WILLBROS GROUP INC
Form 8-K
August 13, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 8-K
CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) August 7, 2007

WILLBROS GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Republic of Panama

(State or Other Jurisdiction of Incorporation)

1-11953	98-0160660
(Commission File Number)	(IRS Employer Identification No.)

Plaza 2000 Building, 50th Street, 8th Floor, P.O. Box 0816-01098, Panama, Republic of Panama

(Address of Principal Executive Offices) (Zip Code)

+50-7-213-0947

(Registrant s Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 2.02. Results of Operations and Financial Condition.

On August 7, 2007, the Registrant issued a press release announcing second quarter 2007 results from continuing operations. A copy of the press release dated August 7, 2007, is attached as Exhibit 99.1 to this Form 8-K.

On August 7, 2007, the Registrant participated in a telephone conference call relating to the August 7th press release. A transcript of the conference call is attached as Exhibit 99.2 to this Form 8-K.

On August 9, 2007, the Registrant issued a press release announcing final results for second quarter 2007, including discontinued operations. A copy of the press release dated August 9, 2007, is attached as Exhibit 99.3 to this Form 8-K.

This information is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibits are furnished herewith:

99.1	Press release dated August 7, 2007, issued by the Registrant.
99.2	Transcript of the Registrant s August 7, 2007 conference call.
99.3	Press release dated August 9, 2007, issued by the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WILLBROS GROUP, INC.

Date: August 13, 2007

By: /s/ Van A. Welch
Van A. Welch
Senior Vice President and
Chief Financial Officer

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated August 7, 2007, issued by the Registrant.
99.2	Transcript of the Registrant s August 7, 2007 conference call.
99.3	Press release dated August 9, 2007, issued by the Registrant.

Angola LNG Ltd
1,019 1,591,200,000 13.60 916 1.551.760.000 13.60
United Gas Derivatives Co
113 950,000 33.33 117 950,000 33.33
Novamont SpA
77 6,667 25.00 77 6,667 25.00 AET - Raffineriebeteiligungsgesellschaft mbH
PetroSucre SA
123 5,727,800 26.00 5,727,800 26.00
Other investments (*)
71 53 1,403 1,197 2,853

(*)
Each individual amount included herein was lower than €25 million.

Equity-accounted investments are disclosed in note 46 — Information by industry segment and by geographical area. Carrying amounts of equity-accounted investments included differences between the purchase price of the interest acquired and the book value of the corresponding fraction of net equity amounting to €100 million related to Unión Fenosa Gas SA for €62 million and Novamont SpA for €38 million. This goodwill is supported by the profitability outlook of the acquired companies.
As of December 31, 2016, the market value of the investments listed in stock markets was as follows:

	Number of shares held	Eni's interest (%)	Share price (€)	Market value (€ million)
Saipem SpA	3,087,679,689	30.76	0.535	1,652

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The table below sets out the provisions for losses included in the provisions for contingencies of €151 million (€126 million at December 31, 2015), primarily related to the following equity-accounted investments:

(€ million)	December 31, 2015	December 31, 2016
Industria Siciliana Acido Fosforico – ISAF – SpA (in liquidation)	93	95
VIC CBM Ltd	10	34

Société Centrale Eletrique du Congo SA	8	7
Agip Oleoducto de Crudos Pesados BV		7
PetroBicentenario SA		6
Polimeri Europa Elastomeres France SA	8	
Other investments	7	2
	126	151

Additional information is included in note 48 — Other information about investments.

Other investments

(€ million)	Net book amount at the beginning of the year	Additions	Divestments and reimbursements	Valuation at fair value	Currency translation differences	Other changes	Value at the end of the year	Gross book amount at the end of the year	Accumulated impairment charges
2015									
Investments in unconsolidated entities controlled by Eni	14	3				8	25	26	1
Associates	12				1	(3)	10	10	
Other investments:									
- valued at fair value	1,744		(1,425)	49			368	368	
- valued at cost	245		(10)		21	1	257	260	3
	2,015	3	(1,435)	49	22	6	660	664	4
2016									
Investments in unconsolidated entities controlled by Eni	25	5				(1)	29	30	1
Associates	10	3			(2)	(1)	10	10	
Other investments									
- valued at fair value	368		(368)						
- valued at cost	257		(31)		6	5	237	240	3
	660	8	(399)		4	3	276	280	4

Divestments and reimbursements of the investments valued at fair value of €368 million related the sale of 2.22% interest in Snam SpA through: (i) exercise of the conversion right by the holders of convertible bonds related to 76,888,264 shares, representing approximately 2.2% of the share capital, for a total consideration of €332 million corresponding to a price of €4.32 per share and a loss recognized in profit and loss of €32 million; (ii) sale of the remaining 792,619 shares on the open market for a consideration of €4 million.

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The net carrying amount of other investments of €276 million (€660 million at December 31, 2015) was related to the following entities:

(€ million)	December 31, 2015 Net carrying amount	Number of shares held	Eni's interest (%)	December 31, 2016 Net carrying amount	Number of shares held	Eni's interest (%)
Investments in unconsolidated entities controlled by Eni (*)	25			29		
Associates	10			10		
Other investments:						
- Nigeria LNG Ltd	109	118,373	10.40	112	118,373	10.40
- Darwin LNG Pty Ltd	60	213,995,164	10.99	49	213,995,164	10.99
- Snam SpA	368	77,680,883	2.22			
- other(*)	88			76		
	625			237		
	660			276		

(*)
Each individual amount included herein was lower than €25 million.

Additional information is included in note 48 — Other information about investments.

21 Other financial assets

(€ million)	December 31, 2015	December 31, 2016
Receivables held for operating purposes	949	1,785
Securities held for operating purposes	77	75
	1,026	1,860

Financing receivables held for operating purposes are stated net of the valuation allowance for doubtful accounts of €480 million (€347 million at December 31, 2015).

(€ million)	Amount at December 31, 2015	Additions	Currency translation differences	Amount at December 31, 2016
Reserve of allowance for doubtful accounts of financing receivables	347	121	12	480

Financing receivables held for operating purposes of €1,785 million (€949 million at December 31, 2015) primarily pertained to loans granted by the Exploration & Production segment (€1,471 million), the Gas & Power segment (€133 million) and Refining & Marketing and Chemical segment (€109 million).

Financing receivables granted to joint ventures and associates amounted to €1,350 million (€396 million at December 31, 2015).The greatest exposure is towards the joint venture CARDÓN IV SA (Eni's interest 50%) in Venezuela, which is currently operating and developing the Perla offshore gas field. Due to a deteriorated financial outlook of PDVSA and the continuing refinancing of the outstanding loan granted by Eni to the joint venture, the relevant operating financing receivable was reclassified to non-current assets and, as of December 31, 2016, the recoverability was assessed based on the outcome of the impairment review of the underlying industrial project. At December 31, 2016, Eni's exposure towards the joint venture amounted to €1,054 million (€1,112 million at 31 December 2015). The receivable is accruing interest income at a rate equal to Libor plus 700 basis points as provided by the agreement between Eni and Cardón IV, which were approved by Eni's Board of Directors with a cap to the financing up to $1.5 billion. The loan will be repaid through the cash flows generated by the gas produced by the field and supplied to the Venezuelan State-owned company, PDVSA, on the base of a gas sale agreement expiring in 2036. In assessing the recoverability of the financing receivable granted to the joint venture Cardón IV, management has evaluated that the loan approximates the provision of equity capital, and its recoverability mainly depends upon the capacity of the joint venture to pay down the loan with its cash flows from

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operations. Therefore, the recoverability of the financing receivable has been assessed based on the present value of the project future cash flows, as part of the project impairment review, discounted by using the Eni's WACC for Venezuela, which takes into account the business risk and the country risk. The project VIU was then compared to the sum of the book values of Eni's interest in Cardón IV and of the financing receivable with the VIU exceeding the assets book values. Furthermore, given the counterparty risk considering the deteriorated financial situation in Venezuela, the value-in-use has been stress-tested assuming either: i) a two-year delay in the payment of gas supplies to the joint venture by PDVSA; ii) the collection of proceeds on only 70% of the gas sales in line with the current securitization agreements. Under both of these scenarios, the value-in-use retained a headroom over the assets book values.

Allowances for doubtful accounts of financing receivables of €121 million included an impairment for €93 million of a financing receivable granted to Matrìca SpA (Eni's share 50%), a joint venture with Novamont SpA for the production of chemical products from renewable sources, to reflect the repayment capacity of the venture considering the industrial risks of the project.

Financing receivables held for operating purposes in currencies other than euro amounted to €1,606 million (€649 million at December 31, 2015).

Financing receivables held for operating purposes due beyond five years amounted to €1,519 million (€623 million at December 31, 2015).

The valuation at fair value of financing receivables of €1,799 million has been estimated based on the present value of expected future cash flows discounted at rates ranging from -0.2% to 2.6% (0% and 2.7% at December 31, 2015).

Securities of €75 million (€77 million at December 31, 2015), designated as held-to-maturity investments, are listed bonds issued by sovereign states for €71 million (€70 million at December 31, 2015) and by the European Investment Bank for €4 million (€7 million at December 31, 2015).

The following table analyses securities per issuing entity:

	Amortized cost (€ million)	Nominal value (€ million)	Fair Value (€ million)	Nominal rate of return (%)	Maturity date	Rating - Moody's	Rating - S&P
Sovereign states							
Fixed rate bonds							
Italy	24	24	26	from 0.45 to 4.75	from 2017 to 2025	Baa2	BBB-
Spain	15	14	15	from 1.40 to 4.30	from 2019 to 2020	Baa2	BBB+
Ireland	9	8	9	from 4.40 to 4.50	from 2018 to 2019	A3	A+
Iceland	3	3	3	2.50	2020	A3	BBB+
Poland	3	2	3	4.20	2020	A2	BBB+
Slovenia	2	2	2	4.13	2020	Baa3	A
Belgium	2	2	2	1.40	2018	Aa3	AA
Floating rate bonds							
Italy	11	11	11		from 2018 to 2019	Baa2	BBB-
Mozambique	2	2	2		from 2017 to 2019	Caa3	B-
Total sovereign states	71	68	73				

European Investment Bank	4	4	4	2018	Aaa	AAA
	75	72	77			

Securities have a maturity within five years (beyond five years for €1 million at December 31, 2015).
The fair value of securities was derived from quoted market prices.
Receivables with related parties are described in note 47 — Transactions with related parties.
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22 Deferred tax assets

Deferred tax assets are stated net of amounts of deferred tax liabilities that can be offset for €4,286 million (€3,355 million at December 31, 2015).

(€ million)	Amount at December 31, 2015	Additions	Deductions	Currency translation differences	Other changes	Amount at December 31, 2016
Deferred tax assets	8,952	2,994	(1,208)	185	(1,511)	9,412
Provisions for impairments	(5,099)	(667)	254	(80)	(30)	(5,622)
	3,853	2,327	(954)	105	(1,541)	3,790

Deferred tax assets related for €1,690 million (€1,911 million at December 31, 2015) to the parent company Eni SpA and other Italian subsidiaries which were part of the consolidated accounts for Italian tax purposes. Those assets were recorded on the pre-tax loss of the year and on the recognition of deferred deductible expenses within the limits of the amounts expected to be recovered in future years based on availability of expected future taxable profit.

Additions to the impairment provision of €667 million were explained by projections of lower future taxable profit at Italian subsidiaries (€433 million).

Deferred tax assets are further described in note 32 — Deferred tax liabilities.

Income taxes are described in note 43 — Income taxes.

23 Other non-current assets

(€ million)	December 31, 2015	December 31, 2016
Tax receivables from:		
- Italian tax authorities		
- income tax	44	73
- interest on tax credits	63	64
	107	137
- non-Italian tax authorities	287	365
	394	502
Other receivables:		
- related to divestments	567	222
- other non-current	46	52
	613	274
Fair value of derivative financial instruments	218	108
Other asset	533	464
	1,758	1,348

Receivables from divestments amounted to €222 million (€567 million at December 31, 2015) and included the long-term portion of €166 million (€463 million at December 31, 2015) of a receivable related to the divestment of a 1.71% interest in the Kashagan project to the local partner KazMunayGas in 2008 based on the agreements defined between the international partners of the North Caspian Sea PSA and the Kazakh government, which enacted a new contractual framework and a new setup for managing project operations. The repayment of the first of the three installments of the receivable took place in the fourth quarter of 2016 with the achievement of the agreed target production level. The receivable accrues interest income at market rates. The current portion of the receivable is indicated in note 11 — Trade and other receivables.

The fair value related to derivative financial instruments is disclosed in note 34 — Derivative financial instruments.
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Other non-current assets amounted to €464 million (€533 million at December 31, 2015), of which €113 million (€277 million at December 31, 2015) were deferred costs of take-or-pay gas volumes in connection with the Company's long-term supply contracts. The amount was recognized due to the obligation to pay the contractual price of the volumes of gas, which the Company failed to collect up to the minimum contractual take in previous reporting periods in order to fulfill the take-or-pay clause provided by the relevant long-term supply contracts. The Company is entitled to off-take the prepaid volumes in future years alongside contract execution, up to contract expiration or in a shorter term as the case may be. Those deferred costs, which are equivalent to a receivable in-kind, are stated at the purchase cost or the net realizable value, whichever is lower. Prior-year impairment losses are reversed up to the purchase cost, whenever market conditions indicate that impairment no longer exits or may have decreased. In 2016, based on this accounting, an impairment of €31 million was recorded. The reduction in the amount of the deferred costs at the reporting date compared to 2015 was due to the reclassification to other current assets of volumes expected to be recovered by 2017 (€133 million). A portion of the deferred costs has remained classified non-current, because the Company plans to lift the prepaid quantities beyond the term of 12 months. In spite of weak market conditions in the European gas sector due to sluggish demand growth and strong competitive pressures fuelled by oversupplies, management plans to recover volumes underlying the deferred cost within the plan horizon.
Transactions with related parties are described in note 47 — Transactions with related parties.
Current liabilities
24 Short-term debt

(€ million)	December 31, 2015	December 31, 2016
Commercial papers	4,962	2,738
Banks	142	155
Other financial institutions	616	503
	5,720	3,396

The decrease in short-term debt of €2,324 million primarily related to net reimbursements for €2,645 million and, as increase, currency translation differences relating to foreign subsidiaries and debt denominated in foreign currency recorded by euro-reporting subsidiaries for €452 million.
Commercial papers of €2,738 million (€4,962 million at December 31, 2015) were issued by the Group's financial subsidiaries Eni Finance USA Inc for €1,750 million (€2,189 million at December 31, 2015) and Eni Finance International SA for €988 million (€2,773 million at December 31, 2015).
The breakdown by currency of short-term debt is provided below:

(€ million)	December 31, 2015	December 31, 2016
Euro	3,056	1,405
U.S. dollar	2,616	1,982
Other currencies	48	9
	5,720	3,396

As of December 31, 2016, the weighted average interest rate on short-term debt was 0.9% (0.6% as of December 31, 2015).
As of December 31, 2016, Eni retained undrawn committed and uncommitted borrowing facilities amounting to €41 million and €12,267 million, respectively (€40 million and €12,708 million at December 31, 2015, respectively). Those facilities bore interests and charges for undrawn that reflect prevailing market conditions.
As of December 31, 2016, Eni did not report any default on covenants or other contractual provisions in relation to borrowing facilities.
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Because of the short-term maturity and conditions of remuneration of short-term debts, the fair value approximated the carrying amount.

Payables due to related parties are described in note 47 — Transactions with related parties.

25 Trade and other payables

(€ million)	December 31, 2015	December 31, 2016
Trade payables	9,605	11,038
Advances	637	526
Other payables		
- related to capital expenditures	1,884	2,158
- others	2,816	2,981
	4,700	5,139
	14,942	16,703

The increase in trade payables amounting to €1,433 million primarily related to the Gas & Power segment (€985 million).

Down payments and advances for €526 million (€637 million at December 31, 2015) related to the Refining & Marketing business line for €263 million (€253 million at December 31, 2015) and to the Exploration & Production segment for €153 million (€71 million at December 31, 2015).

Other payables were as follows:

(€ million)	December 31, 2015	December 31, 2016
Payables related to capital expenditures due to		
Suppliers in relation to investing activities	1,544	1,835
Joint venture operators in exploration and production activities	283	219
Other	57	104
	1,884	2,158
Other payables		
Joint venture operators in exploration and production activities	1,750	2,057
Employees	207	180
Social security entities	100	94
Non-financial government entities	5	6
Other	754	644
	2,816	2,981
	4,700	5,139

Because of the short-term maturity and conditions of remuneration of trade payables, the fair value approximated the carrying amount.

Payables due to related parties are described in note 47 — Transactions with related parties.

26 Income tax payable

(€ million)	December 31, 2015	December 31, 2016
Italian subsidiaries	65	97

Non-Italian subsidiaires	366	329
	431	426

Income tax payable is described in note 43 — Income taxes.
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27 Other tax payable

(€ million)	December 31, 2015	December 31, 2016
Excise and customs duties	716	634
Other taxes and duties	738	659
	1,454	1,293

28 Other current liabilities

(€ million)	December 31, 2015	December 31, 2016
Fair value of derivatives financial instruments	4,261	2,108
Other liabilities	451	491
	4,712	2,599

Fair value related to derivative financial instruments is disclosed in note 34 — Derivative financial instruments.
Other current liabilities of €491 million (€451 million at December 31, 2015) included the current portion of advances received from Suez following a long-term agreement for supplying natural gas and electricity for €73 million (€76 million at December 31, 2015). Non-current portion is disclosed in note 33 — Other non-current liabilities.
Advances cashed in by gas customers were utilized in 2016 for €10 million (versus €11 million at the opening balance). Those customers off-took lower volumes than the contractual minimum take provided by the relevant long-term supply contract in previous reporting periods, paying Eni the relevant cash advance.
Transactions with related parties are described in note 47 — Transactions with related parties.
Non-current liabilities
29 Long-term debt and current portion of long-term debt

		At December 31,			Long-term maturity					
(€ million)	Maturity range	2015	2016	Current maturity 2017	2018	2019	2020	2021	After	Total
Banks	2017 – 2032	3,920	4,286	272	864	1,485	484	341	840	4,014
Ordinary bonds	2017 – 2043	17,608	19,003	2,959	1,168	2,503	2,422	940	9,011	16,04
Convertible bonds	2022	339	383						383	383
Other financial institutions	2017 – 2031	206	171	48	48	50	3	3	19	123
		22,073	23,843	3,279	2,080	4,038	2,909	1,284	10,253	20,56

Long-term debt and current portion of long-term debt of €23,843 million (€22,073 million at December 31, 2015) increased by €1,770 million. The increase comprised new issuance of €4,202 million net of repayments made for €2,323 million and, as decrease, currency translation differences relating foreign subsidiaries and debt denominated in foreign currency recorded by euro-reporting subsidiaries for €28 million.
Debt due to other financial institutions of €171 million (€206 million at December 31, 2015) included €29 million of finance lease transactions (€26 million at December 31, 2015).

Eni entered into long-term borrowing facilities with the European Investment Bank. These borrowing facilities are subject to the maintenance of certain financial ratios based on the Consolidated Financial

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Statements of Eni or a minimum level of credit rating. According to the agreements, should the Company lose the minimum credit rating, new guarantees would be required to be agreed upon with the European Investment Bank. In addition, Eni entered into long and medium-term facilities with Citibank Europe Plc providing for conditions similar to those applied by the European Investment Bank. At December 31, 2016, debts subjected to restrictive covenants amounted to €1,953 million (€2,127 million at December 31, 2015). Eni complied with those covenants.

Ordinary bonds of €19,003 million (€17,608 million at December 31, 2015) consisted of bonds issued within the Euro Medium Term Notes Program for a total of €16,528 million and other bonds for a total of €2,475 million.

The following table provides a breakdown of ordinary bonds by issuing entity, maturity date, interest rate and currency as of December 31, 2016:

(€ million)	Amount	Discount on bond issue and accrued expense	Total	Currency	Maturity from	Maturity to	Rate % from	Rate % to
Issuing entity								
Euro Medium Term Notes								
Eni SpA	1,500	15	1,515	EUR		2019		4.125
Eni SpA	1,250	6	1,256	EUR		2017		4.750
Eni SpA	1,200	17	1,217	EUR		2025		3.750
Eni SpA	1,000	36	1,036	EUR		2020		4.250
Eni SpA	1,000	31	1,031	EUR		2018		3.500
Eni SpA	1,000	26	1,026	EUR		2029		3.625
Eni SpA	1,000	19	1,019	EUR		2020		4.000
Eni SpA	1,000	6	1,006	EUR		2026		1.500
Eni SpA	1,000	6	1,006	EUR		2023		3.250
Eni SpA	900	(7)	893	EUR		2024		0.625
Eni SpA	800	1	801	EUR		2021		2.625
Eni SpA	800	(3)	797	EUR		2028		1.625
Eni SpA	750	13	763	EUR		2019		3.750
Eni SpA	750	6	756	EUR		2024		1.750
Eni SpA	700		700	EUR		2022		0.750
Eni SpA	600	(6)	594	EUR		2028		1.125
Eni Finance International SA	527	14	541	GBP	2018	2021	4.750	6.125
Eni Finance International SA	395	5	400	EUR	2017	2043	3.750	5.441
Eni Finance International SA	170	1	171	YEN	2019	2037	1.955	2.810
	16,342	186	16,528					
Other bonds								
Eni SpA	1,109	10	1,119	EUR		2017		4.875
Eni SpA	427	3	430	USD		2020		4.150

Eni SpA	333		333	USD	2040	5.700
Eni SpA	215	1	216	EUR	2017	variable
Eni USA Inc	379	(2)	377	USD	2027	7.300
	2,463	12	2,475			
	18,805	198	19,003			

As of December 31, 2016, ordinary bonds maturing within 18 months of €3,724 million were issued by Eni SpA for €3,622 million and by Eni Finance International SA for €102 million. During 2016, Eni SpA issued new bonds for €2,984 million.

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The following table provides a breakdown of convertible bonds issued by Eni SpA as of December 31, 2016:

(€ million)	Amount	Discount on bond issue and accrued expense	Total	Currency	Maturity	Rate%
Issuing entity						
Eni SpA	400	(17)	383	EUR	2022	0.000
	400	(17)	383			

In 2016, Eni issued a non-dilutive equity-linked bond for a total nominal value of €400 million with a redemption value linked to the market price of Eni's shares. The bondholders will have "conversion" rights at certain times and/or in the presence of certain events, while the bonds will be cash-settled. Accordingly, the issue and the conversion of the bonds will not give right to any share of Eni and there will be no dilution for shareholders. To hedge its exposure, Eni purchased cash-settled call options relating to Eni shares that will be settled on a net cash basis. The bonds will have a six-year maturity and will pay no interest and, accordingly, the coupon will be equal to 0%. The bonds were issued at a price equal to 100.5% of par and will be redeemed at par at maturity, unless previously converted or redeemed under their terms. The initial conversion price for the bonds has been set at €17.6222, representing a 35% premium above the share reference price of €13.0535 determined as the arithmetic average of the daily volume-weighted average prices of an ordinary share of Eni on the Milan Stock Exchange over a period of seven consecutive scheduled trading days starting from 7 April 2016. The settlement and closing took place on 13 April 2016. The convertible bond is measured at amortized cost. The conversion option, embedded in the financial instrument issued, and the call option on Eni's shares acquired are valued at fair value with effects recognized through profit and loss.

The bond convertible into ordinary shares of Snam SpA, amounting to €339 million as of 31 December 2015, expired on 18 January 2016. Following the exercise of the conversion rights, Eni delivered to the bondholders 76,888,264 shares ordinary representing approximately 2.20% of the share capital of Snam SpA. The residual bonds, amounting to €3.4 million, for which it was not exercised the conversion rights, were redeemed for cash.

The following table provides a breakdown by currency of long-term debt, its current portion and the related weighted average interest rates.

	December 31, 2015 (€ million)	Average rate (%)	December 31, 2016 (€ million)	Average rate (%)
Euro	19,623	3.2	21,545	2.7
U.S. dollar	1,660	5.0	1,587	5.2
British pound	629	5.3	540	5.3
Japanese yen	161	2.6	171	2.6
	22,073		23,843	

As of December 31, 2016, Eni retained undrawn long-term committed borrowing facilities of €6,236 million (€6,577 at December 31, 2015), of which €700 million due in 2017. Those facilities bore interest rates reflecting prevailing conditions on the marketplace. As of 31 December 2016, Eni did not utilize any of its currently committed long-term borrowing facilities (€1 million at December 31, 2015) considering the amount of the liquidity reserves retained by the Company.

Eni has in place a program for the issuance of Euro Medium Term Notes up to €20 billion, of which €16.3 billion were drawn as of December 31, 2016.

The Group has credit ratings of BBB+ outlook stable and A-2, respectively for long and short-term debt, assigned by Standard & Poor's and Baa1 outlook stable and P-2, respectively for long and short-term debt, assigned by Moody's. Eni's credit rating is linked to the Company's industrial fundamentals and trends in the trading environment and, in addition, to the sovereign credit rating of Italy. Based on the methodologies used by Standard & Poor's and Moody's, a potential downgrade of Italy's credit rating may trigger a potential knock-on effect on the credit rating of Italian issuers such as Eni.

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Fair value of long-term debt, including the current portion of long-term debt amounted to €25,358 million (€23,899 million at December 31, 2015):

(€ million)	December 31, 2015	December 31, 2016
Ordinary bonds	18,984	20,501
Convertible bonds	341	435
Banks	4,356	4,244
Other financial institutions	218	178
	23,899	25,358

Fair value of financial debt was calculated by discounting the expected future cash flows at discount rates ranging from -0.2% to 2.6% (0% and 2.7% at December 31, 2015).

At December 31, 2016, Eni did not pledge restricted deposits as collateral against its borrowings.

Information on net borrowings

In assessing its capital structure, Eni uses net borrowings, which is a non-GAAP financial measure. Eni calculates net borrowings as total finance debt (short-term and long-term debt) derived from its Consolidated Financial Statements prepared in accordance with IFRS as endorsed by IASB less: cash, cash equivalents, held-for-trading securities and other financial assets, and certain highly liquid investments not related to operations including, among others, non-operating financing receivables and available-for-sale securities not related to operations. Held-for-trading securities and other financial assets are part of a strategic reserve of liquidity that management has established by reinvesting proceeds from the Group disposal plans and is intended to provide a certain degree of financial flexibility in case of a prolonged price downturn, tight financial markets or in view of other Company’s purposes. Non-operating financing receivables consist mainly of deposits with banks and other financing institutions and deposits in escrow. Available-for-sale securities not related to operations consist primarily of government bonds and securities from financing institutions. These assets are generally intended to absorb temporary surpluses of cash as part of the Company’s ordinary management of financing activities.

Management believes that net borrowings is a useful measure of Eni’s financial condition as it provides insight about the soundness of Eni’s capital structure and the ways by which Eni’s operating assets are financed. In addition, management utilizes the ratio of net borrowings to total shareholders’ equity including non-controlling interest (leverage) to assess Eni’s capital structure, to analyze whether the ratio between finance debt and shareholders’ equity is well balanced according to industry standards and to track management’s short-term and medium-term targets. Management continuously monitors trends in net borrowings and trends in leverage in order to optimize the use of internally-generated funds versus funds from third parties. The measure calculated in accordance with IFRS that is most directly comparable to net borrowings is total debt (short-term and long-term debt). The most directly comparable measure, derived from IFRS reported amounts, to calculate leverage is the ratio of total debt to shareholders’ equity (including non-controlling interest). Eni’s presentation and calculation of net borrowings and leverage may not be comparable to that of other companies.

	December 31, 2015			December 31, 2016		
(€ million)	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	5,209		5,209	5,674		5,674
B. Held-for-trading financial assets	5,028		5,028	6,166		6,166
C. Available-for-sale financial assets				238		238
D. Liquidity (A+B+C)	10,237		10,237	12,078		12,078
E. Financing receivables	685		685	385		385
F. Short-term debt towards banks	142		142	155		155

G. Long-term debt towards banks	455	3,465	3,920	272	4,014	4,286
H. Bonds	2,176	15,771	17,947	2,959	16,427	19,386
I. Short-term debt towards related parties	208		208	191		191
L. Other short-term liabilities	5,370		5,370	3,050		3,050
M. Other long-term liabilities	45	161	206	48	123	171
N. Total borrowings (F+G+H+I+L+M)	8,396	19,397	27,793	6,675	20,564	27,239
O. Net borrowings (N-D-E)	(2,526)	19,397	16,871	(5,788)	20,564	14,776

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Financial assets held for trading of €6,166 million (€5,028 million at December 31, 2015) related to Eni SpA for €6,062 and to Eni Insurance DAC for €104 million. For further information see note 9 — Financial assets held for trading.

Available-for-sale securities of €238 million were held for non-operating purposes and related to Eni Insurance DAC. Furthermore, Eni held certain held-to-maturity and available-for-sale securities destined to operating purposes amounting to €75 million (€359 million at December 31, 2015). These securities are excluded from the calculation above. The decrease of €282 million was mainly due to the reclassification of securities retained by Eni Insurance DAC to securities held for non-operating purposes. In previous reporting periods, those securities were committed to fund the loss reserve of the insurance company. The change in the destination of those assets was permitted by the entry into force from January 1, 2016, of the provisions of EU Solvency II Directive on capital requirements to be met for operating in the insurance activity. More information is reported in note 10 — Financial assets available for sale.

Current financing receivables of €385 million (€685 million at December 31, 2015) were held for non-operating purposes. At the reporting date, the Company held financing receivables which were destined to operating purposes amounting to €158 million (€1,622 million at December 31, 2015), of which €28 million (€1,135 million at December 31, 2015) were in respect of financing granted to joint ventures and affiliates which executed capital projects and investments on behalf of Eni's Group companies. The decrease of €300 million was mainly due to the repayment of receivables related to margins on derivatives of Eni Trading & Shipping SpA for €457 million and, as increase, the reclassification to financial receivables of €287 million as a consequence of the adoption starting from January 1, 2016, of the provisions of EU Solvency II Directive on capital requirements to be met for operating in the insurance activity. More information is reported in note 10 — Financial assets available for sale.

30 Provisions for contingencies

(€ million)	Carrying amount at December 31, 2015	New or increased provisions	Initial recognition and changes in estimates	Accretion discount	Utilization	Reversal of unutilized provisions	Currency translation differences	Other changes	Carrying amount at December 31, 2016
Provision for decommissioning and social projects	8,998		(647)	297	(336)	(1)	55	53	8,419
Environmental provision	2,737	235		8	(249)	(37)		(3)	2,691
Provision for litigations	1,725	177			(1,099)	(25)	1	175	954
Provision for taxes	484	258			(30)	(2)	21	1	732
Loss adjustments and actuarial provisions for Eni's insurance companies	323	52			(184)			16	207
Provision for redundancy incentives	201	1		3	(13)	(8)		(8)	176
Provision for onerous contracts	273	6		3	(103)	(6)	(7)	(1)	165

Provision for losses on investments	128	41				(11)	2	(7)	153
Provision for OIL insurance cover	72	16							88
Provision for disposal and restructuring	80	7			(16)	(11)	(2)		58
Provision for green certificates	190				(13)	(1)		(175)	1
Other (*)	164	213		1	(72)	(7)	4	(51)	252
	15,375	1,006	(647)	312	(2,115)	(109)	74		13,896

(*)
Each individual amount included herein was lower than €50 million.

The Group makes full provision for the future costs of decommissioning oil and natural gas wells, facilities and related pipelines on a discounted basis upon installation. The decommissioning provisions at the reporting date amounted to €8,419 million and included future costs for social projects. Those provisions comprised the discounted estimated costs that the Company expects to incur for

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decommissioning oil and natural gas production facilities at the end of the producing lives of fields, well-plugging, abandonment and site restoration of the Exploration & Production segment for €7,901 million. Negative estimates' revisions of €647 million were primarily due to a rise in the discount rate curve in particular for the U.S. dollar and to the revision of previous estimates of decommissioning costs, partially offset by new provisions of the year. The accretion discount recognized in the profit and loss account for €297 million was determined by adopting discount rates ranging from -0.01% to 5.8% (from 0.2% to 4.6% at December 31, 2015). Main expenditures associated with decommissioning operations are expected to be incurred over a 40-year period.

Provisions for environmental risks of €2,691 million included the estimated costs for environmental remediation and restoration of soil and groundwater in areas owned or under concession where the Group conducted in the past industrial operations which were progressively divested, shut down, dismantled or restructured. The provision has been accrued because at balance sheet date there is a legal or constructive obligation for Eni to carry out cleaning-up operations and the expected costs can be estimated reliably. The provision includes the expected charges associated with strict liability related to obligations of restoring the contaminated sites that met the parameters set by the law at the time when the pollution occurred or because Eni assumed the liability of third operators when took over the ownership of the site. Those environmental provisions are recognized when an environmental project is approved by or filed with the relevant administrative authorities or a constructive obligation has arisen whereby the Company commits itself to perform certain cleaning-up and restoration projects and reliable cost estimation is available. At December 31, 2016, environmental provision primarily related to Syndial SpA for €2,211 million and to the Refining & Marketing business line for €364 million. Additions of €235 million primarily related to Syndial SpA for €110 million and to the Refining & Marketing business line for €99 million. Utilizations of €249 million primarily related to the Refining & Marketing business line for €124 million Syndial SpA for €89 million.

Provisions for litigations of €954 million comprised the expected liabilities associated with legal proceedings and out of court proceedings arising from contractual claims, contract renegotiations, including arbitration, fines and penalties due to antitrust proceedings and administrative matters. These provisions represented the Company's best estimate of the expected probable liabilities associated with pending litigation and commercial proceedings and primarily related to the Gas & Power segment for €546 million and the Exploration & Production segment for €261 million. Additions and utilizations of €177 million and €1,099 million, respectively, mainly related to the Gas & Power segment and were recognized to take account of gas price revisions at long-term supply and sale contracts, including the settlement of certain arbitrations. Other changes of €175 million related to the reclassification to provisions for litigation of the expected liability incurred in connection with a dispute between EniPower and an Italian authority for the national grid on the use of certain allowances for the fulfillment of the obligations concerning GHG emissions at certain Eni's plant for the production of co-generative power.

Provisions for taxes of €732 million included the estimated charges that the Company expects to incur for unsettled tax claims in connection with uncertainties in the application of tax rules at certain Italian and foreign subsidiaries in the Exploration & Production segment (€704 million).

Loss adjustments and actuarial provisions of Eni's insurance company Eni Insurance DAC of €207 million represented the estimated liabilities accrued on the basis for third parties claims. Against such liability was recorded a receivable of €147 million recognized towards insurance companies for reinsurance contracts.

Provisions for redundancy incentives of €176 million were recognized due to a restructuring program involving the Italian personnel related to past reporting periods.

Provisions for onerous contracts of €165 million related to the execution of contracts where the expected costs exceed the relevant benefits. In particular, the provision comprised the estimated expected losses on unutilized infrastructures for gas transportation and on a regasification project.

Provisions for losses on investments of €153 million were made with respect to certain investees for which expected or incurred losses exceeded carrying amounts.

Provisions for the OIL mutual insurance scheme of €88 million included the estimated future increase of insurance premiums which will be charged to Eni in the next five years and that accrued at the reporting date because of the effective accident rate occurred in past reporting periods.

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Provisions for disposal and restructuring of €58 million essentially related to the Chemical business line (€32 million) and to Syndial SpA (€14 million).

31 Provisions for employee benefits

(€ million)	December 31, 2015	December 31, 2016
TFR	281	298
Foreign defined benefit plans	533	276
Supplementary medical reserve for Eni managers (FISDE) and other foreign medical plans	156	124
Other foreign long-term benefit plans	153	170
	1,123	868

Provisions for benefits upon termination of employment primarily related to a provisions accrued by Italian companies for employee retirement, determined using actuarial techniques and regulated by Article 2120 of the Italian Civil Code. The benefit is paid upon retirement as a lump sum, the amount of which corresponds to the total of the provisions accrued during the employees' service period based on payroll costs as revalued until retirement. Following the changes in the law regime, from January 1, 2007, accruing benefits have been contributing to a pension fund or a treasury fund held by the Italian administration for post-retirement benefits (INPS). For companies with less than 50 employees, it will be possible to continue the scheme as in previous years. Therefore, contributions of future TFR provisions to pension funds or the INPS treasury fund determines that these amounts will be treated in accordance to a defined contribution scheme. Amounts already accrued before January 1, 2007 continue to be accounted for as defined benefits to be assessed based on actuarial assumptions.

Pension funds are defined benefit plans provided by foreign subsidiaries located mainly in Nigeria, Germany and the United Kingdom. Benefits under these plans consist of payments based on seniority and the salary paid in the last year of service, or alternatively, the average annual salary over a defined period prior to the retirement.

Group companies provide healthcare benefits. Liability to these plans (FISDE and other foreign healthcare plans) and the current cost are limited to the contributions made by the Company for retired managers.

Other benefits primarily consisted of monetary and long-term incentive schemes to Group managers, jubilee awards and a defined benefit plan for certain employees engaged in the retail gas activity. Provisions for the monetary incentive scheme are assessed based on the estimated bonuses that will be granted to those managers who will achieve certain individual performance goals weighted with the likelihood that the Company delivers the planned profitability targets. The benefit has a three-year vesting period and incurs when the commitment arises towards Eni's management, based on the achievement of corporate goals. The estimate is subject to adjustments in subsequent years based on the results achieved and the update of the result forecasted (above or below the target). This benefit is applied pro-rata temporis over the three-year period depending on the results of the performance parameters. Provisions for the long-term incentive scheme are assessed on the basis of the estimated trends of a performance indicator as benchmarked against a group of international oil companies. Both of these incentive schemes normally vest over a three-year period. Jubilee awards are benefits due following the attainment of a minimum period of service and, for the Italian companies, consist of an in-kind remuneration. The a defined benefit plan for certain employees engaged in the retail gas activity is a supplementary pension plan set up in the 70's and managed by the Italian national agency for welfare. This fund, previously considered a defined contribution plan, became a defined benefit plan due to certain regulatory changes. The Eni personnel engaged in the gas activity came from the merger of the former "Italgas Più".

