

UNIVERSAL FOREST PRODUCTS INC
 Form 5
 January 26, 2009

FORM 5

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
 MISSAD MATTHEW J

2. Issuer Name and Ticker or Trading Symbol
 UNIVERSAL FOREST PRODUCTS INC [UFPI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/27/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive Vice President

2801 EAST BELTLINE, N.E.

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

GRAND RAPIDS, MI 49525

(City) (State) (Zip)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|-------------------|--|--|---|
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 53,152 | D | ^ |
| Common Stock | 12/27/2008 | ^ | J | 20 | A | \$ ⁽¹⁾ | 1,606 | I | by P/S Plan |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 1,500 | I | by Children |
| Common Stock | ^ | ^ | ^ | ^ | ^ | ^ | 200 | I | by Corporation |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price or Derivative Security (Instr. 3) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| | | | | | (A) (D) | Date Exercisable Expiration Date | Title | Amount or Number of Shares |
| Phantom Stock Units | Â | 12/15/2008 | Â | A | 27 Â | Â (3) Â (3) | Common Stock | 27 \$ 21 |
| Phantom Stock Units | Â | 12/15/2008 | Â | A | 4 Â | Â (4) Â (4) | Common Stock | 4 \$ 21 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MISSAD MATTHEW J 2801 EAST BELTLINE, N.E. GRAND RAPIDS, MI 49525 | Â | Â | Â Executive Vice President | Â |

Signatures

/s/ Matthew J. Missad 01/21/2009

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects non-discretionary transactions affected in account pursuant to the terms of the Company's Profit Sharing and 401(k) Retirement Plan.
- (2) 1-for-1.

| | | | | | | | | | | | | | | | | | | | | |
|-------------------|--------|------|--------|--------|---------------------------|----------------------------|--------|--------------|--------|--------|--------|---------------------------|--------------------|----------------|-----------------------------------|--------------|--------------|--------------|---------------|---------------------------------------|
| Net profit | (0.24) | 0.34 | 0.18 | .. | per ordinary share (euro) | 2.43 | 1.27 | (47.7) | (0.63) | 0.97 | 0.53 | .. | per ADR | | | | | | | |
| | (\$) | 7.15 | 3.54 | (50.5) | | Adjusted net profit | 0.54 | 0.32 | 0.38 | (29.6) | | | per ordinary share | | | | | | | |
| (euro) | 2.79 | 1.44 | (48.4) | 1.42 | 0.92 | 1.12 | (21.1) | per ADR (\$) | 8.21 | 4.01 | (51.2) | 3,622.4 | 3,622.4 | 3,622.4 | Weighted average number of | | | | | |
| | | | | | | | | | | | | outstanding shares | ^(d) | 3,638.9 | 3,622.4 | 6,118 | 2,034 | 1,611 | (73.7) | Net cash provided by operating |
| | | | | | | | | | | | | activities | 21,801 | 11,266 | (48.3) | 4,691 | 2,957 | 3,894 | (17.0) | Capital expenditures |
| | | | | | | | | | | | | 14,562 | 13,695 | (6.0) | | | | | | |

- (a) From year 2009, the Company accounts gain and losses on non-hedging commodity derivatives instruments, including both fair value re-measurement and settled transactions, as items of operating profit. Adjusted operating profit and net profit only include gains and losses associated with settled transaction, gross and net of the associated tax impact respectively. Prior period results have been restated accordingly.
- (b) For a detailed explanation of adjusted net profit by division see page 27.
- (c) This item concerned mainly intragroup sales of commodities, services and capital goods recorded in the assets of the purchasing business segment as of the end of the period.
- (d) Fully diluted (million shares).

Trading environment indicators

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|---------------------|--------------------|---------------------|------------------------|--|----------------|----------------|--------|
| 54.91 | 68.28 | 74.57 | 35.8 | Average price of Brent dated crude oil ^(a) | 96.99 | 61.51 | (36.6) |
| 1.317 | 1.431 | 1.478 | 12.2 | Average EUR/USD exchange rate ^(b) | 1.471 | 1.393 | (5.3) |
| 41.69 | 47.71 | 50.45 | 21.0 | Average price in euro of Brent dated crude oil | 65.93 | 44.16 | (33.0) |
| 7.72 | 2.34 | 1.24 | (83.9) | Average European refining margin ^(c) | 6.49 | 3.13 | (51.8) |
| 9.61 | 2.26 | 1.80 | (81.3) | Average European refining margin Brent/Ural ^(c) | 8.85 | 3.56 | (59.8) |
| 5.86 | 1.64 | 0.84 | (85.7) | Average European refining margin in euro | 4.41 | 2.25 | (49.0) |

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| | | | | | | | |
|-----|-----|------------|--------|-------------------------------------|-----|------------|--------|
| 4.2 | 0.8 | 0.7 | (83.3) | Euribor - three-month euro rate (%) | 4.6 | 1.2 | (73.9) |
| 2.7 | 0.4 | 0.3 | (88.9) | Libor - three-month dollar rate (%) | 2.9 | 0.7 | (75.9) |

(1) In USD dollars per barrel. Source: Platt's Oilgram.

(2) Source: ECB.

(3) In USD per barrel FOB Mediterranean Brent dated crude oil. Source: Eni calculations based on Platt's Oilgram data.

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Table of Contents**Group results****Net Profit**

Eni's fourth-quarter net profit was euro 641 million, compared with a net loss of euro 874 million a year ago, an increase of euro 1,515 million. This reflected an improved operating performance (up euro 2,408 million) as production levels increased and the trading environment rebounded from the lows seen in the fourth quarter 2008. In fact, in the fourth quarter 2008 the Company incurred a material charge related to inventory write-down of oil and products (down euro 2.35 billion) versus an inventory profit gained in 2009. The improved operating result was partly offset by higher income taxes (down euro 774 million) as a result of higher profit before taxation and an exceptionally high tax rate which hit 64%. A number of factors explained the fourth-quarter tax rate: (i) the impact of recently enacted tax regulations that provided a one-percentage point increase in the tax rate applicable to Italian companies in the energy sector and the enactment of a supplemental tax rate to be added to the Italian statutory tax rate resulting in higher taxes currently payable, amounting to euro 26 million in the quarter (euro 239 million in the full year); (ii) payment of a balance for prior-year income taxes amounting to \$310 million (or euro 230 million) in Libya as new rules came into effect which reassessed revenues for tax purposes; (iii) a write-down of certain deferred tax assets associated with upstream properties to factor in expected lower profitability (down euro 72 million); (iv) a lower capacity for Italian companies to deduct the cost of goods sold associated with lower gas inventories at the year end (down euro 64 million). These higher tax expenses were partly offset by recognition of a positive adjustment to deferred taxation following alignment of the tax base of certain oil and gas properties to their higher carrying amounts by paying a one-off tax, as part of the reorganization of upstream activities in Italy, and lower income taxes currently payable as new rules came into effect providing for the partial deduction of an Italian local tax from taxable income, also applying to previous fiscal years (for a total impact of euro 222 million).

Eni's full-year net profit was euro 4,617 million, half that of last year's profit of euro 8,825 million. The reduction reflected an unfavorable trading environment for oil prices, which were significantly lower than a year ago in the first nine months of the year. Group results were affected by lower profits reported by equity-accounted entities, and a higher consolidated tax rate up from 50.3% to 54.8%, mainly due to the trends explained in the quarterly review. In addition, it should be noted that the 2008 tax rate benefited from certain tax gains associated with an adjustment to deferred taxation amounting to euro 733 million as new tax provisions came into effect pertaining to both Italian and foreign subsidiaries.

Adjusted Net Profit

Fourth-quarter adjusted net profit amounted to euro 1,394 million, representing a reduction of euro 561 million from the fourth quarter of 2008, down 28.7%. Full-year adjusted net profit amounted to euro 5,207 million, a reduction of euro 4,957 million from 2008 (down 48.8%). Fourth-quarter adjusted net profit is calculated by excluding an inventory holding profit of euro 31 million and net special charges of euro 784 million, resulting in an overall adjustment equal to an increase of euro 753 million. For the full year, adjusted net profit excludes an inventory holding profit of euro 191 million and net special charges of euro 781 million, resulting in an overall adjustment equal to an increase of euro 590 million. The balance between special charges and gains is comprised of, on the negative side, impairment charges recorded on oil & gas properties in the Exploration & Production division, refineries and goodwill recognized on marketing assets in the Refining & Marketing division, and a number of petrochemicals plants (euro 1,395 million as before tax impact) as well as environmental (euro 298 million) and operational provisions (euro 128 million). On the positive side, gains were recorded on the divestment of certain oil & gas properties to the partner Suez (euro 277 million), gains on fair value evaluation of certain non-hedging commodity derivatives (euro 287 million), and positive adjustments on deferred taxation and other tax benefits (euro 222 million).

Results by division

The decline in group adjusted net profit reflected lower results mainly reported by the Exploration & Production and the Refining & Marketing divisions, partly offset by the improved net profit recorded by the Gas & Power and Engineering & Construction divisions.

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Exploration & Production

Results in the Exploration & Production division were lower both in the fourth quarter and the full year (adjusted net profit declined by euro 370 million and euro 4,022 million or by 26.6% and 50.9%, respectively). Those declines mainly reflected a higher tax rate in the quarter (up 11.4 percentage points), in spite of an improved operating performance, whilst full-year results were affected by an unfavorable trading environment for oil prices and lower profits earned by associates. Fourth-quarter operating profit increased by euro 83 million (up 3.1%), due to production growth (up 3.6 million boe) and an improving trend for oil realizations. These positives were partly offset by the negative impact associated with the appreciation of the euro against the dollar (up 12.2%) and lower gas realizations. Full-year operating results were impacted by lower oil realizations as a result of the negative price environment recorded in the first nine months of the year, lower gas realizations and lower sales volumes. These negatives were partly absorbed by the depreciation of the euro against the dollar. A higher tax rate was incurred in the full year (up 4.1 percentage points).

Refining & Marketing

The Refining & Marketing division reported an adjusted operating loss in the fourth quarter of euro 196 million (down euro 440 million). Full-year adjusted operating loss was euro 357 million, representing a decrease of euro 937 million from 2008. These declines were driven by sharply lower refining margins as a result of weak industry fundamentals. Fourth-quarter results were also affected by weaker results reported by the Marketing business in Italy. Net results were down by euro 338 million and euro 718 million in the quarter and the full year respectively, achieving net loss of euro 118 million and euro 197 million, respectively.

Gas & Power

The Gas & Power division achieved an increased adjusted net profit both in the fourth quarter and the full year (up euro 330 million and euro 268 million, or 63.2% and 10.1%, respectively) driven by a better operating performance of the Marketing activities (up euro 517 million and euro 412 million in the quarter and the full year, respectively), notwithstanding the fall in Italian and European gas demand and increased competitive pressures.

Higher results in the Marketing activities were also driven by gains recorded on the settlement of certain non-hedging commodity derivatives amounting to euro 191 million in the quarter (euro 218 million in the year) associated with future sales of gas and electricity. Under IFRS, the Company is required to recognize fair value accounting effects on those derivatives in profit or loss because hedge accounting is not followed. However, in assessing the underlying performance of the Marketing business, management calculates the EBITDA pro-forma adjusted as an alternative measure of performance, by bringing forward the impact of the settlement of those derivatives to future reporting periods where the associated revenues are expected to be recognized. Management believes that disclosing this internally-used measure is helpful in assisting investors to understand these business trends (see page 22). When measured against this performance indicator, the Marketing business confirmed the achievement of positive results both in the quarter and the full year. The underlying performance was mainly driven by a favorable trading environment related to energy parameters and exchange rates, the improved results of the subsidiary Distrigas and the achievement of synergies on integration, as well as the impact of the renegotiation of certain long-term supply contracts. These positives were partly offset by lower sales volumes, mainly on the Italian market.

Regulated Businesses in Italy recorded steady results. The International transport business reported weaker results.

Engineering & Construction

The Engineering & Construction business reported increased net profit amounting to euro 16 million and euro 108 million in the quarter and the full year, respectively. These results were driven by steady revenue flows and profitability as a result of the large number of oil & gas projects that were started during the upward phase of the oil cycle.

Petrochemicals

The Petrochemical division has continued to report losses at both operating and net level (in the quarter the net loss

amounted to euro 85 million; euro 340 million for the full year) due to a prolonged weakness in industry fundamentals reflecting lower end-markets demands and high competitive pressures. However, fourth-quarter loss was slightly less than the fourth quarter of 2008 (up euro 19 million, or 18.3%); whilst full-year loss was slightly greater than a year ago (down euro 17 million, or 5.3%).

Table of Contents**Liquidity and capital resources***Summarized Group Balance Sheet*

(euro million)

| | Dec. 31, 2008 | Sep. 30, 2009 | Dec. 31, 2009 | Change vs Dec. 31, 2008 | Change vs Sep. 30, 2009 |
|--|---------------|---------------|---------------|----------------------------|----------------------------|
| Fixed assets | 74,461 | 78,304 | 79,963 | 5,502 | 1,659 |
| Net working capital | (9,437) | (7,831) | (5,790) | 3,647 | 2,041 |
| Current investments | 2,741 | | | (2,741) | |
| Provisions for employee benefits | (947) | (976) | (944) | 3 | 32 |
| Non-current assets held for sale including related liabilities | 68 | 68 | 110 | 42 | 42 |
| Capital employed, net | 66,886 | 69,565 | 73,339 | 6,453 | 3,774 |
| Shareholders' equity including minority interest | 48,510 | 49,025 | 50,301 | 1,791 | 1,276 |
| Net borrowings | 18,376 | 20,540 | 23,038 | 4,662 | 2,498 |
| Total liabilities and shareholders' equity | 66,886 | 69,565 | 73,339 | 6,453 | 3,774 |

The appreciation of the euro, in particular versus the US dollar, from December 31, 2008 (the EUR/USD exchange rate was 1.441 as of December 31, 2009, as compared to 1.392 as of December 31, 2008, up 3.5%) reduced net capital employed, net equity and net borrowings by euro 891 million, euro 866 million and euro 25 million, respectively, as a result of translation differences.

Fixed assets amounted to euro 79,963 million, representing an increase of euro 5,502 million from December 31, 2008 reflecting capital expenditures incurred in the period (euro 13,695 million) and recognition of the share of goodwill associated with the buy-out of the Distrigas minorities (euro 903 million), partly offset by depreciation, depletion, amortization and impairment charges (euro 9,811 million) recorded in the period.

