Mulliken John Champlin
Form 4
September 25, 2017

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

OMB APPROVAL
OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Mulliken John Champlin

(Last) (First) (Middle)

C/O WAYFAIR INC., 4 COPLEY PLACE, 7TH FL

(Street)

BOSTON, MA 02116

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Wayfair Inc. [W]

3. Date of Earliest Transaction (Month/Day/Year)
09/21/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Technology Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class A Common Stock	09/21/2017		S (1)		700	D	$ 82.02 (2)	188,478	D	

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

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SEC 1474 (9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Mulliken John Champlin C/O WAYFAIR INC., 4 COPLEY PLACE, 7TH FL BOSTON, MA 02116			Chief Technology Officer	

Signatures

/s/ Enrique Colbert, Attorney-in-fact for John Champlin Mulliken	09/25/2017
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

(2) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from $81.90 to $82.11, inclusive. The reporting person undertakes to provide to Wayfair Inc., any security holder of Wayfair Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. "1%">) (316) 1,290 (12,512) 559 **64,188** 141,939 77,751

Capital expenditures of euro 5,086 million (euro 5,871 million in the first half of 2011) essentially related to the Exploration & Production segment for euro 3,613 million (euro 4,195 million in the first half of 2011), the Engineering & Construction segment for euro 540 million (euro 549 million in the first half of 2011), the Refining & Marketing segment for euro 288 million (euro 314 million in the first half of 2011), the Gas & Power segment for euro 58 million (euro 44 million in the first half of 2011) and Other activities Snam for euro 350 million (euro 492 million in the first half of 2011).

The break-down of impairments losses recorded in the first half of 2012 amounting to euro 316 million (euro 264 million in the first half 2011) and the associated tax effect is provided below:

(euro million)	First half 2011	First half 2012
Impairment		
Exploration & Production	141	91
Refining & Marketing	37	193
Chemicals	70	8
Other segments	16	24
	264	**316**
Tax effect		
Exploration & Production	52	33
Refining & Marketing	14	81
Chemicals	20	3
Other segments	1	2
	87	**119**
Impairment net of the relevant tax effect		
Exploration & Production	89	58
Refining & Marketing	23	112
Chemicals	50	5
Other segments	15	22
	177	**197**

In assessing whether impairment is required, the carrying value of an item of property, plant and equipment is compared with its recoverable amount. The recoverable amount is the higher between an asset s fair value less costs to sell and its value-in-use. Given the nature of Eni s activities, information on asset fair value is usually difficult to obtain unless negotiations with a potential buyer are ongoing. Therefore, the recoverability is verified by using the value-in-use which is calculated by discounting the estimated cash flows arising from the continuing use of an asset. The valuation is carried out for individual asset or for the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating unit - CGU). In the first half of 2012, the composition of Group s cash generating units has remained unchanged from the Annual Report 2011 (see note 14 Property, plant and equipment of the Annual Report 2011). The recoverable amount is calculated by discounting the estimated cash flows deriving from the use of the CGU and, if significant and reasonably determinable, the cash flows deriving from its disposal at the end of its useful life.

Cash flows are calculated based on reasonable and supportable assumptions that represent management s best estimates of the range of economic conditions that will exist over the remaining useful life of the CGU. Management based the first four years (2013-2016) of cash flow projections for each CGU on the Company s four-year plan (2012-2015) as updated to reflect ongoing business trends at the date of the preparation of the 2012 interim report. The updated four-year plan provides information on expected oil and gas production volumes, sales volumes, capital expenditures, operating costs and margins and industrial and marketing set-up, as well as trends on the main macroeconomic variables, including inflation, nominal interest rates and exchange rates. Beyond the four-year plan horizon, cash flow projections are based on management s long-term assumptions regarding the main macroeconomic variables (inflation rates, commodity prices, etc.) and along a time horizon which considers the following factors: (a) for the oil&gas CGUs, the residual life of the reserves and the associated projections of operating costs and development expenditures; (b) for the CGUs of the Refining & Marketing segment and Chemical segment, the economical and technical life of plants and equipment and associated projections of operating costs, expenditures to support plant efficiency and refining and marketing margins and normalized operating results plus depreciation; and (c) for the CGUs of the gas market and the Engineering & Construction segment, the perpetuity method of the last-year of the plan is used assuming a nominal growth rate ranging from 0% to 2%. Commodity prices are estimated on the basis of the forward prices prevailing in the marketplace as of the balance sheet date for the first four years of the cash flow projections and the long-term price assumptions adopted by the Company s management for strategic planning purposes and capital budget allocation. In preparing the 2012 interim report, management revised its long-term price assumption for the benchmark Brent crude oil at 90 dollar-a-barrel, up from 85 dollar-a-barrel which was used in the impairment review of the Annual Report 2011 and in the financial projections of the industrial plan 2012-2015.

Values-in-use are determined by discounting post-tax cash flows at a rate which corresponds for the Exploration & Production, Refining & Marketing and Chemical segments to the Company s weighted average cost of capital net of the risk premium attributable to Saipem and the Gas & Power segment on an exclusive basis, which is subjected to autonomous assessment, and adjusted to consider risks specific to each Country of activity (adjusted post-tax WACC). Adjusted WACC used for impairment purposes in the 2012 Interim Consolidated Financial Report ranged from 7.5% to 12.5% and was consistent with that used in the impairment test of the Annual Report 2011. Certain factors contributed to lower the adjusted WACC used by Eni, including a lowered market risk premium for the Eni share and management s projections of a reduction in the cost of borrowings to the Group driven by expected lower benchmark rates and lower corporate spreads over the next four years. Those positive factors were absorbed by the projection of rising yields on Italian treasuries which are used as benchmark risk-free assets. Post-tax cash flows and discount rates have been adopted as they result in an assessment that is substantially equal to a pre-tax assessment.

The amount of impairment losses recorded in the Refining & Marketing segment of euro 193 million reflected management s expectations of a reduced profitability outlook due to continuing weak trading conditions in the refining business negatively affected by rising feedstock costs, higher costs for energy utilities which are indexed to the price of crude oil, excess capacity and anticipated poor demand for fuels on the back of the economic downturn. Based on these drivers, management recognized impairment losses at the Company s refining plants by adjusting their book value to their lower values-in-use considering expectations of unprofitable margins in the short and medium term. The largest impairment loss was recorded at a CGUs which was tested for impairment using a post-tax discount rate of 8%, corresponding to a pre-tax discount rate of 10.2%.

In the Exploration & Production segment asset impairment charges amounted to euro 91 million which primarily related to oil and gas properties in the USA as a result of a changed price environment for gas and downward reserve revisions.

Foreign currency translation differences of euro 1,290 million were primarily related to translation of entities accounts denominated in US dollar (euro 1,071 million).

The reclassification of discontinued operations and assets held for sale of euro 12,512 million related to discontinued operations for euro 12,249 million and for euro 263 million to assets held for sale of which euro 250 million relating to certain non-strategic assets of the Exploration & Production segment. Discontinued

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operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Other changes of euro 559 million comprised: (i) the initial recognition and change in the estimated amount of the costs for dismantling and restoring sites for euro 660 million, referring for euro 596 million to the Exploration & Production segment; (ii) the change in the scope of consolidation of euro 12 million following the finalization of the 100% acquisition of Nuon Belgium NV and Nuon Power Generation Walloon NV, companies marketing gas and electricity mainly to residential and professional customers in Belgium; (iii) the sale of the 3.25% interest in the Karachaganak project (equal to the Eni s 10% interest) for a nominal value of euro 162 million. More information is disclosed in note 13 Other non-current receivables.

Unproved mineral interests included in tangible assets are presented below:

(euro million)	Value at Dec. 31, 2011	Impairments	Reclassification to proved mineral interest	Other changes and currency translation differences	Value at June 30, 2012
Congo	1,280		(1)	36	1,315
Nigeria	758			21	779
Turkmenistan	635			18	653
Algeria	485		(15)	13	483
USA	217	(18)	(33)	38	204
Others	121		(3)	2	120
	3,496	**(18)**	**(52)**	**128**	**3,554**

Contractual commitments related to the purchase of property, plant and equipment are included in the section "Risk factors and uncertainties" of the "Operating and Financial Review".

9 Intangible assets

(euro million)	Gross value at Dec. 31, 2011	Provisions for amortization and impairments at Dec. 31, 2011	Net value at Dec. 31, 2011	Investments	Amortization	Impairments	Changes in the scope of consolidation	Currency translation differences	Reclassification of discontinued operations	Other changes	Net value at June 30, 2012	Gross value at June 30, 2012	Provision fo amortizatio an impairment at June 3 201
Intangible assets with finite useful lives	15,624	8,697	**6,927**	1,054	(1,083)	(1)	49	23	(3,830)	(86)	**3,053**	9,504	6,451
Intangible assets with indefinite useful lives													
Goodwill			**4,023**			(849)	94	14	(314)		**2,968**		
			10,950	**1,054**	**(1,083)**	**(850)**	**143**	**37**	**(4,144)**	**(86)**	**6,021**		

Capital expenditures of euro 1,054 million (euro 744 million in the first half of 2011) included exploration drilling expenditures of the Exploration & Production segment which were fully amortized as incurred for euro 825 million (euro 469 million in the first half of 2011). Amortization of euro 1,083 million (euro 782 million in the first half of 2011) included the amortization of license acquisition costs for euro 78 million (euro 107 million in the first half of

2011).

The carrying amount of goodwill at the end of the year was euro 2,968 million (euro 4,023 million at December 31, 2011) net of cumulative impairments amounting to euro 1,580 million (euro 726 million). The break-down by operating segment is as follows:

(euro million)	Dec. 31, 2011	June 30, 2012
Gas & Power (*)	2,531	1,781
Engineering & Construction	749	750
Exploration & Production	270	277
Refining & Marketing	159	160
Other activities - Snam (*)	314	
	4,023	**2,968**

(*) As a consequence of the announced divestment plan, the results of Snam has been reclassified from the "Gas & Power" segment to the "Other activities" segment and presented in the discontinued operations.

Goodwill acquired through business combinations has been allocated to the cash generating units ("CGUs") that are expected to benefit from the synergies of the acquisition. The CGUs of the Gas & Power segment are represented by such commercial business units whose cash flows are largely interdependent and therefore benefit from acquisition synergies. The recoverable amounts of the CGUs are determined by discounting the future cash flows deriving from the continuing use of the CGUs and, if significant and reasonably determinable, the cash flows deriving from their disposal at the end of the useful life.

Cash flows are calculated based on reasonable and supportable assumptions that represent management s best estimates of the range of economic conditions that will exist over the remaining useful life of the CGU. Management based its cash flow projections on the Company s four-year plan and long-term market scenario as updated to reflect ongoing business trends at the date of the preparation of the 2012 interim report and the most recent forward prices for energy commodities prevailing in the marketplace at the date of the interim report (see note 8 Property, plant and equipment).

Value-in-use is determined by discounting post-tax cash flows at the rate which corresponds: (i) for the Exploration & Production, Refining & Marketing and Chemical segments to the Company s weighted average cost of capital net of the risk factor attributable to Saipem and to the G&P segment on an exclusive basis, which is subjected to autonomous assessment, and adjusted to consider risks specific to each Country of activity (adjusted post-tax WACC). Adjusted WACC used for impairment purposes in the 2012 Interim Consolidated Financial Report ranged from 7.5% to 12.5% and were consistent with those used for the impairment test of the Annual Report 2011; (ii) the impairment test rate for the Gas & Power segment was estimated on the basis of a sample of comparable companies in the utility industry. The impairment test rate for the Engineering & Construction segment was derived from market data. Rates used in the Gas & Power segment were adjusted to take into consideration risks specific to each Country of activity, while rates used in the Engineering & Construction segment did not reflect any Country risks as most of the company assets are not permanently located in a specific Country. Adjusted WACC used for impairment purposes in the 2012 Interim Consolidated Financial Report ranged from 7% to 8% for the Gas & Power segment and amounted to 8.5% for the Engineering & Construction segment and were consistent with those used for the impairment test of the Annual Report 2011.

Post-tax cash flows and discount rates were adopted as they resulted in an assessment that substantially approximated a pre-tax assessment.

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Goodwill has been allocated to the following CGUs:

Gas & Power segment

(euro million)	Dec. 31, 2011	June 30, 2012
Domestic gas market	767	767
Foreign gas market	1,763	1,014
- of which European market	*1,668*	*913*
Other	1	
	2,531	**1,781**

Goodwill allocated to the CGU domestic market was recognized when allocating the cost of the buy-out of Italgas SpA minorities in 2003 through a public offering (euro 706 million). Such CGU engages in supplying gas to residential customers and small businesses. The impairment review performed at the balance sheet date confirmed the recoverability of the allocated goodwill.

Goodwill allocated to the CGU European market was mainly recognized upon the purchase price allocation of the Distrigas business combination in 2009 and the Altergaz acquisition in France in 2012. The CGU comprises Distrigas marketing activities, Altergaz marketing activities and those activities managed by the Gas & Power Division of the parent company Eni SpA, which includes marketing activities in France, Germany, Benelux, UK, Switzerland and Austria. Those business units jointly benefited from the business combination synergies. In the first half of 2012 such goodwill increased by euro 94 million as a consequence of the preliminary allocation of the goodwill deriving from the finalization of the 100% acquisition of Nuon Belgium NV and Nuon Power Generation Walloon NV, companies marketing gas and electricity mainly to residential and professional customers in Belgium. In testing the recoverability of the CGU carrying amount at the balance sheet date, management recognized an impairment loss amounting to euro 849 million considering a reduced profitability outlook for the gas business over the short to medium-term. The impairment loss was entirely attributed to goodwill allocated to the CGU.

