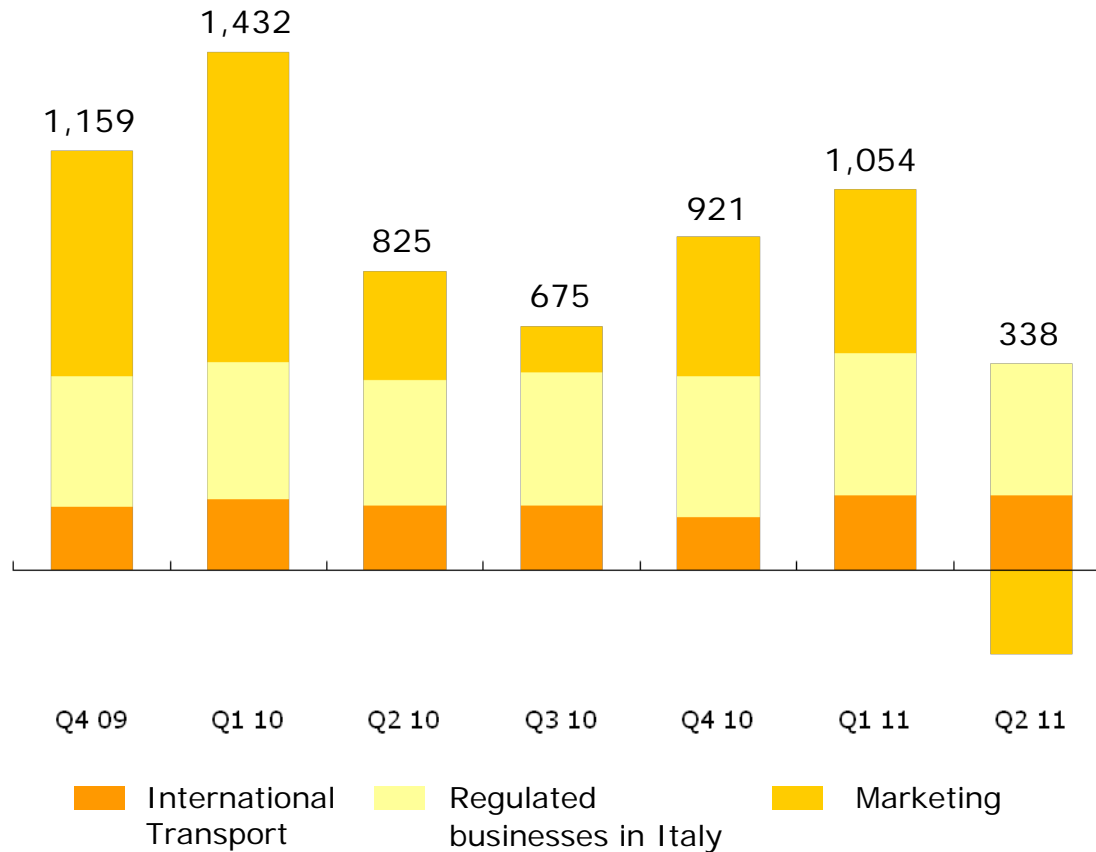


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\* Including associates

# G&P: ebitda proforma adjusted\*

million €



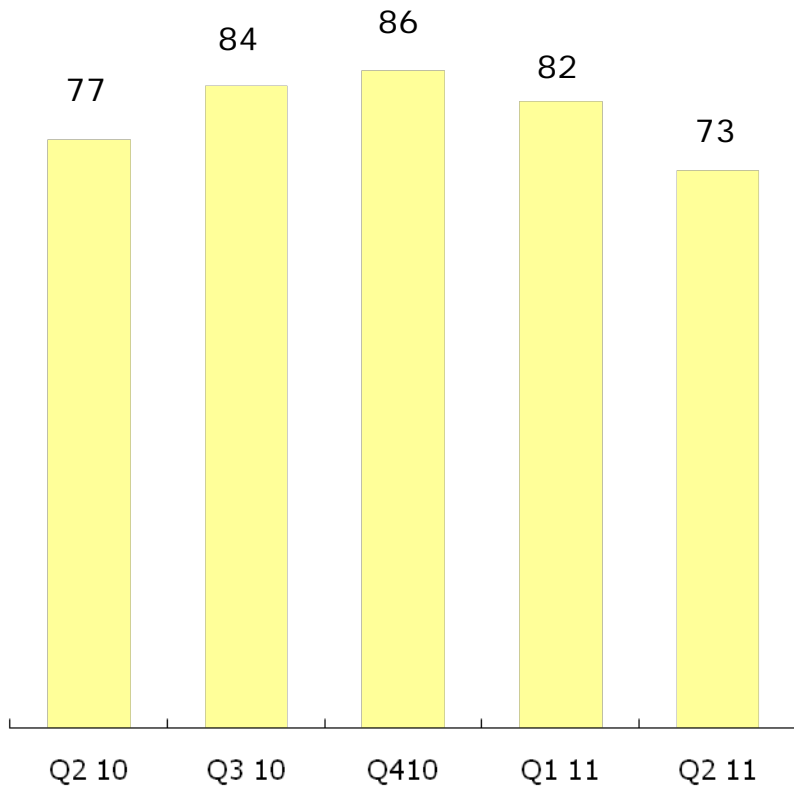
\* Ebitda pro forma includes: pro-quota ebitda contribution from SRG and associates