Net working capital amounted to a negative euro 5,790 million, representing an increase of euro 3,647 million from December 31, 2008, mainly due to derecognition of a put option awarded to Publigaz and classified as current liability in 2008 financial statements (a positive of euro 1,495 million). Derecognition was associated with a mandatory take over bid on Distrigas minorities. In addition, net working capital increased due to lower tax payables and provisions for net deferred tax liabilities (down euro 3,362 million) related to lower income taxes accrued for the period, reflecting lower taxable profit. Lower trade payables were partly offset by a corresponding reduction in trade receivables, reflecting the impact of lower prices and volumes of commodities. These increases were partly offset by: (i) a decrease in gas inventories as a result of gas offtakes made during winter time (down euro 576 million) which were not re-built; (ii) environmental and operational provisions accrued in the year, including the impact of lower interest rates in evaluating the discount factor of future obligations; as well as (iii) the negative impact of fair value evaluation of certain derivative instruments (euro 512 million) entered into by the Exploration & Production division to hedge exposure to variability in future cash flows (cash flow hedges).

The item **Current investments** were reduced for an amount corresponding to the book value of a 20% interest in OAO Gazprom Neft (euro 2,741 million) following the exercise of a call option by Gazprom.

Net assets held for sale including related liabilities (euro 110 million) mainly related to the divestment of certain mineral properties in Italy which were contributed in kind to two newco Societ\$#224; Padana Energia SpA and Societ\$#224; Adriatica Idrocarburi SpA, whose disposal to third parties is under negotiation.

Shareholders equity including minorities increased by euro 1,791 million to euro 50,301 million, reflecting: (i) comprehensive income for the period (euro 4,425 million) as a result of net profit for the period (euro 5,567 million), losses on fair value evaluation of certain cash flow hedges placed in reserve and foreign currency translation effects; (ii) closing of the mandatory public takeover bid on the minorities of Distrigas which determined an increase in shareholders equity due to derecognition of the put option awarded to Publigaz Srl in 2008 (euro 1,495 million); (iii) Snam Rete Gas share capital increase subscribed by minorities for euro 1,542 million. These increases were partly offset by: (i) dividend payments to Eni shareholders (euro 4,166 million) as well as minority shareholders of certain consolidated subsidiaries (euro 350 million); (ii) elimination of the book value, including their respective share of profit for the period, of the Distrigas minorities who tendered their shares to the public offer (euro 1,146 million).

Table of Contents*Summarized Group Cash Flow Statement*

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| 6,118 | 2,034 | 1,611 | Net cash provided by operating activities | 21,801 | 11,266 |
| (4,691) | (2,957) | (3,894) | Capital expenditures | (14,562) | (13,695) |
| (1,943) | (63) | (46) | Investments and acquisitions of consolidated subsidiaries and businesses | (4,019) | (2,323) |
| 415 | 292 | 28 | Disposals | 979 | 3,595 |
| (280) | 4 | 84 | Other cash flow related to capital expenditures, investments and disposals | (267) | (425) |
| (381) | (690) | (2,217) | Free cash flow | 3,932 | (1,582) |
| (21) | (1,811) | | Dividends to Eni shareholders and shares repurchased | (5,688) | (4,166) |
| (74) | 12 | (86) | Dividends to minorities, shares repurchased and other changes in shareholders equity | (317) | 1,210 |
| (77) | 304 | (195) | Exchange differences and other changes | 24 | (124) |
| (553) | (2,185) | (2,498) | CHANGE IN NET BORROWINGS | (2,049) | (4,662) |

Main cash inflows for the year were: (i) **net cash provided by operating activities** (euro 11,266 million); (ii) cash proceeds of euro 3,070 million associated with the divestment of a 20% interest in Gazprom Neft following the exercise of a call option agreement by Gazprom, plus the first tranche of the proceeds from the sale of a 51% interest in OOO SeverEnergiya (Eni's share 60%) for euro 155 million (including repayment of financing); (iii) the subscription by Snam Rete Gas minorities of a share capital increase amounting to euro 1,542 million; (iv) further cash proceeds of euro 370 million mainly associated with the divestment of certain non strategic assets in the Exploration & Production division, following 2008 agreements signed with Suez. These inflows were used to partially fund capital expenditures of euro 13,695 million; completion of a mandatory takeover bid on the Distrigas minorities, including the squeeze-out procedure for total cash consideration of euro 2,045 million; payment of dividends to Eni shareholders (euro 4,166 million of which euro 1,811 million as interim dividend for the year 2009) as well as dividend payments to minorities (euro 350 million) in particular relating to Snam Rete Gas and Saipem (euro 335 million). Net borrowings increased by euro 4,662 million from a year ago to euro 23,038 million.

Other information*Eni SpA parent company preliminary accounts for 2009*

Eni's Board of Directors also reviewed Eni SpA's preliminary results for 2009 prepared in accordance with IFRSs. Net profit for the full year was euro 5,331 million (euro 6,745 million in 2008). The euro 1,414 million decrease was mainly due to: (i) lower operating profit (down euro 784 million) mainly in the Exploration & Production and Refining & Marketing divisions reflecting poor trading conditions, partly offset by a write-up of inventories, a better performance of the Gas & Power division and lower g&a expenses; (ii) higher finance charges (down euro 502 million) and (iii) higher income taxes (down euro 349 million). These negatives were partly offset by increasing net gains on investments.

Continuing listing standards provided by Article No. 36 of Italian exchange regulation about issuers that control subsidiaries incorporated or regulated in accordance with laws of extra-EU countries

As of December 31, 2009 the provisions of Article No. 36 of Italian exchanges regulation in accordance with Italian continuing listing standards apply to eight Eni subsidiaries: Burren Energy (Bermuda) Ltd, Eni Congo SA, Eni Norge

AS, Eni Petroleum Co Inc, NAOC-Nigerian Agip Oil Co Ltd, Nigerian Agip Exploration Ltd, Trans Tunisian Pipeline Co Ltd and Burren Energy (Congo) Ltd which fell within the scope of the regulation as stated in the press release on the results for the third quarter and the first nine months of 2009. The Company has already adopted adequate procedures to ensure full compliance with the abovereferenced regulation.

Financial and operating information by division for the fourth quarter and the full year 2009 is provided in the following pages.

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Exploration & Production

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. | |
|--------------------------------------|--------------------|---------------------|------------------------|--|----------------|----------------|---------------|---------------|
| RESULTS ^(a) | | | | | | | | |
| 6,506 | 5,325 | 6,677 | 2.6 | Net sales from operations | 33,042 | 23,830 | (27.9) | |
| 1,987 | 2,557 | 2,411 | 21.3 | Operating profit | 16,239 | 9,120 | (43.8) | |
| 734 | (114) | 393 | | Exclusion of special item: | 983 | 364 | | |
| 646 | (5) | 403 | | - <i>asset impairments</i> | 989 | 618 | | |
| 4 | (111) | 8 | | - <i>gains on disposal of assets</i> | 4 | (270) | | |
| 2 | 6 | 20 | | - <i>provision for redundancy incentives</i> | 8 | 31 | | |
| 77 | (4) | (38) | | - <i>re-measurement gains/losses on commodity derivatives</i> | (18) | (15) | | |
| 5 | | | | - <i>other</i> | | | | |
| 2,721 | 2,443 | 2,804 | 3.1 | Adjusted operating profit | 17,222 | 9,484 | (44.9) | |
| 23 | (49) | (57) | | Net financial income (expense) ^(b) | 70 | (23) | | |
| 139 | 106 | 24 | | Net income from investments ^(b) | 609 | 243 | | |
| (1,494) | (1,557) | (1,752) | | Income taxes ^(b) | (10,001) | (5,826) | | |
| 51.8 | 62.3 | 63.2 | | Tax rate (%) | 55.9 | 60.0 | | |
| 1,389 | 943 | 1,019 | (26.6) | Adjusted net profit | 7,900 | 3,878 | (50.9) | |
| Results also include: | | | | | | | | |
| 2,762 | 1,458 | 2,434 | (11.9) | - <i>amortizations and depreciations</i> | 7,488 | 7,363 | (1.7) | |
| of which: | | | | | | | | |
| 634 | 281 | 350 | (44.8) | exploration expenditure | 2,057 | 1,551 | (24.6) | |
| 473 | 225 | 269 | (43.1) | - <i>amortization of exploratory drilling expenditure and other</i> | 1,577 | 1,264 | (19.8) | |
| 161 | 56 | 81 | (49.7) | - <i>amortization of geological and geophysical exploration expenses</i> | 480 | 287 | (40.2) | |
| 2,916 | 2,089 | 2,490 | (14.6) | Capital expenditures | 9,281 | 9,486 | 2.2 | |
| of which: | | | | | | | | |
| 603 | 212 | 284 | (52.9) | - <i>exploratory expenditure ^(c)</i> | 1,918 | 1,228 | (36.0) | |
| Production ^{(d) (e)} | | | | | | | | |
| 1,079 | 957 | 1,073 | (0.6) | Liquids ^(f) | (kbbbl/d) | 1,026 | 1,007 | (1.9) |
| 4,449 | 4,139 | 4,668 | 4.8 | Natural gas | (mmcf/d) | 4,424 | 4,374 | (0.8) |
| 1,854 | 1,678 | 1,886 | 1.7 | Total hydrocarbons | (kboe/d) | 1,797 | 1,769 | (1.6) |
| Average realizations | | | | | | | | |
| 46.47 | 62.69 | 68.42 | 47.2 | Liquids ^(f) | (\$/bbl) | 84.05 | 56.95 | (32.2) |
| 8.36 | 5.21 | 5.20 | (37.8) | Natural gas | (\$/mmcf) | 8.01 | 5.62 | (29.8) |
| 47.11 | 49.54 | 52.24 | 10.9 | Total hydrocarbons | (\$/boe) | 68.13 | 46.90 | (31.2) |
| Average oil market prices | | | | | | | | |
| 54.91 | 68.28 | 74.57 | 35.8 | Brent dated | (\$/bbl) | 96.99 | 61.51 | (36.6) |
| 41.69 | 47.71 | 50.45 | 21.0 | Brent dated | (euro/bbl) | 65.93 | 44.16 | (33.0) |

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|--------|--------|--------|--------|-------------------------|----------|--------|--------|--------|
| 58.50 | 68.19 | 76.06 | 30.0 | West Texas Intermediate | (\$/bbl) | 99.56 | 61.69 | (38.0) |
| 226.72 | 111.95 | 153.27 | (32.4) | Gas Henry Hub | (\$/kcm) | 312.89 | 139.49 | (55.4) |

- (a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit following restructuring of Eni regulated gas businesses in Italy. Prior period results have been restated accordingly.
- (b) Excluding special items.
- (c) Includes exploration bonuses.
- (d) Supplementary operating data is provided on page 43.
- (e) Includes Eni's share of production of equity-accounted entities.
- (f) Includes condensates.

Results

The Exploration & Production division reported **adjusted operating profit** amounting to euro 2,804 million for the **fourth quarter of 2009**, representing an increase of euro 83 million from the fourth quarter of 2008, or 3.1%, due to: (i) a benign trading environment driven by a sharp increase in oil realizations (up 47.2%), while gas realizations declined by 37.8% due to time lags between movements in oil prices and their effect on gas prices provided in pricing formulae and a fall in spot prices; (ii) higher sales volumes (up 3.6 million boe, or 2.2%) driven by production growth. These positives were partly offset by the appreciation of the euro over the dollar (up 12.2%).

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Special charges excluded from adjusted operating profit amounted to euro 393 million and mainly regarded impairments of proved and unproved properties the Gulf of Mexico, Australia and Congo.

Fourth-quarter adjusted net profit decreased by euro 370 million to euro 1,019 million from the fourth quarter of 2008. The decline was due to lower results from associates on the back of a weak trading environment as well as a higher tax rate (up 11.4 percentage points) due to: (i) a higher share of profit before tax earned in foreign countries with higher taxation; as well as (ii) payment of a balance for prior-year income taxes amounting to \$310 million (or euro 230 million) in Libya as new rules came into effect which reassessed revenues for tax purposes.

Full-year adjusted operating profit was euro 9,484 million, a decrease of euro 7,738 million compared to 2008, or 44.9%, driven by lower oil & gas realizations in dollars (down 32.2% and down 29.8%, respectively) and lower production sales volumes (down 9.2 million boe). These negatives were partly offset by the depreciation of the euro over the dollar (approximately euro 500 million).

Full-year adjusted net profit amounted to euro 3,878 million, a reduction of euro 4,022 million (down 50.9%) due to a weaker operating performance, lower results from associates and a higher tax rate (up 4.1 percentage points) due to afore mentioned factors.

In **2009 special charges** excluded from adjusted operating profit of euro 364 million regarded impairments of oil & gas properties, and gains on the divestment of certain exploration and production assets as part of the agreements signed with Suez.

Operating review

Liquids and gas production for the fourth quarter of 2009 reached record levels at 1,886 kboe/d, representing an increase of 32 kboe/d from the fourth quarter of 2008, or 1.7%. Excluding the OPEC cuts (down approximately 20 kboe/d), production increased by 2.8%. The increase was driven by continuing production ramp-ups and field start-ups in Congo, Nigeria, the Gulf of Mexico and Egypt (up 119 kboe/d), the reimbursement of royalties in kind in the USA and other contractual revisions (for an overall increase of 40 kboe/d). Negative factors were the impact of unplanned facility downtime, mature field declines, and price effects reported in the Company's PSAs and similar contractual schemes (down approximately 20 kboe/d). The share of liquids and natural gas produced outside Italy was 91% (90% in the fourth quarter of 2008).

Liquids production was 1,073 kbbbl/d, slightly declining from the fourth quarter of 2008 (down 0.6%). The main increases were recorded in the Gulf of Mexico, due to production start-up at the Thunderhawk (Eni's interest 25%), Pegasus (Eni's interest 58%) and Longhorn (Eni's interest 75%) projects, in Congo, due to the ramp-up at the Awa Paloukou project (Eni's interest 90%), and Nigeria, due to an increased interest in Abo (Eni's interest 85%) and the start-up of the Oyo (Eni's interest 70%) fields. Decreases were associated with unplanned facility downtime in Libya, mature fields decline, mainly in Italy and in the North Sea, as well as negative price effects in the Company's PSAs in a number of countries, including Iran, where operations at the Dorood project, Eni's sole direct activity in that country, were handed over to local partners.

Natural gas production (4,668 mmcf/d) increased by 219 mmcf/d, or 4.8%. Main increases were recorded in the Gulf of Mexico, Congo, due to the contribution of the M Boundi gas project, Nigeria and Croatia, due to the start-up of Annamaria field (Eni's interest 50%). Main reductions were recorded in Libya due to lower gas demand on the European market and afore mentioned technical reasons, and for mature fields decline, mainly in Italy.

Liquids and gas production for 2009 (1,769 kboe/d) declined by 28 kboe/d from 2008 (down 1.6%). Excluding the OPEC cuts (down 28 kboe/d) production was barely unchanged (down 0.2%). Lower production uplifts associated with weak European gas demand, unplanned facility downtime and continuing security issues in Africa and mature field declines negatively affected full-year performance. Production increases were driven by continuing production ramp-ups/start-ups in Angola, Congo, Egypt, Kazakhstan, Venezuela and the Gulf of Mexico as well as the positive

price impact reported in the Company's PSAs and similar contractual schemes (up approximately 35 kbbbl/d). The share of oil and natural gas produced outside Italy was 90% (89% in 2008).

