

ENI SPA  
Form 6-K  
April 06, 2018

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

---

**Form 6-K**

**Report of Foreign Issuer**

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of March 2018

**Eni S.p.A.**

(Exact name of Registrant as specified in its charter)

**Piazzale Enrico Mattei 1 -- 00144 Rome, Italy**

(Address of principal executive offices)

---

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

---

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2b under the Securities Exchange Act of 1934.)

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): )

**Table of contents**

- Press release dated March 15, 2018;
- Press release dated March 16, 2018.

**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 authorised.

Eni S.p.A.

/s/ Vanessa Siscaro

Name: Vanessa Siscaro

Title: Head of Corporate

Secretary's Staff Office

Date: March 31, 2018

**2017 Consolidated Financial Statements  
and Draft Financial Statements of the Parent Company**

Convening of the Annual Shareholders' Meeting

- **Consolidated and separate financial statements: confirmed 2017 preliminary results announced on February 16, 2018**
- **Dividend proposal: €0.80 per share (of which €0.40 already paid in September 2017)**

Rome, March 15, 2018 – Today, the Board of Directors approved Eni's consolidated financial statements and the separate draft financial statements of the parent company for the year ending December 31, 2017. They confirm 2017 preliminary results announced on February 16, 2018. Consolidated net profit amounted to €3,374 million and net profit of the parent company amounted to €3,586 million.

The Board of Directors intends to submit a proposal for the distribution of a cash dividend of €0.80 per share at the Annual Shareholders' Meeting. Included in this annual distribution is the €0.40 per share, which was paid as an interim dividend in September 2017. The balance of €0.40 per share is payable to shareholders on May 23, 2018 with the ex-dividend date being May 21, 2018.

An Annual Report on Form 20-F will be filed with the U.S. SEC and Italian market authorities by the 10<sup>th</sup> of April 2018. This report will be disseminated via the Company's headquarters, and on Eni's website (eni.com) and through

other sources provided by the current regulation. Enclosed are the 2017 IFRS consolidated statements and those of the parent company Eni SpA.

The Board of Directors also approved the “Consolidated report on non-financial information” included in the management discussion of the 2017 Annual Report. This report, prepared in conformity with the Italian Legislative Decree N. 254/2016, discloses the group’s activities, the performances achieved and the outcomes in environmental, social, employees matters, respect for human rights, as well as anti-corruption and bribery matters.

The Board of Directors also approved the Report on Corporate Governance and Shareholding Structure and the Remuneration Report prepared in conformity with article No. 123-bis and 123-ter of the Italian comprehensive code for exchanges and securities, respectively. These reports will be made available at the Company's headquarters and published on Eni’s website, in the “Publications” section and in accordance with current regulation, together with the 2017 Annual Report on Form 20-F.

#### **Convening of the Ordinary Shareholders' Meeting on May 10, 2018 (single call)**

The Board of Directors convened the Annual Shareholders' Meeting on May 10, 2018 - Ordinary Meeting –to (i) approve the 2017 financial statements of the parent company and the dividend proposal; (ii) express its consultative vote on the remuneration policy for 2018 as disclosed in the first section of the Remuneration Report; and (iii) appoint the independent external audit firm for the 2019-2027 nine-year period.

<sup>1</sup> Dividends, depending on the receiver, are subject to a withholding tax on distribution or are partially cumulated to the receiver’s taxable income.

-1-

\* \* \*

*Eni's Chief Financial and Risk Management Officer, Massimo Mondazzi, in his capacity as manager responsible for the preparation of the Company's financial reports, certifies pursuant to rule 154-bis paragraph 2 of Legislative Decree No. 58/1998, that data and information disclosed in this press release correspond to the Company's evidence and accounting books and records.*

\* \* \*

#### Company Contacts

Press Office: Tel. +39.0252031875 – +39.0659822030

Freephone for shareholders (from Italy): 800940924

Freephone for shareholders (from abroad): +80011223456

Switchboard: +39-0659821

ufficio.stampa@eni.com

segreteria.societaria.azionisti@eni.com

investor.relations@eni.com

Web site: [www.eni.com](http://www.eni.com)

\* \* \*

**Eni**

Società per Azioni Roma, Piazzale Enrico Mattei, 1

Share capital: €4,005,358,876 fully paid

Tax identification number 00484960588

Tel.: +39 0659821 - Fax: +39 0659822141

This press release is also available on the Eni web site [eni.com](http://eni.com).