The key assumptions adopted in assessing future cash flow projections of both the CGUs domestic market and European market included marketing margins, forecast sales volumes, the discount rate and the growth rates adopted to determine the terminal value. The determination of the value-in-use was based on the economic and financial projections of the four year plan used in the assessments made on the occasion of the annual report which have been updated to consider ongoing business trends in the European gas market as of the date of preparation of the interim report as of June 30, 2012. Those updates pointed to continuing weak market conditions due to a sharp contraction in gas demand on the back of the economic downturn. Reduced selling opportunities have been forcing gas operators to aggressively compete on pricing in the light of steady supplies, the development of highly liquid spot markets and minimum take obligations provided by take-or-pay purchase contracts. These trends are expected to negatively affect future results of operations and cash flows of Eni s gas business in the future years. Particularly, the main driver behind the impairment loss at the CGU European market is the ongoing pressure on unit margins as a result of a decoupling in trends of oil-linked gas purchase costs provided in Eni s long-term gas supply contracts and weak spot prices recorded at European hubs driven by demand and supply, which have become a prevailing reference benchmark for selling prices, and by reduced sales opportunity. In respect of the four-year plan adopted in the preparation of the Annual Report 2011, management updated the cash flow projections of the CGU European market in this interim report for 2012 as follows: (i) unit margins have been reduced by approximately 50% in the reference four-year period; (ii) the perpetuity growth rate has been set at zero, unchanged form the previous impairment test; (iii) the discount rate has been assumed at 7.5%, unchanged from 2011.

Cash flows projections of both the CGU European market and domestic market were estimated factoring in the

economic and financial effects of a new round of renegotiations of the Company s main gas supply contracts, following those finalized by the first quarter of 2012.
The terminal values of the CGUs European market and domestic market were estimated based on the perpetuity method of the last year of the four-year period normalized assuming a long-term nominal growth rate equal to zero.
Value in use of the CGU European market was assessed by discounting the associated post-tax cash flows at a post-tax rate of 7.5% that corresponds to the pre-tax rate of 9.2% (7.5% and

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9.3%, respectively in the Annual Report 2011). Value in use of the CGU Italian market was assessed by discounting the associated post-tax cash flows at a post-tax rate of 7% that corresponds to the pre-tax rate of 13.2% (7% and 13.1%, respectively in the Annual Report 2011).
The excess of the recoverable amount of the CGU domestic gas market over its carrying amount including the allocated portion of goodwill (headroom) amounting to euro 242 million would be reduced to zero under each of the following alternative hypothesis: (i) a decrease of 23% on average in the projected commercial margins; (ii) a decrease of 23% on average in the projected sales volumes; (iii) an increase of 3 percentage points in the discount rate; and (iv) a negative nominal growth rate of 4%. The recoverable amount of the CGU domestic gas market and the relevant sensitivity analysis were calculated solely on the basis of retail margins, thus excluding wholesale and business client margins (industrial, thermoelectric and others).

Engineering & Construction segment

(euro million)	Dec. 31, 2011	June 30, 2012
Offshore E&C	415	415
Onshore E&C	315	316
Other	19	19
	749	**750**

The segment goodwill of euro 750 million was mainly recognized following the acquisition of Bouygues Offshore SA, now Saipem SA (euro 710 million) and allocated to the CGUs Offshore E&C and Onshore E&C. The key assumptions adopted for assessing the recoverable amounts of the CGUs which related to operating results, the discount rate and the growth rates adopted to determine the terminal value. These assumptions, based on the four-year-plan approved by the Company s top management and other indicators were unchanged as of the preparation of this interim report in respect of those used for the test in 2011. Therefore, the estimation of the recoverable amounts of the CGUs Offshore E&C and Onshore E&C, that exceed their carrying amounts including the relevant goodwill, and the zero setting hypothesis confirm those used in the Annual Report 2011.

The Exploration & Production and the Refining & Marketing segments tested their goodwill, yielding the following results: (i) in the Exploration & Production segment with goodwill amounting to euro 277 million, management believes that there are no reasonably possible changes in the pricing environment and production/cost profiles that would cause the headroom of the relevant CGUs to be reduced to zero. Goodwill mainly refers to the portion of the purchase price that was not allocated to proved or unproved mineral interests of the business combinations Lasmo, Burren Energy (Congo) and First Calgary; and (ii) in the Refining & Marketing segment goodwill amounted to euro 160 million and referred to retail networks acquired in Czech Republic, Hungary and Slovakia in the 2008 for euro 64 million and in Austria in the 2010 for euro 76 million. The assumptions adopted for assessing the recoverable amounts of these CGUs are substantially aligned to those used in the Annual Report 2011.
The reclassification to discontinued operations of euro 4,144 million is disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

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10 Investments

(euro million)	Value at Dec. 31, 2011	Acquisitions and subscriptions	Sales and reimbursements	Share of profit (loss) of equity-accounted investments	Deduction for dividends	Currency translation differences	Other changes	Net value at June 30, 2012
Equity accounted investments	5,843	81	11	337	(229)	79	427	6,549
Other investments	399	47	8			6	(151)	309
	6,242	**128**	**19**	**337**	**(229)**	**85**	**276**	**6,858**

Additions in equity accounted investments for euro 81 million primarily related to the subscription of capital increase of Angola LNG Ltd (euro 53 million) which is engaged in building a liquefaction plant in order to monetize Eni s gas reserves in that Country (Eni s interest in the project being 13.6) and to the acquisition of the 20% stake of the capital of South Stream Transport AG (euro 10 million).

Additions in other investments for euro 47 million primarily related the acquisition of the 15% stake of the capital of Novamont SpA (euro 35 million) and to the subscription of capital increase of Servizi Fondo Bombole Metano SpA (euro 12 million).

On July 20, 2012, Eni concluded with Amorim Energia BV the sale of 41,462,532 shares, at the price of euro 14.25 per share, equal to 5% of the share capital of Galp Energia SGPS SA. As such, pursuant to the agreements signed by Eni, Amorim Energia and Caixa Geral de Depositos, communicated to the market on March 29, Eni exit from the existing shareholders' agreement between the companies and ceases to have significant influence over Galp. Following such a transaction Eni holds in Galp Energia SGPS SA a stake of 28.34%, assuming financial nature.

Share of profit of equity-accounted investments of euro 337 million primarily referred to Unión Fenosa Gas SA (euro 108 million), Galp Energia SGPS SA (euro 80 million), United Gas Derivatives Co (euro 35 million), Blue Stream Pipeline Co BV (euro 20 million), Unimar Llc (euro 20 million), Eni BTC Ltd (euro 18 million) and PetroSucre SA (euro 17 million).

Deductions for dividend distribution of euro 229 million primarily related to Galp Energia SGPS SA (euro 55 million), Unimar Llc (euro 54 million), United Gas Derivatives Co (euro 31 million) and Unión Fenosa Gas SA (euro 18 million).

Currency translation differences of euro 85 million were primarily related to translation of entities accounts denominated in US dollar (euro 79 million).

Other changes in equity accounted investments of euro 427 million primarily comprised a revaluation of the net equity of Galp amounting to euro 835 million net to Eni which was recognized in connection with a capital increase made by Galp s subsidiary Petrogal whereby a new shareholder subscribed its share by contributing a cash amount fairly in excess of the net book value of the interest acquired. Such increase was partially offset by the reclassification to discontinued operations of euro 375 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Other changes in other investments for euro 151 million comprised: (i) the reclassification to assets held for sale of Interconnector (UK) Ltd (euro 137 million), Super Octanos CA (euro 51 million), SETGÁS - Sociedade de Distribução de Gás Natural SA (euro 13 million), Huberator SA (euro 4 million), Lusitaniagás - Companhia de Gás do Centro SA (euro 3 million) and Interconnector Zeebrugge Terminal S.C./C.V. Scrl (euro 0.2 million); and (ii) the revaluation of Super Octanos CA (euro 51 million).

11 Other financial assets

(euro million)	Dec. 31, 2011	June 30, 2012
Receivables for financing operating activities	1,516	1,257
Securities held for operating purposes	62	58
	1,578	**1,315**

Receivables for financing operating activities are presented net of the allowance for impairment losses of euro 32 million (the same amount as of December 31, 2011).

Operating financing receivables of euro 1,257 million (euro 1,516 million at December 31, 2011) primarily pertained to loans granted by Exploration & Production segment (euro 540 million), the Gas & Power segment (euro 519 million) and Refining & Marketing segment (euro 107 million) and receivables for financial leasing for euro 47 million (the same amount as of December 31, 2011). Financing receivables granted to unconsolidated subsidiaries, joint ventures and associates amounted to euro 744 million. Receivables for financial leasing pertained to the concession under leasing of the Belgian gas network by Finpipe GIE.

Securities of euro 58 million (euro 62 million at December 31, 2011), designated as held-to-maturity financial assets, related to listed bonds issued by the Italian Government for euro 26 million and foreign governments for euro 32 million of which Spain euro 10 million, Belgium euro 7 million and France euro 5 million.

The fair value of financing receivables and securities amounted to euro 1,301 million. The fair value of financing receivables has been determined based on the present value of expected future cash flows discounted at rates ranging from 0.5% to 3.1% (0.7% and 3.1% at December 31, 2011). The fair value of securities was derived from quoted market prices.

Receivables with related parties are described in note 33 Transactions with related parties.

12 Deferred tax assets

Deferred tax assets are stated net of amounts of deferred tax liabilities that can be offset for euro 3,835 million (euro 4,045 million at December 31, 2011).

(euro million)	Value at Dec. 31, 2011	Net additions	Currency translation differences	Other changes	Value at June 30, 2012
	5,514	382	128	(957)	**5,067**

Other changes of euro 957 million comprised the reclassification to discontinued operations of euro 579 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Deferred tax assets are described in note 20 Deferred tax liabilities.

13 Other non-current receivables

(euro million)	Dec. 31, 2011	June 30, 2012
Current tax assets	154	155
Receivables related to disposals	535	832
Other receivables	258	335
Fair value of non-hedging derivatives	714	678
Fair value of cash flow hedge derivative instruments	33	26
Other asset	2,531	1,916
	4,225	**3,942**

Other receivables amounting to euro 832 million (euro 535 million at December 31, 2011) and comprised: (i) the residual outstanding amount of euro 292 million recognized following the compensation agreed with the Republic of Venezuela for the expropriated Dación oilfield. The receivable accrues interests at market conditions as the collection has been fractionated in installments. As agreed by the parties, the reimbursement can be in kind through equivalent assignment of volumes of crude oil. In the 2011, Eni collected nine loads of oil for a total amount equal to euro 187 million (US$260 million). In the first half of 2012, Eni collected a further load for an amount of US$29 million and were agreed further collections to be delivered during the second half of 2012. Negotiations for further equivalent collections of hydrocarbons are ongoing; (ii) the long-term portion of a receivable (euro 228 million) related to the divestment of the 1.71% interest in the Kashagan project to the local partner KazMunaiGas on the basis of the agreements defined with the international partners of the North Caspian Sea PSA and the Kashagan government, which became effective from January 1, 2008. The reimbursement of the receivable is provided for in three annual installments commencing from the date of the production start-up which is planned at the end of 2012 or in the first months of 2013. The receivable yields interest income at market rates. The short-term portion is disclosed in note 5 Trade and other receivables; (iii) the long-term portion of a receivable related to the divestment of the 3.25% interest (euro 179 million) in the Karachaganak project (equal to the Eni s 10% interest) to the Kazakh partner KazMunaiGas as part of an agreement reached in December 2011 between the Contracting Companies of the Final Production Sharing Agreement (FPSA) and Kazakh Authorities which settled disputes on the recovery of the costs incurred by the International Consortium to develop the field, as well as a certain tax claims. The agreement, effective from June 28, 2012, entailed a net cash consideration to Eni, to be paid in cash in three years through monthly installments starting from July 2012. The receivable yields interest income at prevailing market rates. The short-term portion is disclosed in note 5 Trade and other receivables.

Receivables with related parties are reported in note 33 Transactions with related parties.

Derivative fair values are calculated basing on market quotations provided by primary info-provider, or in the absence of market information, appropriate valuation techniques generally adopted in the marketplace.

Fair values of non-hedging derivatives of euro 678 million (euro 714 million at December 31, 2011) 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 related to specific trade or financing transactions.

Fair value of cash flow hedge derivatives of euro 26 million (euro 33 million at December 31, 2011) regarded the Gas & Power segment. Further information is disclosed in note 7 Other current assets. Fair value related to the contracts expiring beyond June 30, 2013 is disclosed in note 21 Other non-current liabilities; fair value related to the contracts expiring by June 30, 2013 is disclosed in note 7 Other current assets and in note 13 Other current liabilities. The effects of fair value evaluation of cash flow hedges are disclosed in note 23 Shareholders equity and note 27

Operating expenses.
Other non-current asset of euro 1,916 million (euro 2,531 million at December 31, 2011) mainly included prepayments amounting to euro 1,675 million (euro 2,227 million at December 31, 2011) that were made to gas suppliers upon triggering the take-or-pay clause provided by the relevant long-term supply arrangements. Those prepayments are forecast to be used in the long-term. The decrease of euro 552 million from December 31, 2011 was due to the renegotiation of certain take-or-pay contracts which were finalized in the first quarter 2012 which effects were retroactive to the beginning of 2011 and provided for a reduction in the

contractual minimum take. In accordance to those arrangements, the Company is contractually required to off-take minimum annual quantities of gas, or in case of failure is held to pay the whole price or a fraction of it for the uncollected volumes up to the minimum annual quantity. The Company is entitled to off-take the pre-paid volumes in future years alongside the contract execution, for its entire duration or a shorter term as the case may be. Those deferred costs, which are substantially equivalent to a receivable in-kind, are stated at the purchase cost or the net realizable value, whichever is lower. Prior-years impairment losses are reversed up to the purchase cost, whenever market conditions indicate that impairment no longer exits or may have decreased. The amount of pre-paid volumes reflects ongoing difficult market condition in the European gas sector due to weak demand and strong competitive pressures fuelled by oversupplies. Management plans to recover those pre-paid volumes over the long-term, once current market imbalances have been absorbed, leveraging the expected long-term growth outlook in gas demand, and a projected sales expansion in target European markets and Italy supported by the Company s strengthening market leadership and an improved competitiveness of the Company s cost position considering the expected benefits of ongoing and planned contract negotiations.