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Present value of employee benefits, estimated by applying actuarial techniques, consisted of the following:

	December 31, 2015					December 31, 2016				
(€ million)	TFR	Foreign defined benefit plans	Fisde and other foreign medical plans	Other long-term benefit plans	Total	TFR	Foreign defined benefit plans	Fisde and other foreign medical plans	Other long-term benefit plans	Total
Present value of benefit liabilities at beginning of year	376	1,282	174	191	2,023	281	1,240	156	153	1,830
Current cost		41	2	54	97		28	2	56	86
Interest cost	6	41	3	1	51	6	34	3	1	44
Remeasurements:	(26)	(20)	(1)	(17)	(64)	19	22	(17)	1	25
- actuarial (gains) losses due to changes in demographic assumptions		(5)			(5)	(2)	(2)	(1)	(2)	(7)
- actuarial (gains) losses due to changes in financial assumptions		4	2	(14)	(8)	11	30	(2)	2	41
- experience (gains) losses	(26)	(19)	(3)	(3)	(51)	10	(6)	(14)	1	(9)
Past service cost and (gains) losses settlements		(9)	(1)	13	3		(7)	2	(3)	(8)
Plan contributions:		1			1		1			1
- employee contributions		1			1		1			1
Benefits paid	(25)	(56)	(7)	(53)	(141)	(8)	(33)	(6)	(31)	(78)
Reclassification to discontinued operations and asset held for sale	(52)	(181)	(23)	(41)	(297)					
Currency translation differences and other changes	2	141	9	5	157		(390)	(16)	(7)	(413)
Present value of benefit liabilities at end of year (a)	281	1,240	156	153	1,830	298	895	124	170	1,487

Plan assets at beginning of year		710			710		707			707
Interest income		24			24		20			20
Return on plan assets		(11)			(11)		42			42
Past service cost and (gains) losses settlements							(3)			(3)
Administration expenses paid		(1)			(1)					
Plan contributions:		42			42		25			25
- employee contributions		1			1		1			1
- employer contributions		41			41		24			24
Benefits paid		(24)			(24)		(19)			(19)
Reclassification to discontinued operations and asset held for sale		(86)			(86)					
Currency translation differences and other changes		53			53		(153)			(153)
Plan assets at end of year (b)		707			707		619			619
Net liability recognized at end of year (a-b)	281	533	156	153	1,123	298	276	124	170	868

Foreign defined benefit plans amounting to €276 million (€533 million at December 31, 2015) primarily related to pension plans for €184 million (€402 million at December 31, 2015).
Foreign employee benefit plans included the liability attributable to joint venture partners operating in exploration and production activities of €60 million (€281 million at December 31, 2015). Eni recorded a receivable for an amount equivalent to such liability.
Other employee benefit plans of €170 million (€153 million at December 31, 2015) related to: (i) defined benefit plans for €12 million (€11 million at December 31, 2015) related to the Gas fund; and (ii) long-term benefit plans for €158 million (€142 million at December 31, 2015) of which deferred monetary incentive plans for €99 million (€87 million at December 31, 2015), jubilee awards for €28 million (€27 million at December 31, 2015), long-term incentive plan for €14 million (€6 million at December 31, 2015) and other foreign long-term plans for €17 million (€22 million at December 31, 2015).
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Costs charged to the profit and loss account consisted of the following:

(€ million)	TFR	Foreign defined benefit plans	Fisde and other foreign medical plans	Other long-term benefit plans	Total
2015					
Current cost		41	2	54	97
Past service cost and (gains) losses on settlements		(9)	(1)	13	3
Interest cost (income), net:					
- interest cost on liabilities	6	41	3	1	51
- interest income on plan assets		(24)			(24)
Total interest cost (income), net	6	17	3	1	27
- of which recognized in “Payroll and related cost”				1	1
- of which recognized in “Financial income (expense)”	6	17	3		26
Remeasurements for long-term plans				(17)	(17)
Other costs/Administration expenses paid		1			1
Total	6	50	4	51	111
- of which recognized in “Payroll and related cost”		33	1	51	85
- of which recognized in “Financial income (expense)”	6	17	3		26
2016					
Current cost		28	2	56	86
Past service cost and (gains) losses on settlements		(4)	2	(3)	(5)
Interest cost (income), net:					
- interest cost on liabilities	6	34	3	1	44
- interest income on plan assets		(20)			(20)
Total interest cost (income), net	6	14	3	1	24
- of which recognized in “Payroll and related cost”				1	1
- of which recognized in “Financial income (expense)”	6	14	3		23
Remeasurements for long-term plans				(1)	(1)
Total	6	38	7	53	104
- of which recognized in “Payroll and related cost”		24	4	53	81
- of which recognized in “Financial income (expense)”	6	14	3		23

Costs recognized in other comprehensive income consisted of the following:

	2015				2016				
(€ million)	TFR	Foreign defined benefit plans	Fisde and other foreign	Total	TFR	Foreign defined benefit plans	Fisde and other foreign	Other benefit plans	Total

			medical plans				medical plans		
Remeasurements									
Actuarial (gains)/losses due to changes in demographic assumptions		(5)		(5)	(2)	(2)	(1)	1	(4)
Actuarial (gains)/losses due to changes in financial assumptions		4	2	6	11	30	(2)	1	40
Experience (gains) losses	(26)	(19)	(3)	(48)	10	(6)	(14)		(10)
Return on plan assets		11		11		(42)			(42)
	(26)	(9)	(1)	(36)	19	(20)	(17)	2	(16)

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Plan assets consisted of the following:

(€ million)	Cash and cash equivalents	Equity securities	Debt securities	Real estate	Derivatives	Investment funds	Assets held by insurance company	Other	Total
December 31, 2015									
Plan assets with a quoted market price	41	96	254	10	2	2	23	273	701
Plan assets without a quoted market price							6		6
	41	96	254	10	2	2	29	273	707
December 31, 2016									
Plan assets with a quoted market price	105	49	270	11	1	65	14	101	616
Plan assets without a quoted market price							3		3
	105	49	270	11	1	65	17	101	619

Plan assets are generally managed by external asset managers pursuing investment strategies, defined by Eni's companies, with the aim of ensuring that assets are sufficient to pay the benefits. For this purpose, the investments are aimed at maximizing the expected return and limit the risk level through proper diversification.

The main actuarial assumptions used in the measurement of the liabilities at year-end and in the estimate of costs expected for 2016 consisted of the following:

		TFR	Foreign defined benefit plans	FISDE and other foreign medical plans	Other long-term benefit plans
2015					
Discount rate	(%)	2.0	0.8-15.3	2.0	0.5-2.0
Rate of compensation increase	(%)	3.0	2.0-13.3		
Rate of price inflation	(%)	2.0	0.6-9.7	2.0	2.0
Life expectations on retirement at age 65	(years)		13-24	24	
2016					
Discount rate	(%)	1.0	0.6-17.5	1.0	0.0-1.0
Rate of compensation increase	(%)	2.0	1.0-15.0		
Rate of price inflation	(%)	1.0	0.6-13.5	1.0	1.0
Life expectations on retirement at age 65	(years)		13-24	24	

The following is an analysis by geographical area related to the main actuarial assumptions used in the valuation of the principal foreign defined benefit plans:

	Euro area	Rest of Europe	Africa	Other areas	Foreign defined

						benefit plans
2015						
Discount rate	(%)	2.0	0.8-3.8	3.5-15.3	9.4-9.5	0.8-15.3
Rate of compensation increase	(%)	2.0-3.0	2.5-4.7	5.0-13.3	10.0	2.0-13.3
Rate of price inflation	(%)	2.0	0.6-3.0	3.5-9.7	5.5-8.2	0.6-9.7
Life expectations on retirement at age 65	(years)	21-22	22-24	13-15		13-24
2016						
Discount rate	(%)	1.0-2.0	0.6-2.7	3.5-17.5	7.3-8.1	0.6-17.5
Rate of compensation increase	(%)	1.0-3.0	2.3-3.8	5.0-15.0	7.8-10.0	1.0-15.0
Rate of price inflation	(%)	1.0-1.8	0.6-3.4	3.5-13.5	5.0-5.5	0.6-13.5
Life expectations on retirement at age 65	(years)	21-22	23-24	13-15		13-24

The discount rate used was determined on the base of corporate bond yields (rating AA) in countries with a significant market, or in the absence, of government bond yields. The demographic tables adopted are those used by each country for the assessments of IAS 19. The inflation rate is consistent with the discount rate adopted determined based on the inflation rate implicit in the securities financial markets.

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The effects of a possible change in the main actuarial assumptions at the end of the year are listed below:

(€ million)	Discount rate 0.5% Increase	Discount rate 0.5% Decrease	Rate of price inflation 0.5% Increase	Rate of increases in pensionable salaries 0.5% Increase	Healthcare cost trend rate 0.5% Increase	Rate of increases to pensions in payment 0.5% Increase
December 31, 2015						
Effect on DBO						
TFR	(17)	18	12			
Foreign defined benefit plans	(75)	84	46	26		54
FISDE and other foreign medical plans	(8)	9			9	
Other long-term benefit plans	(2)	2	1			
December 31, 2016						
Effect on DBO						
TFR	(15)	16	10			
Foreign defined benefit plans	(57)	66	33	15		23
FISDE and other foreign medical plans	(7)	8			8	
Other long-term benefit plans	(2)	2	1			

The sensitivity analysis was performed based on the results for each plan through assessments calculated considering modified parameters.

The amount of contributions expected to be paid for employee benefit plans in the next year amounted to €87 million, of which €52 million related to defined benefit plans.

The following is an analysis by maturity date of the liabilities for employee benefit plans:

(€ million)	TFR	Foreign defined benefit plans	FISDE and other foreign medical plans	Other long-term benefits
December 31, 2015				
2016	4	31	5	31
2017	5	33	5	37
2018	6	43	5	57
2019	8	34	5	2
2020	10	37	6	2
2021 and thereafter	248	355	130	47

December 31, 2016				
2017	13	31	5	37
2018	14	44	5	59
2019	15	33	5	52
2020	17	33	5	3
2021	19	38	5	3
2022 and thereafter	220	97	99	42

The weighted average duration of the liabilities for employee benefit plans was the following:

		TFR	Foreign defined benefit plans	FISDE and other foreign medical plans	Other long-term benefits
2015					
Weighted average duration	(years)	12.0	16.5	14.1	4.3
2016					
Weighted average duration	(years)	10.3	17.9	13.9	3.4

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32 Deferred tax liabilities

Deferred tax liabilities were recognized net of the amounts of deferred tax assets which can be offset for €4,286 million (€3,355 million at December 31, 2015).

(€ million)	Amount at December 31, 2015	Additions	Deductions	Currency translation differences	Other changes	Amount at December 31, 2016
	7,425	1,796	(1,486)	229	(1,297)	6,667

Deferred tax assets and liabilities consisted of the following:

(€ million)	December 31, 2015	December 31, 2016
Deferred tax liabilities	10,780	10,953
Deferred tax assets available for offset	(3,355)	(4,286)
	7,425	6,667
Deferred tax assets not available for offset	(3,853)	(3,790)
Net deferred tax liabilities	3,572	2,877

Net deferred tax liabilities of €2,877 million (€3,572 million at December 31, 2015) included the recognition of the deferred tax effect against equity of: (i) the fair value measurement of derivatives designated as cash flow hedge (deferred tax liabilities for €57 million); (ii) the revaluation of defined benefit plans (deferred tax liabilities for €13 million); and (iii) the fair value measurement of available-for-sale securities (deferred tax liabilities for €1 million).

The most significant temporary differences giving rise to net deferred tax liabilities are disclosed below:

(€ million)	Carrying amount at December 31, 2015	Additions	Deductions	Currency translation differences	Other changes	Carrying amount at December 31, 2016
Deferred tax liabilities						
Accelerated tax depreciation	8,424	1,527	(583)	168	(637)	8,899
Difference between the fair value and the carrying amount of assets acquired	1,150	114	(207)	42	170	1,269
Site restoration and abandonment (tangible assets)	644		(171)	20	(145)	348
Application of the weighted average cost method in evaluation of inventories	46	41	(7)	1		81
Capitalized interest expense	77		(9)	1	(53)	16
Other	439	114	(509)	(3)	299	340
	10,780	1,796	(1,486)	229	(366)	10,953
Deferred tax assets, gross						
Carry-forward tax losses	(3,598)	(1,377)	95	(88)	246	(4,722)

Site restoration and abandonment (provisions for contingencies)	(2,415)	(768)	186	5	111	(2,881)
Timing differences on depreciation and amortization	(2,195)	(253)	140	(63)	111	(2,260)
Accruals for impairment losses and provisions for contingencies	(1,380)	(370)	337			(1,413)
Impairment losses	(902)	(121)	224	(2)	(105)	(906)
Employee benefits	(171)	(33)	16		25	(163)
Unrealized intercompany profits	(257)		3	2	134	(118)
Other	(1,389)	(72)	207	(39)	58	(1,235)
	(12,307)	(2,994)	1,208	(185)	580	(13,698)
Impairments of deferred tax assets	5,099	667	(254)	80	30	5,622
Deferred tax assets, net	(7,208)	(2,327)	954	(105)	610	(8,076)
Net deferred tax liabilities	3,572	(531)	(532)	124	244	2,877

Italian taxation law allows the carry-forward of tax losses indefinitely. Foreign taxation laws generally allow the carry-forward of tax losses over a period longer than five years, and in many cases, indefinitely. An average tax rate of 24% was applied to tax losses of Italian subsidiaries to determine the portion of the carry-forwards tax losses, which will be utilized in future years to offset expected taxable profit. The corresponding rate for foreign subsidiaries was 36%.
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Carry-forward tax losses amounted to €16,478 million and can be used indefinitely for €13,083 million. Carry-forward tax losses regarded Italian companies for €9,889 million and foreign companies for €6,589 million. Deferred tax assets recognized on these losses amounted to €2,330 million and €2,392 million, respectively.

Provisions for impairments of deferred tax assets of €5,622 million related to Italian companies for €4,020 million and foreign companies for €1,602 million.

33 Other non-current liabilities

(€ million)	December 31, 2015	December 31, 2016
Fair value of derivatives financial instruments	98	161
Current income tax liabilities	23	35
Other payables towards tax authorities	29	9
Cautionary deposits	267	265
Other payables	81	51
Other liabilities	1,354	1,247
	1,852	1,768

Fair value related to derivative financial instruments is disclosed in note 34 — Derivative financial instruments.

Cautionary deposits of €265 million (€267 million at December 31, 2015) related for €224 million (€232 million at December 31 2015) to deposits from retail customers for the supply of gas and electricity.

Other liabilities of €1,247 million (€1,354 million at December 31, 2015) included advances received from Suez following a long-term agreement for supplying natural gas and electricity of €664 million (€736 million at December 31, 2015). The current portion is described in note 28 — Other current liabilities.

Liabilities with related parties are described in note 47 — Transactions with related parties.

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34 Derivative financial instruments

(€ million)	December 31, 2015 Fair value asset	Fair value liability	Level of Fair value	December 31, 2016 Fair value asset	Fair value liability	Level of Fair value
Non-hedging derivatives						
Derivatives on exchange rate						
- Currency swap	223	311	2	188	268	2
- Interest currency swap	97	33	2	38	83	2
- Outright	7	2	2	17	15	2
	327	346		243	366	
Derivatives on interest rate						
- Interest rate swap	30	20	2	10	12	2
	30	20		10	12	
Derivatives on commodities						
- Future	1,586	1,483	1	624	611	2
- Over the counter	550	491	2	133	120	1
- Options					1	2
- Other				4	5	2
	2,136	1,974		761	737	
	2,493	2,340		1,014	1,115	
Trading derivatives						
Derivatives on commodities						
- Over the counter	2,647	3,054	2	1,495	1,490	2
- Future	409	559	1	561	574	1
- Options	153	176	2	211	157	2
	3,209	3,789		2,267	2,221	
Cash flow hedge derivatives						
- Over the counter	19	614	2	309	150	2
- Future	107		1	1	18	1
	126	614		310	168	
Embedded derivatives	20		2			
Option embedded in convertible bonds		26	2	46	46	2
Gross amount	5,848	6,769		3,637	3,550	
Offsetting	(2,410)	(2,410)		(1,281)	(1,281)	
Net amount	3,438	4,359		2,356	2,269	
Of which:						
- current	3,220	4,261		2,248	2,108	
- non-current	218	98		108	161	

Derivative fair values were estimated on the basis of market quotations provided by primary info-provider or, alternatively, appropriate valuation techniques generally adopted in the marketplace.

Fair values of non-hedging derivatives consisted of derivatives that did not meet the formal criteria to be designated as hedges under IFRS because they were entered into in order to manage net exposures to foreign currency exchange rates, interest rates and commodity prices. Therefore, such derivatives did not relate to specific trade or financing transactions.

Fair values of trading derivatives consisted of derivatives entered for trading purposes and proprietary trading.

Fair value of cash flow hedge derivatives related to the hedges entered by the Gas & Power segment. These derivatives were entered into to hedge variability in future cash flows associated with highly probable future sale transactions of gas or electricity or on already contracted sales due to different indexation mechanism of supply costs versus selling prices. A similar scheme applies to exchange rate hedging derivatives. The effects of the measurement at fair value of cash flow hedge derivatives are given in note 36 — Shareholders' equity and in note 40 — Operating expens

Information on hedged risks and hedging policies is disclosed in note 38 — Guarantees, commitments and risks — Risk factors.

Options embedded in convertible bonds of €46 million as of December 31, 2016, related to equity-linked cash settled bonds. Options embedded in convertible bonds of €26 million as of December 31, 2015, related to the convertible bond into ordinary shares of Snam SpA expired on January 18, 2016. More information is disclosed in note 29 — Long-term debt and current portion of long-term debt.

During the 2016, there were no transfers between the different hierarchy levels of fair value.

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35 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale

Discontinued operations

Saipem

On January 22, 2016, following the fulfillment of all the conditions precedent, among which the consensus of the Antitrust Authority, Eni closed the sale transaction of 12.503% of the share capital of Saipem SpA to CDP Equity SpA. The transaction referred to 55,176,364 Saipem shares at a price of €8.3956 per share for a total consideration of €463 million. At the same date, a shareholder agreement between Eni and CDP Equity entered into force and established the joint control of the two shareholders over Saipem. Therefore, following the loss of control, Saipem was derecognized from Eni's consolidated accounts and accounted for using the equity method. At the date of the loss of the control (January 22, 2016), the retained interest of 30.42% in the former subsidiary was aligned to the market price of €4.2 per share corresponding to a carrying amount of €564 million with a charge through profit and loss of €441 million (with respect to the carrying amount at the opening balance).

Versalis

In 2016, Eni's chemical segment ceased to be classified as a disposal group in accordance to IFRS 5 due to termination of the negations with US-based SK Capital hedge fund, that had shown an interest in acquiring a 70% stake in Eni subsidiary Versalis SpA, the parent company of the chemical business. Therefore, Eni's consolidated accounts as of and for the year 2016 have been prepared accounting this business as part of the continuing operations. Based on IFRS 5 provisions, in case of cessation of classification as held for sale, management is required to amend financial statements retrospectively to the date of initial classification as held for sale, December 31, 2015, as though the disposal group never qualified as held for sale. Accordingly, the opening balance of the consolidated accounts 2016 were amended to reinstate the criteria of the continuing use to evaluate Versalis by aligning its book value to the recoverable amount, given by the higher of fair value less cost to sell and value-in-use. Under IFRS 5, Versalis was measured at the lower of its carrying amount and fair value less cost to sell. Management estimated the value-in-use of the fixed assets of Versalis' business units by identifying a single Cash Generating Unit consistently with Eni's industrial plan for the four-year period 2016-2019 used at December 31, 2015 that considered Versalis as an integrated unit with a view to disposing or monetizing it as a whole. The value-in-use was estimated by discounting the future expected cash flows of the industrial plan of a standalone Versalis, which factored in the earnings volatility of a pool of chemical peers of Versalis, thus determining a beta parameter independent from Eni in the same manner as the Gas & Power segment. Further information is provided in note 16 — Property, plant and equipment. This amendment in Versalis evaluation marginally affected the opening balance of Eni's consolidated net assets (an increase of €294 million) and was neutral to the Group's net borrowings.

The main economic and financial data of the discontinued operations net of intragroup transactions are provided below.

Saipem

(€ million)	2014	2015	2016
Revenues	11,644	10,277	
Operating expenses	12,731	12,199	
Operating profit	(1,087)	(1,922)	
Finance income (expense)	116	60	
Income (expense) from investments	24	30	(413)
Profit before income taxes	(947)	(1,832)	(413)
Income taxes	(2)	(142)	
Net profit	(949)	(1,974)	(413)
- attributable to Eni	(417)	(826)	(413)
- attributable to non-controlling interest	(532)	(1,148)	
Earnings per share (€ per share)	(0.12)	(0.23)	(0.12)
Net cash provided by operating activities	273	(1,226)	

Net cash flow from investing activities	(684)	(456)
Net cash used in financing activities	126	(57)
Capital expenditures	694	561

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Net loss for 2016 included: (i) a loss from measurement at fair value of the retained interest in Saipem at the date of the loss of control (22 January 2016) for €441 million; (ii) a net gain from utilization of the reserve for exchange differences and of the reserve for the valuation at fair value of cash flow hedge derivatives for €28 million.

Assets held for sale and liabilities directly associated with assets held for sale

Assets held for sale amounted to €14 million and related to tangible assets and investments.

In 2016, Eni sold to MOL Group, a Hungarian oil&gas company, a 100% stake of the subsidiaries Eni Slovenija doo and Eni Hungaria Zrt, two companies operating in the retail and wholesale marketing of fuels with activities in Slovenia and Hungary for a total consideration of €69 million.

More information is provided in note 37 — Other information — Supplemental cash flow information and note 42 — Inc (expense) from investments.

36 Shareholders' equity

Non-controlling interest

	Net profit		Shareholders' equity	
(€ million)	2015	2016	December 31, 2015	December 31, 2016
Saipem SpA	(600)		1,872	
Others	5	7	44	49
	(595)	7	1,916	49

Eni shareholders' equity

(€ million)	December 31, 2015	December 31, 2016
Share capital	4,005	4,005
Legal reserve	959	959
Reserve for treasury shares	581	581
Reserve related to the fair value of cash flow hedging derivatives net of the tax effect	(474)	189
Reserve related to the fair value of available-for-sale securities net of the tax effect	8	4
Reserve related to the defined benefit plans net of tax effect	(101)	(112)
Other reserves	180	211
Cumulative currency translation differences	9,129	10,319
Treasury shares	(581)	(581)
Retained earnings	51,985	40,367
Interim dividend	(1,440)	(1,441)
Net loss for the year	(8,778)	(1,464)
Other items of comprehensive income related to discontinued operations	20	
	55,493	53,037

Share capital

As of December 31, 2016, the parent company's issued share capital consisted of €4,005,358,876 represented by 3,634,185,330 ordinary shares without nominal value (same amounts as of December 31, 2015).

On May 12, 2016, Eni's Shareholders' Meeting declared to distribute a dividend of €0.40 per share, with the exclusion of treasury shares held at the ex-dividend date, in full settlement of the 2015 dividend of €0.80 per share, of which €0.40 per share paid as interim dividend. The balance was paid on May 25, 2016, to shareholders on the register on May 23,

2016, record date on May 24, 2016.
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Legal reserve

This reserve represents earnings restricted from the payment of dividends pursuant to Article 2430 of the Italian Civil Code. The legal reserve has reached the maximum amount required by the Italian Law.

Reserve for treasury shares

The reserve for treasury shares of €581 million (same amount as of December 31, 2015) represents the reserve that was established in previous reporting period to repurchase the Company shares in accordance with resolutions at Eni's Shareholders' Meetings.

Reserves related to the fair value measurement of cash flow hedging derivatives, available-for-sale financial assets and defined benefit plans

The reserves related to the valuation at fair value of cash flow hedging derivatives, available-for-sale financial instruments and defined benefit plans, net of the related tax effect, consisted of the following:

	Cash flow hedge derivatives			Available-for-sale financial instruments			Defined benefit plans			Total	
(€ million)	Gross reserve	Deferred tax liabilities	Net reserve	Gross reserve	Deferred tax liabilities	Net reserve	Gross reserve	Deferred tax liabilities	Net reserve	Gross reserve	Defe tax liabil
Reserve as of December 31, 2014	(384)	100	(284)	13	(2)	11	(154)	32	(122)	(525)	130
Changes of the year 2015	(439)	108	(331)	(4)	1	(3)	34	(20)	14	(409)	89
Reclassification to discontinued operations	5	(1)	4				10	(2)	8	15	(3)
Foreign currency translation differences							(1)		(1)	(1)	
Reversal of the year 2015	181	(44)	137							181	(44
Reserve as of December 31, 2015	(637)	163	(474)	9	(1)	8	(111)	10	(101)	(739)	172
Changes of the year 2016	360	(90)	270	(3)		(3)	16	(35)	(19)	373	(12
Foreign currency translation differences							(4)	12	8	(4)	12
Reversal of the year 2016	523	(130)	393	(1)		(1)				522	(13
Reserve as of December 31, 2016	246	(57)	189	5	(1)	4	(99)	(13)	(112)	152	(71

Reserve for available-for-sale financial instruments net of tax effect of €4 million (€8 million at December 31, 2015) related to the fair value valuation of securities.

Other reserves

Other reserves amounting to €211 million (€180 million at December 31, 2015) related to:

- a reserve of €247 million representing the increase in Eni shareholders' equity associated with a business combination under common control, whereby the parent company Eni SpA divested its subsidiary Snamprogetti SpA to Saipem Projects SpA (both merged into Saipem SpA) at a price higher than the book value of the interest transferred (same amount as of December 31, 2015);

- a reserve of €63 million deriving from Eni SpA's equity (same amount as of December 31, 2015);

- a reserve of €21 million relating to the share of "Other comprehensive income" on equity accounted entities (a negative reserve of €11 million at December 31, 2015);

- a reserve of €4 million representing the impact on Eni shareholders' equity associated with the acquisition of a non-controlling interest of 48.55% in the subsidiary Tigáz Zrt (€5 million for the acquisition of 47.60% at December 31, 2015);

- a negative reserve of €124 million representing the impact on Eni shareholders' equity associated with the acquisition of a non-controlling interest of 45.99% in the subsidiary Altergaz SA, now Eni Gas & Power France SA (same amount as of December 31, 2015).

Cumulative foreign currency translation differences

The cumulative foreign currency translation differences arose from the translation of financial statements denominated in currencies other than euro.

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Treasury shares

A total of 33,045,197 Eni's ordinary shares (same amount as of December 31, 2015) were held in treasury for a total cost of €581 million (same amount as of December 31, 2015).

Interim dividend

The interim dividend for the year 2016 amounted to €1,441 million corresponding to €0.40 per share, as resolved by the Board of Directors on September 15, 2016, in accordance with Article 2433-bis, paragraph 5 of the Italian Civil Code; the dividend was paid on September 21, 2016, record date on September 19, 2016.

Distributable reserves

As of December 31, 2016, Eni shareholders' equity included distributable reserves of approximately €48.2 billion.

Reconciliation of net profit and shareholders' equity of the parent company Eni SpA
to consolidated net profit and shareholders' equity

	Net profit		Shareholders' equity	
(€ million)	2015	2016	December 31, 2015	December 31, 2016
As recorded in Eni SpA's Financial Statements	2,183	4,521	39,562	41,935
Excess of net equity stated in the separate accounts of consolidated subsidiaries over the corresponding carrying amounts of the parent company	(10,778)	(5,480)	18,508	12,384
Consolidation adjustments:				
- difference between purchase cost and underlying carrying amounts of net equity	(58)	(44)	308	240
- adjustments to comply with Group account policies	(523)	(188)	1,137	461
- elimination of unrealized intercompany profits	96	(56)	(1,219)	(801)
- deferred taxation	(270)	(210)	(880)	(1,133)
- other adjustments	(23)		(7)	
	(9,373)	(1,457)	57,409	53,086
Non-controlling interest	595	(7)	(1,916)	(49)
As recorded in Consolidated Financial Statements	(8,778)	(1,464)	55,493	53,037

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37 Other information

Supplemental cash flow information

(€ million)	2014	2015	2016
Investment in consolidated subsidiaries and businesses			
Current assets	96		
Non-current assets	265		
Net borrowings	(19)		
Current and non-current liabilities	(291)		
Net effect of investments	51		
Fair value of investments held before the acquisition of control	(15)		
Purchase price	36		
less:			
Cash and cash equivalents			
Investment in consolidated subsidiaries and businesses net of cash and cash equivalent	36		
Disposal of consolidated subsidiaries and businesses			
Current assets	5	44	6,526
Non-current assets	2	125	8,615
Net borrowings		(77)	(5,415)
Current and non-current liabilities	(2)	(45)	(6,334)
Net effect of disposals	5	47	3,392
Reclassification of foreign currency translation differences among other items of comprehensive income		(34)	7
Fair value of share capital held after the sale of control			(1,006)
Gain (loss) on disposal	(5)	66	11
Non-controlling interest			(1,872)
Selling price		79	532
less:			
Cash and cash equivalents		(6)	(894)
Disposal of consolidated subsidiaries and businesses net of cash and cash equivalent		73	(362)

Cash flow from disposals of 2016 related to: (i) the consideration of €463 million received from the sale of 12.503% of Saipem to CDP Equity SpA, which was reported net of Saipem's cash and cash equivalents disposed of for €889 million (as established by IAS 7). Due to the presentation of the Saipem Group as discontinued operations in 2015 Financial Statements, such cash and cash equivalents were included as reconciliation item in 2016 and 2015 Cash Flow Statement, in order to present the Group cash and cash equivalents net of those related to discontinued operations; (ii) the sale of a 100% stake in Eni Slovenija doo and Eni Hungaria Zrt for a total consideration of €69 million and cash and cash equivalents divested of €5 million.

38 Guarantees, commitments and risks

Guarantees

	December 31, 2015	December 31, 2016

(€ million)	Unsecured guarantees	Other guarantees	Total	Unsecured guarantees	Other guarantees	Total
Eni						
Consolidated subsidiaries		7,929	7,929		5,869	5,869
Unconsolidated subsidiaries		113	113		246	246
Consolidated joint operations		6	6			
Joint ventures and associates	6,122	75	6,197	6,124	2,112	8,236
Others	7	216	223		202	202
	6,129	8,339	14,468	6,124	8,429	14,553
Engineering & Construction						
Consolidated subsidiaries		3,349	3,349			
Joint ventures and associates	150	68	218			
	150	3,417	3,567			
	6,279	11,756	18,035	6,124	8,429	14,553

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Other guarantees issued on behalf of consolidated subsidiaries of €5,869 million (€7,929 million at December 31, 2015) primarily consisted of: (i) guarantees given to third parties relating to bid bonds and performance bonds for €1,965 million (€4,381 million at December 31, 2015). The decrease of €2,416 million related to the reclassification to joint ventures and associates of the guarantees given on behalf of Saipem Group for €2,483 million as of December 31, 2015; (ii) VAT recoverable from tax authorities for €1,380 million (€1,310 million at December 31, 2015); (iii) a bank guarantee of €1,010 million issued on behalf of GasTerra in order to obtain the renunciation to a temporary seizure order on Eni's investment in Eni International BV, requested and obtained by a Netherlands Court in July 2016; and (iv) insurance risk for €141 million reinsured by Eni (€140 million at December 31, 2015). At December 31, 2016, the underlying commitment covered by such guarantees was €5,785 million (€7,808 million at December 31, 2015).

Other guarantees issued on behalf of unconsolidated subsidiaries of €246 million (€113 million at December 31, 2015) consisted of letters of patronage and other guarantees issued to commissioning entities relating to bid bonds and performance bonds for €240 million (€102 million at December 31, 2015). At December 31, 2016, the underlying commitment covered by such guarantees was €53 million (€113 million at December 31, 2015).

Unsecured guarantees and other guarantees issued on behalf of joint ventures and associates of €8,236 million (€6,197 million at December 31, 2015) primarily consisted of: (i) an unsecured guarantee of €6,122 million (same amount as of December 31, 2015) given by Eni SpA to Treno Alta Velocità — TAV SpA (now RFI — Rete Ferroviaria Italiana SpA) for the proper and timely completion of a project relating to the Milan-Bologna fast track railway by CEPAV (Consorzio Eni per l'Alta Velocità) Uno (Saipem 50.36%); consortium members, excluding Saipem Group, gave Eni liability of surety letters and bank guarantees amounting to 10% of their respective portion of the work; (ii) guarantees given to third parties relating to bid bonds and performance bonds for €1,705 million given on behalf of Saipem Group; and (iii) unsecured guarantees and other guarantees given to banks in relation to loans and lines of credit received for €82 million (€12 million at December 31, 2015). At December 31, 2016, the underlying commitment covered by such guarantees was €2,109 million (€72 million at December 31, 2015).

Unsecured and other guarantees given on behalf of third parties of €202 million (€223 million at December 31, 2015) primarily consisted of guarantees issued on behalf of Gulf LNG Energy and Gulf LNG Pipeline and on behalf of Angola LNG Supply Service Llc (Eni 13.6%) as security against payment commitments of fees in connection with the regasification activity for €193 million (€187 million at December 31, 2015). At December 31, 2016, the underlying commitment covered by such guarantees was €202 million (€214 million at December 31, 2015).

Commitments and risks

(€ million)	December 31, 2015	December 31, 2016
Commitments	21,241	20,682
Risks	422	605
	21,663	21,287

Other commitments of €20,682 million (€21,241 million at December 31, 2015) related to: (i) parent company guarantees that were issued in connection with certain contractual commitments for hydrocarbon exploration and production activities and quantified, on the basis of the capital expenditures to be incurred, to €12,415 million (€12,794 million at December 31, 2015); (ii) commitments entered by the Exploration & Production segment for leasing contracts (chartering, operation and maintenance) of FPSO vessels to be used for development projects in Angola and Ghana. Total commitments amounted to approximately €4,344 million and have a duration ranging between 14 and 16 years (€4,364 million at December 31, 2015); (iii) commitments assumed by Eni USA Gas Marketing Llc towards Angola LNG Supply Service for the acquisition of volumes of regasified gas at the Pascagoula plant (United States) over a twenty-year period (until 2031) and towards Gulf LNG Energy for the acquisition of regasification capacity at the Pascagoula terminal (5.8 BCM/y) over a twenty-year period (until 2031). The expected commitments have been estimated at €2,541 million and €1,156 million, respectively (€2,590 million and €1,191 million at December 31, 2015, respectively) and have been included in off-balance sheet contractual commitments in the following paragraph "Liquidity risk"; and (iv) a memorandum of intent signed with

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the Basilicata Region, whereby Eni has agreed to invest €129 million (€133 million at December 31, 2015) in the future, also on account of Shell Italia E&P SpA, in connection with Eni's development plan of oilfields in Val d'Agri. The commitment has been included in the off-balance sheet contractual commitments in the following paragraph "Liquidity risk".

Risks of €605 million (€422 million at December 31, 2015) primarily concerned potential risks associated with contractual assurances given to acquirers of certain investments and businesses of Eni for €334 million (€326 million at December 31, 2015) and the value of assets of third parties under the custody of Eni for €271 million (€96 million at December 31, 2015).

Non-quantifiable commitments

A parent company guarantee was issued on behalf of CARDÓN IV SA (Eni's interest 50%), a joint venture that is currently operating development activities at the Perla gas field located in Venezuela, for the supplying to PDVSA GAS of the volumes of gas produced by the field until 2036 (end of the concession agreement). This guarantee cannot be quantified because the penalty clause for unilateral anticipated resolution originally set for Eni and the relevant quantification became ineffective due to a revision of the contractual terms. In case of failure on part of the operator to deliver the contractual gas volumes out of production, the amount of the guarantee execution will be determined by applying the local legislation. The Eni share (50%) of the contractual volumes of gas to be delivered to PDVSA GAS amounted to a total of $16 billion (€15.2 billion). Notwithstanding this amount does not properly represent the guarantee exposure, nonetheless such amount represents the maximum financial exposure at risk for Eni. A similar guarantee was issued to Eni by PDVSA relating to the fulfillment of the commitments relating to the gas quantities to be collected by PDVSA GAS.

Following the integration signed on April 19, 2011, Eni confirmed to RFI - Rete Ferroviaria Italiana SpA its commitment, previously assumed under the convention signed with Treno Alta Velocità — TAV SpA (now RFI — Rete Ferroviaria Italiana SpA) on October 15, 1991, to guarantee a correct and timely execution of the section Milano-Brescia of the high-speed railway from Milan to Verona. Such integration provides for CEPAV (Consorzio Eni per l'Alta Velocità) Due to act as general contractor. In order to pledge the guarantee given, the regulation of CEPAV (Consorzio Eni per l'Alta Velocità) Due binds the associates to give proper sureties and guarantees on behalf of Eni.

Eni is liable for certain non-quantifiable risks related to contractual assurances given to acquirers of certain Eni assets, including businesses and investments, against certain contingent liabilities deriving from tax, social security contributions, environmental issues and other matters applicable to periods during which such assets were operated by Eni. Eni believes such matters will not have a material adverse effect on Eni's results of operations and liquidity.

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Risk factors

Financial risks

Financial risks are managed in respect of guidelines issued by the Board of Directors of Eni SpA in its role of directing and setting of the risk limits, targeting to align and centrally coordinate Group companies' policies on financial risks ("Guidelines on financial risks management and control"). The "Guidelines" define for each financial risk the key components of the management and control process, such as the aim of the risk management, the valuation methodology, the structure of limits, the relation model and the hedging and mitigation instruments.