Liquids production was 1,007 million bbl/d, a decrease of 19 kbbbl/d, or 1.9% due to the impact of unplanned facility downtime in Libya and mature fields decline, mainly in Italy and in the North Sea. These negatives were offset in part by production increases achieved in Angola, Congo, Kazakhstan, the Gulf of Mexico and Venezuela.

Natural gas production (4,374 mmcf/d) slightly declined from 2008 (down 0.8%). Increases recorded in the Gulf of Mexico, Congo and Croatia, were offset by declines in Libya and Italy.

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Liquids and gas realizations for the fourth quarter in dollar terms (52.24 \$/bbl) increased by 10.9% on average driven by higher oil prices for market benchmarks (the Brent crude price increased 35.8%) and appreciation of the Eni equity basket. Natural gas realizations were down 37.8% (29.8% in 2009) driven by time-lags between movements in oil prices and their effect on gas prices provided in pricing formulae and by a fall in spot prices. Eni's average liquids realizations decreased by 1.46 \$/bbl due to the settlement of certain commodity derivatives relating to the sale of 10.5 mmbbl in the quarter. This was part of a derivative transaction the Company entered into to hedge exposure to variability in future cash flows expected from the sale of a portion of the Company's proved reserves for an original amount of approximately 125.7 mmbbl in the 2008-2011 period, decreasing to approximately 37.5 mmbbl by end of 2009.

Full-year liquids and gas realizations in dollar terms declined by 31.2% on average reflecting market conditions (Brent dated down 36.6%). On a yearly basis, the settlement of the afore mentioned derivative transaction marginally affected Eni's average oil realizations. The positive effect recorded in the first half (up 0.79 \$/bbl on the sale of 21 mmbbl) was offset in the second half (down 0.23 \$/bbl and down 1.46 \$/bbl, in the third and fourth quarter, respectively) due to the inversion in the trend of oil prices.

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--|----------|---------------------------|---------------------------|
| 93.6 | 91.1 | 95.4 | Sales volumes | (mmbbl) | 364.3 | 373.5 |
| 11.5 | 10.6 | 10.5 | Sales volumes hedged by derivatives (cash flow hedge) | | 46.0 | 42.2 |
| 45.12 | 62.92 | 69.88 | Average realized price per barrel, excluding derivatives | (\$/bbl) | 88.17 | 56.98 |
| 1.36 | (0.23) | (1.46) | Realized gains (losses) on derivatives | | (4.13) | (0.03) |
| 46.47 | 62.69 | 68.42 | Average realized price per barrel | | 84.05 | 56.95 |

Table of Contents**Estimated net proved reserves pro-forma (preliminary)**

| | | Full Year 2008 | Full Year 2009 | % Ch. |
|---|---------|---------------------------|---------------------------|--------------|
| Estimated net proved reserves ^(a) | | | | |
| Liquids | (mmbbl) | 3,335 | 3,463 | 3.8 |
| Natural Gas | (bcf) | 18,748 | 17,850 | (4.7) |
| Hydrocarbons | (mmboe) | 6,600 | 6,571 | (0.4) |
| <i>of which:</i> | | | | |
| - Italy | | 681 | 703 | 3.2 |
| - Outside Italy | | 5,919 | 5,868 | (0.9) |
| Estimated net proved developed reserves | | | | |
| Liquids | (mmbbl) | 2,036 | 2,035 | .. |
| Natural Gas | (bcf) | 11,368 | 11,884 | 4.7 |
| Hydrocarbons | (mmboe) | 4,016 | 4,104 | 2.2 |

(a) Includes Eni's share of proved reserves of equity-accounted entities. In particular proved reserves for both periods accounted the 29.4% stake of the three equity-accounted Russian companies participated by joint-venture OOO SeverEnergia following the divestment of the 51% stake in the venture to Gazprom on September 23, 2009, in line with the call option arrangement.

Movements in Eni's 2009 estimated proved reserves were as follows:

(mmboe)

| | |
|---|--------------|
| Estimated net proved reserves at December 31, 2008 | 6,600 |
| Extensions, discoveries, and other additions, revisions of previous estimates, improved recovery and other factors, excluding year-end price effect | 695 |
| Price effect | (103) |
| Reserve additions, total | 592 |
| Proved property acquisitions | 26 |
| Sales of minerals-in-place | (1) |
| Production for the year | (646) |
| Estimated net proved reserves at December 31, 2009 | 6,571 |
| Reserve replacement ratio, all sources | (%) 96 |
| Reserve replacement ratio, all sources and excluding price effect | (%) 109 |

Net additions to proved reserves booked in 2009 were 592 mmboe. Net additions pertaining to discoveries, extensions, improved recovery, revision of previous estimates and other factors were 695 mmboe, which were partly offset by the unfavorable effect of higher oil prices on reserve entitlements in certain PSAs and buy-back contracts (down 103 mmboe) resulting from higher oil prices from a year ago (the Brent price used in the reserve estimation process was \$59.9 per barrel⁴ in 2009 compared to \$36.6 per barrel in 2008). Higher oil prices also resulted in upward revisions

associated with improved economics of marginal productions.

Acquisitions amounted to 26 mmboe reflecting a 27.5% stake purchased from Quicksilver Resources Inc. in the Alliance area, in Texas.

In 2009 Eni achieved an all-sources reserve replacement ratio of 96% with a reserve life index of 10.2 years (10 years in 2008). Excluding price effects, the replacement ratio would be 109%.

The Company will provide additional details relating to 2009 reserve activity in its regular annual filings with Italian market authorities and the US SEC.

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- (4) The new US Sec rules has changed the pricing mechanism for oil & gas reserves estimation in 2009. It specifies that, in calculating economic producibility, a company must use a 12-month average price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period. Prior period reserves were estimated using the one day price measured on the last day of the company's fiscal year.

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Gas & Power

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|---------------------------|--------------------------|---------------------------|---------------------------|---|-------------------|-------------------|---------------|
| | | | | RESULTS ^(a) | (euro million) | | |
| 12,713 | 5,511 | 7,468 | (41.3) | Net sales from operations | 37,062 | 30,447 | (17.8) |
| 918 | 567 | 1,004 | 9.4 | Operating profit | 4,030 | 3,687 | (8.5) |
| (153) | 41 | (9) | | Exclusion of inventory holding (gains) losses | (429) | 326 | |
| (82) | 113 | 132 | | Exclusion of special items: | (37) | (112) | |
| (2) | 1 | 1 | | - <i>environmental charges</i> | 12 | 19 | |
| 1 | | 27 | | - <i>asset impairments</i> | 1 | 27 | |
| 5 | | (1) | | - <i>gains on disposal of assets</i> | 7 | (6) | |
| | | 115 | | - <i>risk provisions</i> | | 115 | |
| 12 | 4 | 13 | | - <i>provision for redundancy incentives</i> | 20 | 25 | |
| (98) | 108 | (23) | | - <i>re-measurement gains/losses on commodity derivatives</i> | (74) | (292) | |
| | | | | - <i>other</i> | (3) | | |
| 683 | 721 | 1,127 | 65.0 | Adjusted operating profit | 3,564 | 3,901 | 9.5 |
| 32 | 185 | 549 | .. | Marketing | 1,309 | 1,721 | 31.5 |
| 506 | 450 | 487 | (3.8) | Regulated businesses in Italy ^(a) | 1,732 | 1,796 | 3.7 |
| 145 | 86 | 91 | (37.2) | International transport | 523 | 384 | (26.6) |
| (3) | (7) | 4 | | Net finance income (expense) ^(b) | (13) | (15) | |
| 88 | 76 | 94 | | Net income from investments ^(b) | 420 | 332 | |
| (246) | (211) | (373) | | Income taxes ^(b) | (1,323) | (1,302) | |
| 32.0 | 26.7 | 30.4 | | Tax rate (%) | 33.3 | 30.9 | |
| 522 | 579 | 852 | 63.2 | Adjusted net profit | 2,648 | 2,916 | 10.1 |
| 656 | 344 | 591 | (9.9) | Capital expenditures | 2,058 | 1,686 | (18.1) |
| | | | | Natural gas sales | (bcm) | | |
| 27.21 | 19.60 | 24.31 | (10.7) | Sales of consolidated subsidiaries | 89.32 | 89.60 | 0.3 |
| 13.28 | 8.92 | 10.01 | (24.6) | Italy (includes own consumption) | 52.82 | 40.04 | (24.2) |
| 13.77 | 10.31 | 14.14 | 2.7 | Rest of Europe | 35.61 | 48.65 | 36.6 |
| 0.16 | 0.37 | 0.16 | .. | Outside Europe | 0.89 | 0.91 | 2.2 |
| 2.47 | 1.52 | 2.26 | (8.5) | Eni's share of sales of natural gas of affiliates | 8.91 | 7.95 | (10.8) |
| 29.68 | 21.12 | 26.57 | (10.5) | Total sales and own consumption (G&P) | 98.23 | 97.55 | (0.7) |
| 1.31 | 1.40 | 1.82 | 38.9 | E&P in Europe and in the Gulf of Mexico | 6.00 | 6.17 | 2.8 |
| 30.99 | 22.52 | 28.39 | (8.4) | Worldwide gas sales | 104.23 | 103.72 | (0.5) |
| 22.24 | 17.24 | 21.56 | (3.1) | Gas volumes transported in Italy | 85.64 | 76.90 | (10.2) |
| 13.16 | 9.77 | 9.82 | (25.4) | Eni | 51.80 | 39.63 | (23.5) |
| 9.08 | 7.47 | 11.74 | 29.3 | On behalf of third parties | 33.84 | 37.27 | 10.1 |
| 6.94 | 9.19 | 9.42 | 35.7 | Electricity sales | 29.93 | 33.96 | 13.5 |
| | | | | | (TWh) | | |

- (a) From January 1, 2009, results of the gas storage business are reported within the Gas & Power segment reporting unit, within the regulated businesses results, following restructuring of Eni regulated gas businesses in Italy. As of that date, the results of the regulated businesses in Italy therefore include results of the Transport, Distribution, Re-gasification and Storage activities in Italy. Prior period results have been restated accordingly.
- (b) Excluding special items.

Results

In the **fourth quarter of 2009** the Gas & Power division reported adjusted operating profit of euro 1,127 million, an increase of euro 444 million from the fourth quarter of 2008, up 65%. The increase was driven by a better performance delivered by the Marketing business (up euro 517 million) due to gains recorded on the settlement of certain non-hedging commodity derivatives amounting to euro 191 million associated with future sales of gas and electricity. However, in assessing the underlying performance of the Marketing business, management calculates as an alternative measure of performance the EBITDA pro-forma adjusted, by bringing forward the impact of the settlement of those derivatives to future reporting periods where the associated revenues are expected to be recognized. Management believes that disclosing this internally used measure is helpful in assisting investors to understand these business trends (see page 22).

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When excluding this derivative impact, the Marketing business confirmed its positive performance, as a result of a favorable trading environment, mainly reflecting trend in the exchange rate, higher results reported by Distrigas and the achievement of synergies on integration, as well as the impact of the renegotiation of certain long-term supply contracts. These positives more than offset declining sales volumes on the Italian market. International transport and Regulated businesses in Italy recorded declining results.

Fourth-quarter adjusted net profit was euro 852 million, an increase of euro 330 million from the fourth quarter of 2008 (up 63.2%) due to an improved operating performance and a lower adjusted tax rate (down from 32% in the fourth quarter of 2008 to 30.4% in the fourth quarter of 2009).

In **2009** the Gas & Power division reported **adjusted operating profit** of euro 3,901 million, an increase of euro 337 million, or 9.5% from 2008. This increase was mainly driven by improved results of the Marketing business (up euro 412 million) as gains were recorded on the settlement of certain non-hedging commodity derivatives amounting to euro 218 million associated with future sales of gas and electricity. When excluding this derivative impact as explained in the quarterly results, the Marketing business confirmed its positive performance, driven by the same factors as in the fourth quarter. This is a remarkable achievement considering the steep decline of gas demand in Italy and Europe and increasing competitive pressures. The International Transport business recorded a drop in operating profit.

Full-year adjusted net profit was euro 2,916 million, increasing by euro 268 million from 2008 (up 10.1%) due to an improved operating performance and offset in part by lower earnings reported by equity accounted entities.

Special items excluded from operating profit amounted to net charges of euro 132 million in the quarter and net gains of euro 112 million in the year. These related mainly to a provision in the LNG business and re-measurement impacts recorded on fair value evaluation of certain non-hedging commodity derivatives in the Marketing business (euro 23 million gains in the quarter and euro 292 million gains in the year) as discussed above.

Eni exercised the contractual right to renegotiate terms and conditions of certain long-term supply contracts with its suppliers as foreseen in case of significant changes in the market environment, as those that have been occurring from the second half of 2008. These renegotiations were finalized early in February.

Operating review

Marketing

This business reported **adjusted operating profit** of euro 549 million for the **fourth quarter of 2009**, representing an increase of euro 517 million from the fourth quarter of 2008. This increase was due to the impact of the settlement of certain non-hedging commodity derivatives resulting in a euro 191 million gain associated with future sales of gas and electricity.

Net of this effect, Marketing results were largely positive driven by the following factors:

- (i) favorable trading environment compared with the fourth quarter of 2008 which was affected by particularly negative trends in exchange rates;
- (ii) higher profits reported by Distrigas, as well as benefits associated with integration synergies;
- (iii) the impact of the renegotiation of certain long-term supply contracts.

These positives were partly offset by losses recorded on the Italian market due to a sharp decline in volumes sold (down 3.3 million cubic meters, or 24.7%) and declining margins as competitive pressures mounted and there was increased gas availability on the marketplace.

Full-year adjusted operating profit was euro 1,721 million, an increase of euro 412 million from 2008, or 31.5%. This mainly reflected gains on the settlement of certain non-hedging commodity derivatives amounting to a euro 218 million gains associated with future sales of gas and electricity. Net of this effect, the Marketing business showed a positive performance despite the sharp decline in sales volumes in Italy, down by approximately a fourth (down 12.8 billion cubic meters) and the impact of competitive pressures on margins. Improved scenario

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for energy parameters, the contribution of the acquisition of Distrigas in terms of integration synergies and improved performance together with the impact of the renegotiation of certain long-term supply contracts are the main positive trends for the year.