-2-



**Attachment****IFRS Consolidated Financial Statements****PROFIT AND LOSS ACCOUNT**

| (€ million)   | <b>Full Year</b> |              |
|---|------------------|--------------|
|   | 2017             | 2016         |
| <b>REVENUES</b>   |                  |              |
| Net sales from operations   | 66,919           | 55,762       |
| Other income and revenues   | 4,058            | 931          |
| Total revenues  | 70,977           | 56,693       |
| <b>OPERATING EXPENSES</b>   |                  |              |
| Purchases, services and other                                     | (52,461)         | (44,124)     |
| Payroll and related costs   | (2,951 )         | (2,994 )     |
| Other operating (expense) income                                  | (32 )            | 16           |
| Depreciation, Depletion and Amortization                          | (7,483 )         | (7,559 )     |
| Impairment reversals (Impairment losses), net                     | 225              | 475          |
| Write-off of tangible and intangible assets                       | (263 )           | (350 )       |
| <b>OPERATING PROFIT (LOSS)</b>                                    | <b>8,012</b>     | <b>2,157</b> |
| <b>FINANCE INCOME (EXPENSE)</b>                                   |                  |              |
| Finance income  | 3,924            | 5,850        |
| Finance expense   | (5,886 )         | (6,232 )     |
| Income (expense) from other financial activities held for trading | (111 )           | (21 )        |
| Derivative financial instruments                                  | 837              | (482 )       |
|   | (1,236 )         | (885 )       |
| <b>INCOME (EXPENSE) FROM INVESTMENTS</b>                          |                  |              |
| Share of profit (loss) of equity-accounted investments            | (267 )           | (326 )       |
| Other gain (loss) from investments                                | 335              | (54 )        |
|   | 68               | (380 )       |
| <b>PROFIT (LOSS) BEFORE INCOME TAXES</b>                          | <b>6,844</b>     | <b>892</b>   |
| Income taxes  | (3,467 )         | (1,936 )     |
| Net profit (loss) - continuing operations                         | 3,377            | (1,044 )     |
| Net profit (loss) - discontinued operations                       |                  | (413 )       |
| Net profit (loss)   | 3,377            | (1,457 )     |
| Eni's shareholders:   |                  |              |
| - continuing operations   | 3,374            | (1,051 )     |
| - discontinued operations   |                  | (413 )       |
|   | 3,374            | (1,464 )     |
| Non controlling interest  |                  |              |
| - continuing operations   | 3                | 7            |
| - discontinued operations   |                  |              |

Edgar Filing: ENI SPA - Form 6-K

|  | 3    | 7       |
|--|------|---------|
| Net profit (loss) per share attributable to Eni's shareholders (€ per share)                         |      |         |
| - basic  | 0.94 | (0.41 ) |
| - diluted  | 0.94 | (0.41 ) |
| Net profit (loss) per share - continuing operations attributable to Eni's shareholders (€ per share) |      |         |
| - basic  | 0.94 | (0.29 ) |
| - diluted  | 0.94 | (0.29 ) |

-3-

## BALANCE SHEET

(€ million)