Current liabilities

14 Short-term debt

(euro million)	Dec. 31, 2011	June 30, 2012
Banks	786	977
Commercial papers	2,997	2,321
Other financial institutions	676	649
	4,459	**3,947**

Short-term debt decreased by euro 512 million primarily due to net repayments (euro 554 million), partially offset by the increase in currency and translation differences (euro 59 million). Commercial papers of euro 2,321 million were mainly issued by the financial companies Eni Finance USA Inc (euro 1,455 million) and Eni Financial International SA (euro 866 million).
Payables to related parties are reported in note 33 Transactions with related parties.
As of June 30, 2012, Eni did not report non-fulfillment of covenants or contractual violations in relation to borrowing facilities.
Because of the short-term maturity of the debts, the fair value approximated their carrying amount.

15 Trade and other payables

(euro million)	Dec. 31, 2011	June 30, 2012
Trade payables	13,436	12,026
Advances	2,313	2,273
Other payables:		
- related to capital expenditures	2,280	1,740
- others	4,883	3,834
	7,163	**5,574**
	22,912	**19,873**

The decrease in trade payables of euro 1,410 million related to the Gas & Power segment (euro 832 million) and to the Refining & Marketing segment (euro 115 million). The decrease comprised the reclassification to discontinued operations of euro 446 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.
The decrease in other payables of euro 1,049 million was a consequence of the reduction in payables due to gas suppliers relating to the triggering of the take-or-pay clause in 2011 for the amount of euro 706 million outstanding at December 31, 2011. This decrease reflected the renegotiation of certain take-or-pay contracts which was closed in the first quarter of 2012 with retroactive benefits to the beginning of 2011, providing for a reduction in the annual minimum quantities of the relevant contracts, as well as payments made in the period. More information is reported in note 13 Other non-current receivables.
Payables with related parties are described in note 33 Transactions with related parties.
The fair value of trade and other payables matched their respective carrying amounts considering the short-term

maturity of trade payables.

16 Income taxes payable

(euro million)	Dec. 31, 2011	June 30, 2012
Italian subsidiaries	390	177
Foreign subsidiaries	1,702	1,662
	2,092	**1,839**

17 Other current liabilities

(euro million)	Dec. 31, 2011	June 30, 2012
Fair value of non-hedging and trading derivatives	1,668	1,480
Fair value of cash flow hedge derivatives	121	110
Other liabilities	448	437
	2,237	**2,027**

Derivative fair values were estimated on the basis of market quotations provided by primary info-provider, or in the absence of market information, appropriate valuation techniques commonly used on the marketplace.
Fair values of non-hedging and trading derivatives of euro 1,480 million (euro 1,668 million at December 31, 2011) consisted of: (i) euro 1,476 million (euro 1,587 million at December 31, 2011) 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 movements in foreign currencies, interest rates or commodity prices. Therefore, such derivatives were not related to specific trade or financing transactions; (ii) euro 2 million (euro 80 million at December 31, 2011), of commodity trading derivatives entered by the Gas & Power segment in order to optimize the economic margin as provided by the new risk management strategy; (iii) euro 2 million (euro 1 million), of derivatives embedded in the pricing formulas of certain long-term supply contracts of gas in the Exploration & Production segment.
The fair value of cash flow hedge derivatives amounted to euro 110 million (euro 121 million at December 31, 2011) and pertained to the Gas & Power segment for euro 108 million (euro 119 million for the Gas & Power segment). Fair value pertaining to the Gas & Power segment related to derivatives that were designated to hedge exchange rate and commodity risk exposures as described in note 7 Other current assets. Fair value of contracts expiring by end of June 30, 2012 is disclosed in note 7 Other current assets; fair value of contracts expiring beyond June 30, 2012 is disclosed in note 21 Other non-current liabilities and in note 13 Other non-current receivables. The effects of the evaluation at fair value of cash flow hedge derivatives are disclosed in note 23 Shareholders equity and in note 27 Operating expenses.
Other payables included advances of euro 437 million (euro 448 million at December 31, 2011) related to advances received from gas customers who off-took lower quantities of gas than the contractual minimum quantity as provided by the relevant long-term sale arrangement thus triggering the take-or-pay clause (euro 20 million) and for which the collection will be provided for within the next year.

Non-current liabilities

18 Long-term debt and current maturities of long-term debt

	Dec. 31, 2011			June 30, 2012		
(euro million)	Long-term portion	Short-term portion	Total	Long-term portion	Short-term portion	Total
Ordinary bonds	14,652	397	15,049	14,910	1,878	16,788
Banks	8,053	1,601	9,654	9,715	1,108	10,823
Other financial institutions	397	38	435	358	38	396
	23,102	**2,036**	**25,138**	**24,983**	**3,024**	**28,007**

Long-term debt, including the current portion of long-term debt, of euro 28,007 million (euro 25,138 million at December 31, 2011) increased by euro 2,869 million. The increase was essentially due to the balance of new proceeds (euro 3,312 million) and repayments (euro 681 million) and currency translation differences relating foreign subsidiaries and debt denominated in foreign currency recorded by euro-reporting subsidiaries for euro 70 million. Net proceeds of long-term liabilities did not include the new proceeds of Snam SpA for euro 1,500 million as a consequence of the reclassification to discontinued operations. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Eni entered into long-term borrowing facilities with the European Investment Bank. In 2011, Eni entered into long-term facilities with Citibank Europe Plc providing for conditions similar to those applied by the European Investment Bank. These borrowing facilities are subject to the maintenance of certain financial ratios based on Eni s consolidated financial statements or a minimum level of credit rating. According to the agreements, should the Company lose the minimum credit rating, new guarantees would be provided to be agreed upon with the lenders. At December 31, 2011 and at June 30, 2012, the amount of short and long-term debt subject to restrictive covenants was euro 2,316 million and euro 2,527 million, respectively. A possible non-compliance with those covenants would be immaterial to the Company s ability to finance its operations. As of the balance sheet date, Eni was in compliance with those covenants.

Ordinary bonds of euro 16,788 million consisted of bonds issued within the Euro Medium Term Notes Program for a total of euro 12,505 million and other bonds for a total of euro 4,283 million.

The following table analyses bonds per issuing entity, maturity date, interest rate and currency as of June 30, 2012:

(euro 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	41	1,541	EUR		2019		4.125
Eni SpA	1,500	24	1,524	EUR		2016		5.000
Eni SpA	1,500	11	1,511	EUR		2013		4.625
Eni SpA	1,250	31	1,281	EUR		2014		5.875
Eni SpA	1,250	29	1,279	EUR		2017		4.750
Eni SpA	1,000	11	1,011	EUR		2020		4.250
Eni SpA	1,000	10	1,010	EUR		2018		3.500
Eni SpA	1,000	(2)	998	EUR		2020		4.000
Eni SpA	750	(5)	745	EUR		2019		3.750
Eni Finance International SA	558	8	566	GBP	2018	2021	4.750	6.125
Eni Finance International SA	410	2	412	YEN	2013	2037	1.150	2.810
Eni Finance International SA	370	2	372	EUR	2017	2032	3.750	5.600
Eni Finance International SA	202	2	204	USD	2013	2015	4.450	4.800
Eni Finance International SA	35		35	USD		2013		variable
Eni Finance International SA	16		16	EUR		2015		variable
	12,341	**164**	**12,505**					
Other bonds								
Eni SpA	1,109	24	1,133	EUR		2017		4.875
Eni SpA	1,000	(8)	992	EUR		2015		4.000
Eni SpA	1,000	(8)	992	EUR		2015		variable
Eni SpA	358	1	359	USD		2020		4.150
Eni SpA	278		278	USD		2040		5.700
Eni SpA	215	(1)	214	EUR		2017		variable
Eni USA Inc	317	(3)	314	USD		2027		7.300
Eni UK Holding Plc	1		1	GBP		2013		variable
	4,278	**5**	**4,283**					
	16,619	**169**	**16,788**					

As of June 30, 2012, bonds maturing within 18 months (euro 1,621 million) were issued by Eni SpA for euro 1,511 million, Eni Finance International SA for euro 109 million and Eni UK Holding Plc for euro 1 million. During the first half of 2012, Eni SpA and Eni Finance International SA issued bonds for a total amount of euro 1,826 million (euro 1,756 million and euro 70 million, respectively).

As of June 30, 2012, Eni had undrawn borrowing facilities of euro 10,756 million of which committed for euro 2,141 million; long-term committed borrowing facilities amounting to euro 5,695 million were completely drawn. Those facilities bore interest rates and charges for unutilized facilities reflecting prevailing conditions on the marketplace.

Eni has in place a program for the issuance of Euro Medium Term Notes up to euro 15 billion, of which about euro 12.25 billion were drawn as of June 30, 2012. The Group has credit ratings of A and A-1 respectively for long and short-term debt assigned by Standard & Poor s and A3 and P-2 for long and short-term debt assigned by Moody s; the outlook is negative in both ratings.

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Fair value of long-term debt, including the current portion of long-term debt amounted to euro 30,578 million (euro 27,103 million at December 31, 2011) and consisted of the following:

(euro million)	Dec. 31, 2011	June 30, 2012
Ordinary bonds	16,895	19,166
Banks	9,727	10,972
Other financial institutions	481	440
	27,103	**30,578**

Fair value was calculated by discounting the expected future cash flows at rates ranging from 0.5% to 3.1% (0.7% and 3.1% at December 31, 2011).

At June 30, 2012, Eni did not pledge restricted deposits as collateral against its borrowings.

The analysis of net borrowings, as defined in the "Financial Review", was as follows:

(euro million)	Dec. 31, 2011			June 30, 2012		
	Current	Non-current	Total	Current	Non-current	Total
A. Cash and cash equivalents	1,500		1,500	4,640		4,640
B. Available-for-sale securities	37		37	31		31
C. Liquidity (A+B)	**1,537**		**1,537**	**4,671**		**4,671**
D. Financing receivables	**28**		**28**	**374**		**374**
E. Short-term liabilities towards banks	786		786	977		977
F. Long-term liabilities towards banks	1,601	8,053	9,654	1,108	9,715	10,823
G. Bonds	397	14,652	15,049	1,878	14,910	16,788
H. Short-term liabilities towards related parties	503		503	532		532
I. Other short-term liabilities	3,170		3,170	2,438		2,438
L. Other long-term liabilities	38	397	435	38	358	396
M. Total borrowings (E+F+G+H+I+L)	**6,495**	**23,102**	**29,597**	**6,971**	**24,983**	**31,954**
N. Net borrowings (M-C-D)	**4,930**	**23,102**	**28,032**	**1,926**	**24,983**	**26,909**

19 Provisions for contingencies

(euro million)	Value at Dec. 31, 2011	New or increased provisions	Initial recognition and changes in estimates	Accretion discount	Reversal of utilized provisions	Reversal of unutilized provisions	Currency translation differences	Other changes	Value at June 30, 2012
Provision for site restoration, abandonment and social projects	6,780		667	133	(98)		147	(374)	7,255
Provision for environmental risks	3,084	46		19	(88)	(6)		(68)	2,987
Provision for legal and other proceedings	1,074	362		5	(16)	(27)	7	(88)	1,317
Loss adjustments and actuarial provisions for Eni's insurance companies	343	97			(70)			1	371
Provision for taxes	344	32			(16)		8	(12)	356
Provision for redundancy incentives	163	44		14	(2)				219
Provision for losses on investments	172	3				(10)	1	9	175
Provision for OIL insurance cover	98	2						(1)	99
Provision for onerous contracts	125				(35)		2	(1)	91
Provision for long-term construction contracts	60	13			(36)			(36)	1
Provision for coverage of unaccounted-for gas	54							(54)	
Provisions for the supply of goods	28				(27)	(1)			
Other (*)	410	106		1	(93)	(14)		19	429
	12,735	**705**	**667**	**172**	**(481)**	**(58)**	**165**	**(605)**	**13,300**

(*) Each individual amount included herein does not exceed euro 50 million.

Other changes of euro 605 million comprised the reclassification to discontinued operations of euro 613 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

20 Deferred tax liabilities

Deferred tax liabilities were recognized net of offsettable deferred tax assets of euro 3,835 million (euro 4,045 million at December 31, 2011).

(euro million)	Value at Dec. 31, 2011	Net additions	Currency translation differences	Other changes	Value at June 30, 2012
	7,120	629	262	(1,057)	**6,954**

Other changes of euro 1,057 million comprised the reclassification to discontinued operations and liabilities associated with assets held for sale of euro 438 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Deferred tax assets and liabilities consisted of the following:

(euro million)	Dec. 31, 2011	June 30, 2012
Deferred tax liabilities	11,165	10,789
Deferred tax assets available for offset	(4,045)	(3,835)
	7,120	**6,954**
Deferred tax assets not available for offset	(5,514)	(5,067)
	1,606	**1,887**

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21 Other non-current liabilities

(euro million)	Dec. 31, 2011	June 30, 2012
Fair value of non-hedging derivatives	591	691
Fair value of cash flow hedge derivatives	37	12
Non-current income tax liabilities		22
Other payables	70	68
Other liabilities	2,202	1,581
	2,900	**2,374**

Derivative fair values were estimated on the basis of market quotations provided by primary info-provider, or in the absence of market information, appropriate valuation techniques commonly used on the marketplace.
Fair values of non-hedging derivatives of euro 691 million (euro 591 million at December 31, 2011) consisted of: (i) euro 678 million (euro 568 million at December 31, 2011) 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 business exposures to foreign currency exchange rates, interest rates or commodity prices. Therefore, such derivatives were not related to specific trade or financing transactions; (ii) euro 13 million (euro 14 million at December 31, 2011) of derivatives embedded in the pricing formulas of long-term gas supply contracts in the Exploration & Production segment.
Fair value of cash flow hedge derivatives amounted to euro 12 million (euro 37 million at December 31, 2010) and pertained to the Gas & Power segment. These derivatives were designated to hedge exchange rate and commodity risk exposures as described in note 7 Other current assets. Fair value of contracts expiring beyond June 30, 2013 is disclosed in note 13 Other non-current receivables; fair value of contracts expiring by June 30, 2013 is disclosed in note 17 Other current liabilities and in note 7 Other current assets. The effects of fair value evaluation of cash flow hedge derivatives are disclosed in note 23 Shareholders equity and in note 27 Operating expenses.
Other liabilities of euro 1,581 million (euro 2,202 million at December 31, 2011) included advances received by Suez following the long-term supplying of natural gas and electricity of euro 1,014 million (euro 1,061 million at December 31, 2011) and advances for euro 307 million (euro 299 million at December 31, 2011) due to gas customers who off-took lower quantities of gas than the contractual minimum quantity as provided by the relevant long-term sale arrangement, thus triggering the take-or-pay clause. The decrease of other liabilities of euro 621 million comprised the reclassification to discontinued operations of euro 668 million. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