# R&M performance

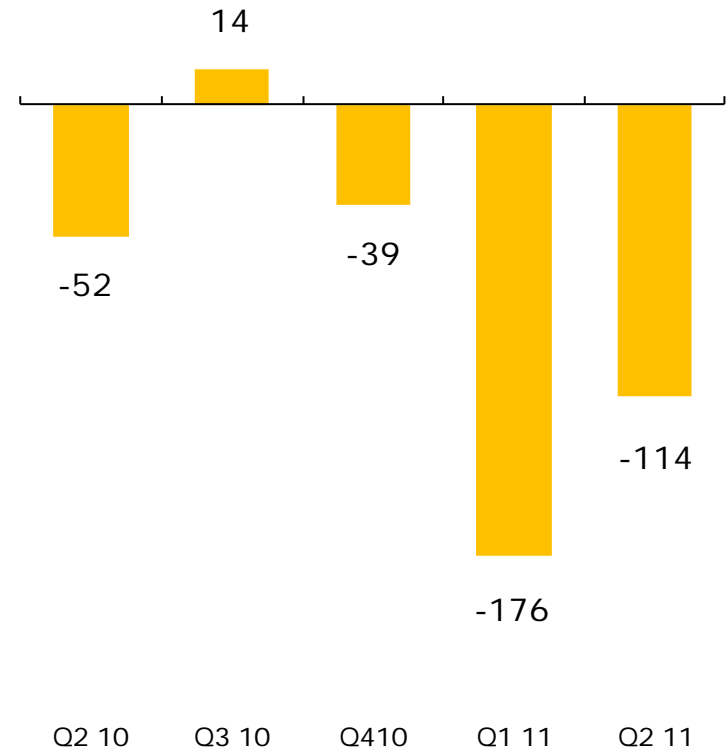
## Process utilization index

%



## Adj. operating profit

Million €



## other businesses: adjusted operating profit

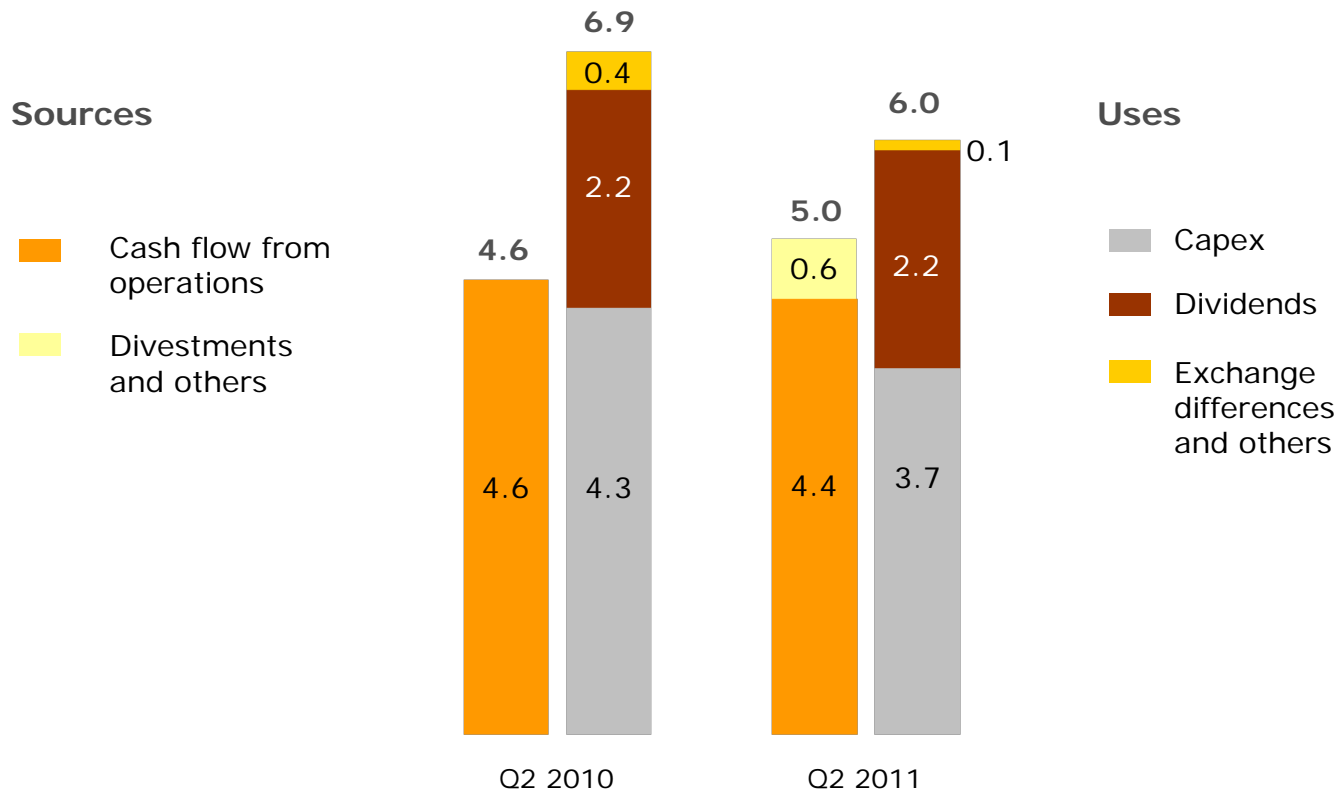
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million €

	Q2 2010	Q2 2011	Δ %
▪ Petrochemicals	(11)	(30)	-173
▪ Engineering & Construction	343	378	10
▪ Other activities	(51)	(60)	-18
▪ Corporate	(75)	(69)	8