|   | Dec. 31, 2017  | Dec. 31, 2016  |
|---|----------------|----------------|
| <b>ASSETS</b>   |                |                |
| Current assets  |                |                |
| Cash and cash equivalents                                 | 7,363          | 5,674          |
| Other financial activities held for trading               | 6,012          | 6,166          |
| Other financial assets available for sale                 | 207            | 238            |
| Trade and other receivables                               | 15,737         | 17,593         |
| Inventories   | 4,621          | 4,637          |
| Current tax assets  | 191            | 383            |
| Other current tax assets                                  | 729            | 689            |
| Other current assets                                      | 1,573          | 2,591          |
|   | 36,433         | 37,971         |
| Non-current assets  |                |                |
| Property, plant and equipment                             | 63,158         | 70,793         |
| Inventory - compulsory stock                              | 1,283          | 1,184          |
| Intangible assets   | 2,925          | 3,269          |
| Equity-accounted investments                              | 3,511          | 4,040          |
| Other investments   | 219            | 276            |
| Other financial assets                                    | 1,675          | 1,860          |
| Deferred tax assets                                       | 4,078          | 3,790          |
| Other non-current assets                                  | 1,323          | 1,348          |
|   | 78,172         | 86,560         |
| Assets held for sale                                      | 323            | 14             |
| <b>TOTAL ASSETS</b>                                       | <b>114,928</b> | <b>124,545</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |                |                |
| Current liabilities                                       |                |                |
| Short-term debt   | 2,242          | 3,396          |
| Current portion of long-term debt                         | 2,286          | 3,279          |
| Trade and other payables                                  | 16,748         | 16,703         |
| Income taxes payable                                      | 472            | 426            |
| Other taxes payable                                       | 1,472          | 1,293          |
| Other current liabilities                                 | 1,515          | 2,599          |
|   | 24,735         | 27,696         |
| Non-current liabilities                                   |                |                |
| Long-term debt  | 20,179         | 20,564         |
| Provisions for contingencies                              | 13,447         | 13,896         |
| Provisions for employee benefits                          | 1,022          | 868            |
| Deferred tax liabilities                                  | 5,900          | 6,667          |
| Other non-current liabilities                             | 1,479          | 1,768          |
|   | 42,027         | 43,763         |
| Liabilities directly associated with assets held for sale | 87             |                |
| <b>TOTAL LIABILITIES</b>                                  | <b>66,849</b>  | <b>71,459</b>  |
| <b>SHAREHOLDERS' EQUITY</b>                               |                |                |
| Non-controlling interest                                  | 49             | 49             |
| Eni shareholders' equity:                                 |                |                |
| Share capital   | 4,005          | 4,005          |

Edgar Filing: ENI SPA - Form 6-K

|  |         |   |         |   |
|--|---------|---|---------|---|
| Reserve related to the fair value of cash flow hedging derivatives net of tax effect | 183     |   | 189     |   |
| Other reserves   | 42,490  |   | 52,329  |   |
| Treasury shares  | (581    | ) | (581    | ) |
| Interim dividend   | (1,441  | ) | (1,441  | ) |
| Net profit (loss)  | 3,374   |   | (1,464  | ) |
| Total Eni shareholders' equity   | 48,030  |   | 53,037  |   |
| TOTAL SHAREHOLDERS' EQUITY   | 48,079  |   | 53,086  |   |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY   | 114,928 |   | 124,545 |   |

-4-

## CASH FLOW STATEMENTS

| (€ million)  | Full Year |          |
|--|-----------|----------|
|  | 2017      | 2016     |
| Net profit (loss)  | 3,377     | (1,044 ) |
| Adjustments to reconcile net profit (loss) to net cash provided by operating activities: |           |          |
| Depreciation, depletion and amortization   | 7,483     | 7,559    |
| Impairment losses (impairment reversals), net  | (225 )    | (475 )   |
| Write-off of tangible and intangible assets  | 263       | 350      |
| Share of (profit) loss of equity-accounted investments                                   | 267       | 326      |
| Gains on disposal of assets, net   | (3,446 )  | (48 )    |
| Dividend income  | (205 )    | (143 )   |
| Interest income  | (283 )    | (209 )   |
| Interest expense   | 671       | 645      |
| Income taxes   | 3,467     | 1,936    |
| Other changes  | 894       | (9 )     |
| Changes in working capital:  |           |          |
| - inventories  | (346 )    | (273 )   |
| - trade receivables  | 657       | 1,286    |
| - trade payables   | 284       | 1,495    |
| - provisions for contingencies   | 96        | (1,043 ) |
| - other assets and liabilities   | 749       | 647      |
| Cash flow from changes in working capital  | 1,440     | 2,112    |
| Net change in the provisions for employee benefits                                       | 38        | 22       |
| Dividends received   | 291       | 212      |
| Interest received  | 104       | 160      |
| Interest paid  | (582 )    | (780 )   |
| Income taxes paid, net of tax receivables received                                       | (3,437 )  | (2,941 ) |
| Net cash provided by operating activities  | 10,117    | 7,673    |
| Investing activities:  |           |          |
| - tangible assets  | (8,490 )  | (9,067 ) |
| - intangible assets  | (191 )    | (113 )   |
| - investments  | (510 )    | (1,164 ) |
| - securities   | (316 )    | (1,336 ) |
| - financing receivables  | (657 )    | (1,208 ) |
| - change in payables in relation to investing activities and capitalized depreciation    | 152       | (8 )     |
| Cash flow from investing activities  | (10,012)  | (12,896) |
| Disposals:   |           |          |
| - tangible assets  | 2,745     | 19       |
| - intangible assets  | 2         |          |
| - consolidated subsidiaries and businesses net of cash and cash equivalent disposed of   | 2,662     | (362 )   |
| - income taxes paid on disposals   | (436 )    |          |
| - investments  | 482       | 508      |
| - securities   | 224       | 20       |
| - financing receivables  | 999       | 8,063    |
| - change in receivables in relation to disposals   | (434 )    | 205      |
| Cash flow from disposals   | 6,244     | 8,453    |
| Net cash used in investing activities  | (3,768 )  | (4,443 ) |