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

Discontinued Operations

Snam

On May 30, 2012 Eni and Cassa Depositi e Prestiti SpA ("CDP"), an entity controlled by the Italian Ministry of Economy and Finance, agreed the principal terms and conditions of the divestment of 30% less 1 share of the voting shares of Snam (see section "Divestment of Eni s interest in Snam" in the Operating and Financial Review) at a price of euro 3.47 per share for a total consideration of euro 3,517 million. The sale and purchase contract was signed on June 15, 2012. The closing of the transaction could occur on or after October 15, 2012 and is subject to certain conditions precedent including, in particular, antitrust approval. By the time the transaction closes, Eni will lose control over Snam. The transaction implements the provisions of Article 15 of Law Decree No. 1 of January 24, 2012 (enacted into Law No. 27 of March 24, 2012), pursuant to which Eni shall divest its shareholding in Snam in accordance with the model of ownership unbundling set out in Article 19 of Legislative Decree No. 93 of June 1, 2011, and in accordance with the criteria, terms

and conditions defined in the Decree of the President of the Council of Ministers issued on May 25, 2012 (the "DPCM") and designed to ensure the complete independence of Snam from the largest gas production and sale company in Italy.
Furthermore, the DPCM provides the divestment of the residual shareholding of Eni in Snam after the sale to CDP, through transparent and non-discriminatory sales procedures targeted to both retail and institutional investors. On July 18, 2012, Eni concluded the sale of 178,559,406 shares equal to 5% of share capital of Snam SpA. The deal, carried out through an accelerated bookbuilding procedure aimed at Italian and foreign institutional investors, closed at a final assignment price of euro 3.43 per share for a total consideration amounting to euro 612.5 million.
Snam through its wholly-owned subsidiaries Snam Rete Gas SpA, GNL Italia SpA, Stoccaggi Gas Italia SpA and Italgas SpA, operates the natural gas transport activity by means of large backbones, the distribution of gas to residential and commercial users and small enterprises located in urban areas through low-pressures networks, re-gasification services of LNG and storage services through depleted fields designed to support strategic storage of gas and modulation needs of selling companies considering the seasonality in gas demand. As the Company considers those activities to be a major line of business, management recorded results of operations of Snam and its subsidiaries as discontinued operations.
As provided for by International Financial Reporting Standards (IFRS 5), discontinued operations relating to the Snam Group remains included in the scope of consolidation of Eni as of June 30, 2012. Therefore, the amounts represented as discontinue operations include the intragroup eliminations. In particular:

- in the balance sheet, assets and liabilities relating to discontinued operations are presented in a specific item of assets and liabilities, respectively;
- in the profit and loss account, results relating to discontinued operations, net of tax effects, are presented in a specific item before the net profit of the period;
- in the statement of cash flows, net cash provided by operating activities relating to discontinued operations are separately indicated.

The amounts relating to discontinued operations comprised in the profit and loss account and the statement of cash flows present the relevant comparisons.
The carrying amounts of the main assets and liabilities of the discontinued operations net of intragroup amounts are provided below.

(euro million)	**June 30, 2012**
Current assets	1,959
Property, plant and equipment	12,249
Intangible assets	3,830
Goodwill	314
Investments	375
Deferred tax assets	579
Other non-current assets	222
Total assets	**19,528**
Current liabilities	1,336
Deferred tax liabilities	438
Provisions for contingencies	613
Other non-current liabilities	2,288
Total liabilities	**4,675**

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The main line items of profit and loss and cash flow statement of the discontinued operations are provided below.

(euro million)	First half 2011	First half 2012
Revenues	848	1,311
Operating expenses	587	733
Operating profit	261	578
Finance income (expense)	12	9
Income (expense) from investments	27	23
Profit before income taxes	300	610
Income taxes	(317)	(351)
Net profit	(17)	259
- attributable to Eni	*(10)*	*144*
- attributable to non-controlling interest	*(7)*	*115*
Earnings per share (euro per share)		0.04
Net cash provided by operating activities	206	82
Net cash flow from investing activities	(749)	(661)
Net cash used in financing activities	(204)	1,290
Capital expenditures	657	493

Receivables and payables of discontinued operations with related parties are reported in note 33 Transactions with related parties.

Assets held for sale and liabilities directly associated with assets held for sale
Assets held for sale and liabilities directly associated with assets held for sale of euro 471 million and euro 170 million essentially pertained to non-strategic assets in the Exploration & Production segment (euro 250 million and euro 170 million, respectively) and to the investments in Interconnector (UK) Ltd (euro 137 million), Super Octanos CA (euro 51 million), SETGÁS - Sociedade de Distribução de Gás Natural SA (euro 13 million), Huberator SA (euro 4 million), Lusitaniagás - Companhia de Gás do Centro SA (euro 3 million) and Interconnector Zeebrugge Terminal S.C./C.V Scrl (euro 0.2 million). During the course of the first half of 2012, Eni concluded the disposal of non-strategic assets of the Exploration & Production segment for a nominal value of euro 191 million and other assets for a nominal value of euro 5 million.

23 Shareholders equity

Non-controlling interest
Profit attributable to non-controlling interest and the non-controlling interest in consolidated subsidiaries related to:

(euro million)	Net profit		Shareholders' equity	
	First half 2011	First half 2012	Dec. 31, 2011	June 30, 2012
Saipem SpA	380	222	2,802	2,887
Snam SpA	282	228	1,730	1,750

Others	(4)	3	389	392
	658	**453**	**4,921**	**5,029**

Eni shareholders equity

(euro million)	Dec. 31, 2011	June 30, 2012
Share capital	4,005	4,005
Legal reserve	959	959
Reserve for treasury shares	6,753	6,752
Reserve related to the fair value of cash flow hedging derivatives net of the tax effect	49	33
Reserve related to the fair value of available-for-sale financial instruments net of the tax effect	(8)	(1)
Other reserves	1,421	1,428
Cumulative currency translation differences	1,539	2,659
Treasury shares	(6,753)	(6,752)
Retained earnings	42,531	45,618
Interim dividend	(1,884)	
Net profit for the period	6,860	3,844
	55,472	**58,545**

Share capital

At June 30, 2012, the parent company s issued share capital consisted of 4,005,358,876 shares (nominal value euro 1 each) fully paid-up (the same amount as of December 31, 2011).
On May 8, 2012, Eni s Shareholders Meeting declared a dividend distribution of euro 0.52 per share, with the exclusion of treasury shares held at the ex-dividend date, in full settlement of the 2011 dividend of euro 1.04 per share, of which euro 0.52 per share paid as interim dividend. The balance was payable on May 24, 2012, to shareholders on the register on May 21, 2012.
On July 16, 2012, the Extraordinary and Ordinary Shareholders' Meeting resolved: (i) to eliminate the par value of all the ordinary shares representing the share capital; (ii) to cancel 371,173,546 treasury shares without par value without changing the amount of the share capital and reducing the "Reserve for the purchase of treasury shares" by euro 6,522 million, equal to the book value of the cancelled shares; (iii) to authorize the Board of Directors to purchase, within 18 months from the date of the resolution, up to a maximum number of 363,000,000 ordinary Eni shares on the Mercato Telematico Azionario for a price up to a total amount of euro 6,000 million; (iv) to attribute the total amount of euro 6,000 million to a specific reserve destined for the purchase of own shares, formed by using equal amounts from available reserves.

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 available-for-sale financial instruments and cash flow hedging derivatives net of the related tax effect

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

	Available-for-sale financial instruments			Cash flow hedge derivatives			Total		
(euro million)	Gross reserve	Deferred tax	Net reserve	Gross reserve	Deferred tax	Net reserve	Gross reserve	Deferred tax	Net reserve

		liabilities			liabilities			liabilities	
Reserve as of December 31, 2011	**(9)**	**1**	**(8)**	**77**	**(28)**	**49**	**68**	**(27)**	**41**
Changes of the period	8	(1)	**7**	40	9	**49**	48	8	**56**
Amount recognized in the profit and loss account				(65)		**(65)**	(65)		**(65)**
Reserve as of June 30, 2012	**(1)**		**(1)**	**52**	**(19)**	**33**	**51**	**(19)**	**32**

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Other reserves

Other reserves amounted to euro 1,428 million (euro 1,421 million at December 31, 2011) and related to:

- a reserve of euro 1,135 million represented an increase in Eni s shareholders equity associated with a business combination under common control which took place in 2009, whereby the parent company Eni SpA divested the subsidiaries Italgas SpA and Stogit SpA to Snam SpA with a corresponding decrease in the non-controlling interest (euro 1,137 million at December 31, 2011);
- a reserve of euro 247 million related to the increase of Eni s shareholders equity as a control to non-controlling interest following the sale by Eni SpA of Snamprogetti SpA to Saipem Projects SpA, both merged in Saipem SpA (the same amount as of December 31, 2011);
- a reserve of euro 157 million deriving from Eni SpA s equity (the same amount as of December 31, 2011);
- a reserve of euro 20 million related to the effect of treasury shares sold following the exercise of stock options by Saipem and Snam managers (euro 14 million at December 31, 2011);
- a negative reserve of euro 123 million represented an increase in Eni s shareholders equity associated with the acquisition of the residual 45.73% pertaining to the non-controlling interest of Altergaz SA (euro 119 million at December 31, 2011);
- a negative reserve of euro 8 million referred to the share of "Other comprehensive income" on equity-accounted entities (a negative reserve of euro 15 million at December 31, 2011).

24 Other information

Acquisitions

Nuon Belgium NV and Nuon Power Generation Walloon NV

In January 2012, Eni finalized the purchase of the 100% interest in Nuon Belgium NV and Nuon Power Generation Walloon NV. The companies provide gas and electricity to the Belgian retail market and to small and medium enterprises. The allocation of the cost to assets and liabilities of euro 214 million was made on a preliminary basis. The preliminary allocation of the purchase costs is disclosed below:

	Nuon Belgium NV and Nuon Power Generation Wallon NV	
(euro million)	Carrying value	Fair value
Current assets	156	156
Property, plant and equipment	12	12
Intangible assets	5	49
Goodwill		94
Other non-current assets	3	3
Assets acquired	**176**	**314**
Current liabilities	81	81
Net deferred tax liabilities	2	17
Other non-current liabilities	2	2
Liabilities acquired	**85**	**100**
Eni's shareholders equity	**91**	**214**

Net sales from operations and the net profit for the 2011 were as follows:

(euro million)	Nuon Belgium NV and Nuon Power Generation Wallon NV 2011
Net sales from operations	741
Net profit	11

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Supplemental cash flow information

(euro million)	First half 2011	First half 2012
Effect of investment of companies included in consolidation and businesses		
Current assets		108
Non-current assets	22	171
Net borrowings		46
Current and non-current liabilities		(99)
Net effect of investments	**22**	**226**
Purchase price	**22**	**226**
less:		
Cash and cash equivalents		*(48)*
Cash flow on investments	**22**	**178**
Effect of disposal of consolidated subsidiaries and businesses		
Current assets		1
Non-current assets	1	1
Net borrowings		5
Current and non-current liabilities		(8)
Net effect of disposals	**1**	**(1)**
Gain on disposal		2
Non-controlling interest		(1)
Selling price	**1**	
less:		
Cash and cash equivalents		*(2)*
Cash flow on disposals	**1**	**(2)**

Investments and disposals in the first half of 2011 referred to acquisitions and sales of businesses. Investments in the first half of 2012 referred to the acquisition of Nuon Belgium NV and Nuon Power Generation Walloon NV and to an acquisition of a business. Disposals in the first half of 2012 referred to the sale to third parties of the 100% stake of Star Gulf FZ Co and the divestment of the control stake (50%) of Sairus Llc.

25 Guarantees, commitments and risks

Guarantees
The amount of guarantees remained unchanged from the Annual Report 2011.

Commitments and risks
The amount of commitments and risks remained unchanged from the Annual Report 2011 with the exception of the parent company guarantees issued in connection with certain contractual commitments for hydrocarbon exploration and production activities of the Exploration & Production segment and quantified, on the basis of the capital expenditures to be incurred, that increased to euro 12,150 million (euro 9,710 million at December 31, 2011). In particular, the increase of euro 2,440 million was essentially related to projects in Kazakhstan (euro 2,521 million).

Managing company s risks
The main risks that the Company is facing and actively monitoring and managing are described in the "Risk factors and uncertainties" section of this Interim Consolidated Report as of June 30, 2012.

Fair value of financial instruments
Following the classification of financial assets and liabilities, measured at fair value in the balance sheet, is provided according to the fair value hierarchy defined on the basis of the relevance of the inputs used in the measurement process. In particular, on the basis of the features of the inputs used in making the measurements, the fair value hierarchy shall have the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical financial assets or liabilities;
(b) Level 2: measurements based on the basis of inputs, other than quoted prices above, which, for assets and liabilities that have to be measured, can be observable directly (e.g. prices) or indirectly (e.g. deriving from prices);
(c) Level 3: inputs not based on observable market data.

Financial instruments measured at fair value in the balance sheet as of at June 30, 2012, were classified as follows: (i) level 1, "Other financial assets available for sale" and "Non-hedging derivatives - Future"; and (ii) level 2, derivative financial instruments different from "Future" included in "Other current assets", "Other non-current receivables", "Other current liabilities" and "Other non-current liabilities". During the first half of 2012, no transfers were done between the different hierarchy levels of fair value.