NATURAL GAS SALES BY MARKET

(bcm)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|----------------------------|---------------------------|----------------------------|-------------------------------|--|-----------------------|-----------------------|---------------|
| 13.30 | 8.92 | 10.01 | (24.7) | ITALY | 52.87 | 40.04 | (24.3) |
| 2.29 | 0.70 | 1.47 | (35.8) | - Wholesalers | 7.52 | 5.92 | (21.3) |
| 0.43 | 0.24 | 0.41 | (4.7) | - Gas release | 3.28 | 1.30 | (60.4) |
| 0.59 | 0.63 | 1.35 | .. | - Italian exchange for gas and spot markets | 1.89 | 2.37 | 25.4 |
| 2.32 | 1.87 | 1.62 | (30.2) | - Industries | 9.59 | 7.58 | (21.0) |
| 0.37 | 0.09 | 0.39 | 5.4 | - Medium-sized enterprises and services | 1.05 | 1.08 | 2.9 |
| 3.97 | 3.39 | 1.29 | (67.5) | - Power generation | 17.69 | 9.68 | (45.3) |
| 2.07 | 0.45 | 1.98 | (4.3) | - Residential | 6.22 | 6.30 | 1.3 |
| 1.26 | 1.55 | 1.50 | 19.0 | - Own consumption | 5.63 | 5.81 | 3.2 |
| 17.69 | 13.60 | 18.38 | 3.9 | INTERNATIONAL SALES | 51.36 | 63.68 | 24.0 |
| 15.95 | 11.65 | 15.97 | 0.1 | Rest of Europe | 43.03 | 55.45 | 28.9 |
| 2.87 | 2.07 | 2.64 | (8.0) | - Importers in Italy | 11.25 | 10.48 | (6.8) |
| 13.08 | 9.58 | 13.33 | 1.9 | - European markets | 31.78 | 44.97 | 41.5 |
| 1.86 | 1.92 | 1.64 | (11.8) | <i>Iberian Peninsula</i> | 7.44 | 6.81 | (8.5) |
| 1.82 | 1.09 | 1.59 | (12.6) | <i>Germany - Austria</i> | 5.29 | 5.36 | 1.3 |
| 4.57 | 2.85 | 4.75 | 3.9 | <i>Belgium</i> | 4.57 | 14.86 | .. |
| 0.93 | 0.30 | 0.82 | (11.8) | <i>Hungary</i> | 2.82 | 2.58 | (8.5) |
| 1.00 | 1.02 | 1.31 | 31.0 | <i>Northern Europe</i> | 3.21 | 4.31 | 34.3 |
| 1.21 | 1.17 | 1.30 | 7.4 | <i>Turkey</i> | 4.93 | 4.79 | (2.8) |
| 1.20 | 1.02 | 1.53 | 27.5 | <i>France</i> | 2.66 | 4.91 | 84.6 |
| 0.49 | 0.21 | 0.39 | (20.4) | <i>Other</i> | 0.86 | 1.35 | 57.0 |
| 0.43 | 0.55 | 0.59 | 37.2 | Extra European markets | 2.33 | 2.06 | (11.6) |
| 1.31 | 1.40 | 1.82 | 38.9 | E&P in Europe and in the Gulf of Mexico | 6.00 | 6.17 | 2.8 |
| 30.99 | 22.52 | 28.39 | (8.4) | WORLDWIDE GAS SALES | 104.23 | 103.72 | (0.5) |

Fourth-quarter sales of natural gas were 28.39 bcm, a decrease of 2.60 bcm from the fourth quarter of 2008, down 8.4%, mainly as a result of lower sales in Italy. Sales included own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and the Gulf of Mexico.

Sales volumes on the Italian market declined by 3.29 bcm, or 24.7%, to 10.01 bcm due to strong competitive pressures and higher gas availability on the marketplace following the start-up of a new regasification plant offshore the Adriatic Coast in October 2009 and the coming onstream of upgrades of import pipelines. Eni suffered lower sales in the power generation business (down 2.68 bcm), wholesalers (down 0.82 bcm) and industrial customers (down 0.70 bcm). These negatives were offset in part by colder weather as compared to 2008 and higher volumes destined to Eni's power generation due to the coming onstream of new power units at the Ferrara facility.

International sales were up 0.69 bcm, or 3.9%, to 18.38 bcm, benefiting from higher volumes sold in Northern Europe (up 0.31 bcm), at the contribution of Distrigas acquisition (up 0.18 bcm), the organic growth achieved on the French market. Sales declined in the Iberian Peninsula, Germany and Hungary due to declining consumption.

In **2009 natural gas sales** were 103.72 bcm, declining slightly from 2008, (down 0.51 bcm, or 0.5%). Sales included own consumption, Eni's share of sales made by equity-accounted entities and upstream sales in Europe and the Gulf of Mexico. The contribution of the Distrigas acquisition (up 12.02 bcm) partly offset the negative effects of sharply lower gas demand in Italy (down 11%) and Europe (down 7.4% both percentages net of seasonal swings).

In Italy, sales volumes decreased by 12.83 bcm, or 24.3%, to 40.04 bcm reflecting sharply lower supplies to power generation utilities (down 8.01 bcm), industrial customers (down 2.01 bcm) and wholesalers (down 1.60 bcm) dragged down by a decline in industrial production following the economic downturn and competitive pressures, especially in the last part of the year which was affected by new gas availability. Volumes sold to

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the residential sector increased slightly due to higher weather-related sales, particularly in the first and fourth quarter of 2009 as well as volumes destined to Eni's power generation business.

International sales were up 12.32 bcm, or 24%, to 63.68 bcm, benefiting from the contribution of Distrigas (up 12.02 bcm). Organic sales increases were achieved in France (up 1.27 bcm) and Northern Europe (up 1.10 bcm). These increases were offset in part by lower volumes reported in supplies to importers to Italy (down 0.77 bcm), in the Iberian Peninsula (down 0.63 bcm) and Hungary (down 0.24 bcm) due to declining demand.

Electricity sales increased to 9.42 TWh, up 35.7% in the fourth quarter and to 33.96 TWh, up 13.5%, in 2009.

Notwithstanding weaker domestic demand, Eni's sales were driven by higher sales on open markets, in particular the retail market, with an increased number of clients served following intensive marketing campaigns and to wholesalers due to starting of VPP (Virtual Power Plant) supply agreements signed at the end of 2008. Sales to large clients, on the other hand declined due to a reduction in the customer base and the impact of the economic downturn.

Eni production increased at Ferrara (Eni's interest 51%) due to the coming onstream of two new 390 MW units and at Mantova and in the fourth quarter due to more regular operations of the Livorno and Ravenna facilities.

Regulated businesses in Italy

These businesses reported **adjusted operating profit** of euro 487 million for the **fourth quarter of 2009**, down euro 19 million, or 3.8% from the same period of 2008, due to declines reported by: (i) the Distribution business (down euro 21 million), mainly driven by a new tariff mechanism set by the Authority for Electricity and Gas which came into effect on January 1, 2009 and provided for the elimination of the commodity component of the tariff resulting in a revenue profile that is largely unaffected by seasonal swings in volumes of gas distributed and (ii) the Transport activity (down euro 16 million) due to lower volumes.

The Storage business reported adjusted operating profit of euro 58 million in the fourth quarter of 2009 (euro 40 million in the fourth quarter of 2008).

Regulated businesses in Italy reported **adjusted operating profit** of euro 1,796 million for **2009**, up euro 64 million, or 3.7% from 2008, due to the contribution of the Distribution business (up euro 72 million) which recorded a positive trend mainly driven by the impact of the afore mentioned new tariff mechanism set by the Authority for Electricity and Gas. This positive was partly offset by weaker results reported by Transport activities (down euro 52 million), caused by a decline in gas demand in Italy, despite the recognition of investments in tariffs.

The Storage business reported adjusted operating profit of euro 227 million, an increase from 2008 (euro 183 million).

Volumes of gas transported in Italy in 2009 were 76.90 bcm (21.56 bcm in the fourth quarter of 2009) decreasing by 8.74 bcm, or 10.2%, from 2008 (down 0.68 bcm from the fourth quarter of 2008, or 3.1%) due to lower gas deliveries due to a weaker demand.

In 2009, 8.71 bcm of gas were supplied (up 3.44 bcm from 2008) while 7.81 bcm were inputted to Company's storage deposits, an increase of 1.51 bcm compared to 2008. In 2009 **storage capacity** amounted to 13.9 bcm, of which 5 were destined to storage.

International Transport

This business reported **adjusted operating profit** of euro 91 million for the **fourth quarter of 2009** (euro 384 million for 2009), representing a decrease of euro 54 million, or 37.2% from the fourth quarter of 2008 (down euro 139 million in 2009, or 26.6%) mainly due to the recognition of higher amortization charges related to the upgrading of the TTPC pipeline and costs incurred to repair and restore to full capacity the TMPC pipeline which was damaged in an accident occurred in December 2008.

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(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|---------------------------|---------------------------|--------------|
| 940 | 703 | 1,159 | 23.3 | Pro-forma adjusted EBITDA | 4,310 | 4,403 | 2.2 |
| 360 | 211 | 623 | 73.1 | Marketing | 2,271 | 2,392 | 5.3 |
| 115 | (150) | (143) | | <i>of which: +/-) adjustment on commodity derivatives</i> | 119 | (133) | |
| 369 | 338 | 363 | (1.6) | Regulated businesses in Italy | 1,284 | 1,345 | 4.8 |
| 211 | 154 | 173 | (18.0) | International transport | 755 | 666 | (11.8) |

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization charges) on an adjusted basis is calculated by adding amortization and depreciation charges to adjusted operating profit which is also modified to take into account impact associated with certain derivatives instruments as discussed below. This performance indicator includes the adjusted EBITDA of Eni's wholly owned subsidiaries and Eni's share of adjusted EBITDA generated by certain associates which are accounted for under the equity method for IFRS purposes. Snam Rete Gas EBITDA is included according to Eni's share of equity (55.58% as of December 31, 2009, which takes into account the amount of own shares held in treasury by the subsidiary itself) although this Company is fully consolidated when preparing consolidated financial statements in accordance with IFRS, due to its listed company status. Italgas SpA and Stoccaggi Gas Italia SpA results are also included according to the same share of equity as Snam Rete Gas, due to the closing of the restructuring deal which involved Eni's regulated business in the Italian gas sector, whereby the parent company Eni SpA divested the entire share capital of the two subsidiaries to Snam Rete Gas. In order to calculate the EBITDA pro-forma adjusted, the adjusted operating profit of the Marketing business is modified to take into account the impact of the settlement of certain commodity and exchange rate derivatives that do not meet the formal criteria to be classified as hedges under the IFRS. Those are entered into by the Company in view of certain amounts of gas and electricity that the Company expects to supply at fixed prices in future periods. The impact of those derivatives is allocated to the EBITDA pro-forma adjusted relating to the reporting periods during which those supplies at fixed prices are recognized. Management believes that the EBITDA pro-forma adjusted is an important alternative measure to assess the performance of Eni's Gas & Power division, taking into account evidence that this division is comparable to European utilities in the gas and power generation sector. This measure is provided in order to assist investors and financial analysts in assessing the Eni Gas & Power divisional performance as compared to its European peers, as EBITDA is widely used as the main performance indicator for utilities. The EBITDA pro-forma adjusted is a non-GAAP measure under IFRS.

Table of Contents**Refining & Marketing**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|--|-----------------------------------|------------------------------------|-----------------------------------|--|---------------------------|---------------------------|---------------|
| RESULTS (euro million) | | | | | | | |
| 6,934 | 8,582 | 9,150 | 32.0 | Net sales from operations ^(a) | 45,017 | 31,853 | (29.2) |
| (2,192) | 34 | (423) | (80.7) | Operating profit | (988) | (102) | (89.7) |
| 2,233 | (173) | (152) | | Exclusion of inventory holding (gains) losses | 1,199 | (792) | |
| 203 | 29 | 379 | | Exclusion of special items: | 369 | 537 | |
| of which: | | | | | | | |
| | | | | Non-recurring items | (21) | | |
| 203 | 29 | 379 | | Other special items: | 390 | 537 | |
| 48 | 19 | 31 | | - environmental charges | 76 | 72 | |
| 149 | 12 | 325 | | - asset impairments | 299 | 389 | |
| 3 | (2) | (1) | | - gains on disposal of assets | 13 | (2) | |
| | | 2 | | - risk provisions | | 17 | |
| 13 | 3 | 11 | | - provision for redundancy incentives | 23 | 22 | |
| (10) | (3) | 11 | | - re-measurement gains/losses on commodity derivatives | (21) | 39 | |
| 244 | (110) | (196) | .. | Adjusted operating profit | 580 | (357) | .. |
| 1 | | | | Net finance income (expense) ^(b) | 1 | | |
| 63 | 22 | 14 | | Net income from investments ^(b) | 174 | 75 | |
| (88) | 40 | 64 | | Income taxes ^(b) | (234) | 85 | |
| 28.6 | .. | .. | | Tax rate (%) | 31.0 | .. | |
| 220 | (48) | (118) | .. | Adjusted net profit | 521 | (197) | .. |
| 422 | 164 | 254 | (39.8) | Capital expenditures | 965 | 635 | (34.2) |
| Global indicator refining margin | | | | | | | |
| 7.72 | 2.34 | 1.24 | (83.9) | Brent (\$/bbl) | 6.49 | 3.13 | (51.8) |
| 5.86 | 1.64 | 0.84 | (85.7) | Brent (euro/bbl) | 4.41 | 2.25 | (49.0) |
| 9.61 | 2.26 | 1.80 | (81.3) | Brent/Ural (\$/bbl) | 8.85 | 3.56 | (59.8) |
| Refining throughputs and sales (mmt tonnes) | | | | | | | |
| 6.19 | 6.42 | 5.97 | (3.6) | Refining throughputs of wholly-owned refineries | 25.59 | 24.02 | (6.1) |
| 7.73 | 7.94 | 7.30 | (5.6) | Refining throughputs on own account Italy | 30.39 | 29.40 | (3.3) |
| 1.34 | 1.35 | 1.31 | (2.2) | Refining throughputs on own account Rest of Europe | 5.45 | 5.15 | (5.5) |
| 9.07 | 9.29 | 8.61 | (5.1) | Refining throughputs on own account | 35.84 | 34.55 | (3.6) |
| 2.29 | 2.36 | 2.26 | (1.3) | Retail sales Italy | 8.81 | 9.03 | 2.5) |
| 0.77 | 0.80 | 0.74 | (3.9) | Retail sales Rest of Europe | 3.22 | 2.99 | (7.1) |
| 3.06 | 3.16 | 3.00 | (2.0) | Total retail sales in Europe | 12.03 | 12.02 | (0.1) |
| 2.89 | 2.43 | 2.47 | (14.5) | Wholesale Italy | 11.15 | 9.56 | (14.3) |
| 1.00 | 0.94 | 0.96 | (4.0) | Wholesale Rest of Europe | 3.94 | 3.66 | (7.1) |
| 3.89 | 3.37 | 3.43 | (11.8) | Total wholesale in Europe | 15.09 | 13.22 | (12.4) |

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| | | | | | | | |
|--|--------------|--------------|------------|-------------------------|--------------|--------------|---------------|
| 0.13 | 0.10 | 0.10 | (23.1) | Wholesale Rest of World | 0.56 | 0.41 | (26.8) |
| 5.03 | 4.71 | 5.59 | 11.1 | Other sales | 21.48 | 19.94 | (7.2) |
| 12.11 | 11.34 | 12.12 | 0.1 | Sub-total | 49.16 | 45.59 | (7.3) |
| | | | | Iberian Peninsula | 1.52 | | .. |
| 12.11 | 11.34 | 12.12 | 0.1 | SALES | 50.68 | 45.59 | (10.0) |
| Refined product sales by region | | | | | | | |
| 7.52 | 6.88 | 6.90 | (8.2) | Italy | 28.92 | 26.68 | (7.7) |
| 1.77 | 1.74 | 1.70 | (4.0) | Rest of Europe | 8.68 | 6.65 | (23.4) |
| 2.82 | 2.72 | 3.52 | 24.8 | Rest of World | 13.08 | 12.26 | (6.3) |

- (a) From January 1, 2009 Eni adopted IFRIC 13 "Customer Loyalty Programmes" providing that the award credits granted to clients within the related loyalty programmes should be accounted as a separate component of the basic sale transaction, evaluated at their fair value and recognized as revenues when redeemed. Prior period results have been restated accordingly.
- (b) Excluding special items.