## (CONTINUED) CASH FLOW STATEMENTS

| (€ million)   | Full Year |         |
|---|-----------|---------|
|   | 2017      | 2016    |
| Increase in long-term debt  | 1,842     | 4,202   |
| Repayments of long-term debt  | (2,973)   | (2,323) |
| Increase (decrease) in short-term debt  | (581 )    | (2,645) |
|   | (1,712)   | (766 )  |
| Dividends paid to Eni's shareholders  | (2,880)   | (2,881) |
| Dividends paid to non-controlling interests   | (3 )      | (4 )    |
| Net cash used in financing activities   | (4,595)   | (3,651) |
| Effect of change in consolidation (inclusion/exclusion of significant/insignificant subsidiaries) | 7         | (5 )    |
| Effect of cash and cash equivalents relating to discontinued operations                           |           | 889     |
| Effect of exchange rate changes on cash and cash equivalents and other changes                    | (72 )     | 2       |
| Net cash flow for the period  | 1,689     | 465     |
| Cash and cash equivalents - beginning of the period (excluding discontinued operations)           | 5,674     | 5,209   |
| Cash and cash equivalents - end of the period (excluding discontinued operations)                 | 7,363     | 5,674   |

**IFRS Financial Statements of the parent company****PROFI AND LOSS ACCOUNT**

| (€ million)   | Full Year |          |
|---|-----------|----------|
|   | 2017      | 2016     |
| <b>REVENUES</b>   |           |          |
| Net sales from operations   | 28,984    | 27,718   |
| Other income and revenues   | 2,316     | 547      |
| Total Revenues  | 31,300    | 28,265   |
| <b>OPERATING EXPENSES</b>   |           |          |
| Purchases, services and other                                     | (27,358)  | (27,247) |
| Payroll and related costs   | (1,159 )  | (1,179 ) |
| Other operating (expense) income                                  | (239 )    | (50 )    |
| Depreciation, Depletion and Amortization                          | (727 )    | (815 )   |
| Impairment reversals (Impairment losses), net                     | (111 )    | (443 )   |
| Write-off of tangible and intangible assets                       | (5 )      | (209 )   |
| <b>OPERATING PROFIT (LOSS)</b>                                    | 1,701     | (1,678 ) |
| <b>FINANCE INCOME (EXPENSE)</b>                                   |           |          |
| Finance income  | 1,682     | 2,149    |
| Finance expense   | (2,698 )  | (2,540 ) |
| Income (expense) from other financial activities held for trading | (110 )    | (21 )    |
| Derivative financial instruments                                  | 480       | (34 )    |
|   | (646 )    | (446 )   |
| <b>INCOME (EXPENSE) FROM INVESTMENTS</b>                          | 2,702     | 6,058    |
| <b>NET PROFIT BEFORE TAXES - continuing operations</b>            | 3,757     | 3,934    |
| Income taxes  | (171 )    | 232      |
| <b>NET PROFIT - continuing operations</b>                         | 3,586     | 4,166    |
| <b>NET PROFIT - discontinued operations</b>                       |           | 355      |
| <b>NET PROFIT</b>   | 3,586     | 4,521    |