Market risk

Market risk is the possibility that changes in currency exchange rates, interest rates or commodity prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The Company actively manages market risk in accordance with a set of policies and guidelines that provide a centralized model of handling finance, treasury and risk management operations based on the Company's departments of operational finance: the parent company's (Eni SpA) finance department, Eni Finance International SA, Eni Finance USA Inc and Banque Eni SA, which is subject to certain bank regulatory restrictions preventing the Group's exposure to concentrations of credit risk, and Eni Trading & Shipping, that is in charge to execute certain activities relating to commodity derivatives. In particular, Eni's finance department and Eni Finance International SA manage subsidiaries' financing requirements in and outside Italy, respectively, covering funding requirements and using available surpluses. All transactions concerning currencies and derivative contracts on interest rates and currencies different from commodities are managed by the parent company. The commodity risk associated with commercial exposures of each business unit (Eni's business line or subsidiaries) is pooled and managed by the Midstream business line, which manages the market risk component in a view of portfolio, while Eni Trading & Shipping SpA executes the negotiation of commodity derivatives over the market. Eni SpA and Eni Trading & Shipping SpA (also through its subsidiary Eni Trading & Shipping Inc) perform trading activities in financial derivatives on external trading venues, such as European and non-European regulated markets, Multilateral Trading Facility (MTF), Organized Trading Facility (OTF), or similar and brokerage platforms (i.e. SEF), and over the counter on a bilateral basis with external counterparties. Other legal entities belonging to Eni that require financial derivatives enter into these operations through Eni Trading & Shipping and Eni SpA based on the relevant asset class expertise. Eni uses derivative financial instruments (derivatives) in order to minimize exposure to market risks related to fluctuations in exchange rates relating to those transactions denominated in a currency other than the functional currency (the euro) and interest rates, as well as to optimize exposure to commodity prices fluctuations taking into account the currency in which commodities are quoted. Eni monitors every activity in derivatives classified as risk-reducing (in particular, back-to-back activities, flow hedging activities, asset-backed hedging activities and portfolio-management activities) directly or indirectly related to covered industrial assets, so as to effectively optimize the risk profile to which Eni is exposed or could be exposed. If the result of the monitoring shows those derivatives should not be considered as risk reducing, these derivatives are reclassified in proprietary trading. As the proprietary trading is considered separately from the other activities in specific portfolios of Eni Trading & Shipping, its exposure is subject to specific controls, both in terms of Value at Risk (VaR) and stop loss and in terms of nominal gross value. For Eni, the gross nominal value of proprietary trading activities is compared with the limits set by the relevant international standards. The framework defined by Eni's policies and guidelines provides that the valuation and control of market risk is performed on the basis of maximum tolerable levels of risk exposure defined in terms of: (i) limits of stop loss, which expresses the maximum tolerable amount of losses associated with a certain portfolio of assets over a pre-defined time horizon; (ii) limits of revision strategy, which consist in the triggering of a revision process of the strategy in the event of exceeding the level of profit and loss given; and (iii) VaR which measures the maximum potential loss of the portfolio, given a certain confidence level and holding period, assuming adverse changes in market variables and taking into account of the correlation among the different positions held in the portfolio. Eni's finance department defines the maximum tolerable levels of risk exposure to changes in interest rates and foreign currency exchange rates in terms of VaR, pooling Group companies' risk positions maximizing, when possible, the benefits of the netting activity. Eni's calculation and valuation techniques for interest rate and foreign currency exchange rate risks are in accordance with banking standards, as established by the Basel Committee for bank activities surveillance. Tolerable levels of risk are based on a conservative approach, considering the industrial nature of the Company. Eni's guidelines prescribe that Eni Group companies minimize such kinds of market risks by transferring risk exposure to the parent company finance department. Eni's guidelines define rules to manage the commodity risk

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aiming at optimizing core activities and pursuing preset targets of stabilizing industrial and commercial margins. The maximum tolerable level of risk exposure is defined in terms of VaR, limits of revision strategy, stop loss and volumes in connection with exposure deriving from commercial activities, as well as exposure deriving from proprietary trading, exclusively managed by Eni Trading & Shipping. Internal mandates to manage the commodity risk provide for a mechanism of allocation of the Group maximum tolerable risk level to each business unit. In this framework, Eni Trading & Shipping, in addition to managing risk exposure associated with its own commercial activity and proprietary trading, pools the requests for negotiating commodity derivatives and executes them on the marketplace.

According to the targets of financial structure included in the financial plan approved by the Board of Directors, Eni has decided to retain a cash reserve to face any extraordinary requirement. Eni's finance department, with the aim of optimizing the efficiency and ensuring maximum protection of the capital, manages such reserve and its immediate liquidity within the limits assigned. The management of strategic cash is part of the asset management pursued through transactions on own risk in view of optimizing financial returns, while respecting authorized risk levels, safeguarding the Company's assets and retaining quick access to liquidity.

The four different market risks, whose management and control have been summarized above, are described below.

Market risk - Exchange rate

Exchange rate risk derives from the fact that Eni's operations are conducted in currencies other than the euro (mainly the U.S. dollar). Revenues and expenses denominated in foreign currencies may be significantly affected by exchange rates fluctuations due to conversion differences on single transactions arising from the time lag existing between execution and definition of relevant contractual terms (economic risk) and conversion of foreign currency-denominated trade and financing payables and receivables (transactional risk). Exchange rate fluctuations affect the Group's reported results and net equity as financial statements of subsidiaries denominated in currencies other than the euro are translated from their functional currency into euro. Generally, an appreciation of the U.S. dollar versus the euro has a positive impact on Eni's results of operations, and vice versa. Eni's foreign exchange risk management policy is to minimize transactional exposures arising from foreign currency movements and to optimize exposures arising from commodity risk. Eni does not undertake any hedging activity for risks deriving from the translation of foreign currency denominated profits or assets and liabilities of subsidiaries, which prepare financial statements in a currency other than the euro, except for single transactions to be evaluated on a case-by-case basis. Effective management of exchange rate risk is performed within Eni's central finance department, which pools Group companies' positions, hedging the Group net exposure by using certain derivatives, such as currency swaps, forwards and options. Such derivatives are evaluated at fair value based on market prices provided by specialized info-providers. Changes in fair value of those derivatives are normally recognized through profit and loss, as they do not meet the formal criteria to be recognized as hedges. The VaR techniques are based on variance/covariance simulation models and are used to monitor the risk exposure arising from possible future changes in market values over a 24-hour period within a 99% confidence level and a 20-day holding period.

Market risk - Interest rate

Changes in interest rates affect the market value of financial assets and liabilities of the Company and the level of finance charges. Eni's interest rate risk management policy is to minimize risk with the aim to achieve financial structure objectives defined and approved in the management's finance plans. The Group's central finance department pools borrowing requirements of the Group companies in order to manage net positions and fund portfolio developments consistent with management plans, thereby maintaining a level of risk exposure within prescribed limits. Eni enters into interest rate derivative transactions, in particular interest rate swaps, to manage effectively the balance between fixed and floating rate debt. Such derivatives are evaluated at fair value based on market prices provided from specialized sources. Changes in fair value of those derivatives are normally recognized through the profit and loss account, as they do not meet the formal criteria to be accounted for under the hedge accounting method. VaR deriving from interest rate exposure is measured daily based on a variance/covariance model, with a 99% confidence level and a 20-day holding period.

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Market risk - Commodity

Eni's results of operations are affected by changes in the prices of commodities. A decrease in oil&gas prices generally, has a negative impact on Eni's results of operations and vice versa, and may jeopardize the achievement of the financial targets preset in the Company's four-year plans and budget. The commodity price risk arises in connection with the following exposures: (i) strategic exposure: exposures directly identified by the Board of Directors as a result of strategic investment decisions or outside the planning horizon of risk. These exposures include those associated with the program for the production of proved and unproved oil&gas reserves, long-term gas supply contracts for the portion not balanced by ongoing or highly probable sale contracts, refining margins identified by the Board of Directors as of strategic nature (the remaining volumes can be allocated to the active management of the margin or to asset-backed hedging activities) and minimum compulsory stocks; (ii) commercial exposure: includes the exposures related to the components underlying the contractual arrangements of industrial and commercial activities and, if related to take-or-pay commitments, to the components related to the time horizon of the four-year plan and budget and the relevant activities of risk management. Commercial exposures are characterized by a systematic risk management activity conducted based on risk/return assumptions by implementing one or more strategies and subjected to specific risk limits (VaR, revision strategy limits and stop loss). In particular, the commercial exposures include exposures subjected to asset-backed hedging activities, arising from the flexibility/optionality of assets; and (iii) proprietary trading exposure: includes operations independently conducted for profit purposes in the short term, and normally not finalized to the delivery, both within the commodity and financial markets, with the aim to obtain a profit upon the occurrence of a favorable result in the market, in accordance with specific limits of authorized risk (VaR, stop loss). In the proprietary trading exposures are included the origination activities, if not connected to contractual or physical assets.

Strategic risk is not subject to systematic activity of management/coverage that is eventually carried out only in case of specific market or business conditions. Because of the extraordinary nature, hedging activities related to strategic risks are delegated to the top management. Strategic risk is subject to measuring and monitoring but is not subject to specific risk limits. If previously authorized by the Board of Directors, exposures related to strategic risk can be used in combination with other commercial exposures in order to exploit opportunities for natural compensation between the risks (natural hedge) and consequently reduce the use of derivatives (by activating logics of internal market). Eni manages exposure to commodity price risk arising in normal trading and commercial activities in view of achieving stable economic results. The commodity risk and the exposure to commodity prices fluctuations embedded in commodities quoted in currencies other than the euro at each business line (Eni's Divisions or subsidiaries) is pooled and managed by the Portfolio Management unit for commodities, and by Eni's finance department for exchange rate requirements. The Portfolio Management unit manages business lines' risk exposures to commodities, pooling and optimizing Group companies' exposures and hedging net exposures on the trading venues through the trading unit of Eni Trading & Shipping. In order to manage commodity price risk, Eni uses derivatives traded on the organized markets MTF, OTF and derivatives traded over the counter (swaps, forward, contracts for differences and options on commodities) with the underlying commodities being crude oil, gas, refined products, electricity or emission certificates. Such derivatives are evaluated at fair value based on market prices provided from specialized sources or, absent market prices, on the basis of estimates provided by brokers or suitable valuation techniques. VaR deriving from commodity exposure is measured daily based on a historical simulation technique, with a 95% confidence level and a one-day holding period.

Market risk - Strategic liquidity

Market risk deriving from liquidity management is identified as the possibility that changes in prices of financial instruments (bonds, money market instruments and mutual funds) would affect the value of these instruments when evaluated at fair value. In order to manage the investment activity of the strategic liquidity, Eni defined a specific investment policy with aims and constraints in terms of financial activities and operational boundaries, as well as Governance guidelines regulating management and control systems. The setting up and maintenance of the reserve of strategic liquidity is mainly aimed to: (i) guarantee of financial flexibility. Liquidity should allow Eni Group to fund any extraordinary need (such as difficulty in access to credit, exogenous shock, macroeconomic environment, as well as merger and acquisitions); and (ii) ensure a full coverage of short-term debts and a coverage of medium and long-term financial debts due within a time horizon of 24 months, even in case of restrictions to credit.

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Strategic liquidity management is regulated in terms of VaR (measured based on a parametrical methodology with a one-day holding period and a 99% confidence level), stop loss and other operating limits in terms of concentration, duration, ratings, liquidity and instruments to invest on. Financial leverage or short selling is not allowed. Activities in terms of strategic liquidity management started in the second half of the year 2013 and throughout the course of the years 2014 and 2015, the investment portfolio has maintained an average credit rating of A/A-, accordingly with the decrease in the Company's credit rating.

The following table shows amounts in terms of VaR, recorded in 2016 (compared with 2015) relating to interest rate and exchange rate risks in the first section and commodity risk. Regarding the management of strategic liquidity, the sensitivity to change of interest rates is expressed by the values of "Dollar Value per Basis Point" (DVBP).

(Value at risk — parametric method variance/covariance; holding period: 20 days; confidence level: 99%)

	2015				2016			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Interest rate(a)	6.21	2.45	4.06	4.40	5.27	2.55	3.62	3.42
Exchange rate(a)	0.52	0.05	0.13	0.13	0.34	0.04	0.14	0.17

(a)
Value at risk deriving from interest and exchange rates exposures include the following finance department: Eni Corporate Treasury Department, Eni Finance International SA, Banque Eni SA and Eni Finance USA Inc.

(Value at risk — Historic simulation weighted method; holding period: 1 day; confidence level: 95%)

	2015				2016			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Commercial exposures Management Portfolio(a)	61.91	3.37	26.82	3.37	19.03	4.23	10.24	9.41
Trading(b)	4.07	0.40	1.38	0.55	2.58	0.27	0.87	1.35

(a)
Refers to the Midstream Department (risk exposure from Refining & Marketing Division and Gas & Power Division), Versalis, Eni Trading & Shipping commercial portfolio and branches outside Italy pertaining to the Divisions. For the Midstream Department starting from 2014, following the approval of the Eni's Board of Directors on December 12, 2013, VaR is calculated on the so-called Statutory view, with a time horizon that coincides with the year considering all the volumes delivered in the year and the relevant financial hedging derivatives. Consequently, in the year the VaR pertaining to the Midstream Department presents a decreasing trend following the progressive reaching of the maturity of the positions within the annual horizon.

(b)
Cross-commodity proprietary trading, both for commodity contracts and financial derivatives, refers to Eni Trading & Shipping SpA (London-Bruxelles-Singapore) and Eni Trading & Shipping Inc (Houston).

(Sensitivity — Dollar value of 1 basis point — DVBP)

	2015				2016			
(€ million)	High	Low	Average	At year end	High	Low	Average	At year end
Strategic liquidity(a)	0.31	0.25	0.29	0.25	0.42	0.23	0.35	0.35

(a)
Management of strategic liquidity portfolio starting from July 2013.

Credit risk

Credit risk is the potential exposure of the Group to losses in case counterparties fail to perform or pay amounts due. The Group manages differently credit risk depending on whether credit risk arises from exposure to financial counterparties or to customers relating to outstanding receivables. Individual business units and Eni's corporate financial and accounting units are responsible for managing credit risk arising in the normal course of the business.

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The Group has established formal credit systems and processes to ensure that before trading with a new counterpart can start, its creditworthiness is assessed. In addition, credit litigation and receivable collection activities are assessed. Eni's corporate units define directions and methods for quantifying and controlling customer's reliability. With regard to risk arising from financial counterparties deriving from current and strategic use of liquidity, Eni has established guidelines prior to entering into cash management and derivative contracts to assess the counterparty's financial soundness and rating in view of optimizing the risk profile of financial activities while pursuing operational targets. Maximum limits of risk exposure are set in terms of maximum amounts of credit exposures for categories of counterparties as defined by the Company's Board of Directors taking into account the credit ratings provided by primary credit rating agencies on the marketplace. Credit risk arising from financial counterparties is managed by the Group operating finance department, including Eni's subsidiary Eni Trading & Shipping which specifically engages in commodity derivatives transactions and by Group companies and Divisions, only in the case of physical transactions with financial counterparties consistently with the Group centralized finance model. Eligible financial counterparties are closely monitored to check exposures against limits assigned to each counterparty on a daily basis.

Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Group may not be available, or the Group is unable to sell its assets on the marketplace in order to meet short-term finance requirements and to settle obligations. Such a situation would negatively affect Group results, as it would result in the Company incurring higher borrowing expenses to meet its obligations or under the worst of conditions the inability of the Company to continue as a going concern. As part of its financial planning process, Eni manages the liquidity risk by targeting such a capital structure as to allow the Company to maintain a level of liquidity adequate to the Group's needs, optimizing the opportunity cost of maintaining liquidity reserves also achieving an efficient balance in terms of maturity and composition of finance debt in terms of: (i) maximum ratio between net financial debt and net equity (leverage); (ii) minimum incidence of medium and long-term debts over the total amount of financial debts; (iii) minimum amount of fixed-rate debts over the total amount of medium and long-term debts; and (iv) minimum level of liquidity reserve. For this purpose, Eni holds a significant amount of liquidity reserve (financial assets plus committed credit lines), which aims to: (i) ensure a full coverage of short-term debt and the coverage of medium and long-term debts with a maturity of 24 months, even in case of restrictions to the credit access; (ii) deal with identified risk factors that could significantly affect the cash flow expected in the Financial Plan (i.e. changes in the scenario and/or production volumes, delays in disposals); (iii) ensuring the availability of an adequate level of financial flexibility to support the Group's development plans; and (iv) maintaining/ improving the current credit rating. The financial asset reserve is employed in short-term marketable financial instruments, favouring investments with very low risk profile.

At present, the Group believes to have access to sufficient funding to meet the current foreseeable borrowing requirements as a consequence of the availability of financial assets and lines of credit and the access to a wide range of funding at competitive costs through the credit system and capital markets.

Eni has in place a program for the issuance of Euro Medium Term Notes up to €20 billion, of which about €16.3 billion were drawn as of December 31, 2016.

The Group has credit ratings of BBB+ outlook stable and A-2, respectively for long and short-term debt, outlook stable, assigned by Standard & Poor's and Baa1 outlook stable and P-2, respectively for long and short-term debt, assigned by Moody's. Eni's credit rating is linked in addition to the Company's industrial fundamentals and trends in the trading environment to the sovereign credit rating of Italy. Based on the methodologies used by Standard & Poor's and Moody's, a downgrade of Italy's credit rating may trigger a potential knock-on effect on the credit rating of Italian issuers such as Eni.

In the course of the 2016, Eni issued bonds amounting to €3.0 billion related to the Euro Medium Term Notes Program and equity-linked bonds amounting to €0.4 billion. As of December 31, 2016, Eni maintained short-term unused borrowing facilities of €12,308 million, of which €41 million committed. Long-term committed unused borrowing facilities amounted to €6,236 million, of which €700 million were due within 12 months. These facilities bore interest rates and fees for unused facilities that reflected prevailing market conditions.

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Finance debt repayments including expected payments for interest charges and derivatives

The table below summarizes the Group main contractual obligations for finance liability repayments, including expected payments for interest charges and derivatives.

	Maturity year						
(€ million)	2016	2017	2018	2019	2020	2021 and thereafter	Total
December 31, 2015							
Non-current financial liabilities	2,336	3,013	2,038	3,827	2,599	8,001	21,814
Current financial liabilities	5,720						5,720
Fair value of derivative instruments	4,261	56	1	33		8	4,359
	12,317	3,069	2,039	3,860	2,599	8,009	31,893
Interest on finance debt	737	654	525	453	354	1,673	4,396
Financial guarantees	169						169

	Maturity year						
(€ million)	2017	2018	2019	2020	2021	2022 and thereafter	Total
December 31, 2016							
Non-current financial liabilities	2,988	2,090	4,044	2,914	1,285	10,332	23,653
Current financial liabilities	3,396						3,396
Fair value of derivative instruments	2,108	36	76		46	3	2,269
	8,492	2,126	4,120	2,914	1,331	10,335	29,318
Interest on finance debt	696	557	486	386	277	1,605	4,007
Financial guarantees	84						84

Trade and other payables

The table below summarizes the Group trade and other payables by maturity.

	Maturity year			
(€ million)	2016	2017-2020	2021 and thereafter	Total
December 31, 2015				
Trade payables	9,605			9,605
Other payables and advances	5,337	58	23	5,418
	14,942	58	23	15,023

	Maturity year			
(€ million)	2017	2018-2021	2022 and thereafter	Total
December 31, 2016				
Trade payables	11,038			11,038

Other payables and advances	5,665	29	22	5,716
	16,703	29	22	16,754

Expected payments by period under contractual obligations
The Group has in place a number of contractual obligations arising in the normal course of the business. To meet these commitments, the Group will have to make payments to third parties. The Company's main obligations pertain to take-or-pay clauses contained in the Company's gas supply contracts or shipping arrangements, whereby the Company obligations consist of off-taking minimum quantities of product or service or, in case of failure, paying the corresponding cash amount that entitles the Company the right to collect the product or the service in future years. Future obligations in connection with these contracts were calculated by applying the forecasted prices of energy or services included in the four-year business plan approved by the Company's Board of Directors.

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The table below summarizes the Group principal contractual obligations as of the balance sheet date, shown on an undiscounted basis.

	Maturity year						
(€ million)	2017	2018	2019	2020	2021	2022 and thereafter	Total
Operating lease obligations(a)	593	353	257	231	199	785	2,418
Decommissioning liabilities(b)	253	580	417	400	184	14,447	16,281
Environmental liabilities	281	249	255	202	71	1,631	2,689
Purchase obligations(c)	10,891	9,265	9,511	8,839	7,961	73,758	120,225
- Gas							
- take-or-pay contracts	8,429	7,912	8,277	7,916	7,312	70,851	110,697
- ship-or-pay contracts	1,569	1,053	943	724	478	1,853	6,620
- Other take-or-pay or ship-or-pay obligations	114	105	101	96	80	228	724
- Other purchase obligations(d)	779	195	190	103	91	826	2,184
Other obligations	9	3	2	2	2	111	129
- Memorandum of intent relating Val d'Agri	9	3	2	2	2	111	129
	12,027	10,450	10,442	9,674	8,417	90,732	141,742

(a)
Operating leases primarily regarded assets for drilling and production activities, time charter and long term rentals of vessels, lands, service stations and office buildings. Such leases generally did not include renewal options. There are no significant restrictions provided by these operating leases which limit the ability of the Company to pay dividend, use assets or to take on new borrowings.

(b)
Represents the estimated future costs for the decommissioning of oil and natural gas production facilities at the end of the producing lives of fields, well-plugging, abandonment and site restoration.

(c)
Represents any agreement to purchase goods or services that is enforceable and legally binding and that specifies all significant terms.

(d)
Mainly refers to arrangements to purchase capacity entitlements at certain regasification facilities in the U.S. (€1,226 million).

Capital investment and capital expenditure commitments

In the next four years, Eni expects capital investments and capital expenditures of €31.6 billion. The table below summarizes Eni's capital expenditure commitments for property, plant and equipment and capital projects. Capital expenditure is considered to be committed when the project has received the appropriate level of internal management approval. At this stage, procurement contracts to execute those projects have already been awarded or are being awarded to third parties.

	Maturity year					
(€ million)	2017	2018	2019	2020	2021 and thereafter	Total
Committed projects	6,733	6,679	4,218	2,441	3,685	23,756

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Other information about financial instruments

The carrying amount of financial instruments and the relevant economic and equity effect as of and for the years ended December 31, 2015 and 2016 consisted of the following:

(€ million)	2015			2016		
	Carrying amount	Finance income (expense) recognized in		Carrying amount	Finance income (expense) recognized in	
		Profit and loss account	Other comprehensive income		Profit and loss account	Other comprehensive income
Held-for-trading financial instruments						
Securities(a)	5,028	3		6,166	(21)	
Non-hedging and trading derivatives(b)	(921)	(327)		87	(465)	
Held-to-maturity financial instruments						
Securities(a)	77	1		75		
Available-for-sale financial instruments						
Securities(a)	282	8	(4)	238	9	(4)
Investments valued at fair value						
Non-current investments(c)	368	286				
Receivables and payables and other assets/ liabilities valued at amortized cost						
Trade receivables and other(d)	19,946	(716)		17,324	(1,116)	
Financing receivables(a)	3,256	(118)		2,328	128	
Trade payables and other(e)	15,023	83		16,754	287	
Financing payables(a)	27,793	(812)		27,239	(291)	
Net assets (liabilities) for hedging derivatives(f)		(179)	(256)		(524)	883

(a)
Income or expense were recognized in the profit and loss account within “Finance income (expense)”.

(b)
In the profit and loss account, economic effects were recognized as income within “Other operating income (loss)” for €17 million (loss for €487 million in 2015) and as loss within “Finance income (expense)” for €482 million (income for €160 million in 2015).

(c)
In the profit and loss account, economic effects were recognized as income within “Income (expense) from investments”

(d)
In the profit and loss account, economic effects were essentially recognized as expense within “Purchase, services and other” for €840 million (expense for €641 million in 2015) (impairments net of reversal) and as expense for €276 million within “Finance income (expense)” (expense for €75 million in 2015) (exchange rate differences at year-end and amortized cost).

(e)
In the profit and loss account, exchange differences arising from accounts denominated in foreign currency and translated into euro at year-end were primarily recognized within “Finance income (expense)”.

(f)
In the profit and loss account, income or expense were recognized within “Net sales from operations” and “Purchase, services and other” as expense for €523 million (expense for €181 million in 2015) and as expense within “Finance income (expense)” for €1 million (income for €2 million in 2015) (time value component).

Disclosures about the offsetting of financial instruments
The table below summarizes the disclosures about the offsetting of financial instruments.

(€ million)	Gross amount of financial assets and liabilities	Gross amount of financial assets and liabilities subject to offsetting	Net amount of financial assets and liabilities
December 31, 2015			
Financial assets			
Trade and other receivables	22,351	711	21,640
Other current assets	6,052	2,410	3,642
Financial liabilities			
Trade and other liabilities	15,653	711	14,942
Other current liabilities	7,122	2,410	4,712
December 31, 2016			
Financial assets			
Trade and other receivables	18,489	896	17,593
Other current assets	3,872	1,281	2,591
Financial liabilities			
Trade and other liabilities	17,599	896	16,703
Other current liabilities	3,880	1,281	2,599

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The offsetting of financial assets and liabilities related to: (i) for €1,281 million (€2,410 million at December 31, 2015) the offsetting assets and liabilities for current financial derivatives pertaining to Eni Trading & Shipping SpA for €1,145 million (€2,389 million at December 31, 2015) and Eni Trading & Shipping Inc for €136 million (€21 million at December 31, 2015); and (ii) for €896 million (€711 million at December 31, 2015) the offsetting of receivables and payables pertaining to the Exploration & Production segment towards state entities for €845 million (€664 million at December 31, 2015) and the offsetting of trade receivables and trade payables pertaining to Eni Trading & Shipping Inc for €51 million (€47 million at December 31, 2015).

Legal Proceedings

Eni is a party in a number of civil actions and administrative, arbitral and other judicial proceedings arising in the ordinary course of business. Based on information available to date, and taking into account the existing risk provisions disclosed in note 30 — Provisions for contingencies and that in some instances it is not possible to make a reliable estimate of contingency losses, Eni believes that the foregoing will likely not have a material adverse effect on the Group Consolidated Financial Statements.

A description of the most significant proceedings currently pending is provided in the following paragraph. Unless otherwise indicated, no provisions have been made for these legal proceedings as Eni believes that negative outcomes are not probable or because the amount of the provision cannot be estimated reliably.

1. Environment, health and safety

1.1 Criminal proceedings in the matters of environment, health and safety

(i) Syndial SpA (company incorporating EniChem Agricoltura SpA - Agricoltura SpA in liquidation - EniChem Augusta Industriale Srl - Fosfotec Srl) — Proceeding about the industrial site of Crotone. A criminal proceeding is pending before the Public Prosecutor of Crotone relating to allegations of environmental disaster, poisoning of substances used in the food chain and omitted clean-up due to the activity at a landfill site which was taken over by Eni's subsidiary in 1991 following the divestment of an industrial complex by Montedison (now Edison SpA). The landfill site had been filled with industrial waste from Montedison activities until 1989 and then no additional waste was discharged there. Eni's subsidiary carried out the clean-up of the landfill in 1999 through 2000. The defendants are certain managers at Eni's subsidiaries that have owned and managed the landfill since 1991. Independent consultants performed an assessment during the 2014. Once the consultants completed their work, the acts returned to the Public Prosecutor of Crotone for the next step and possible indictment. The proceeding continues with the examination of the dismissal request submitted by the defense. The City of Crotone will act as offended party.

(ii) Eni SpA — Industrial site of Praia a Mare. Based on complaints filed by certain offended persons, the Public Prosecutor of Paola started an enquiry about alleged diseases related to tumors that those persons contracted on the workplace. Those persons were employees at an industrial complex owned by a Group subsidiary many years ago. Based on the findings of independent appraisal reports, in the course of 2009 the Public Prosecutor resolved that a number of ex-manager of that industrial complex would stand trial. In the preliminary hearing held in November 2010, 189 persons entered the trial as plaintiff; while 107 persons were declared as having been offended by the alleged crime. The plaintiffs have requested that both Eni and Marzotto SpA would bear civil liability. However, compensation for damages suffered by the offended persons has yet to be determined. Upon conclusion of the preliminary hearing, the Public Prosecutor resolved that all defendants would stand trial for culpable manslaughter, culpable injuries, environmental disaster and negligent conduct about safety measures on the workplace. Following a settlement agreement with Eni, Marzotto SpA entered settlement agreements with all plaintiffs, except for the local administrations. In December 2014, the Tribunal issued an acquittal sentence for all defendants, as the indictment was found groundless. The Public Prosecutor appealed against the sentence.

(iii) Syndial SpA and Versalis SpA — Porto Torres dock. In July 2012, the Judge for the Preliminary Hearing, following a request of the Public Prosecutor of Sassari, requested the performance of a probationary evidence relating to the functioning of the hydraulic barrier of Porto Torres site (ran by

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Syndial SpA) and its capacity to avoid the dispersion of contamination released by the site in the near portion of sea. Syndial SpA and Versalis SpA have been notified that its chief executive officers and other managers are being investigated. The Public Prosecutor of the Municipality of Sassari requested that the above-mentioned individuals would stand trial. The Judge for preliminary investigation authorized that the two Eni's subsidiaries would be arraigned to compensate any possible damage in connection with the proceeding. The trial was held with an abbreviated procedure. The plaintiffs Ministry of Environment and the Sardinia Region claimed environmental damage in an amount of €1 billion and €500 million, respectively. On the hearing dated July 22, 2016 the Judge pronounced an acquittal sentence for Syndial and Versalis. Certain of Eni's employees were found guilty: the environmental manager of the area, the environmental manager of Porto Torres site and the manager in charge of the Syndial's groundwater treatment plant, who were all condemned to one year, with a suspended sentence, for environmental disaster, which took place in the area in the period limited to August 2010 – January 2011. The provisional settlement awards compensation payment of €200,000 to the Ministry, €100,000 to the Sardinia Region and €100,000 to the Municipality of Sassari. The Judge did not mention any possible malfunctioning of the hydraulic barrier of Porto Torres site or ineffective implementation of any emergency safety measure, as claimed by the Public Prosecutor. Syndial will file an appeal against this decision.

(iv) Syndial SpA - The illegal landfill in Minciaredda area, Porto Torres site. On July 7, 2015, the Judge for the Preliminary Hearing of the Court of Sassari, on request of the Public Prosecutor, decided the seizure of the Minciaredda landfill area, near the western border of the Porto Torres site. All the indicted have been served a notice of investigation for alleged crimes of carrying out illegal waste disposal and environmental disaster. The seizure provision involved as well Syndial in accordance with the Legislative Degree No. 231 of 2001 that held companies liable for the crimes committed by their employees. The investigations are underway. With a reference to the clean-up activities in the Minciaredda area, on January 27, 2016 the administrative body responsible for sanctioning clean-up projects approved: i) the operative project "Nuraghe" which provides for the soil clean-up in the area "Peci" (deposit of pitch from dimethyl terephthalate – DMT) and in the area "Palte Fosfatiche" (phosphates deposit) in the Minciaredda area; and ii) an addendum to the operative project of clean-up of the groundwater in the Minciaredda area. Syndial obtained the necessary ministerial and judicial authorizations to start the remediation project. The investigations are underway.

(v) Syndial SpA - The Phosphate deposit at Porto Torres site (1). On June 30, 2015 the Judge for the Preliminary Hearing of the Court of Sassari, accepting a request of the Public Prosecutor of Sassari, sentenced to seize — as a preventive measure — the area of "Palte Fosfatiche" (phosphates deposit) located on the territory of Porto Torres site, in relation to alleged crimes of environmental disaster and carrying out an unauthorized disposal of hazardous wastes. Subsequently to a specific request, both the Public security officer of Sassari and the Judge for the Preliminary Hearing of the Court of Sassari authorized to implement better delimitation of the landfill area, to provide the area with devices to monitor the level of environmental pollutants and meteoric waters. The investigations are underway.

(vi) Syndial SpA - Phosphate deposit at Porto Torres site (2). On December 16, 2015, the Public Prosecutor at the Court of Sassari sentenced to seize — as a probative measure — the containment systems for the meteoric waters in the area "Palte Fosfatiche" (phosphates deposit). These waters are being collected by Syndial following authorizations of the Public security officer of Sassari and the Judge for the Preliminary Hearing of the Court of Sassari. The indicted have also been served a notice of investigation for alleged crimes of omitted clean-up, management of radioactive waste and spill of waters containing hazardous substances. The Public Prosecutor decided to suspend the activities of collection, containment and preservation of the area, in spite that those activities have already been authorized. Syndial filed a request to continue conducting clean-up operations to the Judge for the Preliminary Hearing of the Court of Sassari. The investigations are underway.

(vii) Syndial SpA - Public Prosecutor of Gela. An investigation is pending before the Public Prosecutor of Gela regarding 17 former managers of the Eni Group. The proceeding regards alleged crimes of culpable manslaughter and grievous bodily harm related to the death of 12 former employees and alleged work-related diseases that those persons may have contracted at the plant of Clorosoda. Alleged crimes relate to the period from 1969, when the Clorosoda plant commenced operations till 1998 when the plant was shut down and clean-up activities were performed. The Public Prosecutor requested the performance of a medico-legal appraisal on over 100 people that were employed at the above-mentioned plant. This appraisal was performed by independent consultants designated by the Judge for

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and did not find any evidence that the various diseases which underwent the medical appraisal could be directly linked to the exposure to emissions related to the production of chlorine and caustic soda. The consultants also found that production activities were in compliance with applicable laws and regulations on health and safety. On January 23, 2015, the Judge for preliminary investigation declared that the gathering of evidence before a trial was concluded. The Public Prosecutor issued a notice of the conclusion of preliminary investigations deciding not to ask for dismiss of charges only in relation to the one specific case, which regards one former employee which in the meantime had died, compared to the initial complaint that concerned several (over a hundred) cases of personal injury and manslaughter. Therefore, the proceeding has been downsized compared to the initial claim. The rest of the accusatory assumptions, however, seems to be groundless in the light of the results of assessment performed by independent consultants appointed by the Judge for the preliminary investigation. The criminal proceeding is still pending.

(viii) Seizure of areas located in the Municipalities of Cassano allo Jonio and Cerchiara di Calabria — Prosecuting body: Public Prosecutor of Castrovillari. Certain areas owned by Eni in the Municipalities of Cassano allo Jonio and Cerchiara di Calabria have been preventively seized by the Judicial Authority, following a pending investigation about an alleged improper handling of industrial waste from the processing of zinc ferrites at the industrial site of Pertusola Sud, alleged illegally stored. The circumstances under investigation are the same considered in a criminal action for alleged omitted clean-up that was concluded in 2008 without any negative outcome on part of Eni's employees. Eni's subsidiary Syndial SpA has removed any waste materials from the landfills. Besides that, Syndial defined an agreement with the Municipality of Cerchiara and the Municipality of Cassano to settle all claims relating to alleged damages caused by the unauthorized waste disposal in the landfills on the territory of the two Municipalities. The criminal proceeding is still pending. The remediation activities have been completed and the company filed a memorandum to request the closing of the proceeding.

(ix) Syndial SpA - Proceeding on the asbestos at the Ravenna site. A criminal proceeding is pending before the Tribunal of Ravenna about the crimes of culpable manslaughter, injuries and environmental disaster, which would have been allegedly committed by former Syndial employees at the site of Ravenna. The site was taken over by Syndial following a number of corporate mergers and acquisitions. The alleged crimes date back to 1991. In the proceeding there are 77 affected victims. The plaintiffs include relatives of the alleged victims, various local administrations, and other institutional bodies, including local trade unions. The advocacy of Syndial claimed the statute of limitation about the instance of environmental disaster for certain instances of diseases and deaths. The Judge for the Preliminary Hearing at Ravenna decided that all defendants would stand trial and ascertained the statute of limitation only with reference to certain instances of crime of culpable injury. Concluded the trial, the proceeding entered the hearing phase for the final discussion. Syndial has signed some settlements. On November 24, 2016, the Judge, lifted the reserve, acquitted all the accused for 76 of the 77 contested cases and sentenced 6 of the 15 defendants for a single case of asbestosis.

(x) Raffineria di Gela SpA and Eni Mediterranea Idrocarburi SpA - Alleged environmental disaster. A criminal proceeding is pending in relation to crimes allegedly committed by the managers of the Raffineria di Gela SpA and EniMed SpA relating environmental disaster, unauthorized waste disposal and unauthorized spill of industrial wastewater. Raffineria di Gela SpA has been sued for administrative offence in accordance with the Law Decree No. 231 of 2001. This criminal proceeding initially regarded soil pollution allegedly caused by spills from 14 tanks of the refinery storage, which had not been provided with double bottoms, in addition to the pollution of the sea water near the coast area adjacent to the site due to the failure of the barrier system implemented as part of the clean-up activities conducted at the site. On the closure of the preliminary investigation, the Public Prosecutor of Gela reunited in this proceeding the other investigations related to the pollution occurred at the other sites of the Gela refinery as well as hydrocarbon spills of EniMed. The proceeding is still pending.