Results

The Refining & Marketing division reported an **adjusted operating loss** amounting to euro 196 million for the **fourth quarter of 2009**, reversing a prior year profit of euro 244 million. The euro 440 million reduction was mainly driven by sharply lower refining margins as a result of an unfavorable trading environment due to narrowing

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price differentials between heavy and light crude and excess finished products, in particular diesel oil, whose spread on raw material reached historical lows in the quarter. Marketing activities in Italy delivered lowered operating performance.

Fourth quarter adjusted net loss was euro 118 million, reversing a prior year profit of euro 220 million, mainly due to a lower operating performance and lower earnings reported by equity-accounted entities.

In **2009** the Refining & Marketing division reported an **adjusted operating loss** of euro 357 million, a decrease of euro 937 million from 2008 mainly driven by sharply lower refining margins as a result of an unfavorable trading environment.

Full-year adjusted net loss was euro 197 million (down euro 718 million, reversing a prior year profit of euro 521 million), mainly due to a lower operating performance and decreased earnings reported by equity-accounted entities.

Special charges excluded from adjusted operating profit (euro 379 million in the quarter and euro 537 million in 2009) and from adjusted net profit (euro 412 million in the quarter and euro 501 million in 2009) mainly related to impairment charges recorded in the light of the negative outlook for the refining industry and a downsizing of the growth expectations on certain markets. In particular, impairment charges concerned low complexity refineries, including refineries participated by Eni, goodwill recognized on marketing assets acquired in Central-Eastern Europe, marketing assets in Europe and capital expenditures for the period on assets impaired in previous reporting periods. Other special charges mainly related to environmental and other risk provisions and re-measurement losses recorded on fair value evaluation of certain non-hedging commodity derivatives.

Operating review

Eni's refining throughputs for the **fourth quarter of 2009** were 8.61 mmt tonnes, down 5.1% from the fourth quarter of 2008. Lower volumes were processed in Italy (down 5.6%) reflecting lower activities of plants, in particular at Gela and Taranto due to the negative scenario. Volumes processed outside Italy declined particularly at Eni's plants in the Czech Republic due to lower capacity utilization in response to weak market demand.

Sales of refined products for the fourth quarter of 2009 were 12.12 mmt tonnes, barely unchanged from a year ago (up 0.1%).

Retail sales in Italy decreased by approximately 30 ktonnes, down 1.3%, to 2.26 mmt tonnes due to declining demand. Declines concerned mainly gasoline sales while gasoil and LPG sales were barely unchanged. Eni's retail market share for the quarter averaged 31.2%, down 0.5 percentage points from the corresponding period in 2008.

Wholesale volumes in Italy (2.47 mmt tonnes) decreased by approximately 420 ktonnes, down 14.5%, mainly due to lower demand reflecting the economic downturn (in particular aviation business, fuel oil for electricity production and bunkering).

Retail sales in the rest of Europe (approximately 740 ktonnes) decreased by approximately 30 ktonnes, or 3.9%, mainly reflecting a decline in demand, in particular in Germany and Eastern Europe.

Wholesale sales in the rest of Europe (0.96 mmt tonnes) decreased by approximately 40 ktonnes, or 4%, mainly in Germany, Switzerland and Slovenia due to declining consumption in particular of fuel oil.

Eni's refining throughputs for the **2009** were 34.55 mmt tonnes, down 3.6% from 2008. Lower volumes were recorded in Italy (down 3.3%) as refinery operations were rescheduled at certain plants to take account of weak demand for products. Volumes processed outside Italy declined in particular in the Czech Republic due to lower utilization of plant capacity in response to weak market conditions.

Excluding the impact of the divestment of marketing activities in the Iberian Peninsula late in 2008 (down 1.52 mmt tonnes), sales of refined products decreased by 3.57 mmt tonnes, down 7.3%, to 45.59 mmt tonnes.

Retail sales in Italy (9.03 mmt tonnes) increased by approximately 220 ktonnes, up 2.5%, driven by marketing initiatives, including pricing, in particular the success of the Iperself program and the opening of new services stations. Sales of middle distillates were higher. Eni's retail market share for 2009 averaged 31.5%, up 0.9 percentage points from 2008 (30.6%).

Wholesale sales in Italy (9.56 mmt tonnes) decreased by approximately 1.59 mmt tonnes, down 14.3%, mainly due

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to lower demand as a result of the economic downturn.

Retail sales in the rest of Europe (2.99 mmt tonnes) decreased by approximately 230 ktonnes, or 7.1%, mainly reflecting a decline in full demand, particularly in Germany and Eastern Europe.

Wholesale sales in the rest of Europe (3.66 mmt tonnes) decreased by approximately 280 ktonnes, mainly in Germany, the Czech Republic and Switzerland.

Table of Contents**Profit and loss account**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|---|---------------------------|---------------------------|---------------|
| 24,550 | 19,142 | 22,190 | (9.6) | Net sales from operations ^(a) | 108,082 | 83,340 | (22.9) |
| 262 | 333 | 281 | 7.3 | Other income and revenues | 728 | 1,115 | 53.2 |
| (20,834) | (14,207) | (16,590) | 20.4 | Operating expenses | (80,354) | (62,394) | 22.4 |
| | | | | <i>of which non recurring items</i> | 21 | | |
| (156) | (87) | 94 | .. | Other operating income (expense) ^(b) | (124) | 55 | .. |
| (3,514) | (1,964) | (3,259) | 7.3 | Depreciation, depletion, amortization and impairments | (9,815) | (9,811) | .. |
| 308 | 3,217 | 2,716 | .. | Operating profit | 18,517 | 12,305 | (33.5) |
| (349) | (175) | (157) | 55.0 | Finance income (expense) | (640) | (551) | 13.9 |
| 157 | 194 | 17 | (89.2) | Net income from investments | 1,373 | 569 | (58.6) |
| 116 | 3,236 | 2,576 | .. | Profit before income taxes | 19,250 | 12,323 | (36.0) |
| (874) | (1,747) | (1,648) | (88.6) | Income taxes | (9,692) | (6,756) | 30.3 |
| <i>n.s.</i> | <i>54.0</i> | <i>64.0</i> | | <i>Tax rate (%)</i> | <i>50.3</i> | <i>54.8</i> | |
| (758) | 1,489 | 928 | .. | Net profit | 9,558 | 5,567 | (41.8) |
| | | | | <i>Attributable to:</i> | | | |
| (874) | 1,240 | 641 | .. | - Eni | 8,825 | 4,617 | (47.7) |
| 116 | 249 | 287 | .. | - minority interest | 733 | 950 | 29.6 |
| (874) | 1,240 | 641 | .. | Net profit attributable to Eni | 8,825 | 4,617 | (47.7) |
| 1,693 | (108) | (31) | | Exclusion of inventory holding (gain) loss | 723 | (191) | |
| 1,136 | 20 | 784 | | Exclusion of special items | 616 | 781 | |
| | | | | <i>of which:</i> | | | |
| | | | | - non recurring items | (21) | | |
| 1,136 | 20 | 784 | | - other special items | 637 | 781 | |
| 1,955 | 1,152 | 1,394 | (28.7) | Eni s adjusted net profit^(c) | 10,164 | 5,207 | (48.8) |

(a) From January 1, 2009 Eni adopted IFRIC 13 "Customer Loyalty Programmes" providing that the award credits granted to clients within the related loyalty programmes should be accounted as a separate component of the basic sale transaction, evaluated at their fair value and recognized as revenues when redeemed. Prior period results have been restated accordingly.

(b) From year 2009, the Company accounts gain and losses on commodity derivatives instruments, including both fair value re-measurement and settled transactions, as items of operating profit. Adjusted operating profit and net profit only include gains and losses associated with settled transaction, gross and net of the associated tax impact respectively. Prior period results have been restated accordingly.

(c) For a detailed explanation of adjusted operating profit and adjusted net profit see page 27.

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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 more, 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, excluding commodity derivatives), and exchange rate differences are all excluded when determining adjusted net profit of each business segment. The taxation effect of the items excluded from adjusted operating or net profit is determined based on the specific rate of taxes applicable to each of them. The Italian statutory tax rate of 34% is applied to finance charges and income (33% in previous reporting periods). 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 that are excluded from the calculation of adjusted results.

Inventory holding gain or loss is the difference between the cost of sales of the volumes sold in the period based on the cost of supplies of the same period and the cost of sales of the volumes sold calculated using the weighted average cost method of inventory accounting.

Special items include certain significant income or charges pertaining to either: (i) infrequent or unusual events and transaction, 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. Also, special items include gains and losses on re-measurement at fair value of certain non-hedging commodity derivatives, including the ineffective portion of cash flow hedges.

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 the aforementioned derivative financial instruments, excluding commodity derivatives, 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.

Table of Contents**Full Year 2009**

| | E&P | G&P | R&M | Petrochemicals | Engineering & Construction | Other activities | Corporate and financial companies | Impact of unrealized intragroup profit elimination | Group |
|--|----------------|----------------|----------------|-----------------------|---|-----------------------------|--|---|------------------|
| <i>(euro million)</i> | | | | | | | | | |
| Reported operating profit | | 9,120 | 3,687 | (102) | (687) | 1,131 | (370) | (474) | 12,305 |
| Exclusion of inventory holding (gains) losses | | | 326 | (792) | 121 | | | | (345) |
| Exclusion of special items: | | | | | | | | | |
| environmental charges | | | 19 | 72 | 12 | | 141 | 54 | 298 |
| asset impairments | | 618 | 27 | 389 | 121 | 2 | 5 | | 1,162 |
| gains on disposal of assets | | (270) | (6) | (2) | | 3 | (2) | | (277) |
| risk provisions | | | 115 | 17 | | | (4) | | 128 |
| provision for redundancy incentives | | 31 | 25 | 22 | 10 | | 8 | 38 | 134 |
| re-measurement gains/losses on commodity derivatives | | (15) | (292) | 39 | (3) | (16) | | | (287) |
| other | | | | | | | (36) | 40 | 4 |
| Special items of operating profit | | 364 | (112) | 537 | 140 | (11) | 112 | 132 | 1,162 |
| Adjusted operating profit | | 9,484 | 3,901 | (357) | (426) | 1,120 | (258) | (342) | 13,122 |
| Net finance (expense) income ^(a) | | (23) | (15) | | | | 12 | (525) | (551) |
| Net income from investments ^(a) | | 243 | 332 | 75 | | 49 | 1 | | 700 |
| Income taxes ^(a) | | (5,826) | (1,302) | 85 | 86 | (277) | | 123 | (3) (7,114) |
| <i>Tax rate (%)</i> | | <i>60.0</i> | <i>30.9</i> | <i>..</i> | | <i>23.7</i> | | | <i>53.6</i> |
| Adjusted net profit | | 3,878 | 2,916 | (197) | (340) | 892 | (245) | (744) | (3) 6,157 |
| <i>of which:</i> | | | | | | | | | |
| - adjusted net profit of minority interest | | | | | | | | | 950 |
| - Eni s adjusted net profit | | | | | | | | | 5,207 |
| Eni reported net profit | | | | | | | | | 4,617 |
| Exclusion of inventory holding (gains) losses | | | | | | | | | (191) |
| Exclusion of special items | | | | | | | | | 781 |
| Eni s adjusted net profit | | | | | | | | | 5,207 |

(a) Excluding special items.

Table of Contents**Full Year 2008**

| | E&P | G&P | R&M | Petrochemicals | Engineering & Construction | Other activities | Corporate and financial companies | Impact of unrealized intragroup profit elimination | Group | |
|--|----------------|----------------|----------------|-----------------------|---|-----------------------------|--|---|--------------|---------------|
| <i>(euro million)</i> | | | | | | | | | | |
| Reported operating profit | | 16,239 | 4,030 | (988) | (845) | 1,045 | (346) | (743) | 125 | 18,517 |
| Exclusion of inventory holding (gains) losses | | | (429) | 1,199 | 166 | | | | | 936 |
| Exclusion of special items: | | | | | | | | | | |
| <i>of which:</i> | | | | | | | | | | |
| Non-recurring (income) charges | | | | | | | | | | (21) |
| Other special (income) charges: | | 983 | (37) | 390 | 281 | (4) | 102 | 461 | | 2,176 |
| environmental charges | | | 12 | 76 | | | 101 | 120 | | 309 |
| asset impairments | | 989 | 1 | 299 | 278 | | 5 | | | 1,572 |
| gains on disposal of assets | | 4 | 7 | 13 | (5) | (4) | (14) | (9) | | (8) |
| risk provisions | | | | | | | 4 | | | 4 |
| provision for redundancy incentives | | 8 | 20 | 23 | 8 | | 4 | 28 | | 91 |
| re-measurement gains/losses on commodity derivatives | | (18) | (74) | (21) | | | | 52 | | (61) |
| other | | | (3) | | | | 2 | 270 | | 269 |
| Special items of operating profit | | 983 | (37) | 369 | 281 | (4) | 102 | 461 | | 2,155 |
| Adjusted operating profit | | 17,222 | 3,564 | 580 | (398) | 1,041 | (244) | (282) | 125 | 21,608 |
| Net finance (expense) income ^(a) | | 70 | (13) | 1 | 1 | 1 | (39) | (661) | | (640) |
| Net income from investments ^(a) | | 609 | 420 | 174 | (9) | 49 | 4 | 5 | | 1,252 |
| Income taxes ^(a) | | (10,001) | (1,323) | (234) | 83 | (307) | | 406 | (49) | (11,425) |
| <i>Tax rate (%)</i> | | <i>55.9</i> | <i>33.3</i> | <i>31.0</i> | | <i>28.1</i> | | | | <i>51.4</i> |
| Adjusted net profit | | 7,900 | 2,648 | 521 | (323) | 784 | (279) | (532) | 76 | 10,795 |
| <i>of which:</i> | | | | | | | | | | |
| - adjusted net profit of minority interest | | | | | | | | | | 631 |
| - Eni s adjusted net profit | | | | | | | | | | 10,164 |
| Eni reported net profit | | | | | | | | | | 8,825 |
| Exclusion of inventory holding (gains) losses | | | | | | | | | | 723 |
| Exclusion of special items: | | | | | | | | | | |
| - non-recurring (income) charges | | | | | | | | | | (21) |
| - other special (income) charges | | | | | | | | | | 637 |
| Eni s adjusted net profit | | | | | | | | | | 10,164 |

(a) Excluding special items.