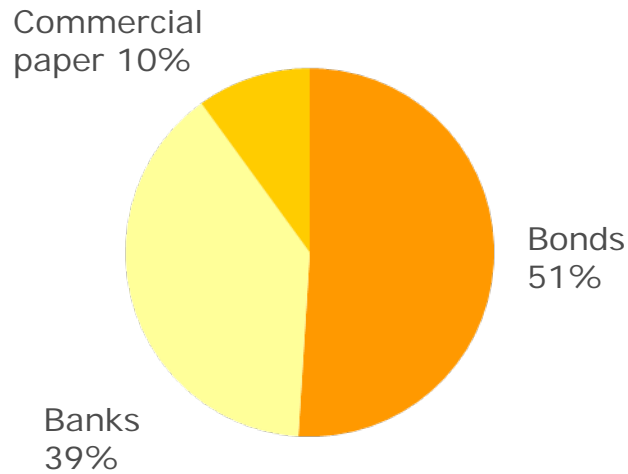
# sources and uses of cash

billion €

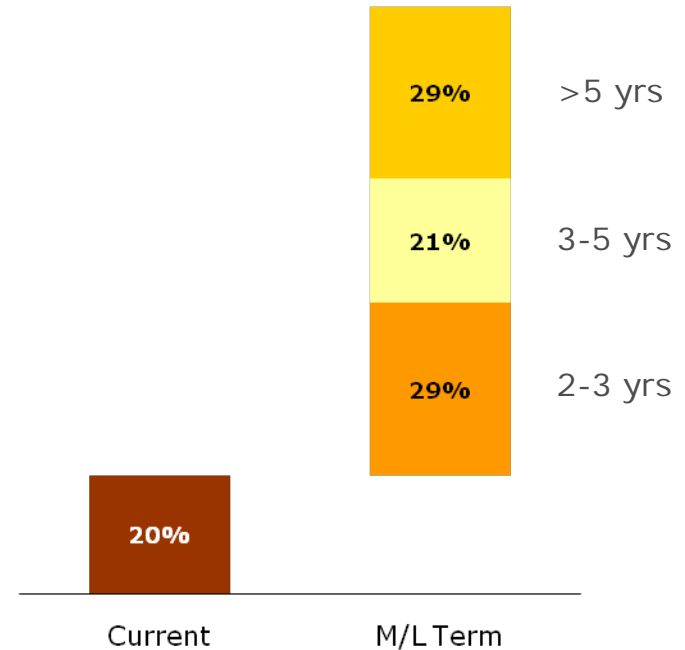


# financial debt: high quality

Debt by instrument



Debt by maturity



- Extension of debt maturity: >80% long term
- Over 50% of long term debt at fixed interest rates
- No bonds due to expire in 2011



# 2011 Outlook

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## E&P

- Production in line with 2010 at \$100/bbl and net of Libya impact (ca – 200kboe/d)

## G&P

- Ebit broadly in line with 2010 including renegotiation benefits and net of Libya impact (ca - €300m)