(xi) Proceeding Val d'Agri. The Italian Public Prosecutor's Office of Potenza started a criminal investigation in order to ascertain existence of an illegal handling of wastes material produced at the Viggiano oil center, part of the Eni-operated Val d'Agri oil complex, and disposed at treatment plants in the national territory. After a two-year investigation, the Prosecutors decided for the domiciliary detention of 5 Eni employees and to put under seizure certain plants functional to the production activity of the Val d'Agri complex which, as a consequences, was shut down (60 kboe/d net to Eni), to be then resumed on 10 August 2016. From the commencement of the investigation, Eni has carried out several and in-depth

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technical and environmental surveys, with support of independent experts of international reach, who recognized full compliance of the plant and the industrial process with requirements of applicable laws, as well as with best available technologies and international best practices. The Company sought to obtain a repeal of the seizure before the jurisdictional authorities without an outcome. The Company studied certain corrective measures to upgrade plants which, although being not a structural solution, were intended to address the claims made by the public prosecutor about an alleged operation of blending which would have occurred during normal plant functioning. Those measures comprise building a gathering system of waters associated with the extraction of hydrocarbons at the gas lines. Those corrective measures were favourably reviewed by the public prosecutor, who granted Eni a temporary repeal of the seizure in order to allow the Company perform the works. The in-charge department of the Italian Ministry of Economic Development duly authorized the works and established a strict schedule to execute the plant upgrading as requested by the public prosecutor. The plant modification works were completed on July 10, 2016 and on July 20, 2016, the Carabinieri of NOE, assisted by the Technical Consultant of the Prosecutor, conducted the inspection to verify the state of the site and the compliance of the correct execution of the plant upgrading. Following the report prepared by the Technical Consultant, as a consequence of the inspection conducted, the Prosecutor issued the decision for the definitive release from seizure of the plant while the Region took note the measure for the part of competence. On August 10, 2016, the plant was restarted with re-injection into the well Costa Molina 2. Simultaneously with the restart of the plant, the Company began the review procedure at AIA by presenting the documents within the deadline of 14 August 2016. The proceeding is at the preliminary hearings.

1.2 Civil and administrative proceedings in the matters of environment, health and safety

(i) Syndial SpA - Summon for alleged environmental damage caused by DDT pollution in the Lake Maggiore - Prosecuting body: Ministry of the Environment. In May 2003, the Ministry of the Environment summoned Syndial to obtain a sentence condemning the Eni subsidiary to compensate an alleged environmental damage caused by the activity of the Pieve Vergonte plant in the years 1990 through 1996. With a temporarily executive sentence dated July 3, 2008, the District Court of Turin sentenced the subsidiary Syndial SpA to compensate environmental damages amounting to €1,833.5 million, plus legal costs that accrued from the filing of the decision. Syndial and Eni technical legal consultants have considered the decision and the amount of the compensation to be without factual and legal basis and have concluded that a negative outcome of this proceeding is unlikely. Particularly, Eni and its subsidiary deem the amount of the environmental damage to be absolutely groundless as the sentence lacks sufficient elements to support such a material amount of the liability charged to Eni and its subsidiary with respect to the volume of pollutants ascertained by the Italian Environmental Minister. Based on these technical legal advices, which is also supported by external accounting consultants, no provisions have been made with respect to the proceeding. In July 2009, Syndial filed an appeal against the above-mentioned sentence, and consequently the proceeding continued before a Second Degree Court of Turin. In the hearing of June 15, 2012, before the Second Degree Court of Turin, the Minister of the Environment, formalized trough the Board of State Lawyers its decision to not enforce the sentence until a final verdict on the matter is reached. The Second Degree Court requested Syndial to stand as defendant and then requested a technical appraisal of the matter. This technical appraisal was favorable to Syndial; however, the Board of State Lawyers questioned such outcome. On July 8, 2015, the Court of Appeal of Turin requested the consultants appointed by the Court to perform again a technical appraisal of the matter with aim to identify adequate measures for environmental restoration of the external areas. On June 13, 2016, the consultants filed an integration to the technical appraisal. In brief, the consultants validated the technical review of the matter and other technical assessments which were carried out by the Company together with local and national technical entities. The consultants concluded that: (i) no further measure for environmental restoration is required; (ii) there was no significant and measurable impact on the environment and the usability of the ecosystem, therefore no restoration or damage compensation should be claimed. The only impact which could be recorded concerns fishing, with an estimated damage of €7 million which can be already restored by means of the measures proposed by Syndial; (iii) the necessity and convenience of dredging should be definitely excluded, both from the legal and scientific point of view, while confirming technical and scientific correctness of the Syndial's approach based on the monitoring of the process of natural recovery, which is estimated to require 20 years. On March 6, 2017, a second-degree Court issued a sentence repealing the first-degree court verdict, which had sentenced Syndial to compensate environmental damage in excess of €1.8 billion. The second-degree Court reaffirmed that monetary compensation is no longer applicable and requested Syndial to perform the already approved cleanup project of the polluted areas, which comprise groundwater, as well as compensatory remediation works. The

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value of these compensatory works requested by the Court, in case of Syndial failure to perform or misperformance, is estimated at €9.5 million. The cleanup project was filed by Syndial, was ratified by local and governmental authorities and is currently being executed. Expenditures expected to be incurred by Syndial have been provisioned in the environmental provision. Any other claims filed by the Italian Minister for the Environment were rejected.

(ii) Ministry for the Environment — Augusta harbor. The Italian Ministry for the Environment with various administrative acts required companies that were running plants in the petrochemical site of Priolo to perform safety and environmental remediation works in the Augusta harbor. Companies involved include Eni subsidiaries Versalis, Syndial and Eni Refining & Marketing Division. Pollution has been detected in this area primarily due to a high mercury concentration that is allegedly attributed to the industrial activity of the Priolo petrochemical site. The above mentioned companies opposed said administrative actions, objecting in particular to the way in which remediation works have been designed and modes whereby information on pollutants concentration has been gathered. A number of administrative proceedings were started on this matter, which were reunified before the Regional Administrative Court of Catania. In October 2012, said Court ruled in favor of Eni's subsidiaries against the Ministry prescriptions about the removal of pollutants and the construction of a physical barrier. The proceeding is still pending.

(iii) Claim for preventive technical inquiry - Court of Gela. In February 2012, Eni's subsidiaries Raffineria di Gela SpA and Syndial SpA and the parent company Eni SpA (involved in this matter through the operations of the Refining & Marketing Division) were notified of a claim issued by 33 parents of children born malformed in the Municipality of Gela between 1992 and 2007. The claim for preventive technical inquiry aims at verifying the relation of causality between the malformation pathologies suffered by the children of the plaintiffs and the environmental pollution caused by the Gela site (pollution deriving from the existence and activities at the industrial plants of Raffineria di Gela SpA and Syndial SpA), quantifying the alleged damages suffered and eventually identifying the terms and conditions to settle the claim. In any case, the same issue was the subject of previous criminal proceedings, of which one closed without ascertainment of any illicit behavior on part of Eni or its subsidiaries, while a further criminal proceeding is still pending. The consultants appointed by the Court and those designated by the plaintiffs performed a technical appraisal of the matter, reaching however very different outcomes. Thus, parties failed to reach a settlement of the matter. On December 22, 2015, the three involved Eni companies were sued following a claim of the parents of a girl, whose case was assessed by the above-mentioned technical appraisal. Subsequently, the Eni's companies were sued in relation to other 30 case. The proceeding is pending.

(iv) Environmental claim relating to the Municipality of Cengio - Plaintiffs: the Ministry for the Environment and the Delegated Commissioner for Environmental Emergency in the territory of the Municipality of Cengio. The Ministry for the Environment and the Delegated Commissioner for Environmental Emergency in the territory of the Municipality of Cengio summoned Eni's subsidiary Syndial before a Civil Court and sentenced the Eni's subsidiary to compensate for the environmental damage relating to the site of Cengio. The plaintiffs accused Syndial of negligence in performing the clean-up and remediation of the site. On the contrary, Syndial believes they have executed the clean-up work properly and efficiently in accordance with the framework agreement signed with the involved administrations including the Ministry of the Environment in 2000. On February 6, 2013, a Court in Genoa ruled the resumption of the proceeding and established a technical appraisal to verify the existence of the environmental damage. Following failed attempts to define a settlement agreement of the matter among the involved parties, the Judge resumed the trial. The next stop in the procedure is the performance of an independent appraisal of the matter by a consultant appointed by the Judge.

(v) Syndial SpA and Versalis SpA — Porto Torres — Prosecuting body: Public Prosecutor of Sassari. The Public Prosecutor of Sassari (Sardinia) resolved that a number of officers and senior managers of companies engaging in petrochemical operations at the site of Porto Torres, including the manager responsible for plant operations of the Company's fully-owned subsidiary Syndial, would stand trial due to allegations of environmental damage and poisoning of water and crops. The Province of Sassari, the Municipality of Porto Torres and other entities have been acting as plaintiffs. The Judge for the Preliminary Hearing admitted as plaintiffs the above mentioned parts, but based on the exceptions issued by Syndial on the lack of connection between the action as plaintiff and the charge, denied that the claimants would act as plaintiff with regard to the serious pathologies related to the existence of poisoning agents in the marine

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fauna of the industrial port of Porto Torres. The proceeding continues before the Prosecutor of Sassari. In February 2013, the Prosecutor of Sassari has notified the conclusion of preliminary investigations and requested a new imputation for negligent behaviour instead of illicit conduct. In the conclusions of the preliminary hearing, the GUP of Sassari dismissed the accusation because of the statute of limitations. The Public Prosecutor filed an appeal before a Third Instance Court. After a hearing on a question of constitutional legitimacy concerning the period for the statute of limitations for the crime of disaster, the Third Instance Court recognized its validity and therefore accepted the claim and sent all the acts to the Constitutional Court.
(vi) Syndial SpA and Versalis SpA — Summon for alleged environmental damage caused by illegal waste disposal in the municipality of Melilli (Sicily). In May 2014, the Municipality of Melilli summoned Eni's subsidiaries Syndial and Versalis for the environmental damage allegedly caused by carrying out illegal waste disposal activities and unauthorized landfill. In particular, the plaintiff claimed the responsibilities of Syndial and Versalis for the production of waste and because they commissioned the waste disposal. The plaintiff stated that this illegal handling of waste was part of certain criminal proceedings dating back to 2001-2003 which would have allegedly traced the hazardous waste materials back to the Priolo and Gela industrial sites that are managed by the above mentioned Eni's subsidiaries (in particular, the waste with high mercury concentration and railway sleepers no longer in use). Such waste was allegedly handled and disposed illegally at an unauthorized landfill owned by a third party (this landfill is located about 2 kilometers from the town of Melilli). The claim amounts to €500 million and refers to two Group's subsidiaries and SMA.RI, the company that carries out activities of waste disposal, being jointly and severally liable. On February 8, 2016, the Judge accepted an explanation of Eni's subsidiaries stating that the request of municipality was not admissible, so that the request was rejected. The proceeding is still pending.
(vii) Summon for Eni, Raffineria di Gela SpA, EniMed SpA and Syndial SpA. 273 Gela residents filed an appeal to the Court of Gela requesting to halt all the production activities conducted by Eni's subsidiaries at Gela site in order to put an end to environmental pollution affecting the health of the local population. The claimants also requested the appointment of commissioners in charge of carrying out the plants shutdown and of continuing to implement clean-up activities in the area. Besides that, they requested the Court to order to the Municipality of Gela — as a competent body in the field of health protection — to adopt certain provisions aimed to preserve the health of the local population. This proceeding arose in connection with an alleged environmental damage caused by the industrial activities of the site and consequent necessity to protect the population from serious harm to the health. The initiative was underpinned by certain technical assessments performed by consultants appointed by the Court on the preliminary stage. The aim of these assessments was to establish cause-and-effect relationship between the industrial contamination and congenital anomalies reported in the town of Gela.
2. Court inquiries and of other Regulatory Authorities
(i) Reorganization procedure of Alitalia Linee Aeree Italiane SpA under extraordinary administration. On January 23, 2013, the Italian airline company Alitalia which was undergoing a reorganization procedure, summoned Eni, Exxon Italia and Kuwait Petroleum Italia SpA before the Court of Rome, to obtain a compensation for alleged damages caused by a presumed anti-competitive behavior on part of the three petroleum companies in the supply of jet fuel in the years 1998 through 2009. The claim was based on a deliberation filed by the Italian Antitrust Authority on June 14, 2006. The antitrust deliberation accused Eni and other five petroleum companies of anti-competitive agreements designed to split the market for jet fuel supplies and blocking the entrance of new players in the years 1998 through 2006. The antitrust findings were substantially endorsed by an administrative court. Alitalia has made a claim against the three petroleum companies jointly and severally presenting two alternative ways to assess the alleged damages. A first assessment of the overall damages amounted to €908 million. This was based on the presumption that the anti-competitive agreements among the defendants would have prevented Alitalia from autonomously purchasing supplies of jet fuel in the years when the existence of the anti-competitive agreements were ascertained by the Italian Antitrust Authority and in subsequent years until Alitalia ceased to operate airline activity. Alitalia asserts the incurrence of higher supply costs of jet fuel of €777 million excluding interest accrued and other items which add to the lower profitability caused by a reduced competitive position in the marketplace estimated at €131 million. An alternative assessment of the overall damage made by Alitalia stands at €395 million of which €334 million of higher purchase costs for jet fuel and €61
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million of lower profitability due to the reduced competitive position on the marketplace. With a decision dated May 23, 2014, the Court of Rome declared the connection with a judgment previously proposed by Alitalia itself before the Court of Milan against other oil companies participating to an alleged cartel agreement. The case was thus summed up by Alitalia before the Court of Milan. The proceedings is still pending before the First Degree Court. Eni accrued a risk provision against this proceeding.

(ii) Eni's arbitration with GasTerra. In 2013, Eni initiated an arbitration against GasTerra, as part of a long-term supply contract signed in 1986, to obtain a revision of the price charged by GasTerra to Eni for the gas supplied in the 2012-2015 period. On that occasion, Eni and GasTerra agreed to apply a provisional price, which was lower than the previous price, until the definition of a new contractual price based on an arrangement between parties or an arbitration award. An arbitration award of June 23, 2016 dismissed Eni's claim for price revision, without however determining a new price applicable in the relevant period. GasTerra considers that, by dismissing Eni's claim, the award restored the original contract price, based on which GasTerra now claims an additional amount to be paid by Eni which corresponds to the difference between the provisional price and the contractual price. Eni, relying also on the opinion of its external consultants, does not agree with GasTerra's interpretation and regards GasTerra claim groundless. However, GasTerra, based on its own interpretation, commenced arbitration proceedings and obtained from a Dutch court the provisional seizure of Eni's investment in its subsidiary Eni International BV, for the alleged trade receivable due by Eni (equal to €1.01 billion). This measure, which was granted after a summary review only and without Eni being heard, does not prejudice the outcome on the merits of the proceeding. In order to obtain the discharge of the seizure of Eni's investment in Eni International BV, Eni proposed to GasTerra to replace the seizure with a bank guarantee of the same amount as the GasTerra claim, which would remain effective until the arbitration final award. GasTerra accepted Eni's offer. With the filing of the Stetement of Defense and Counterclaim, Eni will request that the arbitration panel states the provisional price established in the Agreement Letter continues being applied until a new contractual price is defined with retroactive efficacy from 2012, based on trends recorded in the Italian market. Currently it not possible to estimate a time schedule of the arbitration procedure because the panel has yet to be appointed. Presumably, a decision about the first award interpretation or about the interpretation of the Agreement Letter will not occur before the end of 2017 or the beginning of 2018. Eni will further seek compensation for any damages it incurs, due to GasTerra's legal actions. At the present, there are no evidence to suggest that an upward revision of the provisional price is likely. Furthermore, Eni is part to another arbitration proceeding relating to the price revision of a long-term gas supply contract.

3. Court inquiries on the matter of criminal/administrative corporate responsibility

(i) EniPower SpA. In June 2004, the Milan Public Prosecutor commenced inquiries into contracts awarded by Eni's subsidiary EniPower and on supplies from other companies to EniPower. It emerged that illicit payments were made by EniPower suppliers to a manager of EniPower who was immediately dismissed. The Court served EniPower (the commissioning entity) and Snamprogetti (now Saipem SpA) (contractor of engineering and procurement services) with notices of investigation in accordance with Legislative Decree No. 231/2001 that establishes that companies are liable for the crimes committed by their employees who acted on behalf of the employer. In August 2007, Eni was notified that the Public Prosecutor requested the dismissal of EniPower SpA and Snamprogetti SpA, while the proceeding continues against former employees of these companies and employees and managers of the suppliers under the provisions of Legislative Decree No. 231/2001. Eni SpA, EniPower and Snamprogetti presented themselves as plaintiffs in the preliminary hearing. In the preliminary hearing related to the main proceeding on April 27, 2009, the Judge for the Preliminary Hearings requested all the parties that have not requested the plea-bargain to stand in trial, excluding certain defendants as a result of the statute of limitations. During the hearing on March 2, 2010, the Court confirmed the admission as plaintiffs of Eni SpA, EniPower SpA and Saipem SpA against the inquired parts under the provisions of Legislative Decree No. 231/2001. Further employees of the companies involved were identified as defendants to account for their civil responsibility. In September 2011, the Court of Milan found that nine persons were guilty for the above-mentioned crimes. In addition, they were sentenced jointly and severally to the payment of all damages to be assessed through a dedicated proceeding and to the reimbursement of the proceeding expenses incurred by the plaintiffs. The Court also resolved to dismiss all the criminal indictments for 7 employees, representing some companies involved as a result of the statute of limitations while the trial ended with an acquittal of 15 individuals. In relation to the companies involved in the proceeding, the Court found that 7 companies are liable based on the provisions of Legislative Decree No. 231/2001,

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imposing a fine and the disgorgement of profit. Eni SpA and its subsidiaries, EniPower and Saipem, which took over Snamprogetti, acted as plaintiffs in the proceeding also against the mentioned companies. The Court rejected the position as plaintiffs of the Eni Group companies, reversing a prior decision made by the Court. This decision may have been made based on a pronouncement made by a Supreme Court that stated the illegitimacy of the constitution as plaintiffs made against any legal entity, which is indicted under the provisions of Legislative Decree No. 231/2001. The Court filed the ground of the judgment in December 19, 2011. The condemned parties filed an appeal against the above-mentioned decision. The Appeal Court issued a ruling that substantially confirmed the first-degree judgment except for the fact that it ascertained the statute of limitation with regard to certain defendants. In 2015, the Supreme Court annulled the judgment of the Appeal Court of Milan ascribing the judgment to another section.

(ii) Algeria. Legal proceedings are pending in Italy and outside Italy in connection with an allegation of corruption relating to the award of certain contracts to its former controlled company Saipem in Algeria. On February 4, 2011, Eni received from the Public Prosecutor of Milan an information request pursuant to Article 248 of the Italian Code of Criminal Procedure. The request related to allegations of international corruption and pertained to certain activities performed by Saipem Group companies in Algeria (in particular the contract between Saipem and Sonatrach relating to the construction of the GK3 gas pipeline and the contract between Galsi, Saipem and Technip relating to the engineering of the ground section of a gas pipeline). For that reason, Eni forwarded the notification to Saipem. The crime of international corruption is among the offenses contemplated by Legislative Decree of June 8, 2001, No. 231, relating to corporate responsibility for crimes committed by employees, which provides fines and interdictions to the company and the disgorgement of profit. Saipem promptly began to collect documentation in response to the requests of the Public Prosecutor. The documents were produced on February 16, 2011. Eni also filed documentation relating to the MLE project (in which the Eni’s Exploration & Production Division participates) even if not required, with respect to which investigations in Algeria are ongoing. On November 22, 2012, the Public Prosecutor of Milan served Saipem a notice stating that it had commenced an investigation for alleged liability of the company for international corruption in accordance to Article 25, second and third paragraph of Legislative Decree No. 231/2001. Furthermore, the Prosecutor requested the production of certain documents relating to certain activities in Algeria. The proceeding was unified with the Iraq-Kazakhstan proceeding, concerning a different line of investigation, as it related to the activities carried out by Eni in Iraq and Kazakhstan. Subsequently Saipem was served a notice of seizure, then a request for documentation and finally a search warrant was issued, in order to acquire further documentation, in particular relating to certain intermediary contracts and sub-contracts entered into by Saipem in connection with its Algerian business. Several former Saipem employees were also involved in the proceeding, including the former CEO of Saipem, who resigned from the office in December of 2012, and the former Chief Operating Officer of the Business Unit Engineering & Construction of Saipem, who was fired at the beginning of 2013. On February 7, 2013, on mandate from the Public Prosecutor of Milan, the Italian Finance Police visited Eni’s headquarters in Rome and San Donato Milanese and executed searches and seized documents relating to Saipem’s activity in Algeria. On the same occasion, Eni was served a notice that an investigation had commenced in accordance with Article 25, third and fourth paragraph of Legislative Decree No. 231/2001 with respect to Eni, Eni’s former CEO, Eni’s former CFO and another senior manager. Eni’s former CFO had previously served as Saipem’s CFO including during the period in which alleged corruption took place and before being appointed as CFO of Eni on August 1, 2008. Eni conducted an internal investigation with the assistance of external consultants, in addition to the review activities performed by its audit and internal control departments and a dedicated team to the Algerian matters. During 2013, the external consultants reached the following results: (i) the review of the documents seized by the Milan prosecutors and the examination of internal records held by Eni’s global procurement department have not found any evidence that Eni entered into intermediary or any other contractual arrangements with the third parties involved in the prosecutors’ investigation; the brokerage contracts that were identified, were signed by Saipem or its subsidiaries or predecessor companies; and (ii) the internal review made on a voluntary basis of the MLE project, the only project that Eni understands to be under the prosecutors’ investigation where the client is an Eni Group company has not found evidence that any Eni employee engaged in wrongdoing in connection with the award to Saipem of two main contracts to execute the project (EPC and Drilling). Furthermore, in 2014, with the assistance of external consultants, Eni completed a review of the extent of its operating control over Saipem with regard to both legal and accounting and administrative issues. The findings of the review performed have confirmed the autonomy of Saipem from the parent company. The findings of Eni’s internal review have been provided to the Judicial Authority in order to reaffirm Eni's willingness to fully cooperate. On October 24, 2014, Eni SpA received a request of probationary evidence by the Prosecutor of Milan relating to for the examination of two defendants: the former Chief Operating Officer of the Business Unit

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Engineering & Construction of Saipem and the former President and General Manager of Saipem Contracting Algérie SpA. On January 14, 2015, the Public Prosecutor of Milan notified the conclusion of preliminary investigations towards Eni, Saipem and eight persons (including, the former CEO and CFO of Eni and the Chief Upstream Officer of Eni who was responsible for Eni Exploration & Production activities in North Africa at the time of the events under investigation). The Public Prosecutor of Milan has issued a notice for alleged international corruption against all defendants (including Eni and Saipem on the base of the provisions of Legislative Decree No. 231/2001) in connection with the entry into intermediary contracts by Saipem in Algeria. Furthermore, some of the defendants (including the former CEO and CFO of Eni and the Chief Upstream Officer of Eni) were accused of tax offense for fraudulent misrepresentation in relation to the accounting treatment of these contracts for the fiscal years 2009 and 2010. Having acquired the actions of the court filed in relation to the request of probationary evidence, the minutes of the hearing and the documents filed for the conclusion of the preliminary investigation, Eni requested its consultants to perform additional analysis and investigation. As a result, Eni's consultants reaffirmed their conclusions previously reported to the Company. In February 2015, the Public Prosecutor indicted all the investigated persons for above-mentioned crimes. On October 2, 2015, the Judge for the Preliminary Hearing of the Court of Milan dismissed the case and granted an acquittal in favor of Eni, former Chief Executive Officer and Chief Upstream Officer for all the alleged crimes. On February 24, 2016, the Court of Third Instance, upholding an appeal presented by the Public Prosecutor of Milan, reversed the dismissal, annulled the verdict, and remanded the proceedings to another Judge for the Preliminary Hearing in the Court of Milan. As a result of the new preliminary hearing dated 27 July 2016, the judge ordered the trial for all defendants, including Eni. The judgment of first instance is pending.

At the end of 2012, Eni contacted the U.S. Authorities — the DoJ and the U.S. SEC — in order to voluntary inform them about this matter and kept them informed about the developments in the Italian prosecutors' investigations. Following Eni's notification in 2012, both the U.S. SEC and the DoJ have started their own investigations regarding this matter. Eni has furnished various information and documents, including the findings of its internal reviews, in response to formal and informal requests.

(iii) Iraq — Kazakhstan. A criminal proceeding is pending before the Public Prosecutor of Milan in relation to alleged crimes of international corruption involving Eni's activities in Kazakhstan regarding the management of the Karachaganak plant and the Kashagan project, as well as handling of assignment procedures of work contracts by Agip KCO. The Company has filed the documents collected and is fully collaborating with the Public Prosecutor. A number of managers and a former manager are involved in the investigation. The above-mentioned proceeding has been combined with another (the so-called "Iraq proceeding") regarding a parallel proceeding related to Eni's activities in Iraq, disclosed in the following paragraphs. On June 21, 2011, Eni Zubair SpA and Saipem SpA in Fano (Italy) were searched by the Judicial Authorities. The search involved the offices of certain Group employees and of certain third parties in connection with alleged crimes of conspiracy and corruption as part of the "Jurassic" project in Kuwait. Particularly, the alleged crimes would have been committed in order to illicitly influence the award of a construction contract outside Italy where Eni was the commissioning entity. Considering the claims of the Public Prosecutor, Eni and Saipem believed that they were damaged by the crimes committed by their employees. Eni considered those employees to have breached the Company's Code of Ethics. In spite of this, Eni SpA and Saipem SpA were notified of being under investigation pursuant to the Legislative Decree No. 231/2001, which establishes the liability of entities for the crimes committed by their employees. Eni SpA was notified by the Public Prosecutor of a request of extension of the preliminary investigations that has led up to the involvement of another employee, as well as other suppliers in the proceeding. The Public Prosecutor of Milan requested Eni SpA to be debarred for one year and six months from performing any industrial activities involving the production sharing contract of 1997 with the Republic of Kazakhstan and in the subsequent administrative or commercial arrangements, or the prosecution of the mentioned activities under the supervision of a commissioner pursuant to Article 15 of the Legislative Decree No. 231 of 2001. On July 16, 2013, the Judge for Preliminary Investigation rejected the request for precautionary measures requested by the Public Prosecutor of Milan, because it considered the request groundless. The Public Prosecutor promptly appealed the decision before a higher degree court. After the appeal hearing, on October 21, 2013 such court rejected the appeal filed by the Public Prosecutor. The Re-examination Court rejected the appeal with judgment upon the merits due to the lack of serious evidence against Eni, accepting the defense arguments for which Eni suffered severe damages because of poor performances of some suppliers involved in the Kashagan project. In addition, the Court declared the lack of precautionary requirements considering the reorganization of the activities in Kazakhstan and taking into account of the initiatives of internal audit and control promptly adopted by Eni. The Public Prosecutor's office did not appeal against the sentence of the Re-examination Court. Also based on this

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decision, on March 13, 2014, the Eni legal team requested to the Public Prosecutor to dismiss the proceeding. The Prosecutor's Office filed a request for dismissal of all the natural persons, and, on 5 January 2017, the judge for preliminary investigations who issued the relevant decree granted the above-mentioned filing request. A similar measure is expected for Eni that was involved at the same proceeding pursuant to Legislative Decree no. 231/01.

(iv) Block OPL 245 — Nigeria. On July 2, 2014, the Italian Public Prosecutor of Milan served Eni with a notice of investigation relating to potential liability on the part of Eni arising from alleged international corruption, pursuant to Italian Legislative Decree No. 231/2001 whereby companies are liable for the crimes committed by their employees when performing their tasks. As part of the proceeding, Eni was also subpoenaed for documents and other evidence. According to the subpoena, the proceeding was commenced following a claim filed by ReCommon NGO relating to alleged corruptive practices that according to the Prosecutor would have allegedly involved the Resolution Agreement made on April 29, 2011 relating to the Oil Prospecting license of the offshore oilfield that was discovered in Block 245 in Nigeria. Eni is fully cooperating with the Prosecutor and has promptly filed the requested documentation. Furthermore, Eni has voluntarily reported the matter to the U.S. Department of Justice and the U.S. SEC. In July 2014, the Eni's Board of Statutory Auditors jointly with the Eni Watch Structure resolved to engage an independent, US-based law firm, expert in anticorruption, to conduct a forensic, independent review of the matter, upon informing the Judicial Authorities. After reviewing the matter, the US lawyers concluded in summary that no evidence of wrongdoing on Eni side were detected in relation to the 2011 transaction with the Nigerian government for the acquisition of the OPL 245 license. The outcome of this review was transmitted to the judicial authorities. On September 10, 2014, the Public Prosecutor of Milan notified Eni of a restraining order issued by a British judge who ruled the seizure of a bank account not pertaining to Eni domiciled at a British bank following a request from the Italian Public Prosecutor. The order was also notified to certain individuals, including Eni's CEO and the Chief Development, Operations and Technological Officer, as well as Eni's former CEO. From the available documents, it was inferred that such Eni's officers and former officers are under investigation by the Italian Public Prosecutor. During a hearing before a Court of London on September 15, 2014, Eni and its current executive officers stated their non-involvement in the matter regarding the seized bank account. Following the hearing, the Court reaffirmed the seizure. On December 22 2016, Eni was notified of the conclusion of the preliminary investigation by the Italian Judicial Authorities. Following the request of the Public Prosecutor of Milan that the Eni's CEO and the Chief Development, Operations and Technological Officer and the Executive Vice President for international negotiations, as well as Eni's former CEO would stand trial, as well as Eni based on Italian law 231/2001 on corporate entity responsibility, on February 14, 2017, Eni's attorneys were notified of the schedule of the preliminary hearing due on April 20, 2017. Upon notification to Eni of the conclusion of the preliminary investigation by the Public Prosecutor of Milan, the independent US-based law firm was requested by Eni to assess whether the new documentation made available from Italian prosecutors could modify the conclusions of the law firm prior review. The US law firm was also provided with the documentation filed in the Nigeria proceeding mentioned below. The independent U.S. law firm concluded that the reappraisal of the matter in light of the new documentations available did not alter the outcome of the prior review. On January 27, 2017, Eni's subsidiary Nigerian Agip Exploration Ltd became aware of an Interim Order of Attachment ("Order") issued by the Nigerian Federal High Court, sitting in Abuja, upon request from the Economic and Financial Crime Commission (EFCC), attaching temporarily the property known as Oil Prospecting License 245 ("OPL 245") pending the proceeding for alleged corruption and money laundering started in Nigeria. NAE made an application to discharge the Order (along with the Shell affiliate co-holder of the license). On March 17, 2017, the Nigerian Court discharged the Order. Recently, Eni became aware of a formal filing of charges by the EFCC. Eni has provided a copy of charges filed by the EFCC, to the US-based law firm engaged to review the OPL 245 transaction, who upon review of such documents, did not modify their conclusion according to which no evidence of wrongdoing on Eni side was detected in relation to the acquisition of the OPL 245 license from the Nigerian government.

(v) Eni SpA Refining & Marketing Division — Criminal proceedings on fuel excise tax (Criminal proceeding N. 6159/10 RGNR the Italian Public Prosecutor in Frosinone and criminal proceeding No. 7320/14 RGNR the Italian Public Prosecutor in Rome). Two criminal proceedings are currently pending, relating to alleged evasion of excise taxes in the context of the retail sales at the fuel market. In particular, the claim states that the quantity of oil products marketed by Eni was larger than the quantity subjected to the excise tax. The first proceeding, opened by the Public

Prosecutor's Office of Frosinone against a third company (Turrizziani Petroli) purchaser of Eni's fuel, is still pending in the phase of the preliminary investigation. This investigation was subsequently extended to Eni. The Company has cooperated fully with the
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proceeding and provided all data and information concerning the performance of the excise tax obligations for the quantities of fuel coming from the storage sites of Gaeta, Naples and Livorno. Eni ensured the best possible collaboration, handing in all the required documentation. Such proceeding referred to quantities of oil products sold by Eni, allegedly larger than the quantity subjected to the excise tax. After the ending of the investigation, the Fiscal Police from Frosinone, along with the local Customs Agency, in November 2013 issued a claim related to the evasion of the payment of excise taxes in the 2007 2012 periods for €1.55 million. In May 2014, the Customs Agency of Rome issued a payment notice relating to the abovementioned claim that was filed by the Fiscal Police and Customs Agency of Frosinone. The Company immediately appealed to the Tributary Commission. The second proceeding, opened by the Public Prosecutor's Office of Rome, regarded alleged evasion of excise tax payment on the surplus of the unloading products, as quantity of such products was larger than the quantity reported in the supporting fiscal documents. This proceeding represents a development of the first proceeding mentioned above, and substantially concerns similar facts, with however some differences with regard to both the nature of the alleged crimes and the responsibility subjected to verification. In fact, the Public Prosecutor's Office of Rome has alleged the existence of a criminal conspiracy aimed at the habitual subtraction of oil products at all of the 22 storage sites which are operated by Eni over the national territory. Eni is cooperating with prosecutor in order to defend the correctness of its operation. On September 30, 2014, a search was conducted at the office of the former chief operating officer of Eni's Refining & Marketing Division as ordered by the Rome's Public Prosecutor. The motivations of the search are the same as the above-mentioned proceeding as the ongoing investigations also relates to a period of time when he was in charge of that Eni's Division. On March 5, 2015, the Prosecutor of Rome ordered a search at all the storage sites of Eni's network in Italy as part of the same proceeding. The search was intended to verify the existence of fraudulent practices aimed at tampering with measuring systems functional to the tax compliance of excise duties in relation to fuel handling at the storage sites. The three criminal proceedings were united together at Public Prosecutor's Office of Rome, which is still conducting preliminary investigations. Ultimately, the Customs Agency, in reply to a request of the national association of refiners solicited by Eni, published a dedicated Circular which provides the rules the operators in the sector should follow to determine the quantity of oil products subjected to the excise tax, so as to give clarification to regional customs agencies, the Revenue Agency and the Finance Police. According to this Circular, Eni and other oil companies followed the correct procedures in order to determine the quantity subjected to the excise tax. In September 2015, the Public Prosecutor of Rome requested a one-off technical appraisal aimed to verify the compliance of the software installed at certain metric heads previously seized with those lodged by the manufacturer to the Ministry of Economic Development. The technical appraisal verified the compliance of the software tested. On this occasion, it became clear that the proceeding has been extended to a large number of employees and former employees of the company. The proceeding is at the preliminary investigations.

(vi) Block Marine XII, Congo. On July 9, 2015, Eni received from the U.S. Department of Justice a subpoena ordering the Company to produce documents in view of the hearing of an Eni employee, relating to the assets "Marine XII" in Congo and relationships with certain persons and companies. According to preliminary informal contacts between Eni's U.S. lawyers and the Authority, this hearing is part of a broader investigation, which is currently being carried out with regard to third parties. Within such investigation, Eni is considered a witness and — potentially — a damaged party. The documents required by the Authority are currently being collected and filed with the Authority.

4. Tax Proceedings

Italy

(i) Eni SpA — municipal tax related to certain oil platforms located in the Italian territorial waters. Several tax proceedings are pending in Italy, as certain municipalities claimed Eni SpA omitted payments of a tax on property relating oil platforms located in the territorial waters under the municipality administration. After completing all degrees of judgment before Italian tax courts, on February 24, 2016, the Third Instance Court sentenced that: i) property taxes on platforms are due by Eni; ii) the taxable basis is to be defined by considering the platforms carrying amounts, instead of the replacement cost; iii) sanctions are not applicable. The proceeding continued with an indictment before a trial judge to determine the due amount. In a similar proceeding relating to another oil company, the Third Instance Court confirmed that these industrial installations might be subject to this local tax. Based on the outcomes

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of these resolutions, Eni started an out of court procedure to reach a settlement on the matter with the local authorities who submitted claims against the Company based on the taxability of oil platforms. This settlement will be pursued on condition that the local authorities agree with Eni a fair tax base and renounce any claim of sanctions as established by the Third Instance Court which resolved the inapplicability of any sanction to the matter in the case involving a local municipality. Based on the expectation of management to successfully conclude these settlements, Eni accrued a tax provision.

(ii) Eni SpA — Excise taxes. On May 31, 2016 the Customs Agency issued to Eni a payment notice for a total sum of €134 million (of which €114 million referring to excise taxes and €20 million referring to interests), in addition to fines amounting to €34 million. This followed a claim filed in 2011, referring to legal proceeding started by the Court of Milan in 2010 pertaining to alleged culpable omission to pay excise taxes (for the period 2003 – 2008) due on 9.8 billion cubic meters of natural gas marketed by Eni in Italy. With a sentence dated June 28, 2012 the Public Prosecutor of Milan the Tribunal resolved to dismiss the proceeding against all defendants because the fact did not constitute an offence. In addition, the appeal filed by the Public Prosecutor was rejected by a final-degree Court with sentence dated July 3, 2013 and filed on January 7, 2014. With regard to the administrative proceeding, considering the documentation filed by Eni in the aftermath, the volumes allegedly subtracted to tax payment were reduced to 650 million cubic meters. Thus, the corresponding amount of allegedly due excise taxes decreased from €1.7 billion, initially claimed by the Public Prosecutor, to €114 million. Like the initial claim, the residual claim appears to be groundless, taking into account the fact that the gas volumes input into the national grid by Eni and gas volumes off-taken at each delivery points for reselling to final customers have different calorific power. This was confirmed by the opinion of sector experts and acknowledged by the Customs Agency itself during the consultation process with the Italian association of gas resellers. Therefore, the Customs Agency issued a new administrative claim configuring erroneous compilation of the consumption declaration only. The Customs Agency reiterated the claim because — even if the incidence of the calorific value has been acknowledged from a technical and scientific point of view and shared by the Agency itself, — at the same time the matter has not been explicitly regulated by an administrative act. In order to safeguard the Company’s assets, Eni’s management commenced the following initiatives: (i) an administrative claim has been filed in order to suspend the tax collection, accepted by the Customs Agency; (ii) an appeal against the Agency’s claim before a Tax Judge has been filed whose discussion hearing is scheduled. Based on current information and taking into account the outcome of the criminal litigation, the objections presented are considered groundless and, therefore, the Company did not accrue any tax provision in the consolidated financial statements 2016.