Legal Proceedings
Eni is a party to a number of civil actions and administrative arbitral and other judicial proceedings arising in the ordinary course of business.
The following is a summary of the most significant proceedings currently pending for which significant developments occurred in the first half of 2012 with respect to situation reported in the Annual Report 2011, including new proceedings and settled proceedings. Unless otherwise indicated below, 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
1.1 Criminal proceedings

Eni SpA

(i) **Investigation of the quality of groundwater in the area of the refinery of Gela.** In 2002, the Public Prosecutor of Gela commenced a criminal investigation concerning the refinery of Gela to ascertain the quality of groundwater in the area of the refinery. Eni is charged of having breached environmental rules concerning the pollution of water and soil and of illegal disposal of liquid and solid waste materials. The preliminary hearing phase was closed for one employee who would stand trial, while the preliminary hearing phase is ongoing for other defendants. During the hearings the Judge admitted as plaintiffs three environmental associations. On May 14, 2010, following the examination, the Court of Gela issued a sentence whereby on one side criminal accusation against the above mentioned employee was dismissed as a result of the statute of limitations, on the other side the defendant was condemned to the payment of legal costs and of a compensation to the plaintiffs. The amount of the compensation will be determined by a resolution of a Civil Court. The Second Degree Court upheld the appeal filed by the defendants, revoking the damage payment as a result of the statute of limitations occurred in the First Degree proceeding.

(ii) **Fatal accident Truck Center Molfetta - Prosecuting body: Public Prosecutor of Trani.** On May 11, 2010, Eni SpA, eight employees of the Company and a former employee were notified of closing of the investigation that objected the manslaughter, grievous bodily harm and illegal disposal of waste materials in relation to a fatal accident that caused the death of four workers deputed to the cleaning of a tank car owned by a company part of the Italian Railways Group. The tank was used for the transportation of liquid sulphur produced by Eni in the refinery of Taranto. The Public Prosecutor has removed three defendants and transmitted evidence to the Judge for the Preliminary Investigations requesting to dismiss the proceeding. The Judge for the Preliminary Investigations accepted the above mentioned request. In the hearing of April 19, 2011 the Judge admitted as plaintiffs against the above mentioned individuals all the parts, excluding the relative of one of the victims, whose position have been declared inadmissible lacking of cause of action. The Judge declared inadmissible all the requests in acting as plaintiff against Eni. On December 5, 2011 the Judge pronounced an acquittal sentence for the individuals involved and for Eni SpA, as the indictments are groundless. On July 3, 2012 the Public Prosecutor filed an appeal against this decision.

Eni SpA and Eni Rete oil&nonoil SpA

(iii) **Prosecuting body Public Prosecutor of Trani.** In March 2012, Eni SpA and its subsidiary Eni Rete oil&nonoil SpA were notified the request of performance of probatory evidence with regard to a criminal proceeding pending before the Public Prosecutor of Trani. The proceeding was commenced against 7 employees of the above mentioned companies for the crimes of extortion and attempted extortion against the company MIDI Sas owned by Minuto Pasquale, former affiliate in participation with Eni SpA and Eni Rete oil&nonoil SpA on the management of the fuel distributor located in the municipality of Molfetta, The Public Prosecutor charged also the company of an administrative crime, violating Articles 25, 26, 27 of Legislative Decree 231/2001, alleging that Eni had achieved an illicit profit by entering an affiliation in participation contract with the above mentioned person. This proceeding is part of a pre-existing and articulated trial context with the counterparts opposed in civil and criminal proceedings. The Judge for the Preliminary Investigation rejected the request of performance of probatory evidence and the proceeding will continue with the preliminary investigations. The defendants of the counterparts are preparing a further defensive memorandum.

Syndial SpA and Versalis SpA

(iv)

Porto Torres - Prosecuting body: Public Prosecutor of Sassari. In March 2009, the Public Prosecutor of Sassari (Sardinia) resolved to commence a criminal trial against a number of executive officers and managing directors of companies engaging in petrochemicals operations at the site of Porto Torres, including the manager responsible for plant operations of the Company s fully-owned subsidiary Syndial. The charge involves environmental damage and poisoning of water and crops. The Province of Sassari, the Association Anpana (animal preservation), the company Fratelli Polese Snc, situated in the industrial site and the municipality of Porto Torres 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 fauna of the industrial port of Porto Torres. The Judge also resolved that Syndial SpA, Polimeri Europa SpA, Ineos Vinyls and Sasol Italy SpA would bear civil liability. Then, the Judge based on the memoranda filed by the defending counsels resolved that all defendants would stand trial before a jurisdictional body of the Italian criminal law which is charged with judging the most serious crimes. Thus the Judge accepted the conclusions of the Public Prosecutor that claimed the crimes of environmental damage and poisoning of water and crops. The above mentioned jurisdictional body did not recognized the gravity elements justifying its judgment. Thus the proceeding was returned before the Public Prosecutor, regressing to the previous stage of judgment.

Syndial SpA and Eni SpA

(v) **Prosecuting Body Public Prosecutor of Crotone.** A criminal proceeding against two former directors of a company acquired in the past by Eni managing a phosphor plant is pending before the Public Prosecutor of Crotone. The alleged crime is culpable manslaughter relating to professional diseases and environmental disaster. On May 9, 2011 the Judge for the preliminary hearing resolved that the former directors would stand trial and that Syndial SpA, and Eni SpA would be judged in relation to civil liability.

1.2 Civil and administrative proceeding

Syndial SpA (former EniChem SpA)

(i) **Alleged pollution caused by the activity of the Mantova plant.** In 1992, the Ministry for the Environment summoned EniChem SpA (now Syndial SpA) and Montecatini SpA (now Edison SpA) before the Court of Brescia. The Ministry requested, primarily, environmental remediation for the alleged pollution caused by the activity of the Mantova plant from 1976 until 1990, and provisionally, in case there was no possibility to remediate, the payment of environmental damages. Edison agreed on a settlement with the Ministry whereby Edison quantified compensation for environmental damage freeing from any obligation Syndial, which purchased the plant in 1989. Negotiations between the parts for the quantification of the environmental damage (relating only to 1990) are underway. In July 2012, the Ministry for the Environment and Syndial entered an agreement to settle the environmental damage related to the contamination caused by the water discharges of the Mantova plant whereby Syndial would compensate the plaintiff by euro 4 million. The agreed compensation was fairly lower than the original claim made by the Minister. The Judge is expected to issue a ruling of conclusion of the proceeding.

(ii) **Summon before the Court of Venice for environmental damages allegedly caused to the lagoon of Venice by the Porto Marghera plants.** On December 13, 2002, EniChem SpA (now Syndial SpA), jointly with Ambiente SpA (now merged into Syndial SpA) and European Vinyls Corporation Italia SpA (EVC Italia, then Ineos Vinyls SpA, actually Vinyls Italia SpA) was summoned before the Court of Venice by the Province of Venice. The province requested compensation for environmental damages that initially were not quantified, allegedly caused to the lagoon of Venice by the Porto Marghera plants, which were already the subject of two previous criminal proceedings against employees and managers of the defendants. EVC Italia and the actual company, Vinyls Italia, presented an action to be indemnified by Eni s Group companies in case the alleged pollution is proved. The Province of Venice, in the preliminary stage of the proceeding, filed claims amounting to euro 287 million. Syndial submitted its written reply evidencing that the abovementioned damage quantification has been made lacking of probations for the damage and based on evidence that allowed the Court of First and Second Instance to disclaim EniChem of any responsibility through definitive sentence. In the hearing on October 16, 2009, scheduled to review the technical appraisal, the Court declared the interruption of the proceeding because Vinyls Italia had undergone a reorganization procedure. The proceeding has been suspended until April 22, 2010 when the Province of Venice pursuant to Article 303 of the Code of Civil Procedure restarted the proceeding. The proceeding continued with the review the position of Vinyls and Syndial. On May 7, 2012 the Court of Venice condemned the company to pay an immaterial amount to the Province of Venice as damage compensation.

(iii) Summon for alleged environmental damage caused by DDT pollution in the Lake Maggiore - Prosecuting body: Ministry for the Environment. With a temporarily executive decision dated July 3, 2008, the District Court of Turin sentenced the subsidiary Syndial SpA (former EniChem) to compensate for environmental damages that were allegedly caused when EniChem managed an industrial plant at Pieve Vergonte during the 1990-1996 period, as claimed by the Ministry for the Environment. Specifically, the Court sentenced Syndial to pay the Italian Ministry for the Environment compensation amounting to euro 1,833.5 million, plus legal interests that accrue 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 ill-founded as the sentence has been considered to lack 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. On occasion of the 2008 Consolidated Financial Statements, management confirmed its stance of making no loss provision for this proceeding on the basis of the abovementioned technical legal advice, in concert with external consultants on accounting principles. In July 2009, Eni s subsidiary Syndial filed an appeal against the abovementioned sentence, also requesting suspension of the sentence effectiveness. The Ministry for the Environment, in the appeal filed, requested to the Second Instance Court to adjust the first degree sentence condemning Syndial to the payment of euro 1,900 million or alternatively euro 1,300 million in addition to the amount assessed by the First Degree Court. In the hearing on December 11, 2009, the Second Instance Court considering the modification of Environmental Damage regulation introduced by the Article 5-bis of the Law Decree No. 135/2009 and following a request of the Board of State Lawyers decided the postponement to May 28, 2010, pending the Decree of the Ministry for the Environment related to the determination of the quantification criteria for monetary compensation of the environmental damage pursuant to the abovementioned Article 5-bis of the Law Decree No. 135/2009. The Board of State Lawyers committed itself to not examine the sentence until the next hearing. In the hearing of May 28, 2010, Syndial requested a further postponement still pending the above mentioned Decree of the Ministry for the Environment. The Board of State Lawyers agreed to the request, justifying he postponement based on an ongoing negotiation between the parties to define a global transaction of the proceeding, committing itself to not request the execution of the sentence until the next hearing. In the hearing of June 15, 2012 before the Second Instance Court of Turin, the Minister of the Environment, formalized trough the Board of State Lawyers its commitment to not examine the sentence until a final verdict on the whole matter is reached. Another administrative proceeding is ongoing regarding a Ministerial Decree enacted by the Italian Ministry for the Environment. The decree provides that Syndial executes the following tasks: (i) the upgrading of a hydraulic barrier to protect the site; and (ii) the design of a project for the environmental remediation of Lake Maggiore. The Administrative Court of Piemonte rejected Syndial s opposition against the outlined environmental measures requested by the Ministry for the Environment. However, the Court judged the prescriptions of the Ministry regarding the remediation of the site to be plain findings of an environmental enquiry to ascertain the state of the lake. Syndial has filed an appeal against the decision of the Court before an upper degree body, also requesting suspension of the effectiveness of the decision. The appeal has been put on hold considering that a plan to ascertain the environmental status of the site has been approved by all interested parties, including the Ministry and local Municipalities pursuant to the statement on April 28, 2009, which included certain recommendations. Syndial appealed against this statement and the related Ministerial Decree of approval in order to avoid the case to give implicit consent to the request (appealed by the Company) of the Minister that claimed that Syndial is obliged to execute the clean-up. On the contrary, Syndial has agreed on the scope of the plan to ascertain the environmental status of the site, as it has been actually implementing it. Syndial also presented a clean-up project for the groundwater and the soil, that hasn t been approved, as the abovementioned prescriptions that have been prescribed are the object of the Company opposition in the abovementioned proceeding. In case Syndial should be found guilty, it would incur remediation and clean-up expenses, actually not quantifiable, that would be offset against any compensation for the environmental damage that Eni s subsidiary is condemned to pay with regard to civil proceeding pending before the Second Instance Court of Turin.

2. Antitrust, EU Proceedings, Actions of the Authority for Electricity and Gas and of Other Regulatory Authorities

Eni SpA

(i) Inquiry in relation to gas transportation. In March 2012, the Italian Antitrust Authority started an inquiry targeting alleged anti competitive behavior charged to Eni in connection with the refusal to dispose of secondary transport capacity on the Transitgas and TAG pipelines to third parties. In June 1, 2012 Eni filed a proposal of commitments pursuant to Article 14-ter of Law 287/1990, aiming at settle the proceeding without the ascertainment of any illicit behavior. In June 2012, the Italian Antitrust Authority decided to submit the proposal to a market test. The evaluation of the proposal will be issued within September 12, 2012 and the inquiry is expected to be concluded by March 15, 2013.

3. Court inquiries

(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. These inquiries were widely covered by the media. It emerged that illicit payments were made by EniPower suppliers to a manager of EniPower who was immediately dismissed. The Court presented EniPower (commissioning entity) and Snamprogetti (now Saipem SpA) (contractor of engineering and procurement services) with notices of process in accordance with existing laws regulating the administrative responsibility of companies (Legislative Decree No. 231/2001). In its meeting of August 10, 2004, Eni s Board of Directors examined the aforementioned situation and Eni s CEO approved the creation of a task force in charge of verifying the compliance with Group procedures regarding the terms and conditions for the signing of supply contracts by EniPower and Snamprogetti and the subsequent execution of works. The Board also advised divisions and departments of Eni to cooperate fully in every respect with the Court. From the inquiries performed, no default in the organization emerged, nor deficiency in internal control systems. External experts have performed inquiries with regard to certain specific aspects. In accordance with its transparency and firmness guidelines, Eni took the necessary steps in acting as plaintiff in the expected legal action in order to recover any damage that could have been caused to Eni by the illicit behavior of its suppliers and of their and Eni employees. In the meantime, preliminary investigations have found that both EniPower and Snamprogetti are not to be considered defendants in accordance with existing laws regulating the administrative responsibility of companies (Legislative Decree No. 231/2001). 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. After the filing of the pleadings occurred in the hearing of July 12, 2011, the proceeding was postponed to September 20, 2011. In that date the Court of Milan concluded that nine persons were guilty for the above mentioned crimes. In addition they were condemned 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 for 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, 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 was made probably on the basis of a pronouncement made by a Supreme Court which stated the illegitimacy of the constitution as plaintiffs made by any legal entity which is indicted under the provisions of Legislative Decree No. 231/2001. The Court filed the ground of the judgment on December 19, 2011. The condemned parties filed an appeal against the above mentioned decision; the next hearing has been scheduled for September 22, 2012.