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Fourth Quarter 2009

| | E&P | G&P | R&M | Petrochemicals | Engineering & Construction | Other activities | Corporate and financial companies | Impact of unrealized intragroup profit elimination | Group | |
|--|-----|--------------|--------------|----------------|----------------------------------|---------------------|--|--|-------------|--------------|
| (euro million) | | | | | | | | | | |
| Reported operating profit | | 2,411 | 1,004 | (423) | (173) | 277 | (165) | (153) | (62) | 2,716 |
| Exclusion of inventory holding (gains) losses | | | (9) | (152) | 26 | | | | | (135) |
| Exclusion of special items: | | | | | | | | | | |
| environmental charges | | | 1 | 31 | 12 | | 96 | 54 | | 194 |
| asset impairments | | 403 | 27 | 325 | 24 | 2 | (1) | | | 780 |
| gains on disposal of assets | | 8 | (1) | (1) | | 7 | | | | 13 |
| risk provisions | | | 115 | 2 | | | | | | 117 |
| provision for redundancy incentives | | 20 | 13 | 11 | 7 | | 4 | 18 | | 73 |
| re-measurement gains/losses on commodity derivatives | | (38) | (23) | 11 | | (2) | | | | (52) |
| other | | | | | | | | (4) | | (4) |
| Special items of operating profit | | 393 | 132 | 379 | 43 | 7 | 99 | 68 | | 1,121 |
| Adjusted operating profit | | 2,804 | 1,127 | (196) | (104) | 284 | (66) | (85) | (62) | 3,702 |
| Net finance (expense) income ^(a) | | (57) | 4 | | | | (16) | (88) | | (157) |
| Net income from investments ^(a) | | 24 | 94 | 14 | | 20 | (1) | | | 151 |
| Income taxes ^(a) | | (1,752) | (373) | 64 | 19 | (75) | | 78 | 24 | (2,015) |
| <i>Tax rate (%)</i> | | 63.2 | 30.4 | .. | | 24.7 | | | | 54.5 |
| Adjusted net profit | | 1,019 | 852 | (118) | (85) | 229 | (83) | (95) | (38) | 1,681 |
| <i>of which:</i> | | | | | | | | | | |
| - adjusted net profit of minority interest | | | | | | | | | | 287 |
| - Eni s adjusted net profit | | | | | | | | | | 1,394 |
| Eni reported net profit | | | | | | | | | | 641 |
| Exclusion of inventory holding (gains) losses | | | | | | | | | | (31) |
| Exclusion of special items | | | | | | | | | | 784 |
| Eni s adjusted net profit | | | | | | | | | | 1,394 |

(a) Excluding special items.

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Fourth Quarter 2008

| | E&P | G&P | R&M | Petrochemicals | Engineering & Construction | Other activities | Corporate and financial companies | Impact of unrealized intragroup profit elimination | Group | |
|--|-----|--------------|-------------|----------------|----------------------------------|---------------------|--|--|------------|--------------|
| (euro million) | | | | | | | | | | |
| Reported operating profit | | 1,987 | 918 | (2,192) | (493) | 302 | (153) | (362) | 301 | 308 |
| Exclusion of inventory holding (gains) losses | | | (153) | 2,233 | 268 | | | | | 2,348 |
| Exclusion of special items: | | | | | | | | | | |
| environmental charges | | | (2) | 48 | | | 73 | 120 | | 239 |
| asset impairments | | 646 | 1 | 149 | 106 | | 2 | | | 904 |
| gains on disposal of assets | | 4 | 5 | 3 | | (4) | (1) | | | 7 |
| risk provisions | | | | | | | (16) | | | (16) |
| provision for redundancy incentives | | 2 | 12 | 13 | 7 | | 2 | 14 | | 50 |
| re-measurement gains/losses on commodity derivatives | | 77 | (98) | (10) | | | | 49 | | 18 |
| other | | 5 | | | | | 2 | 75 | | 82 |
| Special items of operating profit | | 734 | (82) | 203 | 113 | (4) | 62 | 258 | | 1,284 |
| Adjusted operating profit | | 2,721 | 683 | 244 | (112) | 298 | (91) | (104) | 301 | 3,940 |
| Net finance (expense) income ^(a) | | 23 | (3) | 1 | 1 | 1 | (27) | (345) | | (349) |
| Net income from investments ^(a) | | 139 | 88 | 63 | (11) | 13 | 1 | | | 293 |
| Income taxes ^(a) | | (1,494) | (246) | (88) | 18 | (99) | | 208 | (112) | (1,813) |
| <i>Tax rate (%)</i> | | <i>51.8</i> | <i>32.0</i> | <i>28.6</i> | | <i>31.7</i> | | | | <i>46.7</i> |
| Adjusted net profit | | 1,389 | 522 | 220 | (104) | 213 | (117) | (241) | 189 | 2,071 |
| <i>of which:</i> | | | | | | | | | | |
| - adjusted net profit of minority interest | | | | | | | | | | 116 |
| - Eni s adjusted net profit | | | | | | | | | | 1,955 |
| Eni reported net profit | | | | | | | | | | (874) |
| Exclusion of inventory holding (gains) losses | | | | | | | | | | 1,693 |
| Exclusion of special items | | | | | | | | | | 1,136 |
| Eni s adjusted net profit | | | | | | | | | | 1,955 |

(a) Excluding special items.

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Third Quarter 2009

| | E&P | G&P | R&M | Petrochemicals | Engineering & Construction | Other activities | Corporate and financial companies | Impact of unrealized intragroup profit elimination | Group | |
|--|-----|--------------|------------|----------------|----------------------------------|---------------------|--|--|----------|--------------|
| (euro million) | | | | | | | | | | |
| Reported operating profit | | 2,557 | 567 | 34 | (60) | 274 | (28) | (134) | 7 | 3,217 |
| Exclusion of inventory holding (gains) losses | | | 41 | (173) | (13) | | | | | (145) |
| Exclusion of special items: | | | | | | | | | | |
| environmental charges | | | 1 | 19 | | | | | | 20 |
| asset impairments | | (5) | | 12 | 8 | | 2 | | | 17 |
| gains on disposal of assets | | (111) | | (2) | | (3) | | | | (116) |
| provision for redundancy incentives | | 6 | 4 | 3 | | | 2 | 8 | | 23 |
| re-measurement gains/losses on commodity derivatives | | (4) | 108 | (3) | | (4) | | | | 97 |
| other | | | | | | | (40) | 44 | | 4 |
| Special items of operating profit | | (114) | 113 | 29 | 8 | (7) | (36) | 52 | | 45 |
| Adjusted operating profit | | 2,443 | 721 | (110) | (65) | 267 | (64) | (82) | 7 | 3,117 |
| Net finance (expense) income ^(a) | | (49) | (7) | | | | | (119) | | (175) |
| Net income from investments ^(a) | | 106 | 76 | 22 | | 10 | 2 | | | 216 |
| Income taxes ^(a) | | (1,557) | (211) | 40 | 19 | (63) | | 18 | (3) | (1,757) |
| <i>Tax rate (%)</i> | | 62.3 | 26.7 | .. | | 22.7 | | | | 55.6 |
| Adjusted net profit | | 943 | 579 | (48) | (46) | 214 | (62) | (183) | 4 | 1,401 |
| <i>of which:</i> | | | | | | | | | | |
| - adjusted net profit of minority interest | | | | | | | | | | 249 |
| - Eni s adjusted net profit | | | | | | | | | | 1,152 |
| Eni reported net profit | | | | | | | | | | 1,240 |
| Exclusion of inventory holding (gains) losses | | | | | | | | | | (108) |
| Exclusion of special items | | | | | | | | | | 20 |
| Eni s adjusted net profit | | | | | | | | | | 1,152 |

(a) Excluding special items.

Table of Contents**Breakdown of special items**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|---|---------------------------|---------------------------|
| | | | Non-recurring charges (income) | (21) | |
| | | | <i>of which:</i> | | |
| | | | - provisions and utilizations against antitrust proceedings and regulations | (21) | |
| 1,284 | 45 | 1,121 | Other special charges (income): | 2,176 | 1,162 |
| 904 | 17 | 780 | asset impairments | 1,572 | 1,162 |
| 239 | 20 | 194 | environmental charges | 309 | 298 |
| 7 | (116) | 13 | gains on disposal of property, plant and equipment | (8) | (277) |
| (16) | | 117 | risk provisions | 4 | 128 |
| 50 | 23 | 73 | provisions for redundancy incentives | 91 | 134 |
| 18 | 97 | (52) | re-measurement gains/losses on commodity derivatives | (61) | (287) |
| 82 | 4 | (4) | other | 269 | 4 |
| 1,284 | 45 | 1,121 | Special items of operating profit | 2,155 | 1,162 |
| (52) | 39 | 148 | Net income from investments | (239) | 179 |
| | | | <i>of which:</i> | | |
| | | | - gain on divestment of GTT (Gaztransport et Technigaz SAS) | (185) | |
| (96) | (64) | (485) | Income taxes | (1,402) | (560) |
| | | | <i>of which:</i> | | |
| 286 | | | tax impact pursuant to Law decree No. 112 of June 25, 2008 for Italian subsidiaries | (270) | (27) |
| 286 | | | - on inventories | (176) | |
| | | | - on deferred taxes | (94) | (27) |
| | | | tax impact pursuant Budget Law 2008 for Italian subsidiaries | (290) | |
| | | | adjustment to deferred tax for Libyan assets | (173) | |
| | | 72 | deferred tax assets E&P | | 72 |
| (5) | | (192) | other special items | (46) | (192) |
| (377) | (64) | (365) | taxes on special items of operating profit | (623) | (413) |
| 1,136 | 20 | 784 | Total special items of net profit | 514 | 781 |
| | | | <i>attributable to:</i> | | |
| | | | - Minority interest | (102) | |
| 1,136 | 20 | 784 | - Eni | 616 | 781 |

Breakdown of impairments

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|---|---------------------------|---------------------------|
| 836 | 17 | 647 | Impairments of tangible and intangible assets | 1,349 | 995 |

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| | | | | | |
|------------|-----------|------------|-------------------------------------|--------------|--------------|
| 44 | | 33 | Goodwill impairments | 44 | 56 |
| 880 | 17 | 680 | Sub Total | 1,393 | 1,051 |
| 24 | | 100 | Impairment losses of current assets | 179 | 111 |
| 904 | 17 | 780 | Impairment | 1,572 | 1,162 |

Adjusted operating profit

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|---------------------------|--------------------------|---------------------------|---------------------------|--|-------------------|-------------------|---------------|
| 2,721 | 2,443 | 2,804 | 3.1 | Exploration & Production | 17,222 | 9,484 | (44.9) |
| 683 | 721 | 1,127 | 65.0 | Gas & Power | 3,564 | 3,901 | 9.5 |
| 244 | (110) | (196) | .. | Refining & Marketing | 580 | (357) | .. |
| (112) | (65) | (104) | 7.1 | Petrochemicals | (398) | (426) | (7.0) |
| 298 | 267 | 284 | (4.7) | Engineering & Construction | 1,041 | 1,120 | 7.6 |
| (91) | (64) | (66) | 27.5 | Other activities | (244) | (258) | (5.7) |
| (104) | (82) | (85) | 18.3 | Corporate and financial companies | (282) | (342) | (21.3) |
| 301 | 7 | (62) | | Impact of unrealized intragroup profit elimination | 125 | | |
| 3,940 | 3,117 | 3,702 | (6.0) | | 21,608 | 13,122 | (39.3) |

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Table of Contents**Net sales from operations**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|----------------------------|---------------------------|----------------------------|-------------------------------|--|-----------------------|-----------------------|---------------|
| 6,506 | 5,325 | 6,677 | 2.6 | Exploration & Production | 33,042 | 23,830 | (27.9) |
| 12,713 | 5,511 | 7,468 | (41.3) | Gas & Power | 37,062 | 30,447 | (17.8) |
| 6,934 | 8,582 | 9,150 | 32.0 | Refining & Marketing | 45,017 | 31,853 | (29.2) |
| 1,042 | 1,162 | 1,136 | 9.0 | Petrochemicals | 6,303 | 4,203 | (33.3) |
| 2,524 | 2,383 | 2,400 | (4.9) | Engineering & Construction | 9,176 | 9,664 | 5.3 |
| 41 | 20 | 21 | (48.8) | Other activities | 185 | 88 | (52.4) |
| 374 | 310 | 359 | (4.0) | Corporate and financial companies | 1,331 | 1,280 | (3.8) |
| 12 | 3 | (50) | | Impact of unrealized intragroup profit elimination | 75 | (66) | |
| (5,596) | (4,154) | (4,971) | | Consolidation adjustment | (24,109) | (17,959) | |
| 24,550 | 19,142 | 22,190 | (9.6) | | 108,082 | 83,340 | (22.9) |

Operating expenses

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|----------------------------|---------------------------|----------------------------|-------------------------------|---------------------------------------|-----------------------|-----------------------|---------------|
| 19,750 | 13,195 | 15,499 | (21.5) | Purchases, services and other | 76,350 | 58,214 | (23.8) |
| | | | | <i>of which:</i> | | | |
| | | | | - non-recurring items | (21) | | |
| 531 | 16 | 411 | | - other special items | 761 | 537 | |
| 1,084 | 1,012 | 1,091 | 0.6 | Payroll and related costs | 4,004 | 4,180 | 4.4 |
| | | | | <i>of which:</i> | | | |
| 50 | 23 | 73 | | - provision for redundancy incentives | 91 | 134 | |
| 20,834 | 14,207 | 16,590 | (20.4) | | 80,354 | 62,394 | (22.4) |

Gains and losses on non-hedging commodity derivate instruments

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|----------------------------|---------------------------|----------------------------|-------------------------------|-----------------------|-----------------------|
| (79) | 1 | 37 | Exploration & Production | 6 | 16 |
| (2) | (3) | (1) | - settled transactions | (12) | 1 |
| (77) | 4 | 38 | - re-measurement gains/losses | 18 | 15 |
| (70) | (110) | 78 | Gas & Power | (85) | 81 |
| (168) | (2) | 55 | - settled transactions | (159) | (211) |
| 98 | (108) | 23 | - re-measurement gains/losses | 74 | 292 |
| 53 | 20 | (21) | Refining & Marketing | 35 | (64) |