## R&M

- Ongoing focus on cost optimization and increase flexibility of refining system

## Leverage

- Confirmed objective of lower net debt/equity ratio at year end

**Confirmed dividend policy: interim proposal €0.52/sh**





# Appendix

29 July 2011

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# results of operations

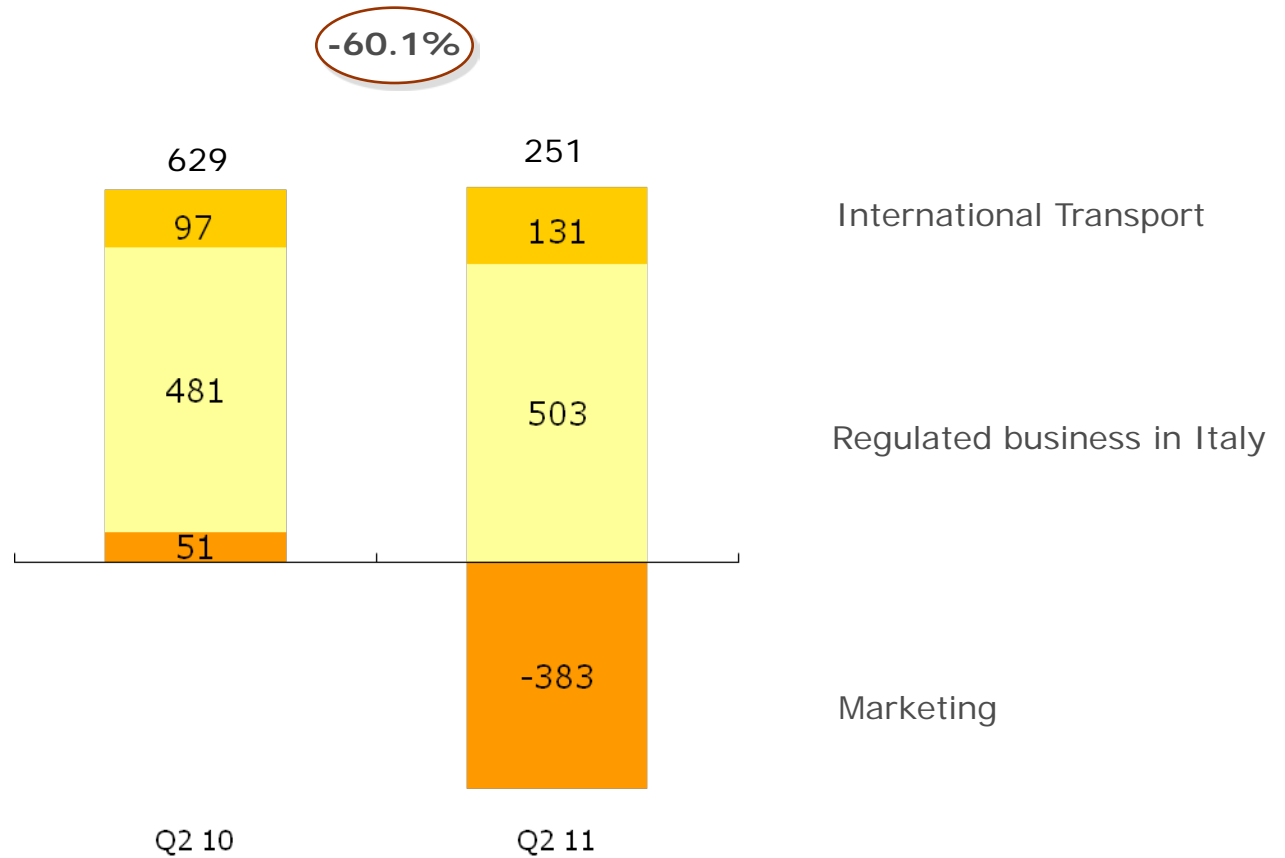
million €

Q2 10	Q2 11		1H 10	1H 11	Δ %
22.902	24.596	Net sales from operations	47.706	53.375	
4.305	3.810	<b>Operating Profit</b>	9.152	9.448	3.2
(368)	(240)	Inventory holding gains (losses)	(777)	(909)	
3.937	3.570	<b>Replacement Cost Operating Profit</b>	8.375	8.539	2.0
191	433	Special items	84	563	
4.128	4.003	<b>Adjusted Profit</b>	8.459	9.102	7.6
(309)	(292)	Net financial income (expense)	(554)	(375)	