-7-



## BALANCE SHEET

(€ million)

|   | Dec. 31, 2017 | Dec. 31, 2016 |
|---|---------------|---------------|
| <b>ASSETS</b>                               |               |               |
| Current Assets                              |               |               |
| Cash and cash equivalents                   | 6,214         | 4,583         |
| Other financial activities held for trading | 5,793         | 6,062         |
| Trade and other receivables:                | 8,587         | 15,658        |
| - financial receivables                     | 2,700         | 7,763         |
| - trade and other receivables               | 5,887         | 7,895         |
| Inventories                                 | 1,389         | 1,277         |
| Current income tax assets                   | 59            | 92            |
| Other current tax assets                    | 267           | 346           |
| Other current assets                        | 693           | 1,011         |
|   | 23,002        | 29,029        |
| Non-current assets                          |               |               |
| Property, plant and equipment               | 7,178         | 8,046         |
| Inventory - compulsory stock                | 1,297         | 1,172         |
| Intangible assets                           | 195           | 1,205         |
| Equity-accounted investments                | 42,337        | 40,009        |
| Other financial assets                      | 4,832         | 1,428         |
| Deferred tax assets                         | 1,152         | 1,185         |
| Other non-current receivables               | 481           | 700           |
|   | 57,472        | 53,745        |
| Assets held for sales                       | 2             | 4             |
| <b>TOTAL ASSETS</b>                         | <b>80,476</b> | <b>82,778</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |               |               |
| Current liabilities                         |               |               |
| Short-term debt                             | 4,146         | 4,159         |
| Current portion of long-term debt           | 1,973         | 3,014         |
| Trade and other payables                    | 6,225         | 6,209         |
| Income taxes payable                        | 64            | 4             |
| Other taxes payable                         | 809           | 887           |
| Other current liabilities                   | 872           | 1,205         |
|   | 14,089        | 15,478        |
| Non-current liabilities                     |               |               |
| Long-term debt                              | 18,843        | 19,554        |
| Provisions for contingencies                | 3,781         | 4,054         |
| Provisions for employee benefits            | 353           | 391           |
| Other non-current liabilities               | 881           | 1,366         |
|   | 23,858        | 25,365        |
| <b>TOTAL LIABILITIES</b>                    | <b>37,947</b> | <b>40,843</b> |
| <b>SHAREHOLDERS' EQUITY</b>                 |               |               |
| Share capital                               | 4,005         | 4,005         |
| Legal reserve                               | 959           | 959           |
| Other reserves                              | 36,001        | 34,472        |

Edgar Filing: ENI SPA - Form 6-K

|  |        |   |        |   |
|--|--------|---|--------|---|
| Interim dividend                           | (1,441 | ) | (1,441 | ) |
| Treasury shares                            | (581   | ) | (581   | ) |
| Net profit                                 | 3,586  |   | 4,521  |   |
| TOTAL SHAREHOLDERS' EQUITY                 | 42,529 |   | 41,935 |   |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 80,476 |   | 82,778 |   |

-8-



*potential of 10 billion resources is at our disposal. We intend to invest in exploration approximately € 3.5 billion in the 2018-21 four-year period in over 25 countries. The increase in production will be supported by the growth of existing projects, the launch of new projects and optimization interventions that will contribute in total to about 900 thousand barrels of oil equivalent a day (boed) in 2021. In 2018 the growth of production it will be 4% compared to 2017, higher than the previous guidance”.*

**MID-DOWNSTREAM**

|   |   |
|---|---|
| o | <b>Mid-Downstream</b>                           |
| o | <b>EBIT end of plan: € 2bln</b>                 |
| o | <b>Free Cash Flow 2018-2021: € 4.7 bln</b>      |
| o | <b>LNG: 12 MTPA by 2021, 14 MTPA by 2025</b>    |
| o | <b>Refining breakeven: 3 \$/bbl by end 2018</b> |
| o | <b>EBIT Versalis: € 400 mln in 2021</b>         |

**NEW ENERGY SOLUTIONS**

|   |  |
|---|--|
| o | <b>1GWp of renewable new capacity installed by 2021, 5 GWp by 2025</b> |
| o | <b>CAPEX 2018-2021: € 1.2 billion</b>                                  |

**CEO Descalzi:** *"We have completed the transformation of mid-downstream businesses and now we are ready for their expansion and growth in value. In the R&M business since 2013 we have halved breakeven by bringing it to less than \$ 4 a barrel in 2017 and we intend to reduce it further to \$ 3/bl at the end of 2018. In Marketing we expect to consolidate our presence in the countries where we operate, all guaranteeing accumulative free cash flow over 2 billion euros in the period 2018-21. Additionally, we will complete the transformation of the second refinery in Italy into a green plant by 2018, making Eni one of the leading producers of green diesel in Europe. In Chemistry we will consolidate our portfolio focusing on high margin products and green chemistry. At the same time, the contribution of renewables will grow thanks to a distinctive model based on an integrated approach with the other businesses, investing about 1.2 billion for the development of 1GW of new capacity by 2021, ensuring a yield of around 10%.*