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| | | | | | |
|--------------|-------------|-----------|-----------------------------------|--------------|-----------|
| 43 | 17 | (10) | - settled transactions | 14 | (25) |
| 10 | 3 | (11) | - re-measurement gains/losses | 21 | (39) |
| (21) | 2 | 1 | Petrochemicals | (23) | 13 |
| (21) | 2 | 1 | - settled transactions | (23) | 10 |
| | | | - re-measurement gains/losses | | 3 |
| | (3) | (1) | Engineering & Construction | | 9 |
| | (7) | (3) | - settled transactions | | (7) |
| | 4 | 2 | - re-measurement gains/losses | | 16 |
| (39) | 3 | | Corporate and financial companies | (57) | |
| 10 | 3 | | - settled transactions | (5) | |
| (49) | | | - re-measurement gains/losses | (52) | |
| (156) | (87) | 94 | Total | (124) | 55 |
| (138) | 10 | 42 | - settled transactions | (185) | (232) |
| (18) | (97) | 52 | - re-measurement gains/losses | 61 | 287 |

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Table of Contents**Depreciation, depletion, amortization and impairments**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | % Ch. 4Q. 09 vs 4Q. 08 | | Full Year 2008 | Full Year 2009 | % Ch. |
|---------------------|--------------------|---------------------|------------------------|---|----------------|----------------|---------------|
| 2,140 | 1,463 | 2,062 | (3.6) | Exploration & Production | 6,678 | 6,787 | 1.6 |
| 244 | 243 | 261 | 7.0 | Gas & Power | 797 | 981 | 23.1 |
| 110 | 102 | 109 | (0.9) | Refining & Marketing | 430 | 408 | (5.1) |
| 35 | 16 | 19 | (45.7) | Petrochemicals | 117 | 83 | (29.1) |
| 87 | 106 | 111 | 27.6 | Engineering & Construction | 335 | 433 | 29.3 |
| | 1 | | | Other activities | 3 | 2 | (33.3) |
| 22 | 21 | 22 | | Corporate and financial companies | 76 | 83 | 9.2 |
| (4) | (5) | (5) | | Impact of unrealized intragroup profit elimination | (14) | (17) | |
| 2,634 | 1,947 | 2,579 | (2.1) | Total depreciation, depletion and amortization | 8,422 | 8,760 | 4.0 |
| 880 | 17 | 680 | (22.7) | Impairments | 1,393 | 1,051 | (24.6) |
| 3,514 | 1,964 | 3,259 | (7.3) | | 9,815 | 9,811 | .. |

Net income from investments

(euro million)

| Full Year 2009 | Exploration & Production | Gas & Power | Refining & Marketing | Engineering & Construction | Other activities | Group |
|---|--------------------------|-------------|----------------------|----------------------------|------------------|------------|
| Share of gains (losses) from equity-accounted investments | 142 | 310 | (70) | 50 | (39) | 393 |
| Dividends | 110 | 13 | 39 | 2 | | 164 |
| Net gains on disposal | 3 | 2 | 1 | 10 | | 16 |
| Other income (expense), net | 1 | (3) | | (3) | 1 | 4 |
| | 256 | 322 | (30) | 59 | (38) | 569 |

Income taxes

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 | % Ch. |
|---------------------|--------------------|---------------------|-----------------------------------|----------------|----------------|----------------|
| | | | Profit before income taxes | | | |
| (2,353) | 487 | 104 | Italy | 1,894 | 2,653 | 759 |
| 2,469 | 2,749 | 2,472 | Outside Italy | 17,356 | 9,670 | (7,686) |
| 116 | 3,236 | 2,576 | | 19,250 | 12,323 | (6,927) |
| | | | Income taxes | | | |

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| | | | | | | |
|---------------------|--------------|--------------|---------------|--------------|--------------|----------------|
| (461) | 186 | (8) | Italy | 313 | 1,185 | 872 |
| 1,335 | 1,561 | 1,656 | Outside Italy | 9,379 | 5,571 | (3,808) |
| 874 | 1,747 | 1,648 | | 9,692 | 6,756 | (2,936) |
| Tax rate (%) | | | | | | |
| 19.6 | 38.2 | n.s. | Italy | 16.5 | 44.7 | 28.2 |
| 54.1 | 56.8 | 67.0 | Outside Italy | 54.0 | 57.6 | 3.6 |
| n.s. | 54.0 | 64.0 | | 50.3 | 54.8 | 4.5 |

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Table of Contents**Summarized Group balance sheet**

The summarized group balance sheet aggregates the amount of assets and liabilities derived from the statutory balance sheet in accordance with functional criteria which consider the enterprise conventionally divided into the three fundamental areas focusing on resource investments, operations and financing. Management believes that this summarized group balance sheet is useful information in assisting investors to assess Eni's capital structure and to analyze its sources of funds and investments in fixed assets and working capital.

Management uses the summarized group balance sheet to calculate key ratios such as return on capital employed (ROACE) and the proportion of net borrowings to shareholders' equity (leverage) intended to evaluate whether Eni's financing structure is sound and well-balanced.

SUMMARIZED GROUP BALANCE SHEET

(euro million)

| | Dec. 31, 2008 | Sep. 30, 2009 | Dec. 31, 2009 | Change vs Dec. 31, 2008 | Change vs Sep. 30, 2009 |
|---|----------------|----------------|----------------|----------------------------|----------------------------|
| Fixed assets | | | | | |
| Property, plant and equipment | 59,255 | 61,535 | 63,287 | 4,032 | 1,752 |
| Inventory - compulsory stock | 1,196 | 1,715 | 1,736 | 540 | 21 |
| Intangible assets | 7,697 | 8,201 | 8,070 | 373 | (131) |
| Equity-accounted investments and other investments | 5,881 | 6,187 | 6,244 | 363 | 57 |
| Receivables and securities held for operating purposes | 1,219 | 1,218 | 1,260 | 41 | 42 |
| Net payables related to capital expenditures | (787) | (552) | (634) | 153 | (82) |
| | 74,461 | 78,304 | 79,963 | 5,502 | 1,659 |
| Net working capital | | | | | |
| Inventories | 6,082 | 5,659 | 5,506 | (576) | (153) |
| Trade receivables | 16,444 | 14,013 | 14,907 | (1,537) | 894 |
| Trade payables | (12,590) | (10,584) | (10,081) | 2,509 | 503 |
| Tax payables and provisions for net deferred tax liabilities | (5,323) | (4,188) | (1,961) | 3,362 | 2,227 |
| Provisions | (9,506) | (9,268) | (10,072) | (566) | (804) |
| Other current assets and liabilities: | | | | | |
| <i>Equity instruments</i> | 2,741 | | | (2,741) | |
| <i>Other</i> ^(a) | (4,544) | (3,463) | (4,089) | 455 | (626) |
| | (6,696) | (7,831) | (5,790) | 906 | 2,041 |
| Provisions for employee post-retirement benefits | (947) | (976) | (944) | 3 | 32 |
| Net assets held for sale including related liabilities | 68 | 68 | 110 | 42 | 42 |
| CAPITAL EMPLOYED, NET | 66,886 | 69,565 | 73,339 | 6,453 | 3,774 |
| Shareholders' equity: | | | | | |
| - Eni shareholder's equity | 44,436 | 45,334 | 46,323 | 1,887 | 989 |
| - Minority interest | 4,074 | 3,691 | 3,978 | (96) | 287 |
| | 48,510 | 49,025 | 50,301 | 1,791 | 1,276 |
| Net borrowings | 18,376 | 20,540 | 23,038 | 4,662 | 2,498 |

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| | | | | | |
|--|---------------|---------------|---------------|--------------|--------------|
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 66,886 | 69,565 | 73,339 | 6,453 | 3,774 |
|--|---------------|---------------|---------------|--------------|--------------|

(a) Include receivables and securities for financing operating activities for euro 339 million at December 31, 2009 (euro 540 million at September 30, 2009; euro 410 million at December 31, 2008) and securities covering technical reserves of Eni's insurance activities for euro 284 million at December 31, 2009 (euro 285 million at September 30, 2009 and euro 302 million at December 31, 2008).

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Table of Contents**Leverage and net borrowings**

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

(euro million)

| | Dec. 31, 2008 | Sep. 30, 2009 | Dec. 31, 2009 | Change vs Dec. 31, 2008 | Change vs Sep. 30, 2009 |
|---|---------------|---------------|---------------|----------------------------|----------------------------|
| Total debt | 20,837 | 22,438 | 24,800 | 3,963 | 2,362 |
| <i>Short-term debt</i> | 6,908 | 6,820 | 6,736 | (172) | (84) |
| <i>Long-term debt</i> | 13,929 | 15,618 | 18,064 | 4,135 | 2,446 |
| Cash and cash equivalents | (1,939) | (1,744) | (1,625) | 314 | 119 |
| Securities held for non-operating purposes | (185) | (85) | (64) | 121 | 21 |
| Financing receivables for non-operating purposes | (337) | (69) | (73) | 264 | (4) |
| Net borrowings | 18,376 | 20,540 | 23,038 | 4,662 | 2,498 |
| Shareholders' equity including minority interest | 48,510 | 49,025 | 50,301 | 1,791 | 1,276 |
| Leverage | 0.38 | 0.42 | 0.46 | 0.08 | 0.04 |

Bonds maturing in 18-months period starting on December 31, 2009

(euro million)

| Issuing entity | Amount at December 31, 2009 (a) |
|----------------------------|------------------------------------|
| Eni SpA | 517 |
| Eni Coordination Center SA | 476 |
| | 993 |

(a) Amounts in euro at December 31, 2009 include interest accrued and discount on issue.

Bonds issued in 2009 (guaranteed by Eni SpA)

| Issuing company | Nominal amount (million) | Currency | Amounts at Dec. 31, 2009 (a) | Maturity | Rate | % |
|-----------------|-----------------------------|----------|------------------------------------|----------|-------|------|
| Eni SpA | 1,500 | euro | 1,508 | 2019 | fixed | 4.13 |
| | 1,500 | euro | 1,558 | 2016 | fixed | 5.00 |
| | 1,000 | euro | 1,007 | 2015 | fixed | 4.00 |

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| <u>1,000</u> | <u>euro</u> | <u>987</u> | <u>2015</u> | <u>variable</u> |
|--------------|-------------|--------------|-------------|-----------------|
| | | 5,060 | | |

(a) Amounts in euro at December 31, 2009 include interest accrued and discount on issue.

Table of Contents**Comprehensive income**

(euro million)

| | Full Year 2008 | Full Year 2009 |
|--|---------------------------|---------------------------|
| Net profit (loss) for the year | 9,558 | 5,567 |
| Other items of comprehensive income: | | |
| - Foreign currency translation differences | 1,077 | (866) |
| - Change in the fair value of available-for-sale securities | 3 | 1 |
| - Change in the fair value of cash flow hedge derivatives | 1,969 | (478) |
| - Share of "Other comprehensive income" on equity accounted entities | | |
| - Taxation | (767) | 201 |
| Other comprehensive income | 2,282 | (1,142) |
| Total comprehensive income | 11,840 | 4,425 |
| Attributable to: | | |
| - Eni | 11,148 | 3,498 |
| - Minority interest | 692 | 927 |

Changes in shareholders' equity

(euro million)

| | |
|---|---------------|
| Shareholders equity at December 31, 2008 | 48,510 |
| Total comprehensive income | 4,425 |
| Dividends paid to Eni shareholders | (4,166) |
| Dividends paid by consolidated subsidiaries to minorities | (350) |
| Acquisition of Distrigas minorities | (1,146) |
| Cancellation of Publغاز put option | 1,495 |
| Share capital increase subscribed by Snam Rete Gas minorities | 1,542 |
| Options cancelled in the period | (7) |
| Costs related to stock option | 13 |
| Payments by shareholders | 22 |
| Other changes | (37) |
| Total changes | 1,791 |
| Shareholders equity at December 31, 2009 | 50,301 |
| Attributable to: | |
| - Eni | 46,323 |
| - Minority interest | 3,978 |

Table of Contents**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 of net adjusted profit before minority interest, plus net finance charges on net borrowings net of the related tax effect, to net average capital employed. The tax rate applied on finance charges is the Italian statutory tax rate of 34% effective from January 1, 2009 (33% in previous reporting periods). 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 division is determined as ratio of adjusted net profit to net average capital invested pertaining to each division and rectifying the net capital invested as of period-end, from net inventory gains or losses (after applying the division specific tax rate).

(euro million)

| Calculated on a 12-month period ending on December 31, 2009 | Exploration & Production | Gas & Power | Refining & Marketing | Group |
|---|---|------------------------|-------------------------------------|---------------|
| Adjusted net profit | 3,878 | 2,916 | (197) | 6,157 |
| Exclusion of after-tax finance expenses/interest income | - | - | - | 313 |
| Adjusted net profit unlevered | 3,878 | 2,916 | (197) | 6,470 |
| <i>Adjusted capital employed, net:</i> | | | | |
| - at the beginning of period | 30,362 | 22,547 | 7,379 | 66,886 |
| - at the end of period | 32,456 | 25,006 | 7,560 | 73,148 |
| Adjusted average capital employed, net | 31,409 | 23,777 | 7,470 | 70,017 |
| Adjusted ROACE (%) | 12.3 | 12.3 | (2.6) | 9.2 |

(euro million)

| Calculated on a 12-month period ending on December 31, 2008 | Exploration & Production | Gas & Power | Refining & Marketing | Group |
|---|---|------------------------|-------------------------------------|---------------|
| Adjusted net profit | 7,900 | 2,648 | 521 | 10,795 |
| Exclusion of after-tax finance expenses/interest income | - | - | - | 335 |
| Adjusted net profit unlevered | 7,900 | 2,648 | 521 | 11,130 |
| <i>Adjusted capital employed, net:</i> | | | | |
| - at the beginning of period | 23,826 | 21,333 | 7,675 | 59,194 |
| - at the end of period | 30,362 | 22,273 | 8,260 | 67,609 |
| Adjusted average capital employed, net | 27,094 | 21,803 | 7,968 | 63,402 |
| Adjusted ROACE (%) | 29.2 | 12.2 | 6.5 | 17.6 |

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Summarized Group Cash Flow Statement and change in net borrowings

Eni's summarized group cash flow statement derives from the statutory statement of cash flows. It enables investors to understand the link existing between changes in cash and cash equivalents (deriving from the statutory cash flows statement) and in net borrowings (deriving from the summarized cash flow statement) that occurred from the beginning of period to the end of period. The measure enabling such a link is represented by the free cash flow which is the cash in excess of capital expenditure needs. Starting from free cash flow it is possible to determine either: (i) changes in cash and cash equivalents for the period by adding/deducting cash flows relating to financing debts/receivables (issuance/repayment of debt and receivables related to financing activities), shareholders' equity (dividends paid, net repurchase of own shares, capital issuance) and the effect of changes in consolidation and of exchange rate differences; (ii) changes in net borrowings for the period by adding/deducting cash flows relating to shareholders' equity and the effect of changes in consolidation and of exchange rate differences. The free cash flow is a non-GAAP measure of financial performance.