Outside Italy

(iii) Eni Angola Production BV. The tax Authorities of Angola filed a notice of tax assessment in which it claimed the improper deductibility of amortization charges recognized on assets in progress related to the payment of the Petroleum Income Tax that was made by Eni Angola Production BV as partner of the Cabinda concession. The company paid the higher taxes under contestation for the years 2002 – 2006, requiring the recognition of its position for subsequent years and, accordingly, filed an appeal against this decision. The judgment is still pending before the Supreme Court. The tax authorities also contested to Eni Angola Production BV and to Eni Angola Exploration BV the recovery of certain costs (cost oil) for the tax years from 2003 to 2009, in relation to licenses regulated by oil contracts in Production Sharing Agreements, and that would result in a payment of further taxes on the higher profit oil resulting from the lack of the recognition of such costs. The companies contested the legitimacy of the claim formulated by the Ministry of Finance either as the power to approve the cost oil (recoverable costs) and the shares of profit oil contract lies solely to Sonangol (first party in the oil contract), or the tax deductibility of such costs. The companies have presented an appeal that is waiting to be discussed. Eni accrued a tax provision with respect to this proceeding.

5. Settled proceedings

(i) Action commenced by the Municipality of Carrara for the remediation and reestablishment of previous environmental conditions at the Avenza site and payment of environmental damage. In relation to the proceeding brought by the Municipality of Carrara and the Ministry for the Environment against Syndial SpA for the compensation of alleged environmental damages at the Avenza site. The proceeding was closed without ascertaining any responsibility of the company. In particular the Minister indicated Syndial as

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responsible for environmental damages on the belief that: a) Syndial was liable for the environmental damage as the Eni subsidiary took over the site from the previous owners assuming all existing liabilities; b) it was responsible for managing the plant and inadequately remediating the site after the occurrence of an incident in 1984; c) it was responsible for omitted clean-up. Syndial established itself as defendant. The Third Instance Court sentenced that only the first motivation of the appeal filed by the Ministry is valid, which related to the statute of limitations for the crime of disaster applicable exclusively to the previous owners of the site. Therefore, the Court has definitely confirmed that Syndial is not liable, neither for activities directly conducted (including alleged delay/omission of the clean-up activities claimed by the Ministry) nor for strict liability (as it took over the site from the previous owners). Particular attention should be paid to this second profile in the light of the fact that the Avenza site was transferred to Eni due to a law provision.

(ii) Eni SpA — Investigation for alleged violations of the Consumer Code in the matter of billing of gas and power consumptions. In relation to the proceeding brought by the Italian Antitrust Authority (AGCM) in regard of alleged unfair commercial practices under the Consumer Code in the billing of gas and power consumptions to retail customers, after the conclusion of the investigation, the AGCM notified Eni its final ruling by imposing to the company a sanction of €3.6 million. The sanction has been paid. Eni appealed the decision to the Regional Administrative Court.

(iii) Fatal accident Truck Center Molfetta — Prosecuting body: Public Prosecutor of Trani. In relation to a fatal accident occurred in March 2008 that caused the death of four workers deputed to the cleaning of a tank car used for the transportation of liquid sulphur produced by Eni in the Refinery of Taranto, the Public Prosecutor of Trani accused Eni and eight employees of the company for alleged manslaughter, grievous bodily harm and illegal disposal of waste materials. The decision of a first instance court which ruled acquittal for all the defendants and for Eni SpA, as legal entity, with the wide formula “because the alleged fact does not exist” was upheld in the subsequent degrees of judgments and became final on July 27, 2016.

(iv) Eni SpA — Reorganization procedure of the airlines companies Volare Group, Volare Airlines and Air Europe — Prosecuting body: Delegated Commissioner. In relation to the bankruptcy clawback as part of the reorganization procedure filed by the airlines companies Volare Group, Volare Airlines and Air Europe and the request of override of all the payments made by those entities to Eni in the year previous to the insolvency declaration from November 30, 2003 to November 29, 2004, the Court of Appeal of Milan ruled Eni to return a total amount of €9 million. The plaintiffs requested that the sentence against Eni would be reassessed to an amount of about €18 million. The proceeding is pending before a third-degree court. Eni accrued a provision in respect to this proceeding. The proceeding is no longer significant.

(v) Investigation by the Italian Antitrust about Eni’s determination of Italian market share of the Italian gas wholesale market. With Resolution No. 25064 of August 1, 2014, the Italian Antitrust commenced an investigation to verify whether Eni controlled a bigger share of the domestic wholesale gas market than it had declared. Following the Legislative Decree No. 130 of 2010, which envisages a 55% ceiling to the wholesale market share for each Italian gas operator who inputs gas into the Italian backbone network, Eni declared that its market share was equal to 54%, therefore slightly below the established threshold. Eni calculated its market share by excluding certain sales of gas volumes. On the other hand, the Antitrust rejected this calculation method and therefore concluded that Eni’s market share was actually 56%. Nonetheless, the Antitrust decided not to impose any fine on the Company as the violation was immaterial. The Antitrust considered the fact that in its declaration Eni explained clearly how its market share was calculated. Besides that, in the opinion of the Ministry of Economic Development, expressed during the investigation, Eni calculated its market share correctly. Eni filed an appeal against the Antitrust’s decision before the Regional Administrative Court of Lazio, asking for annulment. Management does not expect any liability in connection with this proceeding.

Assets under concession arrangements

Eni operates under concession arrangements mainly in the Exploration & Production segment and the Refining & Marketing business line. In the Exploration & Production segment, contractual clauses governing mineral concessions, licenses and exploration permits regulate the access of Eni to hydrocarbon reserves. Such clauses can differ in each country. In particular, mineral concessions, licenses and permits are granted by the legal owners and, generally, entered into with government entities, State oil companies and,

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in some legal contexts, private owners. Pursuant to the assignment of mineral concession, Eni sustains all the operational risks and costs related to the exploration and development activities and it is entitled to the productions realized. As a compensation for mineral concessions, Eni pays royalties and taxes in accordance with local tax legislation. In production sharing agreement and service contracts, realized productions are defined based on contractual agreements with State oil companies, which hold the concessions. Such contractual agreements regulate the recovery of costs incurred for the exploration, development and operating activities (Cost Oil) and give entitlement to the own portion of the realized productions (Profit Oil). In the Refining & Marketing business line, several service stations and other auxiliary assets of the distribution service are located in the motorway areas and they are granted by the motorway concession operators following a public tender for the sub-concession of the supplying of oil products distribution service and other auxiliary services. In exchange of the granting of the services described above, Eni provides to the motorway companies fixed and variable royalties on the basis of quantities sold. At the end of the concession period, all non-removable assets are transferred to the grantor of the concession for no consideration.

Environmental regulations

Risks associated with the footprint of Eni's activities on the environment, health and safety are described in the "Financial Review", paragraph "Risk factors and uncertainties". In the future, Eni will sustain significant expenses in relation to compliance with environmental, health and safety laws and regulations and for reclaiming, safety and remediation works of areas previously used for industrial production and dismantled sites. In particular, regarding the environmental risk, management does not currently expect any material adverse effect upon Eni's Consolidated Financial Statements, taking account of ongoing remediation actions, existing insurance policies and the environmental risk provision accrued in the Consolidated Financial Statements. However, management believes that it is possible that Eni may incur material losses and liabilities in future years in connection with environmental matters due to: (i) the possibility of as yet unknown contamination; (ii) the results of ongoing surveys and other possible effects of statements required by Legislative Decree No. 152/2006; (iii) new developments in environmental regulation (i.e. Law No. 68/2015 on crimes against the environment and European Directive 2015/2193 on medium combustion plants); (iv) the effect of possible technological changes relating to future remediation; and (v) the possibility of litigation and the difficulty of determining Eni's liability, if any, as against other potentially responsible parties with respect to such litigation and the possible insurance recoveries.

Emission trading

From 2013, the third phase of the European Union Emissions Trading Scheme (EU-ETS) came in force. The new phase marked a significant change in the method of awarding emission allowance from a no-consideration scheme based on historical emissions to allocation through auctioning. For the period 2013 – 2020, the award of free emission allowances is performed based on European benchmarks specific to each industrial segment, except for the thermoelectric sector that is not eligible for allocations for no consideration. This regulatory scheme implies for Eni's plants subjected to emission trading a lower assignment of emission permits respect to the emissions recorded in the relevant year and, consequently, the necessity of covering the amounts in excess by purchasing the relevant emission allowances on the open market. In 2016, the emissions of carbon dioxide from Eni's plants were higher than the free allowances assigned to Eni. Against emissions of carbon dioxide amounting to approximately 20.22 million tonnes, Eni was awarded free emission allowances of 7.06 million tonnes, determining a deficit of 13.16 million tonnes. This deficit was entirely covered through the purchase of emission allowances in the open market.

39 Revenues

Net sales from operations

(€ million)	2014	2015	2016
Revenues from sales and services	98,256	72,290	55,764
Change in contract work in progress	(38)	(4)	(2)
	98,218	72,286	55,762

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Revenues from sales were stated net of the following items:

(€ million)	2014	2015	2016
Excise taxes	12,289	11,889	11,913
Exchanges of oil sales (excluding excise taxes)	1,586	1,154	878
Services recharged to joint venture partners	5,191	5,609	4,441
Sales to service station managers for sales billed to holders of credit cards	1,804	1,643	1,553
	20,870	20,295	18,785

Net sales from operations by industry segment and geographical area of destination are disclosed in note 46 — Information by industry segment and by geographical area.
Net sales from operations with related parties are disclosed in note 47 — Transactions with related parties.
Other income and revenues

(€ million)	2014	2015	2016
Gains on price adjustments under overlifting/underlifting transactions	390	253	238
Compensation for damages	43	36	122
Lease and rental income	92	85	81
Contract penalties and other trade revenues	37	36	72
Gains from sale of assets	84	457	14
Other proceeds(*)	433	385	404
	1,079	1,252	931

(*)
Each individual amount included herein was lower than €50 million.

Compensations of €122 million related to a loss in property value following an accident occurred at the EST conversion plant at the Sannazzaro refinery, which resulted in a write-off of the damaged units for €193 million and the recognition of a provision for removal and cleanup of €24 million. The portion of losses not covered by the insurance compensation (€95 million) corresponds to the risk retained by Eni.
Other income and revenues with related parties are disclosed in note 47 — Transactions with related parties.
40 Operating expenses
Purchase, services and other

(€ million)	2014	2015	2016
Production costs - raw, ancillary and consumable materials and goods	60,987	39,812	27,783
Production costs - services	12,414	13,197	12,727
Operating leases and other	2,655	2,205	1,672
Net provisions for contingencies	340	644	505
Expenses for price variation on overliftling and underlifting operations	409	278	240
Other expenses	918	1,135	1,512
	77,723	57,271	44,439

less:			
- capitalized direct costs associated with self-constructed assets - tangible assets	(238)	(323)	(297)
- capitalized direct costs associated with self-constructed assets - intangible assets	(81)	(100)	(18)
	77,404	56,848	44,124

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Service costs include geological and geophysical expenses related to the exploration activities of the Exploration & Production segment amounting to €204 million (€368 million and €254 million in 2014 and 2015, respectively).

Costs incurred in connection with research and development activity recognized in profit and loss, as they did not meet the requirements to be recognized as long-lived assets, amounted to €161 million (€174 million and €176 million in 2014 and 2015, respectively).

Operating leases and other comprised operating leases for €566 million (€559 million and €635 million in 2014 and 2015, respectively) and royalties on the extraction of hydrocarbons for €572 million (€1,278 million and €865 million in 2014 and 2015, respectively).

Other expenses of €1,512 million (€918 million and €1,135 million in 2014 and 2015, respectively) included provisions to the reserve of allowance for doubtful accounts of trade receivables of the Gas & Power segment, primarily in the retail business, for €399 million (€549 million in 2015).

Future minimum lease payments expected to be paid under non-cancelable operating leases are provided below:

(€ million)	2014	2015	2016
To be paid:			
- within 1 year	522	495	593
- between 2 and 5 years	1,114	1,061	1,040
- beyond 5 years	726	809	785
	2,362	2,365	2,418

Operating leases primarily regarded drilling rigs, time charter and long-term rentals of vessels, land, service stations and office buildings. Such leases generally did not include renewal options. There are no significant restrictions provided by these operating leases that may limit the ability of Eni to pay dividends, use assets or take on new borrowing.

Risk provisions net of reversal of unused provisions amounted to €505 million (€340 million and €644 million in 2014 and 2015, respectively) and mainly related to net provisions for environmental liabilities amounting to €198 million (net provisions of €177 million and €232 million in 2014 and 2015, respectively) and net provisions for litigations amounting to €55 million (net provisions of €35 million and €179 in 2014 and 2015, respectively). More information is provided in note 30 — Provisions for contingencies. Risk provisions net of reversal of unused provisions are disclosed in note 46 — Information by industry segment and by geographical area.

Payroll and related costs

(€ million)	2014	2015	2016
Wages and salaries	2,590	2,648	2,491
Social security contributions	445	453	445
Cost related to employee benefit plans	73	85	81
Other costs	160	182	202
	3,268	3,368	3,219
less:			
- capitalized direct costs associated with self-constructed assets - tangible assets	(278)	(203)	(215)
- capitalized direct costs associated with self-constructed assets - intangible assets	(61)	(46)	(10)
	2,929	3,119	2,994

Other costs of €202 million (€160 million and €182 million in 2014 and 2015, respectively) comprised provisions for redundancy incentives of €47 million (€5 million and €31 million in 2014 and 2015, respectively) and costs for defined contribution plans of €83 million (€85 million and €86 million in 2014 and 2015, respectively).

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Cost related to employee benefit plans are described in note 31 — Provisions for employee benefits.

Average number of employees

The Group average number and breakdown of employees by category is reported below:

	2014		2015		2016	
(number)	Subsidiaries	Joint operations	Subsidiaries	Joint operations	Subsidiaries	Joint operations
Senior managers	1,049	25	1,044	17	1,018	18
Junior managers	8,912	121	9,091	108	9,160	109
Employees	18,143	595	17,685	379	17,180	384
Workers	6,358	559	5,895	303	5,703	294
	34,462	1,300	33,715	807	33,061	805

The above Group average number do not include employees of discontinued operations (Saipem Group).

The average number of employees was calculated as the average between the number of employees at the beginning and the end of the period. The average number of senior managers included managers employed and operating in foreign countries, whose position is comparable to a senior manager’s status.

Compensation of key management personnel

Compensation of personnel holding key positions in planning, directing and controlling the Eni Group subsidiaries, including executive and non-executive officers, general managers and managers with strategic responsibilities in office during the year (including contributions and ancillary costs) amounted to €43 million, €42 million and €44 million for 2014, 2015 and 2016, respectively, and consisted of the following:

(€ million)	2014	2015	2016
Wages and salaries	25	26	26
Post-employment benefits	2	2	2
Other long-term benefits	10	12	12
Indemnities upon termination of employment	6	2	4
	43	42	44

Compensation of Directors and Statutory Auditors

Compensation of Directors amounted to €10.1 million, €6.7 million and €7.1 million for 2014, 2015 and 2016, respectively. Compensation of Statutory Auditors amounted to €0.419 million, €0.551 million and €0.738 million in 2014, 2015 and 2016, respectively.

Compensation included emoluments and social security benefits due for the office as Director or Statutory Auditor held at the parent company Eni SpA or other Group subsidiaries, which was recognized as a cost to the Group, even if not subject to personal income tax.

Other operating income (loss)

The analysis of net income (loss) on commodity derivatives was as follows:

(€ million)	2014	2015	2016
Net income (loss) on cash flow hedging derivatives	(133)	2	(1)
Net income (loss) on other derivatives	278	(487)	17
	145	(485)	16

Net income (loss) on cash flow hedging derivatives related to the ineffective portion of the hedging relationship on commodity derivatives was recognized through profit and loss in the Gas & Power segment.
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Net income (loss) on other derivatives included: (i) the fair value measurement and settlement of commodity derivatives which could not be elected for hedge accounting under IFRS because they related to net exposure to commodity risk and derivatives for trading purposes and proprietary trading amounting to a net income of €36 million (net income of €247 million in 2014 and net loss of €471 million in 2015); and (ii) the fair value valuation at certain derivatives embedded in the pricing formulas of long-term gas supply contracts of the Exploration & Production segment amounting to a net loss of €19 million (net income of €31 million in 2014 and net loss of €16 million in 2015).

Operating expenses with related parties are reported in note 47 — Transactions with related parties.

Depreciation and amortization

(€ million)	2014	2015	2016
Depreciation, depletion and amortization:			
- tangible assets	7,356	8,646	7,308
- intangible assets	326	303	253
	7,682	8,949	7,561
less:			
- capitalized direct costs associated with self-constructed assets - tangible assets	(6)	(9)	(2)
	7,676	8,940	7,559

Depreciation and amortization by industry segment are disclosed in note 46 – Information by industry segment and by geographical area.

Net impairment (reversal)

(€ million)	2014	2015	2016
Impairments:			
- tangible assets	1,196	5,993	1,067
- intangible assets	138	544	
	1,334	6,537	1,067
less:			
- reversal of impairments - tangible assets	(64)	(3)	(1,153)
- reversal of impairments - intangible assets			(389)
	1,270	6,534	(475)

Net impairment (reversal) by industry segment are disclosed in note 46 — Information by industry segment and by geographical area.

Write-off

(€ million)	2014	2015	2016
Write-off			
- tangible assets	936	678	289
- intangible assets	262	10	61
	1,198	688	350

Write-off by industry segment are disclosed in note 46 — Information by industry segment and by geographical area.

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41 Finance income (expense)

(€ million)	2014	2015	2016
Finance income (expense)			
Finance income	5,701	8,635	5,850
Finance expense	(7,057)	(10,104)	(6,232)
Net finance income (expense) from financial assets held for trading	24	3	(21)
	(1,332)	(1,466)	(403)
Income (expense) from derivative financial instruments	165	160	(482)
	(1,167)	(1,306)	(885)

The breakdown by lenders or type of net finance income or expense is provided below:

(€ million)	2014	2015	2016
Finance income (expense) related to net borrowings			
Interest and other finance expense on ordinary bonds	(759)	(740)	(639)
Interest due to banks and other financial institutions	(112)	(98)	(118)
Interest and other income from financial receivables and securities held for non-operating purposes	26	2	37
Interest from banks	19	19	15
Net finance income (expense) from financial assets held for trading	24	3	(21)
	(802)	(814)	(726)
Exchange differences			
Positive exchange differences	5,430	8,400	5,579
Negative exchange differences	(5,845)	(8,754)	(4,903)
	(415)	(354)	676
Other finance income (expense)			
Capitalized finance expense	163	166	106
Interest and other income on financing receivables and securities held for operating purposes	74	120	143
Finance expense due to the passage of time (accretion discount)(a)	(293)	(291)	(312)
Other finance (expense)	(59)	(293)	(290)
	(115)	(298)	(353)
	(1,332)	(1,466)	(403)

(a)
The item related to the increase in provisions for contingencies that are shown at present value in non-current liabilities.

Finance income (loss) on derivative financial instruments consisted of the following:

(€ million)	2014	2015	2016
Options	68	33	24
Derivatives on exchange rate	51	96	(494)
Derivatives on interest rate	46	31	(12)
	165	160	(482)

Net loss from derivatives of €482 million (net income of €165 million and €160 million in 2014 and 2015, respectively) was recognized in connection with fair value valuation of certain derivatives which lacked the formal criteria to be treated in accordance with hedge accounting under IFRS as they were entered into for amounts equal to the net exposure to exchange rate risk and interest rate risk, and as such, they cannot be referred to specific trade or financing transactions. Exchange rate derivatives were entered into in order to manage exposures to foreign currency exchange rates arising from the pricing formulas of commodities in the Gas & Power segment. The lack of formal requirements to qualify these derivatives as

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hedges under IFRS also entailed the recognition in profit or loss of currency translation differences on assets and liabilities denominated in currencies other than functional currency, as this effect cannot be offset by changes in the fair value of the related instruments.

Net income on options of €24 million (net income of €68 million and €33 million in 2014 and 2015, respectively) related to: (i) the reversal through profit and loss of the fair value reserve relating to the embedded options of the bond convertible into ordinary shares of Snam SpA amounting to an income of €26 million (income of €23 million and €33 million in 2014 and 2015, respectively); (ii) the fair value of the option embedded in non-dilutive equity-linked convertible bond for a net loss of €2 million. In 2014, the measurement at fair value of the options embedded in the bond convertible into ordinary shares of Galp Energia SGPS SA resulted in an income of €45 million. More information is provided in note 29 — Long-term debt and current portion of long-term debt.

More information finance income (expense) is provided in note 47 — Transactions with related parties.

42 Income (expense) from investments

Share of profit (loss) of equity-accounted investments

(€ million)	2014	2015	2016
Share of profit from equity-accounted investments	188	150	77
Share of loss from equity-accounted investments	(77)	(615)	(370)
Decreases (increases) in the provision for losses on investments from equity accounted investments	(1)	(6)	(33)
	110	(471)	(326)

More information is provided in note 20 – Investments.

Share of profit (loss) of equity accounted investments by industry segment is disclosed in note 46 — Information by industry segment and by geographical area.

Other gain (loss) from investments

(€ million)	2014	2015	2016
Dividends	385	402	143
Net gain (loss) on disposals	160	164	(14)
Other net income (expense)	(179)	10	(183)
	366	576	(54)

In 2016, dividend income of €143 million essentially related to Nigeria LNG Ltd for €76 million and to Saudi European Petrochemical Co for €45 million.

In 2015, dividend income of €402 million primarily related to Nigeria LNG Ltd for €222 million, Snam SpA for €72 million, Saudi European Petrochemical Co for €69 million and Galp Energia SGPS SA for €21 million.

In 2014, dividend income of €385 million related to the Nigeria LNG Ltd for €247 million, Saudi European Petrochemical Co for €57 million, Snam SpA for €43 million and Galp Energia SGPS SA for €22 million.

In 2016, net loss on disposals amounting to €14 million related to: (i) a loss of €32 million for the sale of 2.22% share capital (entire stake owned) of Snam SpA; (ii) a gain of €11 million related to the sale of 100% share capital of Eni Hungaria Zrt and Eni Slovenjia doo; and (iii) a gain of €6 million related to the

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sale of 30% share capital (entire stake owned) of Pokrovskoe Petroleum BV and the sale of the 60% share capital (entire stake owned) of Zagoryanska Petroleum BV.

In 2015, net gains on disposals amounting to €164 million related to: (i) a gain of €98 million for the sale of an 8% stake in Galp Energia SGPS SA; (ii) a gain of €46 million for the sale of a 6.03% stake in Snam SpA; (iii) a gain of €32 million for the sale of 100% stake in Ceská Republika Sro; (iv) a gain of €31 million for the sale of a 100% stake of Eni Romania Srl; (v) a gain of €6 million for the sale of 32.445% stake (entire stake owned) in Ceská Rafinérská AS (CRC); (vi) a gain of €1 million of 100% stake in Eni Slovensko Spol Sro; and (vii) a loss of €47 million for the sale of a 76% stake in Inversora de Gas Cuyana SA (entire stake owned), a 6.84% stake in Distribudora de Gas Cuyana SA (entire stake owned), a 25% stake in Inversora de Gas del Centro SA (entire stake owned) and a 31.35% stake in Distribudora de Gas del Centro SA (entire stake owned).

In 2014, net gains on disposals amounting to €160 million related to: (i) €96 million for the sale of a 8.15% of the share capital of Galp Energia SGPS SA, of which €77 million related to the reversal of the reserve for fair value measurement; (ii) €54 million for the sale of a 20% (entire stake owned) of the share capital of South Stream Transport BV to Gazprom; and (iii) €9 million for the sale of a 50% (entire stake owned) of the share capital of EnBW Eni Verwaltungsgesellschaft mbH to EnBW Energie Baden-Württemberg AG.

In 2016, other net losses of €183 million included: (i) an impairment for €162 million relating to Unión Fenosa Gas SA (€84 million), PetroSucre (€65 million) and Genomatica Inc (€13 million).

In 2015, other net income of €10 million included: (i) a gain on the remeasurement at market fair value of 77.7 million shares of Snam SpA for €49 million to which the fair value option was applied as provided for by IAS 39; (ii) a reversal of unutilized provision for losses on investments of €10 million relating to Caspian Pipeline Consortium R — Closed Joint Stock Co; and (iii) an impairment for €49 million relating to Unión Fenosa Gas SA.

In 2014, other net expense of €179 million included the remeasurement at market fair value at the balance sheet date of 66.3 million shares of Galp Energia SGPS SA (loss for €231 million at the price of €8.43 per share) and of 288.7 million shares of Snam SpA (income for €10 million at the price of €4.1 per share). The valuation of the shares of these investments was based on the fair value option as underlying two convertible bonds.

More information is provided in note 20 – Investments.

43 Income taxes

(€ million)	2014	2015	2016
Current taxes:			
- Italian subsidiaries	(573)	155	195
- subsidiaries of the Exploration & Production segment - outside Italy	6,512	4,015	2,671
- other subsidiaries - outside Italy	116	218	133
	6,055	4,388	2,999
Net deferred taxes:			
- Italian subsidiaries	369	881	(243)
- subsidiaries of the Exploration & Production segment - outside Italy	79	(2,156)	(813)
- other subsidiaries - outside Italy	(37)	9	(7)
	411	(1,266)	(1,063)
	6,466	3,122	1,936

Current income taxes payable by Italian subsidiaries amounted to €195 million and were in respect of the Italian corporate taxation (IRES for €12 million and IRAP for €7 million) and foreign taxes on the share of profit earned outside Italy for €176 million.

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The reconciliation between the statutory tax charge calculated by applying the Italian statutory tax rate of 27.5% (same amount in 2014 and in 2015) and the effective tax charge is the following:

(€ million)	2014	2015	2016
Profit (loss) before taxation	8,274	(4,277)	892
Tax rate (IRES) (%)	27.5	27.5	27.5
Statutory corporation tax charge (credit) on profit or loss	2,275	(1,176)	245
Increase (decrease) resulting from:			
- higher tax charges related to subsidiaries outside Italy	4,065	2,576	1,152
- impact pursuant to the write-off of deferred tax assets and recalculation of tax rates	1,002	1,514	397
- effect due to the tax regime provided for intercompany dividends	51	114	87
- Italian regional income tax (IRAP)	5	100	42
- effect due to non-taxable gains/losses on sales of investments	25	(39)	8
- impact pursuant to redetermination of the Italian Windfall Corporate tax as per Law 7/2009	(825)		
- effect due to discontinued operations	(97)	(288)	
- other adjustments	(35)	321	5
	4,191	4,298	1,691
Effective tax charge	6,466	3,122	1,936

In 2016, the higher tax charges at non-Italian subsidiaries of €1,152 million related to the Exploration & Production segment for €1,211 million. The impact pursuant to the write-off of deferred tax assets and recalculation of tax rates of €397 million was incurred at Italian subsidiaries and essentially related to a write-off at deferred tax assets due to projections of lower future taxable profit.

In 2015, the higher tax charges at non-Italian subsidiaries of €2,576 million related to the Exploration & Production segment for €2,410 million, including a write-off of deferred tax assets due to a reduced profitability outlook of €1,058 million. The impact pursuant to the write-off of deferred tax assets and recalculation of tax rates of €1,514 million was incurred at Italian subsidiaries and related to a write-off at deferred tax assets due to projections of lower future taxable profit and to a reduction due to a change in the statutory tax rate from 27.5% to 24%, starting from January 1, 2017. The effect due to the Italian regional income tax (IRAP) of €100 million included a write-off at deferred tax assets due to projections of lower future taxable profit for €54 million.

In 2014, the higher tax charges at non-Italian subsidiaries of €4,065 million essentially related to the Exploration & Production segment. The impact pursuant to the write-off of deferred tax assets and recalculation of tax rates of €1,002 million was incurred at Italian subsidiaries and related to a write-off at deferred tax assets due to projections of lower future taxable profit for €526 million and to a lower prospective tax rate in relation to the windfall tax (the so-called Robin Tax) provided by Article 81 of the Legislative Decree No. 112/2008 which was assessed to be no more recoverable as, in February 2015, by the Third Instance Court for €476 million. This sentence stated the illegitimacy of a tax rule prospectively, denying any reimbursement rights.

44 Earnings per share

	2014	2015	2016
Weighted average number of shares used for the calculation of the basic and diluted earnings per share	3,610,387,582	3,601,140,133	3,601,140,133

Eni’s net profit	(€ million)	1,303	(8,778)	(1,464)
Basic and diluted earning (loss) per share	(euro per share)	0.36	(2.44)	(0.41)
Eni’s net profit - Continuing operations	(€ million)	1,720	(7,952)	(1,051)
Basic and diluted earning (loss) per share	(euro per share)	0.48	(2.21)	(0.29)
Eni’s net profit - Discontinued operations	(€ million)	(417)	(826)	(413)
Basic and diluted earning (loss) per share	(euro per share)	(0.12)	(0.23)	(0.12)

Basic earnings per ordinary share are calculated by dividing net profit for the period attributable to Eni’s shareholders by the weighted average number of ordinary shares issued and outstanding during the period, excluding treasury shares.

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The average number of ordinary shares used for the calculation of the basic earnings per share outstanding at December 31, 2014, 2015 and 2016 was 3,610,387,582, 3,601,140,133 and 3,601,140,133, respectively.
There were no pending issues of new shares that could dilute earnings at the reporting date.

45 Exploration and evaluation of oil&gas resources

(€ million)	2014	2015	2016
Revenues related to exploration activity and evaluation	1	68	4
Exploration activity and evaluation costs			
- write-off of exploration and evaluation costs	1,110	617	170
- other exploration costs	368	254	204
Exploration expense for the year	1,478	871	374
Intangible assets: proved and unproved exploration licence and leasehold property acquisition costs	1,081	735	1,092
Tangible assets: capitalized exploration and evaluation costs	2,577	2,637	2,818
Total tangible and intangible assets	3,658	3,372	3,910
Provision for decommissioning related to exploration activity and evaluation	126	131	118
Exploration expenditure (net cash used in investing activities)	1,030	566	417
Geological and geophysical costs (cash flow from operating activities)	368	254	204
Total exploration effort	1,398	820	621

46 Segmental analysis

Reportable segments

Eni’s segmental reporting reflects the Group’s operating segments, whose results are regularly reviewed by the chief operating decision maker (the CEO) to make decisions about resources to be allocated to each segment and to assess segment performance.
Segment performance is evaluated based on operating profit or loss. Other segment information presented to the CEO include segment revenues and directly attributable assets and liabilities.
Due to cessation of classification of the Chemical business as held for sale and the requirements that financial statements must be amended retrospectively to the date of initial classification (December 31, 2015) as though this disposal group never qualified as held for sale, the Group segmental reporting has been restated accordingly. The results of the Chemical business were aggregated with Refining & Marketing in a single reportable segment because these two operating segments exhibit similar economic characteristics. Furthermore, results of the E&P segment were restated following adoption of the Successful Efforts Method (SEM) (see note 1 – Basis of preparation).
As of December 31, 2016, Eni had the following reportable segments:

- Exploration & Production: is engaged in exploring for and recovering crude oil and natural gas, including participation to projects for the liquefaction of natural gas;

- Gas & Power: is engaged in supply and marketing of natural gas at wholesale and retail markets, supply and marketing of LNG and supply, production and marketing of power at retail and wholesale markets. Gas & Power is engaged in supply and marketing of crude oil and oil products targeting the operational requirements of Eni’s refining business and in commodity trading (including crude oil, natural gas, oil products, power, emission allowances, etc.) targeting to both hedge and stabilize the Group industrial and commercial margins according to an integrated view and to optimize margins.

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- Refining & Marketing and Chemical: is engaged in manufacturing, supply and distribution and marketing activities for oil products and chemical products.

- Corporate and other activities: represents the key support functions, comprising holdings and treasury, headquarters, central functions like IT, HR, real estate, captive insurance activities, as well as the Group environmental cleanup and remediation activities performed by the subsidiary Syndial. The Energy Solutions Department, which engages in developing the business of renewable energy, is an operating segment which is reported within Corporate and other activities because it does not meet the materiality threshold for separate segment reporting.

The information by segmental reporting is the following:

(€ million)	Exploration & Production	Gas & Power	Refining & Marketing and Chemical	Engineering & Construction	Corporate and other activities	Adjustments of intragroup profits	Total	Discontin operation Engineeri & Construct
2014								
Net sales from operations(a)	28,488	73,434	28,994	12,873	1,429	54		
Less: intersegment sales	(16,618)	(14,251)	(2,042)	(1,244)	(1,270)			
Net sales to customers	11,870	59,183	26,952	11,629	159	54	109,847	(11,629
Operating profit	10,727	64	(2,811)	18	(518)	398	7,878	(18)
Net provisions for contingencies	29	(26)	152	154	188	(3)	494	(154)
Depreciation and amortization	6,916	335	381	737	70	(26)	8,413	(737)
Net Impairments/reversal	851	25	380	420	14		1,690	(420)
Write-off	1,197		1				1,198	
Share of profit (loss) of equity-accounted investments	62	42	4	21	2		131	(21)
Identifiable assets(b)	72,917	19,342	13,313	14,210	1,300	(486)	120,596	
Unallocated assets							29,770	
Equity-accounted investments	2,016	772	228	120	36		3,172	
Identifiable liabilities(c)	19,152	12,141	4,093	6,171	3,903	(165)	45,295	
Unallocated liabilities							39,430	
Capital expenditure	10,156	172	819	694	113	(82)	11,872	

2015								
Net sales from operations(a)	21,436	52,096	22,639	11,507	1,468			
Less: intersegment sales	(12,115)	(9,917)	(2,007)	(1,243)	(1,314)			
Net sales to customers	9,321	42,179	20,632	10,264	154		82,550	(10,264
Operating profit	(959)	(1,258)	(1,567)	(694)	(497)	(23)	(4,998)	694
Net provisions for contingencies	221	41	148	104	226	8	748	(104)
Depreciation and amortization	8,080	363	454	618	71	(28)	9,558	(618)
Net Impairments/reversal	5,212	152	1,150	590	20		7,124	(590)
Write-off	686	2					688	
Share of profit (loss) of equity-accounted investments	(446)	(2)	(20)	17	(3)		(454)	(17)
Identifiable assets(b)	73,073	14,290	10,483	13,608	1,117	(543)	112,028	
Unallocated assets							26,973	
Equity-accounted investments	1,884	690	243	134	36		2,987	(134)
Identifiable liabilities(c)	17,742	9,313	3,657	5,861	3,824	(199)	40,198	
Unallocated liabilities							41,394	
Capital expenditure	9,980	154	628	561	64	(85)	11,302	
2016								
Net sales from operations(a)	16,089	40,961	18,733		1,343			
Less: intersegment sales	(9,711)	(8,898)	(1,605)		(1,150)			
Net sales to customers	6,378	32,063	17,128		193		55,762	
Operating profit	2,567	(391)	723		(681)	(61)	2,157	
Net provisions for contingencies	123	50	171		438	(277)	505	
Depreciation and amortization	6,772	354	389		72	(28)	7,559	
Net Impairments/reversal	(700)	81	104		40		(475)	
Write-off	153	2	195				350	
Share of profit (loss) of equity-accounted investments	(198)	19	(3)		(144)		(326)	

Identifiable assets(b)	75,716	12,014	10,712		1,146	(520)	99,068
Unallocated assets							25,477
Equity-accounted investments	1,626	592	289		1,533		4,040
Identifiable liabilities(c)	17,433	8,923	3,968		3,939	(332)	33,931
Unallocated liabilities							37,528
Capital expenditure	8,254	120	664		55	87	9,180

(a)
Before elimination of intersegment sales.

(b)
Includes assets directly associated with the generation of operating profit.

(c)
Includes liabilities directly associated with the generation of operating profit.

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Financial information by geographical area

Identifiable assets and investments by geographical area of origin

(€ million)	Italy	Other European Union	Rest of Europe	Americas	Asia	Africa	Other areas	Total
2014								
Identifiable assets(a)	26,722	15,254	9,099	8,559	21,105	37,976	1,881	120,596
Capital expenditure in tangible and intangible assets	1,757	827	1,378	1,165	1,904	4,689	152	11,872
2015								
Identifiable assets(a)	21,360	12,370	7,937	7,442	22,359	38,927	1,633	112,028
Capital expenditure in tangible and intangible assets	1,320	708	1,151	727	2,326	5,020	50	11,302
2016								
Identifiable assets(a)	18,769	7,370	6,960	5,397	19,471	39,812	1,289	99,068
Capital expenditure in tangible and intangible assets	1,163	331	460	233	1,978	5,004	11	9,180

(a)
Includes assets directly associated with the generation of operating profit.

Sales from operations by geographical area of destination

(€ million)	2014	2015	2016
Italy	29,234	24,405	21,280
Other European Union	29,298	20,730	15,808
Rest of Europe	11,975	7,125	4,804
Americas	5,763	4,217	3,212
Asia	12,840	9,086	5,619
Africa	8,786	6,482	4,865
Other areas	322	241	174
	98,218	72,286	55,762

47 Transactions with related parties

In the ordinary course of its business, Eni enters into transactions regarding:

(a)
exchange of goods, provision of services and financing with joint ventures, associates and non-consolidated subsidiaries;

(b)
exchange of goods and provision of services with entities controlled by the Italian Government;

(c)
relations with Vodafone Italia SpA related to Eni SpA through a member of the Board of Directors. These transactions mainly involve costs for mobile communication services for €7 million, awarded following a competitive procedure, and therefore exempted from the application of the internal procedure of Eni "Transactions involving interests of Directors and Statutory Auditors and transactions with related parties" pursuant to the Consob Regulation, or, if not exempted, positively evaluated in accordance with such procedure; and

(d)
contributions to entities with a non-company form referable to Eni with the aim to develop solidarity, culture and research initiatives. In particular these related to: (i) Eni Foundation established by Eni as a non-profit entity with the aim of pursuing exclusively solidarity initiatives in the fields of social assistance, health, education, culture and environment, as well as research and development; and (ii) Eni Enrico Mattei Foundation established by Eni with the aim of enhancing, through studies, research and training initiatives, knowledge in the fields of economics, energy and environment, both at the national and international level.