## **DECARBONIZATION**

- **Emissions reduction: Upstream GHG intensity emissions index by 2025 decreasing by 43% vs 2014**
  - **Resilient and low carbon oil & gas portfolio**
  - **Green businesses development: 2018-2021 investments, over €1.8 bln**

**CEO Descalzi:** "We have a clear decarbonisation strategy that is based on 4 main drivers: the reduction of direct GHG emissions, in all our activities, a low-cost and low-carbon portfolio, the development of projects in the field of renewables, and investment in R&D, that is a fundamental element for achieving maximum efficiency in the decarbonisation process".

## **FINANCIALS**

- o **Financial discipline**
  - o **Capex: <€32 billion, €7.7 bln in 4YP, (€7.7 bln in 2018)**
  - o **Upstream new projects breakeven <30\$/bbl**
  - o **Solid financial structure: leverage target 0,20-0,25**
- o **Sustainable growth**
  - o **Organic cash neutrality after dividend: decreased to 55\$/bbl vs 57 \$/bbl in 2017**
  - o **Organic cash neutrality after dividend by end of plan: 50\$/bbl**
- o **Shareholder remuneration**
  - o **2018 dividend proposal: €0.83 per share (+3.75% vs 2017) full cash**
- o **Share buybacks to be evaluated in case of cash in excess of the leverage target of 20-25%**
- o **Progressive distribution policy based on underlying earnings and free cash flow growth**

*CEO Descalzi: "The results achieved in the period 2014-17 and the expectation of increased cash flows over the course of the plan underpin our proposal to the Board of Directors to increase the dividend by 3.75% to €0.83 per share. Our rigorous financial discipline and the sustainability of our investments will allow us to reduce our cash neutrality and achieve additional benefits the case of higher oil prices".*

## **2018-2021 Strategic Plan**

**London, March 16, 2018** - Claudio Descalzi, Eni's CEO, today presents the company's 2018-2021 Strategic Plan to the financial community.

Following a successful transformation Eni is stronger, more integrated and positioned well for further growth in the upstream sector. The mid-downstream businesses have been restructured to leave them more financially solid and therefore able to create value even in the presence of low price scenarios. The 2018-21 plan represents the natural evolution of the strategy implemented in previous years and is designed to increase the value of all businesses. On this basis, Eni intends to increase the 2018 dividend to € 0.83 per share, fully paid in cash. The distribution policy will be progressive and based on underlying earnings and free cash flow growth.

## **Upstream**

In exploration, a key driver of value growth, Eni expects to spend about 3.5 billion euros in the period 2018-2021 targeting 2 billion barrels of new resources at the unit cost of about \$2, drilling around 115 wells in more than 25 countries worldwide and counting on a renewed net acreage of 400 thousand sq. km.

Hydrocarbon production is expected to grow 3.5% a year over the period 2018-2021 thanks to the ramp-up and start-up of new projects, which will contribute about 700 thousand barrels of oil equivalent per day in 2021, and optimization activities that will contribute in 2021 for about 200 thousand barrels of oil equivalent per day.

The success of the exploration strategy and the broad portfolio of new conventional projects with a breakeven of less than \$ 30/barrel, together with a rigorous financial discipline, will generate a cumulative free cash flow of € 22 billion in 2018-2021.

## **Gas and Power**

Gas and Power will grow thanks to the following actions:

Accelerated development of the LNG portfolio, which will reach 12 million tons per year of contracted volumes in 2021, and 14 million by 2025, also through the enhancement of the equity component, increasing from 30% in 2017 to 70% in 2021;

- Enhancement of the gas portfolio in Europe;

- Growth in the retail sector in Europe, which provides for around 11 million customers in 2021, an increase of 25% compared to 2017. Targeting an additional 11 million customers by 2021.

These actions will allow the business to remain structurally positive in the future, achieving EBIT of 800 million in 2021, of which 60% referred to retail and up over the 300 million of 2018. Free cash flow cumulative of 2018-21 of 2,4 billion euros.

### **Refining & Marketing and Chemicals**

In Refining and Marketing Eni aims to achieve strong growth in the Plan period with an EBIT of € 900 million in 2021 and a cumulative free cash flow in 2018-21 of more than € 2 billion.