(ii) TSKJ Consortium Investigations by US, Italian and other Authorities. Snamprogetti Netherlands BV has a 25% participation in the TSKJ Consortium companies. The remaining participations are held in equal shares of 25% by KBR, Technip, and JGC. Beginning in 1994 the TSKJ Consortium was involved in the construction of natural gas liquefaction facilities at Bonny Island in Nigeria. Snamprogetti SpA, the holding company of Snamprogetti Netherlands BV, was a wholly owned subsidiary of Eni until February 2006, when an agreement was entered into for the sale of Snamprogetti to Saipem SpA and Snamprogetti was merged into Saipem as of October 1, 2008. Eni holds a 43% participation in Saipem. In connection with the sale of Snamprogetti to Saipem, Eni agreed to indemnify Saipem for a variety of matters, including potential losses and charges resulting from the investigations into the TSKJ matter referred to below, even in relation to Snamprogetti subsidiaries. In recent years the proceeding was settled with the US Authorities and certain Nigerian Authorities, which had been investing into the matter. The proceeding is still pending before Italian judicial authorities.

The proceedings in the US: in 2010 a global transaction to settle the proceeding was defined with the US Authorities investigating the matter (the US DoJ and the US SEC) following long and complex discussions which commenced in 2009. Particularly, in July 2010, Snamprogetti Netherlands BV signed a deferred prosecution agreement with the DoJ whereby the department filed a deed which could lead to a criminal proceeding against Snamprogetti Netherlands BV for having violated certain rules of the FCPA if certain procedures are not met. Also the parties agreed upon a fine amounting to $240 million which was accrued in a risk provision in the 2009 Consolidated Financial Statements. Eni and Saipem assumed the role of guaranteeing the effective fulfillment of the obligations agreed upon by Snamprogetti Netherlands BV with the US Department of Justice, considering the contractual obligations assumed by Eni to indemnify Saipem as part of the divestment of Snamprogetti. If Snamprogetti Netherlands BV fulfills the obligations set by the agreement, the Department will refrain from continuing the criminal proceeding once a two-year frame has elapsed (which can be increased up to three years). The relevant cash settlement occurred in July 2010. In addition Snamprogetti Netherlands BV and the parent company Eni being an entity listed on the NYSE reached an agreement with the US SEC whereby the two Companies agreed to be subpoenaed and be judged having allegedly violated certain rules of the Security and Exchange Act of 1934 without pleading guilty. They both agreed to pay jointly and severally an amount of $125 million to the SEC in relation to the disgorgement of profit. The relevant cash settlement occurred in July as Eni actually paid the amount considering the contractual obligations assumed by Eni to indemnify Saipem as part of the divestment of Snamprogetti.

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The proceedings in Italy: beginning in 2004, the TSKJ matter has prompted investigations by the Public Prosecutor s office of Milan against unknown persons. Since March 10, 2009, the Company has received requests of exhibition of documents from the Public Prosecutor s office of Milan. The events under investigation cover the period since 1994 and also concern the period of time subsequent to the June 8, 2001, enactment of Italian Legislative Decree No. 231 concerning the liability of legal entities. On August 12, 2009, a decree issued by the Judge for the Preliminary Investigations at the Court of Milan was served on Eni (and on July 31, 2009 on Saipem SpA, as legal entity incorporating Snamprogetti SpA). The decree set a hearing in Court in relation to a proceeding ex Legislative Decree No. 231 of June 8, 2001 whereby the Public Prosecutor of Milan is investigating Eni SpA and Saipem SpA for liability of legal entities arising from offences involving international corruption charged to former managers of Snamprogetti SpA. The Public Prosecutor of Milan requested Eni SpA and Saipem SpA to be debarred from activities involving directly or indirectly any agreement with the Nigerian National Petroleum Corporation and its subsidiaries. The events referred to the request of precautionary measures of the Public Prosecutor of Milan cover TSKJ Consortium practices during the period from 1995 to 2004. In this regard, the Public Prosecutor claimed the inadequacy and violation of the organizational, management and control model adopted to prevent those offences charged to people subject to direction and supervision. At the time of the events under investigation, the Company had adopted a code of practice and internal procedures with reference to the best practices at the time. Subsequently, such code and internal procedures have been improved aiming at the continuous improvement of internal controls. Furthermore, on March 14, 2008, Eni approved a new Code of Ethics and a new Model 231 reaffirming that the belief that one is acting in favor or to the advantage of Eni can never, in any way, justify not even in part any behaviors that conflict with the principles and contents of the Code. On November 17, 2009, the Judge for the Preliminary Investigations rejected the request of precautionary measures of disqualification filed by the Public Prosecutor of Milan against Eni and Saipem. The Public Prosecutor of Milan appealed the abovementioned decision before the Third Instance Court. The Court decided that the request of precautionary measures be admissible according to Legislative Decree No. 231/2001 even in the case of international corruption. The issue would be subsequently examined by the Re-examination Court of Milan. On February 18, 2011, the Public Prosecutor of Milan, with respect to the guarantee payment amounting to euro 24,530,580, even in the interest of Saipem SpA, renounced to contest the decision of rejection of precautionary measures of disqualification for Eni SpA and Saipem SpA issued by the Judge for the Preliminary Hearings. In the hearing of February 22, 2011, the Re-examination Court, taking note of the abovementioned renounce, declared inadmissible the appeal of the Public Prosecutor of Milan and closed the proceeding related to the request of precautionary measures of disqualification for Eni SpA and Saipem SpA. On November 3, 2010, the defense of Saipem was notified the conclusion of the investigations relating to the proceeding pending before the Court of Milan trough a deed by which the Court evidenced the alleged violations made by the five former Snamprogetti SpA (now Saipem SpA) and Saipem SpA being the parent company of Snamprogetti. The deed does not involve the Eni Group parent company Eni SpA. The charged crimes involve alleged corruptive events that have occurred in Nigeria after July 31, 2004. It is also stated the aggravating circumstance that Snamprogetti SpA reported a relevant profit (estimated at approximately $65 million). On December 3, 2010, the defense of Saipem was notified the opening of a proceeding with the first hearing scheduled for December 20, 2010. The subsequent hearings were dedicated to the exposition of the motivations of counterparts and in the hearing of January 26, 2011, the Public Prosecutor requested five former workers of Snamprogetti SpA (now Saipem) and Saipem SpA (as legal entity incorporating Snamprogetti) to stand trial. The first hearing before the Court of Milan took place on May 10, 2011. In the hearing of February 2, 2012, even if considering that the term for the occurrence of the statute of limitations for the individuals who are acting as plaintiffs, the Public Prosecutor raised an issue of constitutional legitimacy for the incompatibility between the internal and international legislation on the statute of limitation, in particular the OECD convention on the fight against the international corruption. The Court of Milan rejected the requests of the Public Prosecutor and dismissed the accusation against the plaintiffs because the charge against them had expired due to statute of limitations. The Court requested the dismissal of the position of Saipem from the above mentioned decision thus continuing the proceeding against it.

It is worth mentioning that the Board of Directors of Eni and Saipem in 2009 and 2010, respectively approved new guidelines and anti-corruption policies regulating Eni and Saipem management of the business. The guidelines integrated anti-corruption policies of the Company, aligning them to the international best practices, optimizing the compliance system and granting the highest respect of Eni, Saipem and their workers of the Code of Ethics, 231 Model and national and international anti-corruption policies.

(iii) **Gas metering.** On May 28, 2007, a seizure order (in respect to certain documentation) was served upon Eni and other Group companies as part of a proceeding brought by the Public Prosecutor at the Courts of Milan. The order was also served upon five top managers of the Group companies in addition to third party companies and their top managers. The investigation alleges behavior which breaches Italian Criminal Law, starting from 2003, regarding the use of instruments for measuring gas, the related payments of excise duties and the billing of clients as well as relations with the Supervisory Authorities. The allegation regards, inter alia, the offense contemplated by Legislative Decree of June 8, 2001, No. 231, which establishes the liability of the legal entity for crimes committed by its employee in the interests of such legal entity, or to its advantage. Accordingly, notice of the commencement of investigations was served upon Eni Group companies (Eni, Snam Rete Gas and Italgas) as well as third party companies. In relation to this proceeding, the Public Prosecutor of Milan requested the dismissal for certain people indicted, including a top manager as the Prosecutor did not find sufficient elements to support the indictment in a possible trial. The request was preceded by a request of dismissal from the principal proceeding of the dismissed people. On January 24, 2012 the Judge for the Preliminary Hearing disposed the dismissal of these people.

Croatian gas metering. In the field of a dismissal from the principal proceeding, on November 26, 2009, a notice of conclusion of the preliminary investigation was served to Eni s Group companies whereby 12 Eni employees, also including former employees, are under investigation. The exceptions filed in the notice include: (i) violations pertaining to recognition and payment of the excise on natural gas amounting to euro 20.2 billion; (ii) violations or failure in submitting the annual statement of gas consumption and/or in the annual declarations to be filed with the Duty Authority or the Authority for Electricity and Gas; and (iii) a related obstacle which has been allegedly posed to the monitoring functions performed by the Authority for Electricity and Gas. On February 22, 2011, 12 Eni employees, also including former employees were notified the schedule of the preliminary hearing. In relation to a modification in the relevant legislation the Public Prosecutor requested to dismiss the proceeding for two Snam Rete Gas employees in connection with the crime of using faked instruments of gas measurement in the commercial practice relating the measurement activities at the station of Mazara del Vallo. In the hearing of July 12, 2011, were examined indictment and defense witnesses, while the Judge for the Preliminary Hearing postponed the hearing for eventual objections of the Public Prosecutor to October 5, 2011. In this hearing the Judge for the Preliminary Hearing considering the memoranda filed by the parties sentenced:

- to dismiss the position of a manager of the Eni G&P Division for all the alleged crimes relating the obstacle;
- to the monitoring functions performed by the Authority for Electricity and Gas for years 2006, 2007, 2008 because the indictment was groundless;
- to dismiss the position of a GreenStream BV employee for all the alleged crimes relating the violations pertaining to lack of formal declaration and recognition or payment of excise duties on hydrocarbons as well as the obstacle to the monitoring functions performed by the Authority for Electricity and Gas because when the alleged crimes occurred the mentioned employee was not the legal representative of GreenStream BV;
- to dismiss the position of a Snam Rete Gas employee in relation to the crime relating the obstacle to the monitoring functions performed by the Authority for Electricity and Gas to the extent that a violation for omitted communication to Authority for Electricity and Gas would have allegedly occurred, because the

indictment was groundless.

In the hearing of November 4, 2011, the defendants filed their objections to the motions of the Public Prosecutor.

In the subsequent hearing of January 24, 2012, the Judge resolved to dismiss the proceeding against all defendants as well as to release seizure of the measurement instruments. The decision could be appealed by the Public Prosecutor. On March 7, 2012, the external lawyers defending the company, were notified an appeal to the Third Instance Court filed by the Public Prosecutor of Milan. The act did not involve all the dismissed defendants, but only some positions. The schedule of the hearing before the Third Instance Court is still pending.

Gas metering excise. As a result of a further dismissal of judicial position from the main proceeding, the Public Prosecutor of Milan notified to nine employees and former employees of Eni (in particular belonging to the Gas & Power Division) the conclusion of the investigation related to the crime under the provisions of Article No. 40 (violations pertaining to recognition and payment of the excise on mineral oils) of Legislative Decree No. 504 of October 26, 1995. The deed also disputed certain violations pertaining to subtraction of taxable amounts and missed payments of excise taxes on natural gas amounting to euro 0.47 billion and euro 1.3 billion, respectively. The Duty Authority of Milan, responsible for the collection of dodged taxes, considering the documentation filed by Eni, reduced the amount initially claimed by the Public Prosecutor to euro 114 million of dodged taxes. The Duty Authority also stated that it would reassess that amount considering further evidence arising from the criminal proceeding. The company was not notified the decision because the Judicial Authority has cleared the possibility that the Company may be liable in accordance with Legislative Decree 231 of 2001. In the subsequent hearing of October 28, the defendants, in order to analyze fully the various aspect of the criminal proceeding, asked a consistent postponement of the Preliminary Hearing, in order to evaluate the conclusion of the round table between the Duty Agency, AEEG and ANIGAS which have been assessing the technical aspects of the matter. After the review of the positions of the Public Prosecutor and the defendants, the Judge for the Preliminary Hearings postponed the hearing to May 7, 2012 and decided as probative integration to hear the Director of the Procedure and Control Excise Sector of the Regional Duty Direction of the Lombardia Region. The hearing of the witness was scheduled for June 14, 2012. On June 28, 2012, the Judge resolved to dismiss the proceeding against all defendants because the fact did not constitute an offence.

(iv) **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 crime of "international corruption" is sanctioned, in accordance to the Italian criminal code, by Legislative Decree June 8, 2001, No. 231, which holds legal entities liable for the crimes committed by their employees on their behalf. 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 reunified 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 notified that a search warrant had been issued to search the offices and homes of certain employees of the Group and of certain third parties as a result of alleged illicit behavior in respect of awarding contracts in Iraq, where Eni group companies are involved as commissioning bodies. In particular the homes and offices of an employee of Eni Zubair and a manager of Saipem were searched by the authorities. The accusation is of criminal conspiracy and corruption in relation with the activity of Eni Zubair in Iraq and of Saipem in the "Jurassic" project in Kuwait. The Public Prosecutor of Milan has associated Eni Zubair, Eni and Saipem with the accusations as a result of the alleged illicit actions of their employees, who have also been described as non-loyal employees of Eni Group. The Eni Zubair employee resigned and the Company, accepting the resignation, reserved the right to take action against the individual to defend its interests and subsequently commenced a legal action against the other persons mentioned in the seizure act. Notwithstanding that the Eni Group companies are associated with these accusations, Eni SpA and

Saipem SpA also received, at the same time the search warrant was issued, a notification pursuant to the Legislative Decree No. 231/2001. While the minuting of the seizure, Eni SpA asserted the Company had no involvement as all activities in Iraq are carried out by its subsidiary Eni Zubair. The Company also asserted that Eni Zubair and Eni SpA had no involvement with the alleged illicit activities subject to the prosecutor s accusations. Eni SpA was notified by the Public Prosecutor 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. Eni performed a review of the whole matter also with the support of an external consulting firm which issued its final appraisal report on July 25, 2012. According to the opinion of its legal team, the Company s watch structure and Internal control committee, Saipem too commenced through its Internal Audit department an internal review about the project with the support of an external consultant. The Public Prosecutor of Milan requested Eni SpA and Saipem 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. The Judge is expected to decide on the Public prosecutor request following the hearing held on May 29, 2012 where the matter was fully examined.