311	414	Net share of profit from associates (expense)	521	679	
4.130	4.125	<b>Profit before income taxes</b>	8.426	9.406	11.6
(2.348)	(2.443)	Taxation	(4.625)	(5.114)	
56.9%	59.2%	Tax rate	54.9%	54.4%	
(115)	(246)	Minority interest	(312)	(658)	
1.667	1.436	<b>Net Profit</b>	3.489	3.634	4.2
(93)	(352)	Special items	27	(477)	
250	170	Inventory holding gains (losses)	530	644	
1.824	1.254	<b>Adjusted Net Profit</b>	4.046	3.801	(6.1)



# G&P: adjusted operating profit by activities

million €





## unrealized profit in stocks (UPIS)

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million €

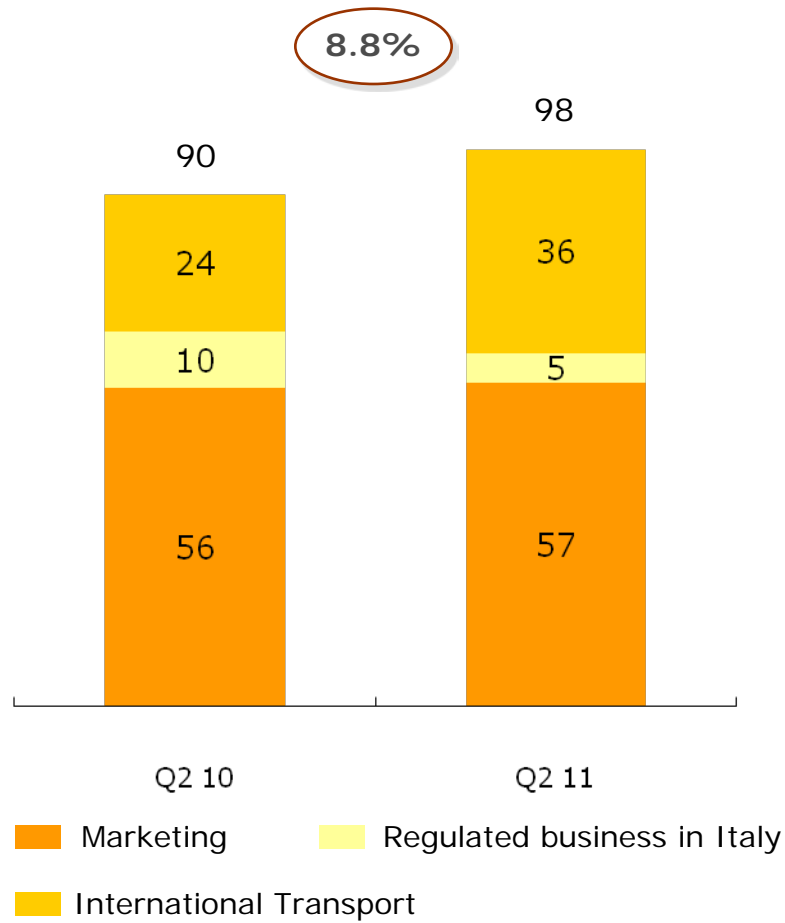
	Q2 10	Q2 11
E&P vs R&M	(78)	(150)
E&P vs G&P	(14)	(14)
E&C vs Eni Group	(6)	(14)
<b>Total UPIS</b>	<b>(98)</b>	<b>(178)</b>