To do this, Eni will undertake the following actions:

- Supply and asset optimization in refining activity;

- Restart of the Sannazzaro EST plant by the end of 2018;

- Increase of the "green" refining capacity: the bio-refinery in Gela will be operational by the end of 2018 and the second phase of development of Venice completed by 2021;

- Consolidate leading marketing position in Italy, leveraging new sustainable mobility initiatives.

In Chemicals, Versalis is expected to achieve an EBIT of approximately €400 million in 2021 thanks to:

- Increasing integration and efficiency, enriching the production portfolio of differentiated products;

- International development, strengthening its presence in Asia, and increasing its commercial presence in the Americas and in the Far East;

- Consolidation of organic chemistry by leveraging new industrial platforms from renewable sources.

### **New Energy Solutions**

The new New Energy Solutions business will grow over the four-year period thanks to a distinctive model based on integration with existing assets and activities and will therefore be able to create new opportunities and value; this distinctive model will reduce energy costs for production facilities, thus making more gas available for local consumption or export. The expected return on these projects will be around 10%. Through the ongoing projects and those already identified, Eni's new energy capacity will increase by approximately 400 MW over the next two years. In the medium to long term, Eni will develop 1 GW of new capacity by 2021, investing 1.2 billion euros, and up to 5 GW by 2025.

### **Decarbonization Process**

Eni has outlined a decarbonisation process and pursues a clear and defined climate strategy, integrated with its business model, based on the following levers:

- Reduction of direct GHG emissions: targeting a reduction in GHG emissions in upstream of 43% compared to 2014 through projects aimed at eliminating process flaring, reducing fugitive emissions of methane and achieving of energy efficiency measures;

"Low carbon" oil & gas portfolio characterized by conventional projects developed in phases with low CO2 intensity; the new upstream projects in execution have break-even points below 30 \$/bl and therefore can be sustainable even in the presence of low carbon scenarios; overall, the Eni portfolio features hydrocarbon resources with a higher incidence of gas, a bridge towards a future with reduced emissions;

Development of business green through the growing commitment to renewable energy, the development of the second phase of the Venice bio-refinery, the startup of the one of Gela by the end of 2018 and consolidation in green chemistry;

- Commitment to scientific and technological research activities.

The total investment in the four-year period 2018-21 equates to over € 1.8 billion.

### **Financial strategy**



Eni will continue to focus on financial discipline combined with the sustainable growth of industrial projects, in order to accelerate the generation of value for shareholders.

The four-year investment plan, focused on high-value projects with rapid returns, envisages capital expenditure of less than € 32 billion, of which more than 80% will be in Upstream. Approximately € 3.5 billion is expected to be invested in the R&M and Chemicals business with an expected return rate of around 10%. By 2021 over 50% of investments will be uncommitted, ensuring wide flexibility.

In a scenario of 60 \$/barrel Brent price, cash generation will grow over the next 4 years, further in the event of higher oil prices. In 2018, at the price of 60\$/bl Brent, Eni will realize an operating cash flow of over 11 billion euro, before the change in working capital, and will increase by over 2 billion € in 2021 for the same scenario.

Eni expects organic dividend cash neutrality of \$55/barrel in 2018, a further reduction to \$50/barrel by the end of the Plan, thanks to the growth in value of all business areas.

**In conclusion, this new Plan is characterized by the strong growth of all business lines, sustainable even in challenging scenarios, thanks to the consistency of the actions taken, the boosting integration and financial discipline. The Plan aims to further strengthen the portfolio of Eni's activities and accelerate the generation of value for shareholders. The remuneration for shareholders will mainly take place through the distribution of dividends, while buy backs will be evaluated in the instance of cash exceeding our leverage target of 20-25%.**

For further information on the presentation and to follow the live streaming please visit: [www.eni.com](http://www.eni.com)

**Company Contacts:**

**Press Office: Tel. +39.0252031875 – +39.0659822030**

**Freephone for shareholders (from Italy): 800940924**

**Freephone for shareholders (from abroad): +39.80011223456**

**Switchboard: +39.0659821**

**[ufficio.stampa@eni.com](mailto:ufficio.stampa@eni.com)**

**[segreteria.societaria.azionisti@eni.com](mailto:segreteria.societaria.azionisti@eni.com)**

**[investor.relations@eni.com](mailto:investor.relations@eni.com)**

**Web site: [www.eni.com](http://www.eni.com)**