Transactions with related parties were conducted in the interest of Eni companies and, with exception of those with entities whose aim is to develop charitable, cultural and research initiatives, are related to the ordinary course of Eni's business.

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Trade and other transactions with related parties

(€ million)	December 31, 2014			2014						
	Receivables and other assets	Payables and other liabilities	Guarantees	Costs			Revenues			Oth ope (ex inc
Name				Goods	Services	Other	Goods	Services	Other	
Continuing operations										
Joint ventures and associates										
Agiba Petroleum Co	2	60			169					
CEPAV (Consorzio Eni per l'Alta Velocità) Due	120	152								
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	23	12	6,122							
EnBW Eni Verwaltungsgesellschaft mbH							134	2		
InAgip doo	52	11			44		1	7		
Karachaganak Petroleum Operating BV	43	233		1,246	320	22		20		
KWANDA - Suporte Logistico Lda	68	15								
Mellitah Oil & Gas BV	98	58		10	235			7		
Petrobel Belayim Petroleum Co	32	375			603			2		
Petromar Lda	93	4	21							
South Stream Transport BV									1	
Unión Fenosa Gas Comercializadora SA	15	1					157			
Unión Fenosa Gas SA			57		1	1				
Other(*)	122	67		17	132	18	95	61	15	
	668	988	6,200	1,273	1,504	41	387	99	16	
Unconsolidated entities controlled by Eni										
Agip Kazakhstan North Caspian Operating Co NV					342	7		32	2	
Eni BTC Ltd			167							
Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation)	61	1	10					3		
Other(*)	13	52	1		11		4	2	4	

	74	53	178		353	7	4	37	6	
	742	1,041	6,378	1,273	1,857	48	391	136	22	
Entities controlled by the Government										
Enel Group	156	122			933		181	133	1	1
Snam Group	147	585	7	155	1,867	5	235	33		1
Terna Group	33	65		89	154	7	120	35	44	1
GSE - Gestore Servizi Energetici	88	124		580	2	60	172	14		
Other(*)	44	93		8	98	3	45	2	2	
	468	989	7	832	3,054	75	753	217	47	2
Pension funds and foundations		2			4	60				
	1,210	2,032	6,385	2,105	4,915	183	1,144	353	69	2
Discontinued operations										
Joint ventures and associates										
CEPAV (Consorzio Eni per l'Alta Velocità) Due					159			216		
CEPAV (Consorzio Eni per l'Alta Velocità) Uno					3			14		
KWANDA - Suporte Logistico Lda					10			9		
Petrobel Belayim Petroleum Co								83		
Petromar Lda					1	1		61		
South Stream Transport BV								495		
Other(*)					50			31		
					223	1		909		
Unconsolidated entities controlled by Eni										
Agip Kazakhstan North Caspian Operating Co NV								155		
Other(*)					2					
					2			155		
Entities controlled by the Government										
Snam Group								39		
Other(*)					13			4		
					13			43		
Pension funds and foundations						1				

				238	2		1,107		
1,210	2,032	6,385	2,105	5,153	185	1,144	1,460	69	2

(*)
Each individual amount included herein was lower than €50 million.

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(€ million)

	December 31, 2015			2015						
	Receivables and other assets	Payables and other liabilities	Guarantees	Costs			Revenues			Other operating (expense) income
Name				Goods	Services	Other	Goods	Services	Other	
Continuing operations										
Joint ventures and associates										
Agiba Petroleum Co	6	60			187					
CEPAV (Consorzio Eni per l’Alta Velocità) Due		1								
CEPAV (Consorzio Eni per l’Alta Velocità) Uno			6,122							
Karachaganak Petroleum Operating BV	48	171		748	403	8		10		
Mellitah Oil & Gas BV	8	16		46	339			19		
Petrobel Belayim Petroleum Co	16	183			543					
Petromar Lda	2		6							
Unión Fenosa Gas SA	1		57							(4)
Other(*)	118	42		27	124	1	60	70	37	(2)
	199	473	6,185	821	1,596	9	60	99	37	(6)
Unconsolidated entities controlled by Eni										
Eni México S. de RL de CV			101							
Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation)	65	1	9					3		

Other(*)	17	19	3	2	2		4	2	2	
	82	20	113	2	2		4	5	2	
	281	493	6,298	823	1,598	9	64	104	39	(6)
Entities controlled by the Government										
Enel Group	138	203			1,063		196	134		90
Snam Group	144	522	3	137	2,014	5	249	24	1	
Terna Group	18	42		109	125	14	77	19	29	12
GSE - Gestore Servizi Energetici	44	63		419	5	35	307	43		
Other(*)	22	38			56	6	29	1		
	366	868	3	665	3,263	60	858	221	30	102
Pension funds and foundations	1	2			4	50				
Groupement Sonatrach - Agip and Organe Conjoint des Opérations	185	300			453	12	35	60		
	833	1,663	6,301	1,488	5,318	131	957	385	69	96
Discontinued operations										
Joint ventures and associates										
CEPAV (Consorzio Eni per l'Alta Velocità) Due	60	99	68		101			145		
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	9	3			3			1		
KWANDA - Suporte Logistico Lda	69	10				5		8		
Mellitah Oil & Gas BV	9				7					
Petrobel Belayim Petroleum Co	19							86		
Petromar Lda	97	16			16			45		

Other(*)	14	27		10	54		1	21	1	
	277	155	68	10	181	5	1	306	1	
Unconsolidated entities controlled by Eni										
Other(*)	1	1			2					
	1	1			2					
Entities controlled by the Government										
Snam Group	25	46						36		
Other(*)		5			3					
	25	51			3			36		
Pension funds and foundations						1				
	303	207	68	10	186	6	1	342	1	
	1,136	1,870	6,369	1,498	5,504	137	958	727	70	96

(*)
Each individual amount included herein was lower than €50 million.

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(€ million)

	December 31, 2016			2016						
	Receivables and other assets	Payables and other liabilities	Guarantees	Costs			Revenues			Other operating (expense) income
Name				Goods	Services	Other	Goods	Services	Other	
Joint ventures and associates										
Agiba Petroleum Co	1	50			156					
Saipem Group	64	224	8,094		775	6	9	37	5	
Karachaganak Petroleum Operating BV	47	187		573	333	12	7	1	19	
Mellitah Oil & Gas BV	7	134		5	472					
Petrobel Belayim Petroleum Co	225	532			1,940				2	
Unión Fenosa Gas SA			57				93		1	
Other(*)	114	25	1	32	113		86	44	13	47
	458	1,152	8,152	610	3,789	18	195	82	40	47
Unconsolidated entities controlled by Eni										
Eni BTC Ltd			192							
Industria Siciliana Acido Fosforico - ISAF SpA (in liquidation)	69	1	3					2		
Other(*)	9	16	51	4	4		6	2	2	
	78	17	246	4	4		6	4	2	
	536	1,169	8,398	614	3,793	18	201	86	42	47
Entities controlled by the Government										
Enel Group	151	254		28	780		88	95	18	182
Snam Group	44	541	1	125	1,902	5	99	14		
Terna Group	33	46		60	165	7	61	56		13

GSE - Gestore Servizi Energetici	58	32		206	5	32	344	68	2	5
Italgas Group	54	1			4					
Other(*)	43	24			37		62	6		
	383	898	1	419	2,893	44	654	239	20	200
Pension funds and foundations		2			4	28				
Groupement Sonatrach - Agip and Organe Conjoint des Opérations	176	331		5	413	5		58	12	
	1,095	2,400	8,399	1,038	7,103	95	855	383	74	247

(*)
Each individual amount included herein was lower than €50 million.

The most significant transactions with joint ventures, associates and unconsolidated subsidiaries concerned:

- Eni's share of expenses incurred to develop oil fields from Agiba Petroleum Co, Karachaganak Petroleum Operating BV, Mellitah Oil & Gas BV, Petrobel Belayim Petroleum Co, Groupement Sonatrach — Agip «GSA», Organe Conjoint des Opérations «OC SH/FCP» and, only for Karachaganak Petroleum Operating BV, purchase of oil products by Eni Trading & Shipping SpA; services charged to Eni's associates are invoiced on the basis of incurred costs;
- engineering, construction and drilling services by the Saipem Group mainly for the Exploration & Production segment and guarantees issued by Eni SpA relating to bid bonds and performance bonds;
- performance guarantees given on behalf of Unión Fenosa Gas SA in relation to contractual commitments related to the results of operations and sales of LNG;
- a guarantee issued in relation to the construction of an oil pipeline on behalf of Eni BTC Ltd; and
- services for environmental restoration to Industria Siciliana Acido Fosforico – ISAF SpA (in liquidation).

The most significant transactions with entities controlled by the Italian Government concerned:

- sale of diesel fuel and fuel through payment cards, sale and purchase of gas, environmental certificates, transmission services and fair value of derivative financial instruments with Enel Group;
-

acquisition of natural gas transportation, distribution and storage services with the Snam Group and the Italgas Group on the basis of tariffs set by Italian Regulatory Authority for Electricity, Gas and Water and purchase and sale of natural gas for granting the balancing of the system on the basis of prices referred to the quotations of the main energy commodities;

- sale and purchase of electricity, the acquisition of domestic electricity transmission service on the basis of prices referred to the quotations of the main energy commodities, and derivatives on commodities entered to hedge the price risk related to the utilization of transport capacity rights with the Terna Group;

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- sale and purchase of electricity and sale of oil products with GSE – Gestore Servizi Energetici for the setting-up of a specific stock held by the Organismo Centrale di Stoccaggio Italiano (OCSIT) according to the Legislative Decree No. 249/2012.

Transactions with pension funds and foundation concerned:

- provisions to pension funds of €24 million; and
- contributions and service provisions to Eni Foundation of €4 million and to Eni Enrico Mattei Foundation for €4 million.

Financing transactions with related parties

(€ million)

	December 31, 2014			2014	
Name	Receivables	Payables	Guarantees	Charges	Gains
Continuing operations					
Joint ventures and associates					
CARDÓN IV SA	621				29
CEPAV (Consorzio Eni per l'Alta Velocità) Due			150		6
Matrìca SpA	200				5
Shatskmorneftegaz Sàrl	56			13	
Société Centrale Electrique du Congo SA	84		2		
Unión Fenosa Gas SA		90			
Other(*)	48	13	19	28	4
	1,009	103	171	41	44
Unconsolidated entities controlled by Eni					
Other(*)	68	73	2		1
	68	73	2		1
Entities controlled by the Government					
Other(*)		5			1
		5			1
	1,077	181	173	41	46

(*) Each individual amount included herein was lower than €50 million.

(€ million)

	December 31, 2015			2015	
Name	Receivables	Payables	Guarantees	Charges	Gains
Continuing operations					
Joint ventures and associates					

CARDÓN IV SA	1,112				65
Matrìca SpA	209			10	11
Shatskmorneftegaz Sàrl	63			21	
Société Centrale Electrique du Congo SA	94				
Unión Fenosa Gas SA		90			
Other(*)	52	7	12	19	5
	1,530	97	12	50	81
Unconsolidated entities controlled by Eni					
Other(*)	51	111			1
	51	111			1
Entities controlled by the Government					
Other(*)	27				1
	27				1
	1,608	208	12	50	83
Discontinued operations					
Joint ventures and associates					
CEPAV (Consorzio Eni per l'Alta Velocità) Due			150		
Other(*)	5				
	5		150		
	1,613	208	162	50	83

(*)
Each individual amount included herein was lower than €50 million.

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(€ million)

	December 31, 2016			2016		
Name	Receivables	Payables	Guarantees	Charges	Gains	Income from equity instruments
Continuing operations						
Joint ventures and associates						
CARDÓN IV SA	1,054				96	
Matrìca SpA	125			93	9	
Shatskmorneftegaz Sarl	69			13	4	
Société Centrale Electrique du Congo SA	78			18		
Unión Fenosa Gas SA		85				
Saipem Group			82		43	27
Other(*)	52		2	17	4	
	1,378	85	84	141	156	27
Unconsolidated entities controlled by Eni						
Eni BTC Ltd		54				
Other(*)	46	52		1	1	
	46	106		1	1	
Entities controlled by the Government						
Other(*)				3		
				3		
	1,424	191	84	145	157	27

(*)
Each individual amount included herein was lower than €50 million.

The most significant transactions with joint ventures, associates and unconsolidated subsidiaries concerned:

- financing loans granted to CARDÓN IV SA for the exploration and development activities of a gas field in Venezuela;
- financing loans granted to Matrìca SpA in relation to the "Green Chemistry" project at the Porto Torres plant;
- financing loans granted to Shatskmorneftegaz Sàrl for the exploration activity of in the Black Sea and to Société Centrale Electrique du Congo SA for the construction of an electric plant in Congo;
- a cash deposit at Eni's financial companies on behalf of Unión Fenosa Gas SA and Eni BTC Ltd;

- derivative financial instruments relating to the settlement of derivatives on exchange rate entered into by the Saipem Group with Eni in previous years.

On January 22, 2016, Eni closed the sale transaction of 12.503% of the share capital of Saipem to CDP Equity SpA (former Fondo Strategico Italiano SpA) for a total consideration of €463 million. More information is reported in note 35 — Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

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Impact of transactions and positions with related parties on the balance sheet, profit and loss account and statement of cash flows

The impact of transactions and positions with related parties on the balance sheet consisted of the following:

	December 31, 2014			December 31, 2015			December 31, 2016		
(€ million)	Total	Related parties	Impact %	Total	Related parties	Impact %	Total	Related parties	Impact %
Trade and other receivables	28,601	1,973	6.90	21,640	1,985	9.17	17,593	1,100	6.25
Other current assets	4,385	43	0.98	3,642	50	1.37	2,591	57	2.20
Other non-current financial assets	1,042	259	24.86	1,026	396	38.60	1,860	1,349	72.53
Other non-current assets	2,773	12	0.43	1,758	10	0.57	1,348	13	0.96
Discontinued operations and assets held for sale	456			15,533	308	1.98	14		
Current financial liabilities	2,716	181	6.66	5,720	208	3.64	3,396	191	5.62
Trade and other payables	23,703	1,954	8.24	14,942	1,544	10.33	16,703	2,289	13.70
Other current liabilities	4,489	58	1.29	4,712	96	2.04	2,599	88	3.39
Other non-current liabilities	2,285	20	0.88	1,852	23	1.24	1,768	23	1.30
Discontinued operations and liabilities directly associated to assets held for sale	165			6,485	207	3.19			

The impact of transactions with related parties on the profit and loss accounts consisted of the following:

(€ million)	2014 Total	2014 Related parties	2014 Impact %	2015 Total	2015 Related parties	2015 Impact %	2016 Total	2016 Related parties	2016 Impact %
Continuing operations									
Net sales from operations	98,218	1,497	1.52	72,286	1,342	1.86	55,762	1,238	2.22
Other income and revenues	1,079	69	6.39	1,252	69	5.51	931	74	7.95
Purchases, services and other	77,404	7,143	9.23	56,848	6,882	12.11	44,124	8,212	18.61
Payroll and related costs	2,929	60	2.05	3,119	55	1.76	2,994	24	0.80
Other operating (expense) income	145	208	—	(485)	96	—	16	247	—
Financial income	5,701	46	0.81	8,635	83	0.96	5,850	157	2.69
Financial expense	(7,057)	(41)	0.58	(10,104)	(50)	0.49	(6,232)	(145)	2.33
Derivative financial instruments	165			160			(482)	27	—
Discontinued operations									
Total revenues	11,644	1,107	9.51	10,277	344	3.35			
Operating costs	12,731	240	1.89	12,199	202	1.66			

Main cash flows with related parties are provided below:

(€ million)	2014	2015	2016
Revenues and other income	1,566	1,411	1,312
Costs and other expenses	(6,022)	(5,786)	(5,623)
Other operating income (loss)	208	96	247
Net change in trade and other receivables and liabilities	164	105	182
Net interests	46	82	133
Net cash provided from operating activities — Continuing operations	(4,038)	(4,092)	(3,749)
Net cash provided from operating activities — Discontinued operations	835	126	
Net cash provided from operating activities	(3,203)	(3,966)	(3,749)
Capital expenditure in tangible and intangible assets	(1,181)	(1,151)	(2,613)
Disposal of investments			463

Net change in accounts payable and receivable in relation to investments	(114)	(238)	252
Change in financial receivables	(163)	(194)	5,650
Net cash used in investing activities	(1,458)	(1,583)	3,752
Change in financial liabilities	(99)	13	(192)
Net cash used in financing activities	(99)	13	(192)
Total financial flows to related parties	(4,760)	(5,536)	(189)

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The impact of cash flows with related parties consisted of the following:

	2014			2015			2016		
(€ million)	Total	Related parties	Impact %	Total	Related parties	Impact %	Total	Related parties	Impact %
Cash provided from operating activities	14,742	(3,203)	—	11,649	(3,966)	—	7,673	(3,749)	—
Cash used in investing activities	(8,575)	(1,458)	17.00	(10,923)	(1,583)	14.49	(4,443)	3,752	—
Cash used in financing activities	(5,062)	(99)	1.96	(1,351)	13	—	(3,651)	(192)	5.26

48 Other information about investments

Information on Eni's investments as of December 31, 2016

The following section provides the information about Eni's subsidiaries, joint arrangements, associates and other significant investments as of December 31, 2016. Unless otherwise indicated, share capital is represented by ordinary shares directly held by the Group, while ownership interest corresponds to voting rights.

Parent company

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership
Eni SpA(#)	Rome	Italy	EUR	4,005,358,876	Cassa Depositi e Prestiti SpA	25.76
					Ministero dell'Economia e delle Finanze	4.34
					Eni SpA	0.91
					Other shareholders	68.99

Subsidiaries

Exploration & Production

In Italy

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consoli or valutati method
Eni Angola SpA	San Donato Milanese (MI)	Angola	EUR	20,200,000	Eni SpA	100.00	100.00	F.C.
	Gela (CL)	Italy	EUR	5,200,000	Eni SpA	100.00	100.00	F.C.

Eni Mediterranea Idrocarburi SpA								
Eni Mozambico SpA	San Donato Milanese (MI)	Mozambique	EUR	200,000	Eni SpA	100.00	100.00	F.C.
Eni Timor Leste SpA	San Donato Milanese (MI)	Timor Leste	EUR	6,841,517	Eni SpA	100.00	100.00	F.C.
Eni West Africa SpA	San Donato Milanese (MI)	Angola	EUR	10,000,000	Eni SpA	100.00	100.00	F.C.
Eni Zubair SpA (in liquidation)	San Donato Milanese (MI)	Italy	EUR	120,000	Eni SpA	100.00		Co.
Floaters SpA	San Donato Milanese (MI)	Italy	EUR	200,120,000	Eni SpA	100.00	100.00	F.C.
Ieoc SpA	San Donato Milanese (MI)	Egypt	EUR	18,331,000	Eni SpA	100.00	100.00	F.C.
Società Petrolifera Italiana SpA	San Donato Milanese (MI)	Italy	EUR	24,103,200	Eni SpA Third parties	99.96 0.04	99.96	F.C.
Tecnomare - Società per lo Sviluppo delle Tecnologie Marine SpA	Venezia Marghera (VE)	Italy	EUR	2,064,000	Eni SpA	100.00	100.00	F.C.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(#)
Company with shares quoted in the regulated market of Italy or of other EU countries

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Outside Italy

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Eq ratio
Agip Caspian Sea BV	Amsterdam (Netherlands)	Kazakhstan	EUR	20,005	Eni International BV	100.00	100
Agip Energy and Natural Resources (Nigeria) Ltd	Abuja (Nigeria)	Nigeria	NGN	5,000,000	Eni International BV Eni Oil Holdings BV	95.00 5.00	100
Agip Karachaganak BV	Amsterdam (Netherlands)	Kazakhstan	EUR	20,005	Eni International BV	100.00	100
Agip Oil Ecuador BV	Amsterdam (Netherlands)	Ecuador	EUR	20,000	Eni International BV	100.00	100
Agip Oleoducto de Crudos Pesados BV	Amsterdam (Netherlands)	Ecuador	EUR	20,000	Eni International BV	100.00	
Burren (Cyprus) Holdings Ltd (in liquidation)	Nicosia (Cyprus)	Cyprus	EUR	1,710	Burren En.(Berm)Ltd	100.00	
Burren Energy (Bermuda) Ltd	Hamilton (Bermuda)	United Kingdom	USD	12,002	Burren Energy Plc	100.00	100
Burren Energy Congo Ltd	Tortola (British Virgin Islands)	Republic of the Congo	USD	50,000	Burren En.(Berm)Ltd	100.00	100
Burren Energy (Egypt) Ltd	London (United Kingdom)	Egypt	GBP	2	Burren Energy Plc	100.00	
Burren Energy India Ltd	London (United Kingdom)	United Kingdom	GBP	2	Burren Energy Plc	100.00	100
Burren Energy Ltd (in liquidation)	Nicosia (Cyprus)	Cyprus	EUR	3,420	Burren En.(Berm)Ltd	100.00	100
Burren Energy Plc	London (United Kingdom)	United Kingdom	GBP	28,819,023	Eni UK Holding Plc Eni UK Ltd	99.99 (—)	100
Burren Energy (Services) Ltd (in liquidation)	London (United Kingdom)	United Kingdom	GBP	2	Burren Energy Plc	100.00	100
Burren Energy Ship Management Ltd	Nicosia (Cyprus)	Cyprus	EUR	3,420	Burren(Cyp)Hold.Ltd (L) Burren En.(Berm)Ltd	50.00 50.00	

(in liquidation)							
Burren Energy Shipping and Transportation Ltd (in liquidation)	Nicosia (Cyprus)	Cyprus	EUR	3,420	Burren(Cyp)Hold.Ltd (L) Burren En.(Berm)Ltd	50.00 50.00	
Burren Shakti Ltd	Hamilton (Bermuda)	United Kingdom	USD	65,300,000	Burren En. India Ltd	100.00	100
Eni Abu Dhabi BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	
Eni AEP Ltd	London (United Kingdom)	Pakistan	GBP	73,471,000	Eni UK Ltd	100.00	100
Eni Algeria Exploration BV	Amsterdam (Netherlands)	Algeria	EUR	20,000	Eni International BV	100.00	100
Eni Algeria Ltd Sàrl	Luxembourg (Luxembourg)	Algeria	USD	20,000	Eni Oil Holdings BV	100.00	100
Eni Algeria Production BV	Amsterdam (Netherlands)	Algeria	EUR	20,000	Eni International BV	100.00	100
Eni Ambalat Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100
Eni America Ltd	Dover, Delaware (USA)	USA	USD	72,000	Eni UHL Ltd	100.00	100
Eni Angola Exploration BV	Amsterdam (Netherlands)	Angola	EUR	20,000	Eni International BV	100.00	100

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Eni Angola Production BV	Amsterdam (Netherlands)	Angola	EUR	20,000	Eni International BV	100.00	100.00
Eni Argentina Exploración y Explotación SA	Buenos Aires (Argentina)	Argentina	ARS	24,136,336	Eni International BV Eni Oil Holdings BV	95.00 5.00	
Eni Arguni I Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100.00
Eni Australia BV	Amsterdam (Netherlands)	Australia	EUR	20,000	Eni International BV	100.00	100.00
Eni Australia Ltd	London (United Kingdom)	Australia	GBP	20,000,000	Eni International BV	100.00	100.00
Eni BB Petroleum Inc	Dover, Delaware (USA)	USA	USD	1,000	Eni Petroleum Co Inc	100.00	100.00
Eni BTC Ltd	London (United Kingdom)	United Kingdom	GBP	34,000,000	Eni International BV	100.00	
Eni Bukat Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100.00
Eni Bulungan BV	Amsterdam (Netherlands)	Indonesia	EUR	20,000	Eni International BV	100.00	100.00
Eni Canada Holding Ltd	Calgary (Canada)	Canada	USD	1,453,200,001	Eni International BV	100.00	100.00
Eni CBM Ltd	London (United Kingdom)	Indonesia	USD	2,210,728	Eni Lasmo Plc	100.00	100.00
Eni China BV	Amsterdam (Netherlands)	China	EUR	20,000	Eni International BV	100.00	100.00
Eni Congo SA	Pointe - Noire (Republic of the Congo)	Republic of the Congo	USD	17,000,000	Eni E&P Holding BV Eni Int. NA NV Sàrl	99.99 (—) (—)	100.00

					Eni International BV		
Eni Côte d'Ivoire Ltd (former Eni Ivory Coast Ltd)	London (United Kingdom)	Ivory Coast	GBP	1	Eni UK Ltd	100.00	100.00
Eni Croatia BV	Amsterdam (Netherlands)	Croatia	EUR	20,000	Eni International BV	100.00	100.00
Eni Cyprus Ltd	Nicosia (Cyprus)	Cyprus	EUR	2,004	Eni International BV	100.00	100.00
Eni Dación BV	Amsterdam (Netherlands)	Netherlands	EUR	90,000	Eni Oil Holdings BV	100.00	100.00
Eni Denmark BV	Amsterdam (Netherlands)	Greenland	EUR	20,000	Eni International BV	100.00	100.00
Eni do Brasil Investimentos em Exploração e Produção de Petróleo Ltda	Rio De Janeiro (Brazil)	Brazil	BRL	1,593,415,000	Eni International BV Eni Oil Holdings BV	99.99 (—)	
Eni East Sepinggan Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100.00
Eni Elgin/Franklin Ltd	London (United Kingdom)	United Kingdom	GBP	100	Eni UK Ltd	100.00	100.00
Eni Energy Russia BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	100.00
Eni Engineering E&P Ltd	London (United Kingdom)	United Kingdom	GBP	40,000,001	Eni UK Ltd	100.00	100.00
Eni Exploration & Production Holding BV	Amsterdam (Netherlands)	Netherlands	EUR	29,832,777.12	Eni International BV	100.00	100.00
Eni Gabon SA	Libreville (Gabon)	Gabon	XAF	13,132,000,000	Eni International BV	100.00	100.00
Eni Ganal Ltd	London (United Kingdom)	Indonesia	GBP	2	Eni Indonesia Ltd	100.00	100.00

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F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Eni Gas & Power LNG Australia BV	Amsterdam (Netherlands)	Australia	EUR	10,000,000	Eni International BV	100.00	100.00
Eni Ghana Exploration and Production Ltd	Accra (Ghana)	Ghana	GHS	21,412,500	Eni International BV	100.00	100.00
Eni Hewett Ltd	Aberdeen (United Kingdom)	United Kingdom	GBP	3,036,000	Eni UK Ltd	100.00	100.00
Eni Hydrocarbons Venezuela Ltd	London (United Kingdom)	Venezuela	GBP	8,050,500	Eni Lasmo Plc	100.00	100.00
Eni India Ltd	London (United Kingdom)	India	GBP	44,000,000	Eni UK Ltd	100.00	100.00
Eni Indonesia Ltd	London (United Kingdom)	Indonesia	GBP	100	Eni ULX Ltd	100.00	100.00
Eni Indonesia Ots 1 Ltd	Grand Cayman (Cayman Islands)	Indonesia	USD	1.01	Eni Indonesia Ltd	100.00	100.00
Eni International NA NV Sàrl	Luxembourg (Luxembourg)	United Kingdom	USD	25,000	Eni International BV	100.00	100.00
Eni Investments Plc	London (United Kingdom)	United Kingdom	GBP	750,050,000	Eni SpA Eni UK Ltd	99.99 (—)	100.00
Eni Iran BV	Amsterdam (Netherlands)	Iran	EUR	20,000	Eni International BV	100.00	100.00
Eni Iraq BV	Amsterdam (Netherlands)	Iraq	EUR	20,000	Eni International BV	100.00	100.00
Eni Ireland BV	Amsterdam (Netherlands)	Ireland	EUR	20,000	Eni International BV	100.00	100.00
Eni Isatay BV	Amsterdam (Netherlands)	Kazakhstan	EUR	20,000	Eni International BV	100.00	100.00

Eni JPDA 03-13 Ltd	London (United Kingdom)	Australia	GBP	250,000	Eni International BV	100.00	100.00
Eni JPDA 06-105 Pty Ltd	Perth (Australia)	Australia	AUD	80,830,576	Eni International BV	100.00	100.00
Eni JPDA 11-106 BV	Amsterdam (Netherlands)	Australia	EUR	50,000	Eni International BV	100.00	100.00
Eni Kenya BV	Amsterdam (Netherlands)	Kenya	EUR	20,000	Eni International BV	100.00	100.00
Eni Krueng Mane Ltd	London (United Kingdom)	Indonesia	GBP	2	Eni Indonesia Ltd	100.00	100.00
Eni Lasmo Plc	London (United Kingdom)	United Kingdom	GBP	337,638,724.25	Eni Investments Plc Eni UK Ltd	99.99 (—)	100.00
Eni Liberia BV	Amsterdam (Netherlands)	Liberia	EUR	20,000	Eni International BV	100.00	100.00
Eni Liverpool Bay Operating Co Ltd	London (United Kingdom)	United Kingdom	GBP	5,001,000	Eni UK Ltd	100.00	100.00
Eni LNS Ltd	London (United Kingdom)	United Kingdom	GBP	80,400,000	Eni UK Ltd	100.00	100.00
Eni Marketing Inc	Dover, Delaware (USA)	USA	USD	1,000	Eni Petroleum Co Inc	100.00	100.00
Eni Maroc BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	100.00

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Eni México S. de RL de CV	Lomas De Chapultepec, Mexico City (Mexico)	Mexico	MXN	3,000	Eni International BV Eni Oil Holdings BV	99.90 0.10	100.00
Eni Middle East BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	
Eni Middle East Ltd	London (United Kingdom)	United Kingdom	GBP	1	Eni ULT Ltd	100.00	100.00
Eni MOG Ltd (in liquidation)	London (United Kingdom)	United Kingdom	GBP	220,711,147.50	Eni Lasmo Plc Eni LNS Ltd	99.99 (—)	100.00
Eni Montenegro BV	Amsterdam (Netherlands)	Montenegro	EUR	20,000	Eni International BV	100.00	
Eni Mozambique Engineering Ltd	London (United Kingdom)	United Kingdom	GBP	1	Eni UK Ltd	100.00	100.00
Eni Mozambique LNG Holding BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	100.00
Eni Muara Bakau BV	Amsterdam (Netherlands)	Indonesia	EUR	20,000	Eni International BV	100.00	100.00
Eni Myanmar BV	Amsterdam (Netherlands)	Myanmar	EUR	20,000	Eni International BV	100.00	100.00
Eni Norge AS	Forus (Norway)	Norway	NOK	278,000,000	Eni International BV	100.00	100.00
Eni North Africa BV	Amsterdam (Netherlands)	Libya	EUR	20,000	Eni International BV	100.00	100.00
Eni North Ganal Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100.00
Eni Oil & Gas Inc	Dover, Delaware	USA	USD	100,800	Eni America Ltd	100.00	100.00

	(USA)						
Eni Oil Algeria Ltd	London (United Kingdom)	Algeria	GBP	1,000	Eni Lasmo Plc	100.00	100.00
Eni Oil Holdings BV	Amsterdam (Netherlands)	Netherlands	EUR	450,000	Eni ULX Ltd	100.00	100.00
Eni Pakistan Ltd	London (United Kingdom)	Pakistan	GBP	90,087	Eni ULX Ltd	100.00	100.00
Eni Pakistan (M) Ltd Sàrl	Luxembourg (Luxembourg)	Pakistan	USD	20,000	Eni Oil Holdings BV	100.00	100.00
Eni Petroleum Co Inc	Dover, Delaware (USA)	USA	USD	156,600,000	Eni SpA Eni International BV	63.86 36.14	100.00
Eni Petroleum US Llc	Dover, Delaware (USA)	USA	USD	1,000	Eni BB Petroleum Inc	100.00	100.00
Eni Portugal BV	Amsterdam (Netherlands)	Portugal	EUR	20,000	Eni International BV	100.00	100.00
Eni Rapak Ltd	London (United Kingdom)	Indonesia	GBP	2	Eni Indonesia Ltd	100.00	100.00
Eni RD Congo SA	Kinshasa (Democratic Republic of Congo)	Democratic Republic of Congo	CDF	750,000,000	Eni International BV Eni Oil Holdings BV	99.99 (—)	100.00
Eni South Africa BV	Amsterdam (Netherlands)	Republic of South Africa	EUR	20,000	Eni International BV	100.00	100.00
Eni South China Sea Ltd Sàrl	Luxembourg (Luxembourg)	China	USD	20,000	Eni International BV	100.00	

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Eni TNS Ltd	Aberdeen (United Kingdom)	United Kingdom	GBP	1,000	Eni UK Ltd	100.00	100.00
Eni Togo BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	
Eni Trinidad and Tobago Ltd	Port Of Spain (Trinidad and Tobago)	Trinidad and Tobago	TTD	1,181,880	Eni International BV	100.00	100.00
Eni Tunisia BV	Amsterdam (Netherlands)	Tunisia	EUR	20,000	Eni International BV	100.00	100.00
Eni Turkmenistan Ltd	Hamilton (Bermuda)	Turkmenistan	USD	20,000	Burren En.(Berm)Ltd	100.00	100.00
Eni UHL Ltd	London (United Kingdom)	United Kingdom	GBP	1	Eni ULT Ltd	100.00	100.00
Eni UKCS Ltd	London (United Kingdom)	United Kingdom	GBP	100	Eni UK Ltd	100.00	100.00
Eni UK Holding Plc	London (United Kingdom)	United Kingdom	GBP	424,050,000	Eni Lasmo Plc Eni UK Ltd	99.99 (—)	100.00
Eni UK Ltd	London (United Kingdom)	United Kingdom	GBP	250,000,000	Eni International BV	100.00	100.00
Eni Ukraine Holdings BV	Amsterdam (Netherlands)	Netherlands	EUR	20,000	Eni International BV	100.00	100.00
Eni Ukraine Llc	Kiev (Ukraine)	Ukraine	UAH	42,004,757.64	Eni Ukraine Hold.BV Eni International BV	99.99 0.01	100.00
Eni Ukraine Shallow Waters BV	Amsterdam (Netherlands)	Ukraine	EUR	20,000	Eni Ukraine Hold.BV	100.00	
Eni ULT Ltd	London (United Kingdom)	United Kingdom	GBP	93,215,492.25	Eni Lasmo Plc	100.00	100.00
Eni ULX Ltd			GBP	200,010,000	Eni ULT Ltd	100.00	100.00

	London (United Kingdom)	United Kingdom					
Eni USA Gas Marketing Llc	Dover, Delaware (USA)	USA	USD	10,000	Eni Marketing Inc	100.00	100.00
Eni USA Inc	Dover, Delaware (USA)	USA	USD	1,000	Eni Oil & Gas Inc	100.00	100.00
Eni US Operating Co Inc	Dover, Delaware (USA)	USA	USD	1,000	Eni Petroleum Co Inc	100.00	100.00
Eni Venezuela BV	Amsterdam (Netherlands)	Venezuela	EUR	20,000	Eni Venezuela E&P H	100.00	100.00
Eni Venezuela E&P Holding SA	Bruxelles (Belgium)	Belgium	USD	963,800,000	Eni International BV Eni Oil Holdings BV	99.99 (—)	100.00
Eni Ventures Plc (in liquidation)	London (United Kingdom)	United Kingdom	GBP	278,050,000	Eni International BV Eni Oil Holdings BV	99.99 (—)	
Eni Vietnam BV	Amsterdam (Netherlands)	Vietnam	EUR	20,000	Eni International BV	100.00	100.00
Eni West Timor Ltd	London (United Kingdom)	Indonesia	GBP	1	Eni Indonesia Ltd	100.00	100.00
Eni Yemen Ltd	London (United Kingdom)	United Kingdom	GBP	1,000	Burren Energy Plc	100.00	
Eurl Eni Algérie	Algiers (Algeria)	Algeria	DZD	1,000,000	Eni Algeria Ltd Sàrl	100.00	

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F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolida or valutation method(*
First Calgary Petroleums LP	Wilmington (USA)	Algeria	USD	1	Eni Canada Hold. Ltd FCP Partner Co ULC	99.99 0.01	100.00	F.C.
First Calgary Petroleums Partner Co ULC	Calgary (Canada)	Canada	CAD	10	Eni Canada Hold. Ltd	100.00	100.00	F.C.
Ieoc Exploration BV	Amsterdam (Netherlands)	Egypt	EUR	20,000	Eni International BV	100.00	100.00	F.C.
Ieoc Production BV	Amsterdam (Netherlands)	Egypt	EUR	20,000	Eni International BV	100.00	100.00	F.C.
Lasmo Sanga Sanga Ltd	Hamilton (Bermuda)	Indonesia	USD	12,000	Eni Lasmo Plc	100.00	100.00	F.C.
Liverpool Bay Ltd	London (United Kingdom)	United Kingdom	USD	29,075,343	Eni ULX Ltd	100.00	100.00	F.C.
Nigerian Agip CPFA Ltd	Lagos (Nigeria)	Nigeria	NGN	1,262,500	NAOC Ltd Agip En Nat Res.Ltd Nigerian Agip E. Ltd	98.02 0.99 0.99		Co.
Nigerian Agip Exploration Ltd	Abuja (Nigeria)	Nigeria	NGN	5,000,000	Eni International BV Eni Oil Holdings BV	99.99 0.01	100.00	F.C.
Nigerian Agip Oil Co Ltd	Abuja (Nigeria)	Nigeria	NGN	1,800,000	Eni International BV Eni Oil Holdings BV	99.89 0.11	100.00	F.C.
OOO 'Eni Energhia'	Moscow (Russia)	Russia	RUB	2,000,000	Eni Energy Russia BV Eni Oil Holdings BV	99.90 0.10	100.00	F.C.
Tecnomare Egypt Ltd	Cairo (Egypt)	Egypt	EGP	50,000	Tecnomare SpA Eni SpA	99.00 1.00		Eq.