4. Settled proceedings

The proceeding settled in the first half of 2012, mentioned in the Annual Report 2011 (note 34), is the following:

5. Tax Proceedings

Outside Italy

(i) ***Karachaganak.*** On December 14, 2011, the International companies operating the Karachaganak field (Eni co-operator, 32.5%) and the Republic of Kazakhstan signed a binding agreement for the settlement of a contractual claim as well as a certain tax disputes. In particular the Kazakh Tax Authorities claimed that Agip Karachaganak BV and Karachaganak Petroleum Operating BV, shareholder and operator of the Karachaganak contract, respectively, omitted payment of income taxes and other tax items for the period 2000-2009. Then, Kazakh Authorities notified a claim on the recovery of expenditures incurred by the operating company in the period 2003-2009. The agreement became effective on June 28, 2012.

26 Revenues

The following is a summary of the main components of "Revenues". For more information about changes in revenues, see "Financial Review".
Net sales from operations were as follows:

(euro million)	**First half 2011**	**First half 2012**
Net sales from operations	51,959	62,388
Change in contract work in progress	567	815
	52,526	**63,203**

Net sales from operations were net of the following items:

(euro million)	**First half 2011**	**First half 2012**
Excise taxes	5,503	6,513
Exchanges of oil sales (excluding excise taxes)	1,187	1,064
Services billed to joint venture partners	1,686	1,941
Sales to service station managers for sales billed to holders of credit cards	887	1,007
Exchanges of other products	9	
	9,272	**10,525**

Net sales from operations by business segment are presented in note 32 Information by business segment.
Net sales from operations with related parties are reported in note 33 Transactions with related parties.

27 Operating expenses

The following is a summary of the main components of "Operating expenses". For more information about changes in operating expenses, see "Financial Review".

Purchase, services and other

(euro million)	**First half 2011**	**First half 2012**
Production costs - raw, ancillary and consumable materials and goods	27,516	36,899
Production costs - services	8,335	7,081
Operating leases and other	1,417	1,714
Net provisions for contingencies	221	472
Other expenses	597	404
	38,086	**46,570**
less:		
- capitalized direct costs associated with self-constructed assets	(282)	(321)

	37,804	**46,249**

Services included brokerage fees related to Engineering & Construction segment for euro 3 million (euro 4 million in the first half of 2011).

New or increased risk provisions net of reversal of unused provisions amounting to euro 472 million (euro 221 million in the first half of 2011) and mainly regarded contract penalties and litigations for euro 335 million (euro 82 million in the first half of 2011) and environmental risks for euro 40 million (euro 39 million in the first half of 2011). More information is provided in note 19 Provisions.

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Payroll and related costs

(euro million)	First half 2011	First half 2012
Payroll and related cost	2,189	2,385
less:		
- capitalized direct costs associated with self-constructed assets	(103)	(110)
	2,086	**2,275**

Stock-based compensation

In 2009, Eni suspended the incentive plan based on the stock option assignment to managers of Eni and its subsidiaries as defined in Article 2359. No significant changes were made to these plans as they were described in the Annual Report 2011.

Average number of employees

The average number and break-down of employees by category of Eni s subsidiaries were as follows:

(euro million)	First half 2011	First half 2012
Senior managers	1,444	1,460
Junior managers	12,871	12,816
Employees	35,035	36,434
Workers	24,161	22,499
	73,511	**73,209**

The average number of employees was calculated as the average between the number of employees at the beginning and 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 status. The average number of employees of the first half of 2011 and the first half of 2012 does not include the employees of Snam as the consequence of the reclassification to discontinued operations. Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

Other operating income (loss)

Other operating income (loss) on commodity derivatives were as follows:

(euro million)	First half 2011	First half 2012
Operating income (loss) non-hedging and trading derivatives	(5)	(367)
Operating income (loss) on cash flow hedging derivatives	(7)	(5)
	(12)	**(372)**

Net losses on trading and non-hedging derivatives related to: (i) the recognition in the income statement of the effects of the valuation at fair value of derivatives entered into by the Gas & Power segment following the new pricing model for an active managing of margins (euro 329 million); (ii) the recognition in the income statement of the effects of the valuation at fair value of those derivatives on commodities which cannot be recognized according to the hedge accounting under IFRS (euro 40 million); (iii) the recognition of the fair value on certain derivatives embedded in the pricing formulas of long-term gas supply contracts in the Exploration & Production segment (income for euro 2 million).

Net loss on cash flow hedging derivatives related to the ineffective portion of the hedging relationship which was recognized through profit and loss in the Gas & Power segment.

Operating expenses with related parties are reported in note 33 Transactions with related parties.

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Depreciation, depletion, amortization and impairments

(euro million)	First half 2011	First half 2012
Depreciation, depletion and amortization	3,766	4,580
Impairments	265	1,166
less:		
- revaluations		(2)
- capitalized direct costs associated with self-constructed assets	(3)	(3)
	4,028	**5,741**

28 Finance income (expense)

(euro million)	First half 2011	First half 2012
Finance income (expense)		
Finance income	2,857	6,210
Finance expense	(3,471)	(6,630)
	(614)	**(420)**
Gain (loss) on derivative financial instruments	225	(200)
	(389)	**(620)**

The break-down by lenders or type of net finance gains or losses is provided below:

(euro million)	First half 2011	First half 2012
Finance income (expense) related to net borrowings		
Interest and other finance expense on ordinary bonds	(294)	(352)
Interest due to banks and other financial institutions	(139)	(177)
Interest from banks	10	12
Interest and other income on financing receivables and securities held for non-operating purposes	14	12
	(409)	**(505)**
Exchange differences		
Positive exchange differences	2,767	6,123
Negative exchange differences	(2,963)	(5,972)
	(196)	**151**
Other finance income (expense)		
Capitalized finance expense	56	70
Interest and other income on financing receivables and securities held for operating purposes	35	35
Finance expense due to passage of time (accretion discount) [a]	(111)	(172)
Other finance income	11	1
	(9)	**(66)**

	(614)	**(420)**

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

Net finance gains or losses on derivative financial instruments consisted of the following:

(euro million)	First half 2011	First half 2012
Derivatives on exchange rate	192	(141)
Derivatives on interest rate	33	(59)
	225	**(200)**

Net loss from derivatives of euro 200 million (net gain of euro 225 million in the first half of 2011) were 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 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 these formal requirements to qualify these derivatives as hedging instruments under IFRS also entailed the recognition in profit or loss of currency translation differences on assets and liabilities

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denominated in currencies other than functional currency, as this effect cannot be offset by changes in the fair value of the related instruments.
Finance income (expense) with related parties are reported in note 33 Transactions with related parties.

29 Income (expense) from investments

Share of profit (loss) of equity-accounted investments

(euro million)	First half 2011	First half 2012
Share of profit of equity-accounted investments	332	357
Share of loss of equity-accounted investments	(41)	(20)
Decreases (increases) in provisions for losses on investments	(36)	5
	255	**342**

More information is provided in note 10 Investments.

Other gain (loss) from investments

(euro million)	First half 2011	First half 2012
Dividends	437	156
Gains on disposals	1	8
Other income, net	1	888
	439	**1,052**

Dividend income for euro 156 million related to Nigeria LNG Ltd (euro 120 million).
In the first half of 2012, other net income of euro 888 million related to an extraordinary income of euro 835 million recognized in connection with a capital increase made by Galp s subsidiary Petrogal whereby a new shareholder subscribed its share by contributing a cash amount fairly in excess of the net book value of the interest acquired.

30 Income taxes

Income tax expense related to continuing operations consisted of the following:

(euro million)	First half 2011	First half 2012
Current taxes:		
- Italian subsidiaries	582	361
- foreign subsidiaries	4,486	5,445
	5,068	**5,806**
Net deferred taxes:		
- Italian subsidiaries	(64)	58

- foreign subsidiaries	12	189
	(52)	**247**
	5,016	**6,053**

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The effective tax rate was 60.0% (52.8% in the first half of 2011) compared with a statutory tax rate of 43.0% (38.6% in the first half of 2011). This was calculated by applying the Italian statutory tax rate on corporate profit of 38.0%[1] (IRES) and a 3.9% corporate tax rate applicable to the net value of production (IRAP) as provided for by Italian laws. This difference is the consequence of a higher net profit reported by the foreign companies of the Exploration & Production segment which are subjected to a higher tax rate in respect to the Italian statutory tax rate.
Income tax expense related to discontinued operations, included in the item "Net profit (loss)" of the profit and loss account, consisted of the following:

(euro million)	**First half 2011**	**First half 2012**
Current taxes:		
- Italian subsidiaries	369	395
	369	**395**
Net deferred taxes:		
- Italian subsidiaries	(52)	(44)
	(52)	**(44)**
	317	**351**

Discontinued operations are disclosed in note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale.

31 Earnings per share

Basic earnings per ordinary share are calculated by dividing net profit for the period attributable to Eni s shareholders by the weighted average of ordinary shares issued and outstanding during the period, excluding treasury shares.
The average number of ordinary shares used for the calculation of the basic earnings per share outstanding for the first half of 2011 and 2012, was 3,622,542,046 and 3,622,731,494, respectively.
Diluted earnings per share are calculated by dividing net profit for the period attributable to Eni s shareholders by the weighted average of shares fully-diluted including shares issued and outstanding during the period, with the exception of treasury shares and including the number of shares that could potentially be issued in connection with stock-based compensation plans.
As of June 30, 2011 and 2012, shares that potentially could be issued referred to shares granted following stock option plans. The average number of fully-diluted shares used in the calculation of diluted earnings for the first half of 2011 and 2012 was 3,622,550,800 and 3,622,731,494, respectively.

(1) Includes a 5.5% supplemental tax rate on taxable profit of energy companies in Italy (whose primary activity is the production and marketing of hydrocarbons and electricity and with annual revenues in excess of euro 25 million) effective from January 1, 2008 and further increases of 1% effective from January 1, 2009, pursuant to the Law Decree No. 112/2008 (converted into Law No. 133/2008) and 4% effective from January 1, 2011, pursuant the Law Decree No. 138/2011 (converted into Law No. 148/2011) which enlarged the scope of application to include renewable energy companies and gas transport and distribution companies).

Reconciliation of the average number of shares used for the calculation for both basic and diluted earning per share was as follows:

		First half 2011	First half 2012
Average number of shares used for the calculation of the basic earnings per share		**3,622,542,046**	**3,622,731,494**
Number of potential shares following stock options plans		8,754	
Average number of shares used for the calculation of the diluted earnings per share		**3,622,550,800**	**3,622,731,494**
Eni s net profit	(euro million)	**3,801**	**3,844**
Basic earning per share	(euro per share)	1.05	1.06
Diluted earning per share	(euro per share)	1.05	1.06
Eni s net profit - Continuing operations	(euro million)	**3,811**	**3,700**
Basic earning per share	(euro per share)	1.05	1.02
Diluted earning per share	(euro per share)	1.05	1.02
Eni s net profit - Discontinued operations	(euro million)	**(10)**	**144**
Basic earning per share	(euro per share)		0.04
Diluted earning per share	(euro per share)		0.04

32 Information by industry segment

						Other activities (d)					Discontinued operations (d)		
(euro million)	Exploration & Production	Gas & Power (d)	Refining & Marketing	Chemicals	Engineering & Construction	Corporate and financial companies	Snam	Others	Intragroup profits	Total	Snam	Intragroup eliminatio	
First half 2011													
Net sales from operations [a]	14,252	16,137	24,821	3,544	5,705	644	1,773	45	(158)				
Less: intersegment sales	(9,001)	(659)	(1,517)	(162)	(529)	(585)	(924)	(11)					
Net sales to customers	5,251	15,478	23,304	3,382	5,176	59	849	34	(158)	53,375	(849)		52,526
Operating profit	7,799	41	376	(5)	720	(188)	1,053	(165)	(183)	9,448	(1,053)	792	9,187
Provisions for contingencies	20	12	38	11	61	11	188	68		409	(188)		221
Depreciation, amortization and impairments	3,168	208	213	116	297	35	250	2	(11)	4,278	(250)		4,028
Share of profit (loss) of equity-accounted investments	63	133	74	(1)	9		27	(23)		282	(27)		255
Identifiable assets [b]	48,994	16,232	14,518	3,328	12,806	842	17,301	377	(943)	113,455			
Unallocated assets										17,224			
Equity-accounted investments	2,013	2,006	1,084	28	143	7	370	53		5,704			
Identifiable liabilities [c]	12,174	6,422	5,969	783	5,108	1,462	2,610	2,927	56	37,511			
Unallocated liabilities										37,464			

Capital expenditures	4,719	68	316	115	551	62	657	3	124	6,615			
First half 2012													
Net sales from operations [(a)]	17,896	19,993	29,501	3,241	6,013	664	1,791	61	(171)				
Less: intersegment sales	(10,087)	(1,167)	(1,535)	(182)	(405)	(602)	(938)	(17)					
Net sales to customers	7,809	18,826	27,966	3,059	5,608	62	853	44	(171)	64,056	(853)		63,203
Operating profit	9,543	(642)	(678)	(230)	740	(187)	1,074	(146)	421	9,895	(1,074)	496	9,317
Provisions for contingencies	37	273	12	1	17	96	13	36		485	(13)		472
Depreciation, amortization and impairments	3,918	1,054	358	51	337	33	284	2	(12)	6,025	(284)		5,741
Share of profit (loss) of equity-accounted investments	112	180	26		22		23	2		365	(23)		342
Identifiable assets [(b)]	59,002	17,303	14,265	3,362	14,422	823	18,568	460	(468)	127,737			
Unallocated assets										22,778			
Equity-accounted investments	2,464	2,132	873	36	166	842	375	36		6,924	(375)		6,549
Identifiable liabilities [(c)]	14,203	7,595	6,232	694	5,361	1,455	2,624	2,989	116	41,269			
Unallocated liabilities										45,672			
Capital expenditures	4,455	85	290	66	546	54	493	8	143	6,140			

(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.
(d) As a consequence of the announced divestment plan, the results of Snam has been reclassified from the "Gas & Power" segment to the "Other activities" segment and presented in the discontinued operations.