## eni share of profit from associates

	Q2	
	2010	2011
<b>Equity method accounted for</b>	<b>114</b>	<b>145</b>
▪ Gas transportation abroad	24	36
▪ EnBw (GVS)	0	(2)
▪ Union Fenosa	25	36
▪ Blue Stream	11	10
▪ Others	54	65
<b>Dividends</b>	<b>200</b>	<b>268</b>
<b>Disposals</b>	<b>1</b>	<b>-</b>
<b>Others</b>	<b>(4)</b>	<b>1</b>
<b>Net income from associates</b>	<b>311</b>	<b>414</b>

# G&P share of profit from associates

million €



## main operating data

Q2 10	Q2 11		H1 10	H1 11	Δ %
1,758	1,489	▪ <b>Hydrocarbon prod.</b> (kboe/d)	1,800	1,586	(11.9)
154.1	129.1	▪ <b>Production sold*</b> (mmboe)	312.7	274.8	(12.1)
6.3	7.1	▪ <b>Natural gas sales in Italy**</b> (bcm)	17.1	19.1	11.4
10.9	11.6	▪ <b>Natural gas sales in Europe***</b> (bcm)	28.5	29.9	4.9
9.6	9.7	▪ <b>Power production sold</b> (TWh)	18.6	19.3	3.9
6.4	6.2	▪ <b>Refined product sales</b> (mmt tonnes)	12.0	11.9	(0.8)
1.2	1.0	▪ <b>Petrochemical sales</b> (mmt tonnes)	2.5	2.7	8

\* Including Eni's share of production of joint venture accounted for with the equity method