Zetah Congo Ltd	Nassau (Bahamas)	Republic of the Congo	USD	300	Eni Congo SA Burren En.Congo Ltd	66.67 33.33	Co.
Zetah Kouilou Ltd	Nassau (Bahamas)	Republic of the Congo	USD	2,000	Eni Congo SA Burren En.Congo Ltd Third parties	54.50 37.00 8.50	Co.

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F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Gas & Power

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
In Italy							
Eni Gas e Luce SpA (former Eni Medio Oriente SpA)	San Donato Milanese (MI)	Italy	EUR	6,655,992	Eni SpA	100.00	
Eni Gas Transport Services Srl	San Donato Milanese (MI)	Italy	EUR	120,000	Eni SpA	100.00	
Eni Trading & Shipping SpA	Rome	Italy	EUR	60,036,650	Eni SpA Eni Gas & Power NV	94.73 5.27	100.00
EniPower Mantova SpA	San Donato Milanese (MI)	Italy	EUR	144,000,000	EniPower SpA Third parties	86.50 13.50	86.50
EniPower SpA	San Donato Milanese (MI)	Italy	EUR	944,947,849	Eni SpA	100.00	100.00
LNG Shipping SpA	San Donato Milanese (MI)	Italy	EUR	240,900,000	Eni SpA	100.00	100.00
Servizi Fondo Bombole Metano SpA	Rome	Italy	EUR	13,580,000.20	Eni SpA	100.00	
Trans Tunisian Pipeline Co SpA	San Donato Milanese (MI)	Tunisia	EUR	1,098,000	Eni SpA	100.00	100.00
Outside Italy							
Adriaplin Podjetje za distribucijo zemeljskega plina doo Ljubljana	Ljubljana (Slovenia)	Slovenia	EUR	12,956,935	Eni SpA Third parties	51.00 49.00	51.00
Distrigas LNG Shipping SA	Bruxelles (Belgium)	Belgium	EUR	788,579.55	LNG Shipping SpA Eni Gas & Power NV	99.99 (—)	100.00
Eni G&P France BV	Amsterdam (Netherlands)	France	EUR	20,000	Eni International BV	100.00	100.00
Eni G&P Trading BV	Amsterdam (Netherlands)	Turkey	EUR	70,000	Eni International	100.00	100.00

					BV		
Eni Gas & Power France SA	Levallois Perret (France)	France	EUR	29,937,600	Eni G&P France BV Third parties	99.87 0.13	99.87
Eni Gas & Power NV	Vilvoorde (Belgium)	Belgium	EUR	31,925,264	Eni SpA Eni International BV	99.99 (—)	100.00
Eni Trading & Shipping Inc	Dover, Delaware (USA)	USA	USD	36,000,000	Ets SpA	100.00	100.00
Eni Wind Belgium NV	Vilvoorde (Belgium)	Belgium	EUR	5,494,500	Eni Gas & Power NV Eni International BV	99.77 0.23	100.00
Société de Service du Gazoduc Transtunisien SA - Sergaz SA	Tunisi (Tunisia)	Tunisia	TND	99,000	Eni International BV Third parties	66.67 33.33	66.67
Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA	Tunisi (Tunisia)	Tunisia	TND	200,000	Eni International BV Eni SpA Eni Gas & Power NV Trans Tunis.P.Co SpA	99.85 0.05 0.05 0.05	100.00
Tigáz Gepa Kft (in liquidation)	Hajdúszoboszló (Hungary)	Hungary	HUF	52,780,000	Tigáz Zrt	100.00	
Tigáz-Dso Földgázelosztó kft	Hajdúszoboszló (Hungary)	Hungary	HUF	62,066,000	Tigáz Zrt	100.00	98.99
Tigáz Tiszántúli Gázszolgáltató Zártkörûen Mûködõ Részvénytársaság	Hajdúszoboszló (Hungary)	Hungary	HUF	8,486,070,500	Eni SpA Third parties	98.99 1.01	98.99

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F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Refining & Marketing and Chemical

Refining & Marketing

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equ ratio
In Italy							
Consorzio AgipGas Sabina (in liquidation)	Cittaducale (RI)	Italy	EUR	5,160	Eni Fuel SpA	100.00	
Ecofuel SpA	San Donato Milanese (MI)	Italy	EUR	52,000,000	Eni SpA	100.00	100.0
Eni Fuel SpA (former Eni Rete oil&nonoil SpA)	Rome	Italy	EUR	58,944,310	Eni SpA	100.00	100.0
Raffineria di Gela SpA	Gela (CL)	Italy	EUR	15,000,000	Eni SpA	100.00	100.0
Outside Italy							
Eni Austria GmbH	Wien (Austria)	Austria	EUR	78,500,000	Eni International BV Eni Deutsch.GmbH	75.00 25.00	100.0
Eni Benelux BV	Rotterdam (Netherlands)	Netherlands	EUR	1,934,040	Eni International BV	100.00	100.0
Eni Deutschland GmbH	Munich (Germany)	Germany	EUR	90,000,000	Eni International BV Eni Oil Holdings BV	89.00 11.00	100.0
Eni Ecuador SA	Quito (Ecuador)	Ecuador	USD	103,142.08	Eni International BV Esain SA	99.93 0.07	100.0
Eni France Sàrl	Lyon (France)	France	EUR	56,800,000	Eni International BV	100.00	100.0
Eni Iberia SLU	Alcobendas (Spain)	Spain	EUR	17,299,100	Eni International BV	100.00	100.0
Eni Lubricants Trading (Shanghai) Co Ltd	Shanghai (China)	China	EUR	5,000,000	Eni International BV	100.00	
Eni Marketing Austria GmbH	Wien (Austria)	Austria	EUR	19,621,665.23	Eni Mineralölh.GmbH Eni International BV	99.99 (—)	100.0
Eni Mineralölhandel GmbH	Wien (Austria)	Austria	EUR	34,156,232.06	Eni Austria GmbH	100.00	100.0

Eni Schmiertechnik GmbH	Wurzburg (Germany)	Germany	EUR	2,000,000	Eni Deutsch.GmbH	100.00	100.
Eni Suisse SA	Lausanne (Switzerland)	Switzerland	CHF	102,500,000	Eni International BV Third parties	99.99 (—)	100.
Eni USA R&M Co Inc	Wilmington (USA)	USA	USD	11,000,000	Eni International BV	100.00	100.
Esacontrol SA	Quito (Ecuador)	Ecuador	USD	60,000	Eni Ecuador SA Third parties	87.00 13.00	
Esain SA	Quito (Ecuador)	Ecuador	USD	30,000	Eni Ecuador SA Tecnoesa SA	99.99 (—)	100.
Oléoduc du Rhône SA	Valais (Switzerland)	Switzerland	CHF	7,000,000	Eni International BV	100.00	
OOO ‘‘Eni-Nefto’’	Moscow (Russia)	Russia	RUB	1,010,000	Eni International BV Eni Oil Holdings BV	99.01 0.99	
Tecnoesa SA	Quito (Ecuador)	Ecuador	USD	36,000	Eni Ecuador SA Esain SA	99.99 (—)	

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Chemical

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Versalis SpA	San Donato Milanese (MI)	Italy	EUR	1,364,790,000	Eni SpA	100.00	100.00
In Italy							
Consorzio Industriale Gas Naturale (in liquidation)	San Donato Milanese (MI)	Italy	EUR	124,000	Versalis SpA Raff. di Gela SpA Eni SpA Syndial SpA Raff. Milazzo ScpA	53.55 18.74 15.37 0.76 11.58	
Outside Italy							
Dunastyr Polisztirolgyártó Zártkoruen Mukodo Részvénytársaság	Budapest (Hungary)	Hungary	HUF	8,092,160,000	Versalis SpA Versalis Deutsc.GmbH Versalis Int.SA	96.34 1.83 1.83	100.00
Eni Chemicals Trading (Shanghai) Co Ltd (in liquidation)	Shanghai (China)	China	USD	5,000,000	Versalis SpA	100.00	
Versalis Americas Inc	Dover, Delaware (USA)	USA	USD	100,000	Versalis International SA	100.00	100.00
Versalis Congo Sarlu	Pointe-Noire (Republic of Congo)	Republic of Congo	CDF	1,000,000	Versalis International SA	100.00	
Versalis Deutschland GmbH	Eschborn (Germany)	Germany	EUR	100,000	Versalis SpA	100.00	100.00
Versalis France SAS	Mardyck (France)	France	EUR	126,115,582.90	Versalis SpA	100.00	100.00
Versalis International SA	Bruxelles (Belgium)	Belgium	EUR	15,449,173.88	Versalis SpA Versalis Deutsc.GmbH Dunastyr Zrt Versalis France	59.00 23.71 14.43 2.86	100.00
Versalis Kimya Ticaret Limited Sirketi	Istanbul (Turkey)	Turkey	TRY	20,000	Versalis Int.SA	100.00	

Versalis Pacific (India) Private Ltd	Mumbai (India)	India	INR	238,700	Versalis Pacific Trading Third parties	99.99 (—)	
Versalis Pacific Trading (Shanghai) Co Ltd	Shanghai (China)	China	CNY	1,000,000	Versalis SpA	100.00	100.00
Versalis UK Ltd	Lyndhurst, Hampshire (United Kingdom)	United Kingdom	GBP	4,004,042	Versalis SpA	100.00	100.00

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Corporate and other activities

Corporate and financial companies

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Cor or valu met
In Italy								
Agenzia Giornalistica Italia SpA	Rome	Italy	EUR	2,000,000	Eni SpA	100.00	100.00	F
Eni Adfin SpA	Rome	Italy	EUR	85,537,498.80	Eni SpA Third parties	99.65 0.35	99.65	F
Eni Corporate University SpA	San Donato Milanese (MI)	Italy	EUR	3,360,000	Eni SpA	100.00	100.00	F
EniServizi SpA	San Donato Milanese (MI)	Italy	EUR	13,427,419.08	Eni SpA	100.00	100.00	F
Serfactoring SpA	San Donato Milanese (MI)	Italy	EUR	5,160,000	Eni Adfin SpA Third parties	49.00 51.00	48.83	F
Servizi Aerei SpA	San Donato Milanese (MI)	Italy	EUR	79,817,238	Eni SpA	100.00	100.00	F
Outside Italy								
Banque Eni SA	Bruxelles (Belgium)	Belgium	EUR	50,000,000	Eni International BV Eni Oil Holdings BV	99.90 0.10	100.00	F
Eni Finance International SA	Bruxelles (Belgium)	Belgium	USD	2,474,225,632	Eni International BV Eni SpA	66.39 33.61	100.00	F
Eni Finance USA Inc	Dover, Delaware (USA)	USA	USD	15,000,000	Eni Petroleum Co Inc	100.00	100.00	F
Eni Insurance Designated Activity Company (former Eni Insurance Ltd)	Dublin (Ireland)	Ireland	EUR	500,000,000	Eni SpA	100.00	100.00	F
Eni International	Amsterdam (Netherlands)	Netherlands	EUR	641,683,425	Eni SpA	100.00	100.00	F

BV								
Eni International Resources Ltd	London (United Kingdom)	United Kingdom	GBP	50,000	Eni SpA Eni UK Ltd	99.99 (—)	100.00	F

Other Activities

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	C o v m
In Italy								
Anic Partecipazioni SpA (in liquidation)	Gela (CL)	Italy	EUR	23,519,847.16	Syndial SpA Third parties	99.96 0.04		
Eni New Energy SpA	San Donato Milanese (MI)	Italy	EUR	5,000,000.00	Eni SpA	100.00		
Industria Siciliana Acido Fosforico - ISAF - SpA (in liquidation)	Gela (CL)	Italy	EUR	1,300,000	Syndial SpA Third parties	52.00 48.00		
Ing. Luigi Conti Vecchi SpA	Assemini (CA)	Italy	EUR	5,518,620.64	Syndial SpA	100.00	100.00	
Syndial Servizi Ambientali SpA (former Syndial SpA – Attività Diversificate)	San Donato Milanese (MI)	Italy	EUR	422,269,480.70	Eni SpA Third parties	99.99 (—)	100.00	
Outside Italy								
Oleodotto del Reno SA	Coira (Switzerland)	Switzerland	CHF	1,550,000	Syndial SpA	100.00		

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

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Joint arrangements and associates

Exploration & Production

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equ ratio
In Italy							
Eni East Africa SpA(†)	San Donato Milanese (MI)	Mozambique	EUR	20,000,000	Eni SpA Third parties	71.43 28.57	71
Società Oleodotti Meridionali - SOM SpA(†)	San Donato Milanese (MI)	Italy	EUR	3,085,000	Eni SpA Third parties	70.00 30.00	70
Outside Italy							
Agiba Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00	
Angola LNG Ltd	Hamilton (Bermuda)	Angola	USD	11,277,000,000	Eni Angola Prod.BV Third parties	13.60 86.40	
Ashrafi Island Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00	
Barentsmorneftegaz Sàrl(†)	Luxembourg (Luxembourg)	Russia	USD	20,000	Eni Energy Russia BV Third parties	33.33 66.67	
Cabo Delgado Gas Development Limitada(†)	Maputo (Mozambique)	Mozambique	MZN	2,500,000	Eni Mozam.LNG H. BV Third parties	50.00 50.00	
CARDÓN IV SA(†)	Caracas (Venezuela)	Venezuela	VEF	17,210,000	Eni Venezuela BV Third parties	50.00 50.00	
Compañia Agua Plana SA	Caracas (Venezuela)	Venezuela	VEF	100	Eni Venezuela BV Third parties	26.00 74.00	
East Delta Gas Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50	
East Kanayis Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV	50.00 50.00	

					Third parties	
East Obaiyed Petroleum Company(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc SpA Third parties	50.00 50.00
El-Fayrouz Petroleum Co(†) (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	50.00 50.00
El Temsah Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00
Enstar Petroleum Ltd	Calgary (Canada)	Canada	CAD	0.10	Unimar Llc	100.00
Fedynskmorneftegaz Sàrl(†)	Luxembourg (Luxembourg)	Russia	USD	20,000	Eni Energy Russia BV Third parties	33.33 66.67
InAgip doo(†)	Zagreb (Croatia)	Croatia	HRK	54,000	Eni Croatia BV Third parties	50.00 50.00
Karachaganak Petroleum Operating BV	Amsterdam (Netherlands)	Kazakhstan	EUR	20,000	Agip Karachag.BV Third parties	29.25 70.75
Karachaganak Project Development Ltd (KPD)	Reading, Berkshire (United Kingdom)	United Kingdom	GBP	100	Agip Karachag.BV Third parties	38.00 62.00
Khaleej Petroleum Co Wll	Safat (Kuwait)	Kuwait	KWD	250,000	Eni Middle E. Ltd Third parties	49.00 51.00
Liberty National Development Co Llc	Wilmington (USA)	USA	USD	0(a)	Eni Oil & Gas Inc Third parties	32.50 67.50
Llc 'Westgasinvest'(†)	Lviv (Ukraine)	Ukraine	UAH	2,000,000	Eni Ukraine Hold.BV Third parties	50.01 49.99

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(†)
Jointly controlled entity.

(a)
Shares without nominal value.

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Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
Mediterranean Gas Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00	
Mellitah Oil & Gas BV(†)	Amsterdam (Netherlands)	Libya	EUR	20,000	Eni North Africa BV Third parties	50.00 50.00	
Nile Delta Oil Co Nidoco	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50	
North Bardawil Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	30.00 70.00	
North El Burg Petroleum Company	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc SpA Third parties	25.00 75.00	
Petrobel Belayim Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00	
PetroBicentenario SA(†)	Caracas (Venezuela)	Venezuela	VEF	410,500,000	Eni Lasmo Plc Third parties	40.00 60.00	
PetroJunín SA(†)	Caracas (Venezuela)	Venezuela	VEF	2,591,100,000	Eni Lasmo Plc Third parties	40.00 60.00	
PetroSucre SA	Caracas (Venezuela)	Venezuela	VEF	220,300,000	Eni Venezuela BV Third parties	26.00 74.00	
Pharaonic Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	25.00 75.00	
Port Said Petroleum Co(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00	
Raml Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV	22.50 77.50	

					Third parties	
Ras Qattara Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	37.50 62.50
Rovuma Basin LNG Land Limitada(†)	Maputo (Mozambique)	Mozambique	MZN	140,000	Eni East Africa SpA Third parties	33.33 66.67
Shatskmorneftegaz Sàrl(†)	Luxembourg (Luxembourg)	Russia	USD	20,000	Eni Energy Russia BV Third parties	33.33 66.67
Shorouk Petroleum Company(†)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	50.00 50.00
Société Centrale Electrique du Congo SA	Pointe-Noire (Republic of the Congo)	Republic of the Congo	XAF	44,732,000,000	Eni Congo SA Third parties	20.00 80.00
Société Italo Tunisienne d'Exploitation Pétrolière SA(†)	Tunisi (Tunisia)	Tunisia	TND	5,000,000	Eni Tunisia BV Third parties	50.00 50.00
Sodeps - Société de Developpement et d'Exploitation du Permis du Sud SA(†)	Tunisi (Tunisia)	Tunisia	TND	100,000	Eni Tunisia BV Third parties	50.00 50.00
Tapco Petrol Boru Hatti Sanayi ve Ticaret AS(†)	Istanbul (Turkey)	Turkey	TRY	7,850,000	Eni International BV Third parties	50.00 50.00
Tecninco Engineering Contractors Llp(†)	Aksai (Kazakhstan)	Kazakhstan	KZT	29,478,455	Tecnomare SpA Third parties	49.00 51.00
Thekah Petroleum Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	25.00 75.00
Unimar Llc(†)	Houston (USA)	USA	USD	0(a)	Eni America Ltd Third parties	50.00 50.00
United Gas Derivatives Co	Cairo (Egypt)	Egypt	USD	285,000,000	Eni International BV Third parties	33.33 66.67
VIC CBM Ltd(†)	London (United	Indonesia	USD	1,315,912	Eni Lasmo Plc	50.00 50.00

	Kingdom)				Third parties	
Virginia Indonesia Co CBM Ltd(†)	London (United Kingdom)	Indonesia	USD	631,640	Eni Lasmo Plc Third parties	50.00 50.00
Virginia Indonesia Co Llc	Wilmington (USA)	Indonesia	USD	10	Unimar Llc	100.00
Virginia International Co Llc	Wilmington (USA)	Indonesia	USD	10	Unimar Llc	100.00
West Ashrafi Petroleum Co(†) (in liquidation)	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Exploration BV Third parties	50.00 50.00
Zetah Noumbi Ltd	Nassau (Bahamas)	Republic of the Congo	USD	100	Burren En.Congo Ltd Third parties	37.00 63.00

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(†)
Jointly controlled entity.

(a)
Shares without nominal value.

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Gas & Power

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio
In Italy							
Mariconsult SpA(†)	Milan	Italy	EUR	120,000	Eni SpA Third parties	50.00 50.00	
Società EniPower Ferrara Srl(†)	San Donato Milanese (MI)	Italy	EUR	170,000,000	EniPower SpA Third parties	51.00 49.00	51.0
Transmed SpA(†)	Milan	Italy	EUR	240,000	Eni SpA Third parties	50.00 50.00	
Outside Italy							
Blue Stream Pipeline Co BV(†)	Amsterdam (Netherlands)	Russia	USD	22,000	Eni International BV Third parties	50.00 50.00	50.0
Egyptian International Gas Technology Co	Cairo (Egypt)	Egypt	EGP	100,000,000	Eni International BV Third parties	40.00 60.00	
Gas Distribution Company of Thessaloniki - Thessaly SA(†) (former Eteria Parohis Aeriou Thessalonikis AE)	Ampelokipi-Menemeni (Greece)	Greece	EUR	266,309,200	Eni SpA Third parties	49.00 51.00	
GreenStream BV(†)	Amsterdam (Netherlands)	Libya	EUR	200,000,000	Eni North Africa BV Third parties	50.00 50.00	50.0
Premium Multiservices SA	Tunisi (Tunisia)	Tunisia	TND	200,000	Sergaz SA Third parties	49.99 50.01	
SAMCO Sagl	Lugano (Switzerland)	Switzerland	CHF	20,000	Eni International BV Transmed.Pip.Co Ltd Third parties	5.00 90.00 5.00	
Transmediterranean Pipeline Co Ltd(†)	St. Helier (Jersey)	Jersey	USD	10,310,000	Eni SpA Third parties	50.00 50.00	50.0
Turul Gázvezeték Építõ es Vagyonkezelõ Részvénytársaság(†)	Tatabànya (Hungary)	Hungary	HUF	404,000,000	Tigáz Zrt Third parties	58.42 41.58	
		Spain	EUR	32,772,000			

Unión Fenosa Gas SA(†)	Madrid (Spain)	Eni SpA	50.00
		Third parties	50.00

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(†)
Jointly controlled entity.

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Refining & Marketing and Chemical

Refining & Marketing

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
In Italy								
Arezzo Gas SpA(†)	Arezzo	Italy	EUR	394,000	Eni Fuel SpA Third parties	50.00 50.00		Eq.
CePIM Centro Padano Interscambio Merci SpA	Fontevivo (PR)	Italy	EUR	6,642,928.32	Ecofuel SpA Third parties	34.93 65.07		Eq.
Consorzio Operatori GPL di Napoli	Napoli	Italy	EUR	102,000	Eni Fuel SpA Third parties	25.00 75.00		Co.
Costiero Gas Livorno SpA(†)	Livorno	Italy	EUR	26,000,000	Eni Fuel SpA Third parties	65.00 35.00	65.00	J.O.
Disma SpA	Segrate (MI)	Italy	EUR	2,600,000	Eni Fuel SpA Third parties	25.00 75.00		Eq.
PETRA SpA(†)	Ravenna	Italy	EUR	723,100	Ecofuel SpA Third parties	50.00 50.00		Eq.
Petrolig Srl(†)	Genova	Italy	EUR	104,000	Ecofuel SpA Third parties	70.00 30.00	70.00	J.O.
Petroven Srl(†)	Genova	Italy	EUR	156,000	Ecofuel SpA Third parties	68.00 32.00	68.00	J.O.
Porto Petroli di Genova SpA	Genova	Italy	EUR	2,068,000	Ecofuel SpA Third parties	40.50 59.50		Eq.
Raffineria di Milazzo ScpA(†)	Milazzo (ME)	Italy	EUR	171,143,000	Eni SpA Third parties	50.00 50.00	50.00	J.O.
SeaPad SpA(†)	Genova	Italy	EUR	12,400,000	Ecofuel SpA Third parties	80.00 20.00		Eq.
Seram SpA	Fiumicino (RM)	Italy	EUR	852,000	Eni SpA Third parties	25.00 75.00		Co.
Servizi Milazzo Srl(†)	Milazzo (ME)	Italy	EUR	100,000	Raff. Milazzo ScpA	100.00	50.00	J.O.
Sigea Sistema	Genova	Italy	EUR	3,326,900	Ecofuel SpA Third parties	35.00 65.00		Eq.

Integrato Genova Arquata SpA								
Termica Milazzo Srl(†)	Milazzo (ME)	Italy	EUR	100,000	Raff. Milazzo ScpA	100.00	50.00	J.O.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(†)
Jointly controlled entity.

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Refining & Marketing

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership
Outside Italy						
AET - Raffineriebeteiligungs gesellschaft mbH	Schwedt (Germany)	Germany	EUR	27,000	Eni Deutsch.GmbH Third parties	33.33 66.67
Bayernoil Raffineriegesellschaft mbH(†)	Vohburg (Germany)	Germany	EUR	10,226,000	Eni Deutsch.GmbH Third parties	20.00 80.00
City Carburoil SA(†)	Rivera (Switzerland)	Switzerland	CHF	6,000,000	Eni Suisse SA Third parties	49.91 50.09
ENEOS Italsing Pte Ltd	Singapore (Singapore)	Singapore	SGD	12,000,000	Eni International BV Third parties	22.50 77.50
FSH Flughafen Schwechat Hydranten-Gesellschaft OG	Wien (Austria)	Austria	EUR	7,098,752.57	Eni Market.A.GmbH Eni Mineralölh.GmbH Eni Austria GmbH Third parties	14.29 14.29 14.28 57.14
Fuelling Aviation Services GIE	Tremblay en France (France)	France	EUR	1	Eni France Sàrl Third parties	25.00 75.00
Mediterranée Bitumes SA	Tunisi (Tunisia)	Tunisia	TND	1,000,000	Eni International BV Third parties	34.00 66.00
Routex BV	Amsterdam (Netherlands)	Netherlands	EUR	67,500	Eni International BV Third parties	20.00 80.00
Saraco SA	Meyrin (Switzerland)	Switzerland	CHF	420,000	Eni Suisse SA Third parties	20.00 80.00
Supermetanol CA(†)	Jose Puerto La Cruz (Venezuela)	Venezuela	VEF	12,086,744.84	Ecofuel SpA Supermetanol CA Third parties	34.51(a) 30.07 35.42
TBG Tanklager Betriebsgesellschaft GmbH(†)	Salzburg (Austria)	Austria	EUR	43,603.70	Eni Market.A.GmbH Third parties	50.00 50.00
Weat Electronic Datenservice GmbH	Düsseldorf (Germany)	Germany	EUR	409,034	Eni Deutsch.GmbH Third parties	20.00 80.00

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value

(†)
Jointly controlled entity.

(a) Controlling interest:	Ecofuel SpA	50.00
	Third parties	50.00

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Chemical

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidati or valutation method(*)
In Italy								
Brindisi Servizi Generali Scarl	Brindisi	Italy	EUR	1,549,060	Versalis SpA Syndial SpA EniPower SpA Third parties	49.00 20.20 8.90 21.90		Eq.
IFM Ferrara ScpA	Ferrara	Italy	EUR	5,270,466	Versalis SpA Syndial SpA S.E.F. Srl Third parties	19.74 11.58 10.70 57.98		Eq.
Matrìca SpA(†)	Porto Torres (SS)	Italy	EUR	37,500,000	Versalis SpA Third parties	50.00 50.00		Eq.
Newco Tech SpA(†)	Novara	Italy	EUR	500,000	Versalis SpA Genomatica Inc.	80.00 20.00		Eq.
Novamont SpA	Novara	Italy	EUR	13,333,500	Versalis SpA Third parties	25.00 75.00		Eq.
Priolo Servizi ScpA	Melilli (SR)	Italy	EUR	28,100,000	Versalis SpA Syndial SpA Third parties	33.16 4.38 62.46		Eq.
Ravenna Servizi Industriali ScpA	Ravenna	Italy	EUR	5,597,400	Versalis SpA EniPower SpA Ecofuel SpA Third parties	42.13 30.37 1.85 25.65		Eq.
Servizi Porto Marghera Scarl	Porto Marghera (VE)	Italy	EUR	8,695,718	Versalis SpA Syndial SpA Third parties	48.44 38.39 13.17		Eq.
Outside Italy								
Lotte Versalis Elastomers Co Ltd(†)	Yeosu (South Korea)	South Korea	KRW	192,000,010,000	Versalis SpA Third parties	50.00 50.00		Eq.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(†)

Jointly controlled entity.

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Corporate and other activities

Other activities

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
In Italy								
Filatura Tessile Nazionale Italiana - FILTENI SpA (in liquidation)	Ferrandina (MT)	Italy	EUR	4,644,000	Syndial SpA Third parties	59.56(a) 40.44		Co.
Ottana Sviluppo ScpA (in liquidation)	Nuoro	Italy	EUR	516,000	Syndial SpA Third parties	30.00 70.00		Eq.
Saipem SpA(#)(†)	San Donato Milanese (MI)	Italy	EUR	2,191,384,693	Eni SpA Saipem SpA Third parties	30.54(b) 0.70 68.76		Eq.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(#)
Company with shares quoted in the regulated market of Italy or of other EU countries

(†)
Jointly controlled entity.

(a) Controlling interest:	Syndial SpA Third parties	48.00 52.00
(b) Controlling interest:	Eni SpA Third parties	30.76 69.24

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Other significant investments

Exploration & Production

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Co… or valu… met…
In Italy								
Consorzio Universitario in Ingegneria per la Qualità e l'Innovazione	Pisa	Italy	EUR	135,000	Eni SpA Third parties	16.67 83.33		C
Outside Italy								
Administradora del Golfo de Paria Este SA	Caracas (Venezuela)	Venezuela	VEF	100	Eni Venezuela BV Third parties	19.50 80.50		C
Brass LNG Ltd	Lagos (Nigeria)	Nigeria	USD	1,000,000	Eni Int. NA NV Sàrl Third parties	20.48 79.52		C
Darwin LNG Pty Ltd	West Perth (Australia)	Australia	AUD	845,104,523.19	Eni G&P LNG Aus. BV Third parties	10.99 89.01		C
New Liberty Residential Co Llc	West Trenton (USA)	USA	USD	0(a)	Eni Oil & Gas Inc Third parties	17.50 82.50		C
Nigeria LNG Ltd	Port Harcourt (Nigeria)	Nigeria	USD	1,138,207,000	Eni Int. NA NV Sàrl Third parties	10.40 89.60		C
Norsea Pipeline Ltd	Woking Surrey (United Kingdom)	United Kingdom	GBP	7,614,062	Eni SpA Third parties	10.32 89.68		C
North Caspian Operating Co NV	Amsterdam (Netherlands)	Kazakhstan	EUR	128,520	Agip Caspian Sea BV Third parties	16.81 83.19		C
OPCO - Sociedade Operacional Angola LNG SA	Luanda (Angola)	Angola	AOA	7,400,000	Eni Angola Prod.BV Third parties	13.60 86.40		C
Petrolera Güiria SA	Caracas (Venezuela)	Venezuela	VEF	1,000,000	Eni Venezuela BV	19.50 80.50		C

					Third parties		
Point Fortin LNG Exports Ltd	Port Of Spain (Trinidad and Tobago)	Trinidad and Tobago	USD	10,000	Eni T&T Ltd Third parties	17.31 82.69	C
SOMG - Sociedade de Operações e Manutenção de Gasodutos SA	Luanda (Angola)	Angola	AOA	7,400,000	Eni Angola Prod.BV Third parties	13.60 86.40	C
Torsina Oil Co	Cairo (Egypt)	Egypt	EGP	20,000	Ieoc Production BV Third parties	12.50 87.50	C

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(a)
Shares without nominal value.

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Gas & Power

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
Outside Italy								
Angola LNG Supply Services Llc	Wilmington (USA)	USA	USD	19,278,782	Eni USA Gas M. Llc Third parties	13.60 86.40		Co.
Norsea Gas GmbH	Emden (Germany)	Germany	EUR	1,533,875.64	Eni International BV Third parties	13.04 86.96		Co.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

Refining & Marketing and Chemical
Refining & Marketing

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Cons or valu meth
In Italy								
Consorzio Obbligatorio degli Oli Usati	Rome	Italy	EUR	36,149	Eni SpA Third parties	13.27 86.73		Co
Società Italiana Oleodotti di Gaeta SpA(1)	Rome	Italy	ITL	360,000,000	Eni SpA Third parties	72.48 27.52		Co
Outside Italy								
BFS Berlin Fuelling Services GbR	Hamburg (Germany)	Germany	EUR	145,758	Eni Deutsch.GmbH Third parties	12.50 87.50		Co
Compania de Economia Mixta 'Austrogas'	Cuenca (Ecuador)	Ecuador	USD	3,028,749	Eni Ecuador SA Third parties	13.31 86.69		Co
		France	EUR	3,954,196.40				Co

Dépot Pétrolier de Fos SA	Fos-Sur-Mer (France)				Eni France Sàrl Third parties	16.81 83.19	
Dépôt Pétrolier de la Côte dAzur SAS	Nanterre (France)	France	EUR	207,500	Eni France Sàrl Third parties	18.00 82.00	Co
Joint Inspection Group Ltd	London (United Kingdom)	United Kingdom	GBP	0(a)	Eni SpA Third parties	12.50 87.50	Co
S.I.P.G. Socété Immobilier Pétrolier de Gestion Snc	Tremblay-En-France (France)	France	EUR	40,000	Eni France Sàrl Third parties	12.50 87.50	Co
Sistema Integrado de Gestion de Aceites Usados	Madrid (Spain)	Spain	EUR	175,713	Eni Iberia SLU Third parties	15.44 84.56	Co
Tanklager - Gesellschaft Tegel (TGT) GbR	Hamburg (Germany)	Germany	EUR	23	Eni Deutsch.GmbH Third parties	12.50 87.50	Co
TAR - Tankanlage Ruemlang AG	Ruemlang (Switzerland)	Switzerland	CHF	3,259,500	Eni Suisse SA Third parties	16.27 83.73	Co
Tema Lube Oil Co Ltd	Accra (Ghana)	Ghana	GHS	258,309	Eni International BV Third parties	12.00 88.00	Co

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(a)
Shares without nominal value.

(1)
Company under extraordinary administration procedure pursuant to Law no. 95 of April 3, 1979.

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Corporate and other activities

Corporate and financial companies

Company name	Registered office	Country of operation	Currency	Share Capital	Shareholders	% Ownership	% Equity ratio	Consolidation or valutation method(*)
In Italy								
Emittenti Titoli SpA	Milan	Italy	EUR	4,264,000	Eni SpA Emittenti Titoli SpA Third parties	10.00 (a) 0.78 89.22		Co.
Mip Politecnico di Milano - Graduate School of Business ScpA	Milan	Italy	EUR	150,000	Eni Corporate U.SpA Third parties	10.67 89.33		Co.

(*)
F.C. = full consolidation, J.O. = joint operation, Eq. = equity-accounted, Co. = valued at cost, F.V. = valued at fair value

(a) Controlling interest:	Eni SpA Third parties	10.08 89.92

Information on Eni's consolidated subsidiaries with significant non-controlling interest

In 2016, Eni did not own any consolidated subsidiaries with a significant non-controlling interest. In 2015, Eni did not own any consolidated subsidiaries with significant non-controlling interests as consequence of the classification of the Saipem Group as discontinued operations.

Total shareholders' equity attributable to non-controlling interests amounted to €49 million (€1,916 million at December 31, 2015, of which €1,872 million pertaining to the Saipem Group).

Changes in the ownership interest without loss of control

In 2015 and 2016, Eni did not report any changes in ownership interest without loss or acquisition of control.

Principal joint ventures, joint operations and associates as of December 31, 2016

Company name	Registered office	Operating office	Business segment	% ownership interest	% voting rights
Joint venture					
CARDÓN IV SA	Caracas (Venezuela)	Venezuela	Exploration & Production	50.00	50.00
Gas Distribution Company of Thessaloniki - Thessaly SA	Ampelokipi-Menemeni (Greece)	Greece	Gas & Power	49.00	49.00
PetroJunín SA	Caracas (Venezuela)	Venezuela	Exploration & Production	40.00	40.00
Saipem SpA		Italia		30.54	30.76

	San Donato Milanese (MI) (Italy)		Other Activities		
Unión Fenosa Gas SA	Madrid (Spain)	Spain	Gas & Power	50.00	50.00
Joint Operation					
Blue Stream Pipeline Co BV	Amsterdam (Netherlands)	Russia	Gas & Power	50.00	50.00
Eni East Africa SpA	San Donato Milanese (MI) (Italy)	Mozambique	Exploration & Production	71.43	71.43
Raffineria di Milazzo ScpA	Milazzo (ME) (Italy)	Italy	Refining & Marketing	50.00	50.00
Associates					
Angola LNG Ltd	Hamilton (Bermuda)	Angola	Exploration & Production	13.60	13.60
United Gas Derivatives Co	Cairo (Egypt)	Egypt	Exploration & Production	33.33	33.33

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The main line items of profit and loss and balance sheet related to the principal joint ventures, represented by the amounts included in the reports accounted under IFRS of each company, are provided in the table below:

	2015					2016				
(€ million)	CARDÓN IV SA	Gas Distribution Company of Thessaloniki -Thessaly SA	Petro Junín SA	Unión Fenosa Gas SA	Other joint ventures	Saipem SpA	CARDÓN IV SA	Gas Distribution Company of Thessaloniki -Thessaly SA	Petro Junín SA	Uni Fen Gas SA
Current assets	1,125	61	197	695	326	7,783	451	34	336	65
- of which cash and cash equivalent	27	34	5	55	113	1,892	31	8	2	25
Non-current assets	2,951	204	623	1,156	1,086	6,500	3,628	285	703	1,
Total assets	4,076	265	820	1,851	1,412	14,283	4,079	319	1,039	1,
Current liabilities	3,356	19	361	294	705	5,668	455	13	480	23
- current financial liabilities	2,223			55	496	206				61
Non-current liabilities	298	23	25	697	167	3,730	3,230		32	65
- non-current financial liabilities				590	76	3,194	2,108			54
Total liabilities	3,654	42	386	991	872	9,398	3,685	13	512	88
Net equity	422	223	434	860	540	4,885	394	306	527	80
Eni's ownership interest (%)	50.00	49.00	40.00	50.00		30.76	50.00	49.00	40.00	50
Book value of the investment	211	109	174	503	264	1,497	197	150	211	43
Revenues and other operating income	189	137	84	1,770	447	10,009	738	152	105	90
Operating expense	(73)	(92)	(67)	(1,739)	(297)	(9,100)	(233)	(98)	(60)	(9
Other operating profit (loss)										
Depreciation, amortization and impairments	(29)	(14)	(33)	(137)	(178)	(2,408)	(87)	(22)	(40)	(1

Operating profit	87	31	(16)	(106)	(28)	(1,499)	418	32	5	(1
Finance (expense) income	(84)		107	(53)	(5)	(154)	(206)		94	31
Income (expense) from investments				29	(7)	18				13
Profit before income taxes	3	31	91	(130)	(40)	(1,635)	212	32	99	(1
Income taxes	(11)	(9)	(18)	31	1	(445)	(252)	(12)	(24)	23
Net profit	(8)	22	73	(99)	(39)	(2,080)	(40)	20	75	(8
Other comprehensive income	44		30	25	26	48	12		18	29
Total other comprehensive income	36	22	103	(74)	(13)	(2,032)	(28)	20	93	(5
Net profit attributable to Eni	(4)	11	29	(74)	(14)	(144)	(20)	10	30	(8
Dividends received by the joint venture		8		13	8			10		

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The main line items of profit and loss and balance sheet related to the principal associates represented by the amounts included in the reports accounted under IFRS of each company are provided in the table below:

	2015				2016			
(€ million)	Angola LNG Ltd	PetroSucre SA	United Gas Derivatives Co	Other associates	Angola LNG Ltd	PetroSucre SA	United Gas Derivatives Co	Other associates
Current assets	111	950	329	215	507	1,119	253	219
- of which cash and cash equivalent	11	2	234	29	339	3	146	29
Non-current assets	8,092	618	126	417	8,376		140	569
Total assets	8,203	1,568	455	632	8,883	1,119	393	788
Current liabilities	498	1,013	101	165	284	1,049	41	183
- current financial liabilities				50				25
Non-current liabilities	215	81	14	130	1,863	70	1	200
- non-current financial liabilities				69	1,699			78
Total liabilities	713	1,094	115	295	2,147	1,119	42	383
Net equity	7,490	474	340	337	6,736		351	405
Eni's ownership interest (%)	13.60	26.00	33.33		13.60	26.00	33.33	
Book value of the investment	1,019	123	113	150	916		117	167
Revenues and other operating income		466	142	487	84	315	102	924
Operating expense	(255)	(452)	(59)	(415)	(281)	(224)	(61)	(827)
Other operating profit (loss)								(2)
Depreciation, depletion, amortization and impairments	(3,180)	(197)	(28)	(36)	(188)	(568)	(13)	(57)
Operating profit	(3,435)	(183)	55	36	(385)	(477)	28	38
Finance (expense) income	(10)	(11)	18	(4)	(70)	228	11	(4)
Income (expense) from investments				1				

Profit before income taxes	(3,445)	(194)	73	33	(455)	(249)	39	34
Income taxes		(60)	(12)	(7)		(103)	5	(5)
Net profit	(3,445)	(254)	61	26	(455)	(352)	44	29
Other comprehensive income	992	71	35	9	200	(8)	11	1
Total other comprehensive income	(2,453)	(183)	96	35	(255)	(360)	55	30
Net profit attributable to Eni	(469)	(66)	20	3	(62)	(92)	14	4
Dividends received by the associate			21	1		30	14	9

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49 Significant non-recurring events and operations

In 2014, in 2015 and 2016, Eni did not report any non-recurring events and operations.