SUMMARIZED GROUP CASH FLOW STATEMENT

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| (758) | 1,489 | 928 | Net profit | 9,558 | 5,567 |
| | | | <i>Adjustments to reconcile to cash generated from operating profit before changes in working capital:</i> | | |
| 5,428 | 1,988 | 3,630 | - amortization and depreciation and other non monetary items | 11,388 | 9,574 |
| (16) | (119) | 80 | - net gains on disposal of assets | (219) | (204) |
| 531 | 1,840 | 1,651 | - dividends, interest, taxes and other changes | 9,080 | 6,688 |
| 5,185 | 5,198 | 6,289 | Net cash generated from operating profit before changes in working capital | 29,807 | 21,625 |
| 3,492 | (1,611) | (2,328) | Changes in working capital related to operations | 2,212 | (1,901) |
| (2,559) | (1,553) | (2,350) | Dividends received, taxes paid, interest (paid) received during the period | (10,218) | (8,458) |
| 6,118 | 2,034 | 1,611 | Net cash provided by operating activities | 21,801 | 11,266 |
| (4,691) | (2,957) | (3,894) | Capital expenditures | (14,562) | (13,695) |
| (1,943) | (63) | (46) | Investments and purchase of consolidated subsidiaries and businesses | (4,019) | (2,323) |
| 415 | 292 | 28 | Disposals | 979 | 3,595 |
| (280) | 4 | 84 | Other cash flow related to capital expenditures, investments and disposals | (267) | (425) |
| (381) | (690) | (2,217) | Free cash flow | 3,932 | (1,582) |
| 568 | (87) | 13 | Borrowings (repayment) of debt related to financing activities | 911 | 396 |
| (449) | 2,997 | 2,314 | Changes in short and long-term financial debt | 980 | 3,988 |
| (95) | (1,799) | (86) | Dividends paid and changes in minority interests and reserves | (6,005) | (2,956) |
| (34) | (17) | (143) | Effect of changes in consolidation and exchange differences | 7 | (160) |
| (391) | 404 | (119) | NET CASH FLOW FOR THE PERIOD | (175) | (314) |

CHANGES IN NET BORROWINGS

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(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|---|---------------------------|---------------------------|
| (381) | (690) | (2,217) | Free cash flow | 3,932 | (1,582) |
| (286) | | | Net borrowings of acquired companies | (286) | |
| 216 | | | Net borrowings of divested companies | 181 | |
| (7) | 304 | (195) | Exchange differences on net borrowings and other changes | 129 | (124) |
| (95) | (1,799) | (86) | Dividends paid and changes in minority interests and reserves | (6,005) | (2,956) |
| (553) | (2,185) | (2,498) | CHANGE IN NET BORROWINGS | (2,049) | (4,662) |

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Table of Contents**CAPITAL EXPENDITURES**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
| 2,916 | 2,089 | 2,490 | Exploration & Production | 9,281 | 9,486 |
| 656 | 344 | 591 | Gas & Power | 2,058 | 1,686 |
| 422 | 164 | 254 | Refining & Marketing | 965 | 635 |
| 92 | 36 | 64 | Petrochemicals | 212 | 145 |
| 570 | 333 | 409 | Engineering & Construction | 2,027 | 1,630 |
| 22 | 5 | 25 | Other activities | 52 | 44 |
| 39 | 13 | 22 | Corporate and financial companies | 95 | 57 |
| (26) | (27) | 39 | Impact of unrealized intragroup profit elimination | (128) | 12 |
| 4,691 | 2,957 | 3,894 | CAPITAL EXPENDITURES | 14,562 | 13,695 |

In 2009, capital expenditures amounting to euro 13,695 million (euro 14,562 million in 2008) related mainly to:

- development activities (euro 7,478 million) deployed mainly in Kazakhstan, the United States, Egypt, Congo, Italy and Angola and exploratory activities (euro 1,228 million) of which 97% was spent outside Italy, primarily in the United States, Libya, Egypt, Norway and Angola;
- development and upgrading of Eni's natural gas transport network in Italy (euro 919 million) and distribution network (euro 278 million), as well as development and increase of storage capacity (euro 282 million);
- projects aimed at improving the conversion capacity and flexibility of refineries (euro 436 million), as well as building and upgrading service stations in Italy and outside Italy (euro 172 million);
- upgrading of the fleet used in the Engineering & Construction division (euro 1,630 million).

Table of Contents**Capital expenditures by division****EXPLORATION & PRODUCTION**

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|---|---------------------------|---------------------------|
| 219 | 13 | 207 | Acquisitions of proved and unproved property | 836 | 697 |
| 22 | 13 | 113 | North Africa | 626 | 351 |
| 197 | | | West Africa | 210 | 73 |
| | | 94 | Rest of Asia | | 94 |
| | | | America | | 179 |
| 603 | 212 | 284 | Exploration | 1,918 | 1,228 |
| 26 | 8 | 6 | Italy | 135 | 40 |
| 39 | 41 | 14 | Rest of Europe | 227 | 113 |
| 128 | 49 | 37 | North Africa | 379 | 317 |
| 267 | 41 | 123 | West Africa | 485 | 284 |
| 5 | 4 | 4 | Kazakhstan | 16 | 20 |
| 59 | 27 | 29 | Rest of Asia | 187 | 159 |
| 75 | 39 | 68 | America | 441 | 243 |
| 4 | 3 | 3 | Australia and Oceania | 48 | 52 |
| 2,055 | 1,859 | 1,968 | Development | 6,429 | 7,478 |
| 174 | 127 | 203 | Italy | 570 | 689 |
| 172 | 185 | 188 | Rest of Europe | 598 | 673 |
| 397 | 392 | 315 | North Africa | 1,246 | 1,381 |
| 522 | 414 | 760 | West Africa | 1,717 | 2,105 |
| 250 | 336 | 241 | Kazakhstan | 968 | 1,083 |
| 137 | 82 | 83 | Rest of Asia | 355 | 406 |
| 294 | 207 | 118 | America | 655 | 706 |
| 109 | 116 | 60 | Australia and Oceania | 320 | 435 |
| 39 | 5 | 31 | Other expenditures | 98 | 83 |
| 2,916 | 2,089 | 2,490 | | 9,281 | 9,486 |

GAS & POWER

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--------------------|---------------------------|---------------------------|
| 582 | 309 | 545 | Italy | 1,750 | 1,564 |
| 74 | 35 | 46 | Outside Italy | 308 | 122 |
| 656 | 344 | 591 | | 2,058 | 1,686 |
| 68 | 47 | 73 | Marketing | 198 | 175 |
| 25 | 34 | 42 | - Marketing | 91 | 102 |
| | 3 | 4 | Italy | 16 | 12 |
| 25 | 31 | 38 | Outside Italy | 75 | 90 |
| 43 | 13 | 31 | - Power generation | 107 | 73 |

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| | | | | | |
|------------|------------|------------|--------------------------------------|--------------|--------------|
| 539 | 293 | 510 | Regulated businesses in Italy | 1,627 | 1,479 |
| 324 | 161 | 358 | - <i>Transport</i> | 1,130 | 919 |
| 99 | 64 | 70 | - <i>Distribution</i> | 233 | 278 |
| 116 | 68 | 82 | - <i>Storage</i> | 264 | 282 |
| 49 | 4 | 8 | International transport | 233 | 32 |
| 656 | 344 | 591 | | 2,058 | 1,686 |

REFINING & MARKETING

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|---------------------------|---------------------------|
| 364 | 156 | 231 | Italy | 850 | 581 |
| 58 | 8 | 23 | Outside Italy | 115 | 54 |
| 422 | 164 | 254 | | 965 | 635 |
| 259 | 127 | 174 | Refining, Supply and Logistic | 630 | 436 |
| 259 | 127 | 174 | Italy | 630 | 436 |
| 157 | 32 | 75 | Marketing | 298 | 172 |
| 99 | 24 | 52 | Italy | 183 | 118 |
| 58 | 8 | 23 | Outside Italy | 115 | 54 |
| 6 | 5 | 5 | Other activities | 37 | 27 |
| 422 | 164 | 254 | | 965 | 635 |

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Exploration & Production

PRODUCTION OF OIL AND NATURAL GAS BY REGION

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 | |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| 1,854 | 1,678 | 1,886 | Production of oil and natural gas ^{(a) (b)} | (kboe/d) | 1,797 | 1,769 |
| 190 | 161 | 173 | Italy | | 199 | 169 |
| 255 | 230 | 255 | Rest of Europe | | 249 | 247 |
| 635 | 567 | 565 | North Africa | | 645 | 573 |
| 356 | 344 | 421 | West Africa | | 335 | 360 |
| 113 | 106 | 117 | Kazakhstan | | 111 | 115 |
| 162 | 122 | 130 | Rest of Asia | | 124 | 135 |
| 125 | 132 | 209 | America | | 117 | 153 |
| 18 | 16 | 16 | Australia and Oceania | | 17 | 17 |
| 163.2 | 147.6 | 166.8 | Oil and natural gas sold ^(a) | (mmboc) | 632.0 | 622.8 |

PRODUCTION OF LIQUIDS BY REGION

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 | |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| 1,079 | 957 | 1,073 | Production of liquids ^(a) | (kbbbl/d) | 1,026 | 1,007 |
| 65 | 51 | 61 | Italy | | 68 | 56 |
| 142 | 124 | 138 | Rest of Europe | | 140 | 133 |
| 314 | 294 | 281 | North Africa | | 338 | 292 |
| 314 | 301 | 349 | West Africa | | 289 | 312 |
| 68 | 65 | 72 | Kazakhstan | | 68 | 70 |
| 88 | 47 | 50 | Rest of Asia | | 50 | 57 |
| 76 | 68 | 116 | America | | 63 | 79 |
| 12 | 7 | 6 | Australia and Oceania | | 10 | 8 |

PRODUCTION OF NATURAL GAS BY REGION

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 | |
|---------------------|--------------------|---------------------|---|----------------|----------------|--------------|
| 4,449 | 4,139 | 4,668 | Production of natural gas ^{(a) (b)} | (mmcf/d) | 4,424 | 4,374 |
| 717 | 634 | 645 | Italy | | 750 | 653 |
| 651 | 612 | 673 | Rest of Europe | | 627 | 655 |
| 1,843 | 1,564 | 1,629 | North Africa | | 1,762 | 1,614 |
| 241 | 244 | 411 | West Africa | | 261 | 274 |
| 259 | 236 | 261 | Kazakhstan | | 245 | 259 |
| 427 | 427 | 458 | Rest of Asia | | 426 | 445 |

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| | | | | | |
|-----|-----|-----|-----------------------|-----|-----|
| 280 | 372 | 534 | America | 311 | 425 |
| 31 | 50 | 57 | Australia and Oceania | 42 | 49 |

(a) Includes Eni's share of production of equity-accounted entities.

(b) Includes volumes of gas consumed in operations (318 and 283 mmcf/d in the fourth quarter 2009 and 2008, respectively, 300 and 281 mmcf/d in 2009 and 2008, respectively, and 294 mmcf/d in the third quarter of 2009).

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Table of Contents**Petrochemicals**

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|--|--------------------|---------------------|----------------------|----------------|----------------|
| | | | | (euro million) | |
| Sales of petrochemical products | | | | | |
| 444 | 513 | 503 | Basic petrochemicals | 3,060 | 1,832 |
| 534 | 600 | 584 | Polymers | 2,961 | 2,179 |
| 64 | 49 | 49 | Other revenues | 282 | 192 |
| 1,042 | 1,162 | 1,136 | | 6,303 | 4,203 |
| Production (ktonnes) | | | | | |
| 888 | 1,095 | 1,080 | Basic petrochemicals | 5,110 | 4,350 |
| 463 | 517 | 575 | Polymers | 2,262 | 2,171 |
| 1,351 | 1,612 | 1,655 | | 7,372 | 6,521 |

Engineering & Construction

(euro million)

| Fourth Quarter 2008 | Third Quarter 2009 | Fourth Quarter 2009 | | Full Year 2008 | Full Year 2009 |
|---------------------------------------|--------------------|---------------------|-----------------------|----------------|----------------|
| Orders acquired ^(a) | | | | | |
| 692 | 1,544 | 1,681 | Offshore construction | 4,381 | 5,089 |
| 1,804 | 434 | 891 | Onshore construction | 7,522 | 3,665 |
| | (101) | 355 | Offshore drilling | 760 | 585 |
| 401 | 4 | 41 | Onshore drilling | 1,197 | 578 |
| 2,897 | 1,881 | 2,968 | | 13,860 | 9,917 |

(a) Net of renegotiated/cancelled orders.

(euro million)

| | Dec. 31, 2008 | Dec. 31, 2009 |
|----------------------|---------------|---------------|
| Order backlog | 19,105 | 18,730 |

Table of Contents**Eni SpA parent company preliminary accounts for 2009****PROFIT AND LOSS**

(euro million)

| | Full Year 2008 | Full Year 2009 | % Ch. |
|---|---------------------------|---------------------------|---------------|
| Net sale from operations | 47,605 | 32,542 | (31.6) |
| Other income and revenues | 215 | 270 | 25.6 |
| Operating expenses | (45,117) | (30,293) | 32.9 |
| - of which non-recurring items | 21 | | |
| Other operating income (expense) | 505 | (163) | |
| Depreciation, depletion, amortization and impairments | (1,121) | (1,053) | 6.1 |
| Operating profit | 2,087 | 1,303 | (37.6) |
| Finance income (expense) | 157 | (345) | |
| Net income from investments | 4,807 | 5,028 | 4.6 |
| Profit before income taxes | 7,051 | 5,986 | (15.1) |
| Income taxes | (306) | (655) | |
| Net profit | 6,745 | 5,331 | (21.0) |

BALANCE SHEET

(euro million)

| | Dec. 31, 2008 | Dec. 31, 2009 | Change |
|---|--------------------------|--------------------------|---------------|
| Fixed assets | | | |
| Property, plant and equipment | 6,143 | 5,930 | (213) |
| Inventories - compulsory stock | 1,028 | 1,637 | 609 |
| Intangible assets | 1,014 | 988 | (26) |
| Equity-accounted investments and other investments | 26,720 | 29,384 | 2,664 |
| Receivables and securities held for operating purposes | 8,804 | 10,804 | 2,000 |
| Net payables related to capital expenditures | (303) | (330) | (27) |
| | 43,406 | 48,413 | 5,007 |
| Net working capital | (1,665) | (576) | 1,089 |
| Provisions for employee post-retirement benefits | (305) | (306) | (1) |
| Net assets held for sale | | 911 | 911 |
| CAPITAL EMPLOYED, NET | 41,436 | 48,442 | 7,006 |
| Shareholders equity | 30,049 | 32,414 | 2,365 |
| Net borrowings | 11,387 | 16,028 | 4,641 |

| | | | |
|--|---------------|---------------|--------------|
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 41,436 | 48,442 | 7,006 |
|--|---------------|---------------|--------------|

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