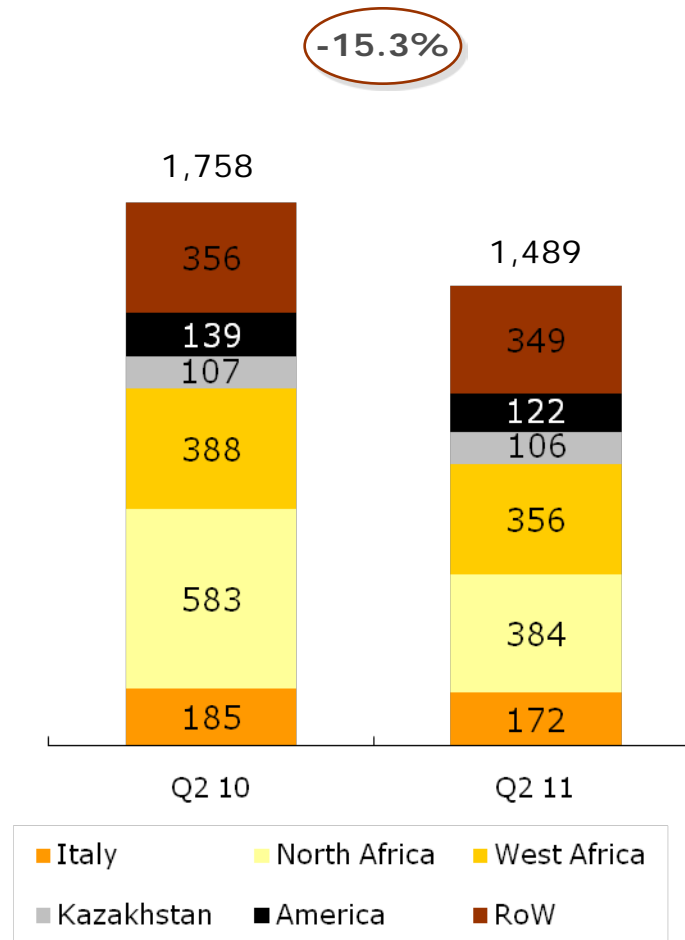
\*\* Including self-consumption

\*\*\* Consolidated sales



# production growth by geographical area

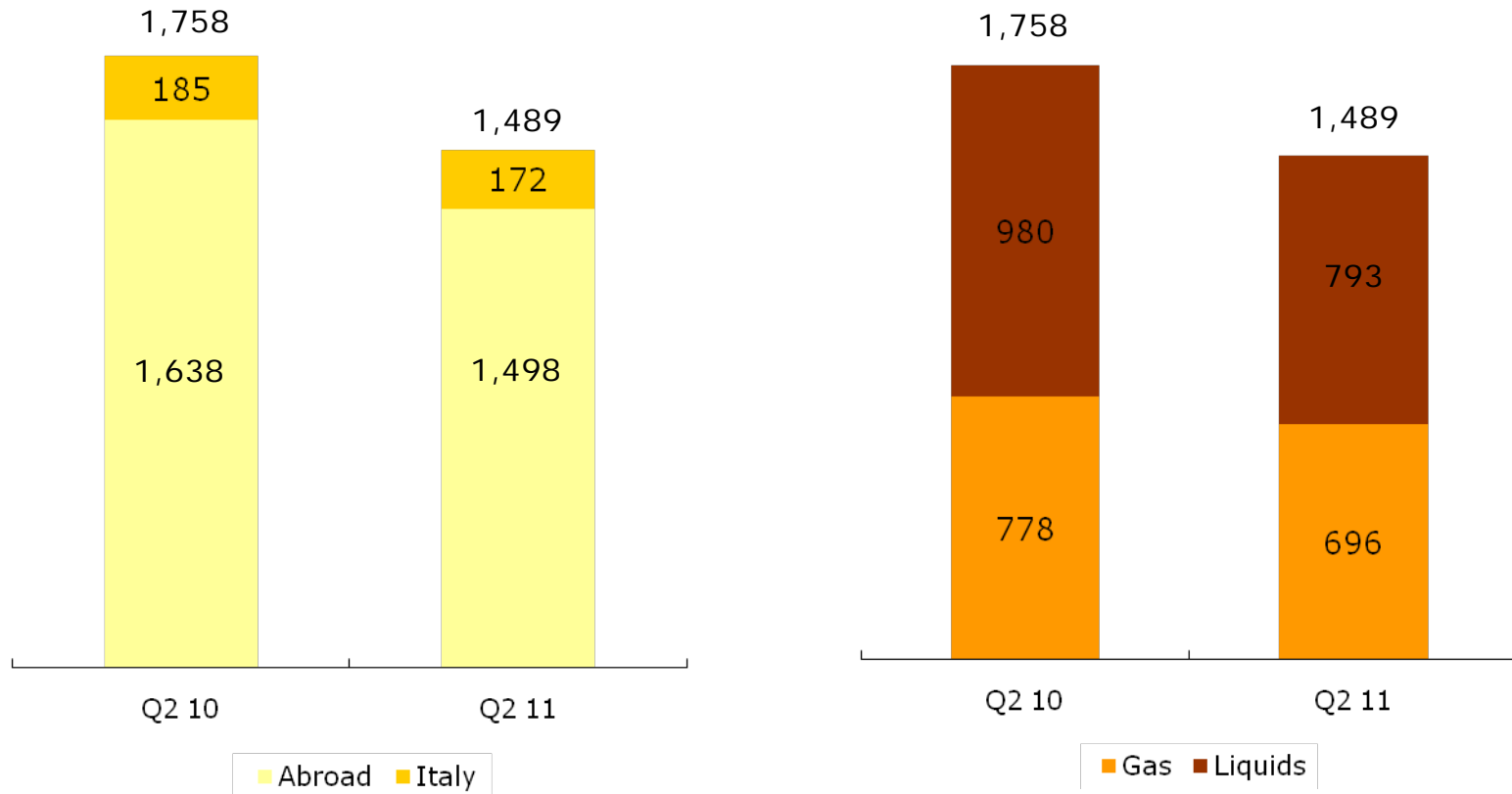
kboe/d



# oil & gas production

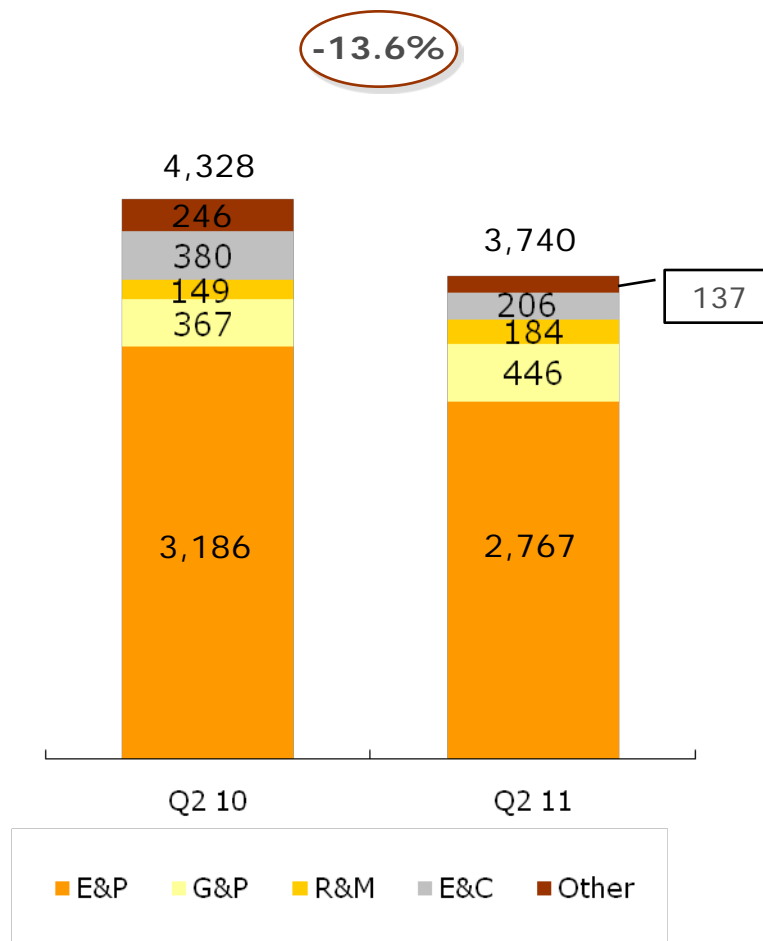
kboe/d

-15.3%



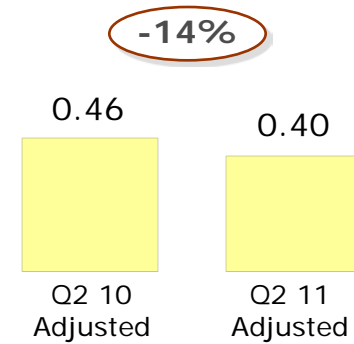
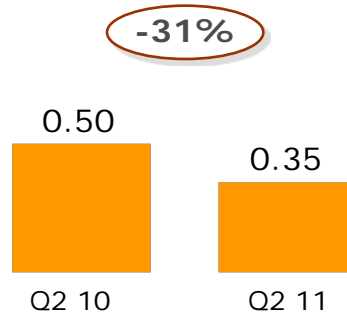
# capex

million €

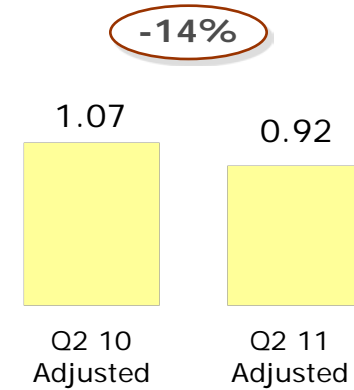
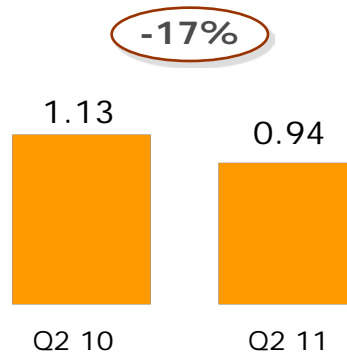


# eni consolidated results

**EPS**  
Euro per share\*



**CFPS**  
Euro per share\*



\* Average shares: Q2 10 3,622.4 million; Q2 11 3,622.4 million  
Note: Cash Flow calculated as net profit+amortization & depreciation