50 Positions or transactions deriving from atypical and/or unusual operations

In 2014, 2015 and 2016 no transactions deriving from atypical and/or unusual operations were reported.

51 Subsequent events

No significant events were reported after December 31, 2016.

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Supplemental oil and gas information (unaudited)

The following information pursuant to “International Financial Reporting Standards” (IFRS) is presented in accordance with FASB Extractive Activities — Oil & Gas (Topic 932). Amounts related to minority interests are not significant.

Capitalized costs

Capitalized costs represent the total expenditures for proved and unproved mineral interests and related support equipment and facilities utilized in oil and gas exploration and production activities, together with related accumulated depreciation, depletion and amortization. Capitalized costs by geographical area consist of the following:

(€ million)

2015	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	Americ
Consolidated subsidiaries								
Proved property	15,280	15,110	26,904		35,241	3,364	10,424	16,15
Unproved property	18	297	444		2,443	1	1,229	874
Support equipment and facilities	355	42	1,758		1,318	112	34	74
Incomplete wells and other	1,114	3,501	2,280		4,932	8,900	1,665	729
Gross Capitalized Costs	16,767	18,950	31,386		43,934	12,377	13,352	17,83
Accumulated depreciation, depletion and amortization	(12,184)	(11,431)	(20,268)		(25,235)	(1,422)	(9,691)	(13,3
Net Capitalized Costs consolidated subsidiaries(a)	4,583	7,519	11,118		18,699	10,955	3,661	4,489
Equity-accounted entities								
Proved property		3	89		23		624	2,010
Unproved property		17					93	
Support equipment and facilities			8					6
Incomplete wells and other		10	5		1,508		23	112
Gross Capitalized Costs		30	102		1,531		740	2,128
Accumulated depreciation, depletion and		(23)	(77)		(441)		(628)	(338)

amortization								
Net Capitalized Costs equity-accounted entities(a)		7	25		1,090		112	1,790
2016								
Consolidated subsidiaries								
Proved property	15,951	18,678	28,754	15,262	38,539	10,790	11,680	17,12
Unproved property	18	301	471	55	2,461	1	1,155	903
Support equipment and facilities	357	42	1,830	203	1,375	111	37	77
Incomplete wells and other	724	242	4,175	1,828	5,117	2,565	2,248	317
Gross Capitalized Costs	17,050	19,263	35,230	17,348	47,492	13,467	15,120	18,42
Accumulated depreciation, depletion and amortization	(13,022)	(12,113)	(22,396)	(11,022)	(27,264)	(1,608)	(11,000)	(14,3
Net Capitalized Costs consolidated subsidiaries(a)	4,028	7,150	12,834	6,326	20,228	11,859	4,120	4,123
Equity-accounted entities								
Proved property		2	82		14		657	2,037
Unproved property		15					96	
Support equipment and facilities			8					7
Incomplete wells and other		9	5		1,596		24	253
Gross Capitalized Costs		26	95		1,610		777	2,297
Accumulated depreciation, depletion and amortization		(20)	(72)		(482)		(682)	(602)
Net Capitalized Costs equity-accounted entities(a)		6	23		1,128		95	1,695

(a)
The amounts include net capitalized financial charges totalling €1.029 million in 2015 and €1.090 million in 2016 for the consolidates subsidiaries and €92 million in 2015 and €95 million in 2016 for equity-accounted entities.

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Costs incurred

Costs incurred represent amounts both capitalized and expensed in connection with oil and gas producing activities.

Costs incurred by geographical area consist of the following:

(€ million)

2014	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries										
Proved property acquisitions										
Unproved property acquisitions										
Exploration	29	188	227		635		160	139	20	1,398
Development(a)	1,382	2,395	955		3,479	572	1,118	1,169	122	11,192
Total costs incurred consolidated subsidiaries	1,411	2,583	1,182		4,114	572	1,278	1,308	142	12,590
Equity-accounted entities										
Proved property acquisitions										
Unproved property acquisitions										
Exploration		2					33	1		36
Development(b)			1		22		38	375		436
Total costs incurred equity-accounted entities		2	1		22		71	376		472
2015										
Consolidated subsidiaries										
Proved property acquisitions										
Unproved property acquisitions										
Exploration	28	176	289		196		71	54	6	820
Development(a)	207	1,006	1,574		2,957	819	1,332	745	18	8,658
Total costs incurred	235	1,182	1,863		3,153	819	1,403	799	24	9,478

consolidated subsidiaries										
Equity-accounted entities										
Proved property acquisitions										
Unproved property acquisitions										
Exploration		1					14	1		16
Development(b)		1	1		112		35	554		703
Total costs incurred equity-accounted entities		2	1		112		49	555		719
2016										
Consolidated subsidiaries										
Proved property acquisitions										
Unproved property acquisitions			2	2						2
Exploration	27	51	364	306	70		80	26	3	621
Development(a)	387	437	2,446	1,752	2,019	651	1,232	(5)	1	7,168
Total costs incurred consolidated subsidiaries	414	488	2,812	2,060	2,089	651	1,312	21	4	7,791
Equity-accounted entities										
Proved property acquisitions										
Unproved property acquisitions										
Exploration		1					13			14
Development(b)			1		28		12	95		136
Total costs incurred equity-accounted entities		1	1		28		25	95		150

(a)

Includes the abandonment costs of the assets for €2,062 million in 2014, negative for €817 million in 2015 and negative for €665 million in 2016.

(b)
Includes the abandonment costs of the assets negative for €47 million in 2014, costs for €54 million in 2015 and negative for €15 million in 2016.

Results of operations from oil and gas producing activities

Results of operations from oil and gas producing activities represent only those revenues and expenses directly associated with such activities, including operating overheads. These amounts do not include any allocation of interest expenses or general corporate overheads and, therefore, are not necessarily indicative of the contributions to consolidated net earnings of Eni. Related income taxes are calculated by applying the local income tax rates to the pre-tax income from production activities. Eni is party to certain Production Sharing Agreements (PSAs), whereby a portion of Eni's share of oil and gas production is withheld and sold by its joint venture partners which are state owned entities, with proceeds being remitted to the state to meet Eni's PSA related tax liabilities. Revenue and income taxes include such taxes owed by Eni but paid by state-owned entities out of Eni's share of oil and gas production.

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Results of operations from oil and gas producing activities by geographical area consist of the following:

2014 (€ million)	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Revenues:									
- sales to consolidated entities	3,028	2,721	2,010	4,716	346	589	1,691	67	15,168
- sales to third parties		596	7,415	1,369	976	774	129	299	11,558
Total revenues	3,028	3,317	9,425	6,085	1,322	1,363	1,820	366	26,726
Operations costs	(423)	(687)	(694)	(935)	(208)	(223)	(357)	(124)	(3,651)
Production taxes	(293)		(291)	(648)		(33)		(15)	(1,280)
Exploration expenses	(36)	(245)	(72)	(681)		(204)	(171)	(69)	(1,478)
D.D. & A. and Provision for abandonment(a)	(819)	(1,082)	(1,330)	(1,985)	(90)	(860)	(1,295)	(175)	(7,636)
Other income (expenses)	(184)	(96)	(773)	(358)	(251)	(124)	(78)	(30)	(1,894)
Pretax income from producing activities	1,273	1,207	6,265	1,478	773	(81)	(81)	(47)	10,787
Income taxes	(503)	(785)	(3,992)	(1,155)	(291)	(102)	29	43	(6,756)
Results of operations from E&P activities of consolidated subsidiaries	770	422	2,273	323	482	(183)	(52)	(4)	4,031
Equity-accounted entities									
Revenues:									
- sales to consolidated entities									
- sales to third parties			19			87	232		338
Total revenues			19			87	232		338
Operations costs			(11)			(11)	(27)		(49)
Production taxes			(3)				(94)		(97)
Exploration expenses		(1)	(2)			(31)	(1)		(35)

D.D. & A. and Provision for abandonment	(1)	(2)		(40)	(60)	(103)
Other income (expenses)	(1)	1	(32)	(3)	(41)	(76)
Pretax income from producing activities	(3)	2	(32)	2	9	(22)
Income taxes		(2)		(23)	(18)	(43)
Results of operations from E&P activities of equity-accounted entities	(3)		(32)	(21)	(9)	(65)

(a)
Includes asset impairments amounting to €851 million

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2015 (€ million)	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Revenues:									
- sales to consolidated entities	2,124	1,828	1,403	3,514	231	628	1,118	29	10,87
- sales to third parties		501	5,681	914	659	854	131	226	8,966
Total revenues	2,124	2,329	7,084	4,428	890	1,482	1,249	255	19,84
Operations costs	(403)	(642)	(948)	(1,099)	(239)	(235)	(453)	(108)	(4,12
Production taxes	(184)		(240)	(405)		(30)		(9)	(868)
Exploration expenses	(35)	(205)	(164)	(216)		(210)	(35)	(6)	(871)
D.D. & A. and Provision for abandonment(a)	(750)	(2,022)	(2,938)	(3,835)	(109)	(1,491)	(1,775)	(111)	(13,0
Other income (expenses)	(215)	(142)	(564)	(290)	(156)	(282)	(9)	(23)	(1,68
Pretax income from producing activities	537	(682)	2,230	(1,417)	386	(766)	(1,023)	(2)	(737)
Income taxes	(182)	589	(2,148)	272	(142)	90	406	(25)	(1,14
Results of operations from E&P activities of consolidated subsidiaries	355	(93)	82	(1,145)	244	(676)	(617)	(27)	(1,87
Equity-accounted entities									
Revenues:									
- sales to consolidated entities									
- sales to third parties			19			68	248		335
Total revenues			19			68	248		335
Operations costs			(9)			(13)	(49)		(71)
Production taxes			(3)				(82)		(85)
Exploration expenses						(16)			(16)
D.D. & A. and		(1)	(3)	(432)		(77)	(78)		(591)

Provision for abandonment						
Other income (expenses)	(3)	(1)	(35)	(6)	(48)	(93)
Pretax income from producing activities	(4)	3	(467)	(44)	(9)	(521)
Income taxes		(3)		8	(29)	(24)
Results of operations from E&P activities of equity-accounted entities	(4)		(467)	(36)	(38)	(545)

(a)
Includes asset impairments amounting to €5,051 million

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2016 (€ million)	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	To
Consolidated subsidiaries										
Revenues:										
- sales to consolidated entities	1,217	1,673	941	9	3,178	252	1,027	833	4	9
- sales to third parties		432	4,312	1,471	485	606	114	102	165	6
Total revenues	1,217	2,105	5,253	1,480	3,663	858	1,141	935	169	1
Operations costs	(311)	(599)	(807)	(356)	(968)	(269)	(215)	(325)	(49)	(
Production taxes	(96)		(176)		(282)		(17)		(5)	(
Exploration expenses	(35)	(40)	(87)	(42)	(142)		(39)	(28)	(3)	(
D.D. & A. and Provision for abandonment(a)	(923)	(943)	(1,366)	(691)	(1,093)	(129)	(952)	(480)	(67)	(
Other income (expenses)	(342)	(232)	(466)	(265)	(917)	(57)	(130)	(120)	(8)	(
Pretax income from producing activities	(490)	291	2,351	126	261	403	(212)	(18)	37	2
Income taxes	159	(1)	(1,707)	(89)	97	(139)	32	(9)	(9)	(
Results of operations from E&P activities of consolidated subsidiaries	(331)	290	644	37	358	264	(180)	(27)	28	1
Equity-accounted entities										
Revenues:										
- sales to consolidated entities										
- sales to third parties			15				36	493		5
Total revenues			15				36	493		5
Operations costs			(9)				(10)	(54)		(
Production taxes			(3)					(121)		(
Exploration expenses							(13)			(
D.D. & A. and			(1)		(26)		(32)	(240)		(

Provision for abandonment						
Other income (expenses)	(3)	(1)	(26)	(16)	(25)	(
Pretax income from producing activities	(3)	1	(52)	(35)	53	(
Income taxes		(2)		(6)	(162)	(
Results of operations from E&P activities of equity-accounted entities	(3)	(1)	(52)	(41)	(109)	(

(a)
Includes asset net (reversal) amounting to €700 million

Oil and natural gas reserves
Eni’s criteria concerning evaluation and classification of proved developed and undeveloped reserves follow Regulation S-X 4-10 of the U.S. Securities and Exchange Commission and have been disclosed in accordance with FASB Extractive Activities — Oil & Gas (Topic 932).
Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geo-scientific and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations, prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.
In 2016, the average price for the marker Brent crude oil was $42.8 per barrel.
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Net proved reserves exclude interests and royalties owned by others. Proved reserves are classified as either developed or undeveloped. Developed oil and gas reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well. Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.
Since 1991, Eni has requested qualified independent oil engineering companies to carry out an independent evaluation20 of part of its proved reserves on a rotational basis. The description of qualifications of the person primarily responsible of the reserves audit is included in the third party audit report21.
In the preparation of their reports, independent evaluators rely, without independent verification, upon data furnished by Eni with respect to property interest, production, current costs of operation and development, sale agreements, prices and other factual information and data that were accepted as represented by the independent evaluators. These data, equally used by Eni in its internal process, include logs, directional surveys, core and PVT (Pressure Volume Temperature) analysis, maps, oil/gas/water production/injection data of wells, reservoir studies and technical analysis relevant to field performance, long-term development plans, future capital and operating costs. In order to calculate the economic value of Eni equity reserves, actual prices applicable to hydrocarbon sales, price adjustments required by applicable contractual arrangements, and other pertinent information are provided.
In 2016, Ryder Scott Company and DeGolyer and MacNaughton and Gaffney, Cline & Associates21 provided an independent evaluation of about 41% of Eni’s total proved reserves as of December 31, 201622, confirming, as in previous years, the reasonableness of Eni’s internal evaluations.
In the three-year period from 2014 to 2016, 94% of Eni’s total proved reserves were subject to independent evaluation. As of December 31, 2016, the principal properties not subjected to independent evaluation in the last three years are Zubair (Iraq), Bu Attifel (Libya), and Cafc-Mle (Algeria).
Eni operates under production sharing agreements in several of the foreign jurisdictions where it has oil and gas exploration and production activities. Reserves of oil and natural gas to which Eni is entitled under PSA arrangements are shown in accordance with Eni’s economic interest in the volumes of oil and natural gas estimated to be recoverable in future years. Such reserves include estimated quantities allocated to Eni for recovery of costs, income taxes owed by Eni but settled by its joint venture partners (which are state-owned entities) out of Eni’s share of production and Eni’s net equity share after cost recovery. Proved oil and gas reserves associated with PSAs represented 50%, 52% and 59% of total proved reserves as of December 31, 2014, 2015 and 2016, respectively, on an oil-equivalent basis. Similar effects as PSAs apply to service and “buy-back” contracts; proved reserves associated with such contracts represented 3%, 5% and 5% of total proved reserves on an oil-equivalent basis as of December 31, 2014, 2015 and 2016, respectively.
Oil and gas reserves quantities include: (i) oil and natural gas quantities in excess of cost recovery which the company has an obligation to purchase under certain PSAs with governments or authorities, whereby the company serves as producer of reserves. Reserves volumes associated with oil and gas deriving from such obligation represent 0,6%, 0,6% and 1,8% of total proved reserves as of December 31, 2014, 2015 and 2016, respectively, on an oil equivalent basis; (ii) volumes of natural gas used for own consumption; (iii) the quantities of hydrocarbons related to the Angola LNG plant.
Numerous uncertainties are inherent in estimating quantities of proved reserves, in projecting future productions and development expenditures. The accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and evaluation. The results of drilling, testing and production after the date of the estimate may require substantial upward or downward revisions. In addition, changes in oil and natural gas prices have an effect on the quantities of Eni’s proved reserves since estimates of reserves are based on prices and costs relevant to the date when such estimates are made. Consequently, the evaluation of reserves could also significantly differ from actual oil and natural gas volumes that will be produced.

20
From 1991 to 2002 DeGolyer and McNaughton, from 2003 also Ryder Scott, from 2015 also Gaffney, Cline & Associates.

21
The reports of independent engineers are available on Eni website eni.com, section Publications/Annual Report 2016.

22
Including reserves of equity-accounted entities.

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The following table presents yearly changes in estimated proved reserves, developed and undeveloped, of crude oil (including condensate and natural gas liquids) and natural gas as of December 31, 2014, 2015 and 2016.

Crude oil (Including Condensate and Natural Gas Liquids)

(million barrels)

2014	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2013	220	330	830	723	679	128	147	22	3,079
of which: developed	177	179	561	465	295	38	96	20	1,831
undeveloped	43	151	269	258	384	90	51	2	1,248
Purchase of Minerals in Place		1							1
Revisions of Previous Estimates	49	35	32	70	35	16	22	(7)	252
Improved Recovery			3	1	2				6
Extensions and Discoveries	1		2	36			5		44
Production	(27)	(34)	(91)	(84)	(19)	(13)	(27)	(2)	(297)
Sales of Minerals in Place		(1)		(7)					(8)
Reserves at December 31, 2014	243	331	776	739	697	131	147	13	3,077
Equity-accounted entities									
Reserves at December 31, 2013			16	15		1	116		148
of which: developed			16				19		35
undeveloped				15		1	97		113
Purchase of Minerals in Place									
Revisions of Previous Estimates			(1)	3			5		7
Improved Recovery									
Extensions and Discoveries									
Production			(1)	(1)			(4)		(6)
Sales of Minerals in Place									
Reserves at December 31, 2014			14	17		1	117		149
	243	331	790	756	697	132	264	13	3,226

Reserves at December 31, 2014									
Developed	184	174	534	477	306	64	142	12	1,893
consolidated subsidiaries	184	174	521	470	306	64	116	12	1,847
equity-accounted entities			13	7			26		46
Undeveloped	59	157	256	279	391	68	122	1	1,333
consolidated subsidiaries	59	157	255	269	391	67	31	1	1,230
equity-accounted entities			1	10		1	91		103

2015	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2014	243	331	776	739	697	131	147	13	3,077
of which: developed	184	174	521	470	306	64	116	12	1,847
undeveloped	59	157	255	269	391	67	31	1	1,230
Purchase of Minerals in Place									
Revisions of Previous Estimates	10	5	139	143	94	159	64	(2)	612
Improved Recovery			2						2
Extensions and Discoveries			2	14			6		22
Production	(25)	(31)	(98)	(93)	(20)	(28)	(28)	(2)	(325)
Sales of Minerals in Place				(16)					(16)
Reserves at December 31, 2015	228	305	821	787	771	262	189	9	3,372
Equity-accounted entities									
Reserves at December 31, 2014			14	17		1	117		149
of which: developed			13	7			26		46
undeveloped			1	10		1	91		103
Purchase of Minerals in Place									
Revisions of Previous Estimates				(1)			45		44

Improved Recovery									
Extensions and Discoveries									
Production			(1)			(1)	(4)		(6)
Sales of Minerals in Place									
Reserves at December 31, 2015			13	16			158		187
Reserves at December 31, 2015	228	305	834	803	771	262	347	9	3,559
Developed	171	237	555	517	355	126	178	9	2,148
consolidated subsidiaries	171	237	542	511	355	126	149	9	2,100
equity-accounted entities			13	6			29		48
Undeveloped	57	68	279	286	416	136	169		1,411
consolidated subsidiaries	57	68	279	276	416	136	40		1,272
equity-accounted entities				10			129		139

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Crude oil (Including Condensate and Natural Gas Liquids) continued

(million barrels)

2016	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries										
Reserves at December 31, 2015	228	305	821	327	787	771	262	189	9	3,372
of which: developed	171	237	542	230	511	355	126	149	9	2,100
undeveloped	57	68	279	97	276	416	136	40		1,272
Purchase of Minerals in Place										
Revisions of Previous Estimates	(35)	(4)	(7)	(26)	113	20	73	(1)	1	160
Improved Recovery		1	1							2
Extensions and Discoveries		2	9	8						11
Production	(17)	(40)	(89)	(28)	(91)	(24)	(28)	(25)	(1)	(315)
Sales of Minerals in Place										
Reserves at December 31, 2016	176	264	735	281	809	767	307	163	9	3,230
Equity-accounted entities										
Reserves at December 31, 2015			13		16			158		187
of which: developed			13		6			29		48
undeveloped					10			129		139
Purchase of Minerals in Place										
Revisions of Previous Estimates			1		(1)			(13)		(13)
Improved Recovery										
Extensions and Discoveries										

Production			(1)					(5)		(6)
Sales of Minerals in Place										
Reserves at December 31, 2016			13		15			140		168
Reserves at December 31, 2016	176	264	748	281	824	767	307	303	9	3,398
Developed	132	228	505	205	515	556	124	165	8	2,233
consolidated subsidiaries	132	228	492	205	507	556	124	143	8	2,190
equity-accounted entities			13		8			22		43
Undeveloped	44	36	243	76	309	211	183	138	1	1,165
consolidated subsidiaries	44	36	243	76	302	211	183	20	1	1,040
equity-accounted entities					7			118		125

Natural Gas(a) (billion cubic feet)

2014	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2013	1,532	1,247	5,231	2,374	1,957	744	509	848	14,442
of which: developed	1,266	904	2,432	1,295	1,488	286	310	561	8,542
undeveloped	266	343	2,799	1,079	469	458	199	287	5,900
Purchase of Minerals in Place		21							21
Revisions of Previous Estimates	113	99	668	214	165	156	23	(1)	1,437
Improved Recovery									
Extensions and Discoveries			19	341		59	16		435
Production	(213)	(195)	(627)	(185)	(73)	(113)	(80)	(40)	(1,526)
Sales of Minerals		(1)							(1)

in Place									
Reserves at December 31, 2014	1,432	1,171	5,291	2,744	2,049	846	468	807	14,808
Equity-accounted entities									
Reserves at December 31, 2013			15	330		28	3,353		3,726
of which: developed			15			14	5		34
undeveloped				330		14	3,348		3,692
Purchase of Minerals in Place									
Revisions of Previous Estimates			2	25		(2)			25
Improved Recovery									
Extensions and Discoveries									
Production			(2)	(4)		(8)			(14)
Sales of Minerals in Place									
Reserves at December 31, 2014			15	351		18	3,353		3,737
Reserves at December 31, 2014	1,432	1,171	5,306	3,095	2,049	864	3,821	807	18,545
Developed	1,192	887	2,125	1,360	1,553	271	399	675	8,462
consolidated subsidiaries	1,192	887	2,110	1,271	1,553	261	393	675	8,342
equity-accounted entities			15	89		10	6		120
Undeveloped	240	284	3,181	1,735	496	593	3,422	132	10,083
consolidated subsidiaries	240	284	3,181	1,473	496	585	75	132	6,466
equity-accounted entities				262		8	3,347		3,617

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Natural Gas(a) continued

(billion cubic feet) 2015	Italy	Rest of Europe	North Africa	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries									
Reserves at December 31, 2014	1,432	1,171	5,291	2,744	2,049	846	468	807	14,808
of which: developed	1,192	887	2,110	1,271	1,553	261	393	675	8,342
undeveloped	240	284	3,181	1,473	496	585	75	132	6,466
Purchase of Minerals in Place									
Revisions of Previous Estimates	68	74	163	145	385	24	69	5	933
Improved Recovery									
Extensions and Discoveries	4		124			114			242
Production	(200)	(201)	(780)	(171)	(80)	(106)	(94)	(41)	(1,673)
Sales of Minerals in Place				(4)			(4)		(8)
Reserves at December 31, 2015	1,304	1,044	4,798	2,714	2,354	878	439	771	14,302
Equity-accounted entities									
Reserves at December 31, 2014			15	351		18	3,353		3,737
of which: developed			15	89		10	6		120
undeveloped				262		8	3,347		3,617
Purchase of Minerals in Place									
Revisions of Previous Estimates				36		3	253		292
Improved Recovery									

Extensions and Discoveries									
Production			(2)			(9)	(25)		(36)
Sales of Minerals in Place									
Reserves at December 31, 2015			13	387		12	3,581		3,993
Reserves at December 31, 2015	1,304	1,044	4,811	3,101	2,354	890	4,020	771	18,295
Developed	1,051	919	2,579	1,475	1,830	194	1,668	585	10,301
consolidated subsidiaries	1,051	919	2,566	1,390	1,830	185	373	585	8,899
equity-accounted entities			13	85		9	1,295		1,402
Undeveloped	253	125	2,232	1,626	524	696	2,352	186	7,994
consolidated subsidiaries	253	125	2,232	1,324	524	693	66	186	5,403
equity-accounted entities				302		3	2,286		2,591

2016	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America	Australia and Oceania	Total
Consolidated subsidiaries										
Reserves at December 31, 2015	1,304	1,044	4,798	947	2,714	2,354	878	439	771	14,30
of which: developed	1,051	919	2,566	822	1,390	1,830	185	373	585	8,899
undeveloped	253	125	2,232	125	1,324	524	693	66	186	5,403
Purchase of Minerals in Place										
Revisions of Previous Estimates	(155)	18	496	25	223	224	200	8	12	1,026
Improved Recovery										
Extensions and Discoveries			4,767	4,767			15			4,782
Production	(172)	(184)	(803)	(219)	(170)	(93)	(90)	(94)	(42)	(1,64

Sales of Minerals in Place										
Reserves at December 31, 2016	977	878	9,258	5,520	2,767	2,485	1,003	353	741	18,46
Equity-accounted entities										
Reserves at December 31, 2015			13		387		12	3,581		3,993
of which: developed			13		85		9	1,295		1,402
undeveloped					302		3	2,286		2,591
Purchase of Minerals in Place										
Revisions of Previous Estimates			4		(8)		(1)	(4)		(9)
Improved Recovery										
Extensions and Discoveries										
Production			(2)		(11)		(7)	(93)		(113)
Sales of Minerals in Place										
Reserves at December 31, 2016			15		368		4	3,484		3,871
Reserves at December 31, 2016	977	878	9,273	5,520	3,135	2,485	1,007	3,837	741	22,33
Developed	845	801	2,546	799	1,755	2,239	284	2,120	559	11,14
consolidated subsidiaries	845	801	2,531	799	1,651	2,239	280	338	559	9,244
equity-accounted entities			15		104		4	1,782		1,905
Undeveloped	132	77	6,727	4,721	1,380	246	723	1,717	182	11,18
consolidated subsidiaries	132	77	6,727	4,721	1,116	246	723	15	182	9,218
equity-accounted entities					264			1,702		1,966

(a)
Values lower than 1 BCF are not disclosed in this table.

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Standardized measure of discounted future net cash flows
Estimated future cash inflows represent the revenues that would be received from production and are determined by applying the year-end average prices during the years ended.
Future price changes are considered only to the extent provided by contractual arrangements. Estimated future development and production costs are determined by estimating the expenditures to be incurred in developing and producing the proved reserves at the end of the year. Neither the effects of price and cost escalations nor expected future changes in technology and operating practices have been considered.
The standardized measure is calculated as the excess of future cash inflows from proved reserves less future costs of producing and developing the reserves, future income taxes and a yearly 10% discount factor.
Future production costs include the estimated expenditures related to the production of proved reserves plus any production taxes without consideration of future inflation. Future development costs include the estimated costs of drilling development wells and installation of production facilities, plus the net costs associated with dismantlement and abandonment of wells and facilities, under the assumption that year-end costs continue without considering future inflation. Future income taxes were calculated in accordance with the tax laws of the countries in which Eni operates.
The standardized measure of discounted future net cash flows, related to the preceding proved oil and gas reserves, is calculated in accordance with the requirements of FASB Extractive Activities — Oil & Gas (Topic 932). The standardized measure does not purport to reflect realizable values or fair market value of Eni's proved reserves. An estimate of fair value would also take into account, among other things, hydrocarbon resources other than proved reserves, anticipated changes in future prices and costs and a discount factor representative of the risks inherent in the oil and gas exploration and production activity.
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The standardized measure of discounted future net cash flows by geographical area consists of the following:

(€ million)

	Italy	Rest of Europe	North Africa*	*Egypt (of which)	Sub - Saharan Africa	Kazakhstan	Rest of Asia	America
December 31, 2014								
Consolidated subsidiaries								
Future cash inflows	24,951	29,140	96,372		65,853	55,740	13,664	10,955
Future production costs	(6,374)	(6,856)	(19,906)		(18,236)	(9,878)	(4,158)	(2,680)
Future development and abandonment costs	(4,698)	(5,292)	(9,673)		(9,139)	(4,576)	(4,600)	(1,892)
Future net inflow before income tax	13,879	16,992	66,793		38,478	41,286	4,906	6,383
Future income tax	(3,583)	(10,595)	(35,484)		(20,514)	(10,400)	(1,462)	(2,401)
Future net cash flows	10,296	6,397	31,309		17,964	30,886	3,444	3,982
10% discount factor	(4,064)	(1,464)	(13,905)		(7,164)	(19,699)	(1,900)	(1,353)
Standardized measure of discounted future net cash flows	6,232	4,933	17,404		10,800	11,187	1,544	2,629
Equity-accounted entities								
Future cash inflows			485		3,861		200	18,871
Future production costs			(165)		(692)		(33)	(5,724)
Future development and abandonment costs			(18)		(104)		(51)	(2,032)
Future net inflow before income tax			302		3,065		116	11,115
Future income tax			(23)		(426)		(45)	(4,608)
			279		2,639		71	6,507

Future net cash flows							
10% discount factor			(158)	(1,442)		(11)	(4,327)
Standardized measure of discounted future net cash flows			121	1,197		60	2,180
Total consolidated subsidiaries and equity-accounted entities	6,232	4,933	17,525	11,997	11,187	1,604	4,809
December 31, 2015							
Consolidated subsidiaries							
Future cash inflows	16,760	18,692	58,390	44,114	34,589	13,027	8,101
Future production costs	(4,995)	(5,554)	(13,481)	(14,645)	(8,846)	(4,585)	(3,091)
Future development and abandonment costs	(4,299)	(4,379)	(9,457)	(9,359)	(4,108)	(4,964)	(1,644)
Future net inflow before income tax	7,466	8,759	35,452	20,110	21,635	3,478	3,366
Future income tax	(1,657)	(4,349)	(17,195)	(8,222)	(4,682)	(1,230)	(933)
Future net cash flows	5,809	4,410	18,257	11,888	16,953	2,248	2,433
10% discount factor	(2,077)	(817)	(7,844)	(4,976)	(10,561)	(1,276)	(970)
Standardized measure of discounted future net cash flows	3,732	3,593	10,413	6,912	6,392	972	1,463
Equity-accounted entities							
Future cash inflows			313	3,047		85	18,519
Future production costs			(177)	(1,021)		(32)	(5,370)
Future development and			(5)	(95)		(22)	(2,118)

abandonment costs								
Future net inflow before income tax			131		1,931		31	11,031
Future income tax			(8)		(251)		(10)	(4,088)
Future net cash flows			123		1,680		21	6,943
10% discount factor			(70)		(1,016)		(2)	(4,358)
Standardized measure of discounted future net cash flows			53		664		19	2,585
Total consolidated subsidiaries and equity-accounted entities	3,732	3,593	10,466		7,576	6,392	991	4,048
December 31, 2016								
Consolidated subsidiaries								
Future cash inflows	9,627	12,898	64,371	33,524	38,271	26,903	12,263	5,789
Future production costs	(4,136)	(5,240)	(15,408)	(7,927)	(13,913)	(9,247)	(3,498)	(2,935)
Future development and abandonment costs	(3,641)	(3,575)	(12,885)	(6,981)	(9,392)	(3,268)	(5,047)	(1,313)
Future net inflow before income tax	1,850	4,083	36,078	18,616	14,966	14,388	3,718	1,541
Future income tax	(237)	(1,308)	(15,194)	(5,941)	(4,525)	(2,596)	(953)	(298)
Future net cash flows	1,613	2,775	20,884	12,675	10,441	11,792	2,765	1,243
10% discount factor	(241)	(365)	(12,115)	(8,055)	(4,594)	(6,536)	(1,266)	(501)
Standardized measure of discounted future net cash flows	1,372	2,410	8,769	4,620	5,847	5,256	1,499	742
Equity-accounted entities								

Future cash inflows			259		2,429		33	16,430
Future production costs			(143)		(974)		(20)	(4,614)
Future development and abandonment costs			(1)		(64)			(1,186)
Future net inflow before income tax			115		1,391		13	10,630
Future income tax			(21)		(115)		(4)	(3,667)
Future net cash flows			94		1,276		9	6,963
10% discount factor			(46)		(734)			(4,441)
Standardized measure of discounted future net cash flows			48		542		9	2,522
Total consolidated subsidiaries and equity-accounted entities	1,372	2,410	8,817	4,620	6,389	5,256	1,508	3,264

Changes in standardized measure of discounted future net cash flows

Changes in standardized measure of discounted future net cash flows for the years ended December 31, 2014, 2015 and 2016, are as follows:

(€ million)

	Consolidated subsidiaries	Equity-accounted entities	Total
Standardized measure of discounted future net cash flows at December 31, 2013	56,177	2,327	58,504
Increase (Decrease):			
- sales, net of production costs	(21,795)	(192)	(21,987)
- net changes in sales and transfer prices, net of production costs	(12,053)	(500)	(12,553)
- extensions, discoveries and improved recovery, net of future production and development costs	1,667		1,667
- changes in estimated future development and abandonment costs	(6,047)	223	(5,824)
- development costs incurred during the period that reduced future development costs	8,745	451	9,196
- revisions of quantity estimates	8,085	(325)	7,760
- accretion of discount	11,064	512	11,576
- net change in income taxes	7,049	704	7,753
- purchase of reserves in-place	67		67
- sale of reserves in-place	(271)		(271)
- changes in production rates (timing) and other	3,347	358	3,705
Net increase (decrease)	(142)	1,231	1,089
Standardized measure of discounted future net cash flows at December 31, 2014	56,035	3,558	59,593
Increase (Decrease):			
- sales, net of production costs	(14,846)	(179)	(15,025)
- net changes in sales and transfer prices, net of production costs	(70,909)	(2,858)	(73,767)
- extensions, discoveries and improved recovery, net of future production and development costs	524		524
- changes in estimated future development and abandonment costs	(1,711)	(241)	(1,952)
- development costs incurred during the period that reduced future development costs	8,960	604	9,564
- revisions of quantity estimates	12,322	915	13,237
- accretion of discount	11,288	629	11,917
- net change in income taxes	29,530	530	30,060
- purchase of reserves in-place			
- sale of reserves in-place	(114)		(114)
- changes in production rates (timing) and other	3,390	363	3,753
Net increase (decrease)	(21,566)	(237)	(21,803)
Standardized measure of discounted future net cash flows at	34,469	3,321	37,790

December 31, 2015			
Increase (Decrease):			
- sales, net of production costs	(11,222)	(347)	(11,569)
- net changes in sales and transfer prices, net of production costs	(24,727)	(1,586)	(26,313)
- extensions, discoveries and improved recovery, net of future production and development costs	4,563		4,563
- changes in estimated future development and abandonment costs	(2,357)	650	(1,707)
- development costs incurred during the period that reduced future development costs	7,578	151	7,729
- revisions of quantity estimates	2,840	(131)	2,709
- accretion of discount	5,705	514	6,219
- net change in income taxes	9,200	386	9,586
- purchase of reserves in-place			
- sale of reserves in-place			
- changes in production rates (timing) and other	668	163	831
Net increase (decrease)	(7,752)	(200)	(7,952)
Standardized measure of discounted future net cash flows at December 31, 2016	26,717	3,121	29,838

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SIGNATURES

The registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 22, 2017

Eni SpA

/s/ Andrea Simoni

Andrea Simoni

Title: Executive Vice President Accounting and Financial Statements Department

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