Intersegment revenues are conducted on an arm s length basis.

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33 Transactions with related parties

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

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

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

(c) contributions to entities with a non-company form 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. In the first half of 2012, transactions with Eni Foundation were not material; (ii) 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 Enrico Mattei Foundation were not material.

Transactions with related parties were conducted in the interest of Eni companies and, with exception of those with entities with the aim to develop solidarity, culture and research initiatives, on an arm s length basis.

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Trade and other transactions

Trade and other transactions with joint ventures, associates and non-consolidated subsidiaries as well as with entities controlled by the Italian Government consisted of the following:

(euro million)	Dec. 31, 2011			First half 2011						
				Costs			Revenues			
Name	Receivables and other assets	Payables and other liabilities	Guarantees	Goods	Services	Other	Goods	Services	Other	Other operating (expense) income
Continuing operations										
Joint ventures and associates										
Azienda Energia e Servizi Torino SpA	1	63			34					
Blue Stream Pipeline Co BV	8	12			74			1		
Bronberger & Kessler und Gilg & Schweiger GmbH & Co KG	16						69			
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	42	10	6,074		2			13		
CEPAV (Consorzio Eni per l'Alta Velocità) Due	24	91								
Karachaganak Petroleum Operating BV	38	205		548	116	10		4		
KWANDA - Suporte Logistico Lda	54	2						6		
Mellitah Oil & Gas BV	28	141			48			1		
Petrobel Belayim Petroleum Co	25	46			280			3		
Petromar Lda	74	6	57		5			34		
Raffineria di Milazzo ScpA	29	31			143	2	114	9		
Trans Austria Gasleitung GmbH				25	72		1	26		
Unión Fenosa Gas SA			58				55		1	
Other (*)	265	183	54	95	256	20	127	45	5	
	604	**790**	**6,243**	**668**	**1,030**	**32**	**366**	**142**	**6**	
Unconsolidated entities controlled by Eni										
Agip Kazakhstan North Caspian Operating Co NV	149	238			409	4	1	449	3	
Eni BTC Ltd			157							
Other (*)	53	68	6	3	31	4	6	7	2	
	202	**306**	**163**	**3**	**440**	**8**	**7**	**456**	**5**	
	806	**1,096**	**6,406**	**671**	**1,470**	**40**	**373**	**598**	**11**	
Entities controlled by the Government										
Enel Group	83	48		20	175		14	45		
Finmeccanica Group	48	51		16	13		10	5		
GSE - Gestore Servizi Energetici	153	158		225		25	265	5		
Terna SpA	19	52		65	51	11	31	10	5	12
Other entities controlled by the Government (*)	57	41			39	1	27	1	1	
	360	**350**		**326**	**278**	**37**	**347**	**66**	**6**	**12**
	1,166	**1,446**	**6,406**	**997**	**1,748**	**77**	**720**	**664**	**17**	**12**
Discontinued operations										

Joint ventures and associates										
Azienda Energia e Servizi Torino SpA								1		
Other (*)								2		
								3		
Entities controlled by the Government										
Enel Group								205		
Other entities controlled by the Government (*)					1			1		
					1			**206**		
					1			**209**		
	1,166	**1,446**	**6,406**	**997**	**1,749**	**77**	**720**	**873**	**17**	**12**

(*) Each individual amount included herein does not exceed euro 50 million.

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(euro million)	June 30, 2012			First half 2012						
				Costs			Revenues			
Name	Receivables and other assets	Payables and other liabilities	Guarantees	Goods	Services	Other	Goods	Services	Other	Other operating (expense) income
Continuing operations										
Joint ventures and associates										
Azienda Energia e Servizi Torino SpA		93			60					
Blue Stream Pipeline Co BV	11	21			83					
Bronberger & Kessler und Gilg & Schweiger GmbH & Co KG	11						44			
CEPAV (Consorzio Eni per l'Alta Velocità) Uno	33	8	6,122		1			5		
CEPAV (Consorzio Eni per l'Alta Velocità) Due	10	39			2			8		
EnBW Eni Verwaltungsgesellschaft mbH	6						116			
Gaz de Bordeaux Energie Services SAS	1						55			
GreenStream BV	3	21	2		68			1		
Karachaganak Petroleum Operating BV	73	220		655	114	1		2		
KWANDA - Suporte Logistico Lda	59	3						4		
Mellitah Oil & Gas BV	7	51			76			4		
Petrobel Belayim Petroleum Co	47	42			286		1	49		
Petromar Lda	67	5	58		3			20		
Raffineria di Milazzo ScpA	16	7			322		192	5		
Unión Fenosa Gas SA			57				23			
Other (*)	230	97	53	84	153		139	19	7	
	574	**607**	**6,292**	**739**	**1,168**	**1**	**570**	**117**	**7**	
Unconsolidated entities controlled by Eni										
Agip Kazakhstan North Caspian Operating Co NV	135	162			290			483	2	
Eni BTC Ltd			161							
Nigerian Agip CPFA Ltd		54								
Other (*)	60	19	58	4	24	1	13	5	10	
	195	**235**	**219**	**4**	**314**	**1**	**13**	**488**	**12**	
	769	**842**	**6,511**	**743**	**1,482**	**2**	**583**	**605**	**19**	
Entities controlled by the Government										
Enel Group	18	5		3	225		43	48		
Finmeccanica Group	40	35		6	19		12			
GSE - Gestore Servizi Energetici	111	102		344		12	412	5		
Terna SpA	35	42		70	53	6	45	31	7	8
Other entities controlled by the Government (*)	79	25			30	12	51			
	283	**209**		**423**	**327**	**30**	**563**	**84**	**7**	**8**
	1,052	**1,051**	**6,511**	**1,166**	**1,809**	**32**	**1,146**	**689**	**26**	**8**
Discontinued operations										
Joint ventures and associates										

Other (*)	34	3						2		
	34	**3**						**2**		
Entities controlled by the Government										
Enel Group	91	21			85			211		
Other entities controlled by the Government (*)	7	5			1					
	98	**26**			**86**			**211**		
	132	**29**			**86**			**213**		
	1,184	**1,080**	**6,511**	**1,166**	**1,895**	**32**	**1,146**	**902**	**26**	**8**

(*) Each individual amount included herein does not exceed euro 50 million.

Most significant transactions with joint ventures, associates and non-consolidated subsidiaries concerned:

- sales of natural gas to EnBW Eni Verwaltungegesellschaft mbH and Gaz de Bordeaux Energie Services SAS;
- provisions of specialized services in upstream activities and Eni s share of expenses incurred to develop oil fields from Agip Kazakhstan North Caspian Operating Co NV, Karachaganak Petroleum Operating BV, Mellitah Oil & Gas BV, Petrobel Belayim Petroleum Co and, only for Karachaganak Petroleum Operating BV, purchase of oil products and to Agip Kazakhstan North Caspian Operating Co NV, provisions of services by the Engineering & Construction segment; services charged to Eni s associates are invoiced on the basis of incurred costs;
- gas transportation and distribution services from Azienda Energia e Servizi Torino SpA;
- payments of refining services to Raffineria di Milazzo ScpA in relation to incurred costs and sales of electricity;

- acquisition of natural gas transport services outside Italy from Blue Stream Pipeline Co BV and GreenStream BV;
- supplies of oil products to Bronberger & Kessler und Gilg & Schweiger GmbH & Co KG and Raffineria di Milazzo ScpA on the basis of prices referred to the quotations on international markets of the main oil products, as they would be conducted on an arm s length basis;
- transactions related to the planning and the construction of the tracks for high speed/high capacity trains from Milan to Bologna with CEPAV (Consorzio Eni per l Alta Velocità) Uno and related guarantees;
- transactions related to the planning and the construction of the tracks for high speed/high capacity trains from Milan to Verona with CEPAV (Consorzio Eni per l Alta Velocità) Due;
- planning, construction and technical assistance to support by KWANDA - Suporte Logistico Lda and Petromar Lda;
- 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;
- guarantees issued in relation to the construction of an oil pipeline on behalf of Eni BTC Ltd;
- liabilities towards Nigerian Agip CPFA Ltd related to the contributions to pension fund of the Nigerian companies.

Most significant transactions with entities controlled by the Italian Government concerned:

- sale and transportation services of natural gas, the sale of fuel oil and the sale and purchase of electricity and the acquisition of electricity transmission services with Enel Group;
- a long-term contract for the maintenance of new combined cycle power plants with Finmeccanica Group;
- sale and purchase of electricity and green certificates with GSE - Gestore Servizi Energetici;
- sale and purchase of electricity, the acquisition of domestic electricity transmission service and the fair value of derivative financial instruments included in prices of electricity related to sale/purchase transactions with Terna SpA.

Financing transactions

Financing transactions with joint ventures, associates and non-consolidated subsidiaries consisted of the following:

(euro million)	**Dec. 31, 2011**			**First half 2011**	
Name	Receivables	Payables	Guarantees	Charges	Gains
Joint ventures and associates					
Artic Russia BV		3	204		
Bayernoil Raffineriegesellschaft mbH	107				1
Blue Stream Pipeline Co BV		291	669		3
CEPAV (Consorzio Eni per l'Alta Velocità) Due			84		
GreenStream BV	503	1			12
Raffineria di Milazzo ScpA	60		88		
Société Centrale Eletrique du Congo SA	93		6		
Transmediterranean Pipeline Co Ltd	115				2
Unión Fenosa Gas SA		85			
Other (*)	104	64		1	8
	982	**444**	**1,051**	**1**	**26**
Unconsolidated entities controlled by Eni					
Other (*)	57	59	1		
	57	**59**	**1**		

	1,039	**503**	**1,052**	**1**	**26**

(*) Each individual amount included herein does not exceed euro 50 million.

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(euro million)	June 30, 2012			First half 2012	
Name	Receivables	Payables	Guarantees	Charges	Gains
Joint ventures and associates					
Bayernoil Raffineriegesellschaft mbH	103				1
Blue Stream Pipeline Co BV		325	688	1	2
CEPAV (Consorzio Eni per l'Alta Velocità) Due			84		
GreenStream BV	484	1			14
Raffineria di Milazzo ScpA	60		75		1
Société Centrale Eletrique du Congo SA	96		6		
Transmediterranean Pipeline Co Ltd	103				3
Unión Fenosa Gas SA		85			
Other (*)	149	57		1	
	995	**468**	**853**	**2**	**21**
Unconsolidated entities controlled by Eni					
Other (*)	46	64	1		1
	46	**64**	**1**		**1**
	1,041	**532**	**854**	**2**	**22**

(*) Each individual amount included herein does not exceed euro 50 million.

Most significant transactions with joint ventures, associates and non-consolidated subsidiaries concerned:

- bank debt guarantees issued on behalf of Blue Stream Pipeline Co BV, CEPAV (Consorzio Eni per l Alta Velocità) Due, Société Centrale Eletrique du Congo SA and Raffineria di Milazzo ScpA;
- financing loans granted to Bayernoil Raffineriegesellschaft mbH for capital expenditures in refining plants and to Société Centrale du Congo SA for the construction of an electric plant in Congo;
- the financing of the construction of natural gas transmission facilities and transport services with GreenStream BV and Transmediterranean Pipeline Co Ltd;
- a cash deposit at Eni s financial companies on behalf of Blue Stream Pipeline Co BV and Unión Fenosa Gas SA.

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, profit and loss account and statement of cash flows consisted of the following:

(euro million)	Dec. 31, 2011			June 30, 2012		
	Total	Related parties	Impact %	Total	Related parties	Impact %
Trade and other receivables	24,595	1,496	6.08	24,605	1,346	5.47
Other current assets	2,326	2	0.09	1,944		..
Other non-current financial assets	1,578	704	44.61	1,315	731	55.59
Other non-current assets	4,225	3	0.07	3,942	16	0.41
Discontinued operations and assets held for sale	230		..	19,999	132	0.66
Current financial liabilities	4,459	503	11.28	3,947	532	13.48

Trade and other payables	22,912	1,446	6.31	19,873	1,051	5.29
Liabilities directly associated with discontinued operations and assets held for sale	24		..	4,845	29	0.60

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

(euro million)	First half 2011			First half 2012		
	Total	Related parties	Impact %	Total	Related parties	Impact %
Continuing operations						
Net sales from operations	52,526	1,384	2.63	63,203	1,835	2.90
Other income and revenues	591	17	2.88	751	26	3.46
Purchases, services and other	37,804	2,806	7.42	46,249	2,996	6.48
Payroll and related costs	2,086	16	0.77	2,275	11	0.48
Other operating income (expense)	(12)	12	..	(372)	8	(2.15)
Financial income	2,857	26	0.91	6,210	22	0.35
Financial expense	3,471	1	0.03	(6,630)	(2)	0.03
Discontinued operations						
Total revenues	848	209	24.65	1,311	213	16.25
Operating expenses	587	1	0.17	733	86	11.73

Transactions with related parties concerned the ordinary course of Eni s business and were mainly conducted on an arm s length basis.

Main cash flows with related parties were as follows:

(euro million)	First half 2011	First half 2012
Revenues and other income	1,401	1,861
Costs and other expenses	(2,822)	(2,436)
Other operating income (loss)	12	8
Net change in trade and other receivables and liabilities	(91)	(291)
Dividends and net interests	290	217
Net cash provided from operating activities - Continuing operations	**(1,210)**	**(641)**
Net cash provided from operating activities - Discontinued operations	**247**	**126**
Net cash provided from operating activities	**(963)**	**(515)**
Capital expenditures in tangible and intangible assets	(726)	(571)
Change in accounts payable in relation to investments	313	(117)
Change in financial receivables	(158)	22
Net cash used in investing activities	**(571)**	**(666)**
Change in financial liabilities	179	17
Net cash used in financing activities	**179**	**17**
Total financial flows to related parties	**(1,355)**	**(1,164)**

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

(euro million)	First half 2011		First half 2012	
	Total	Impact %	Total	Impact %

		Related parties			Related parties	
Cash provided from operating activities	8,596	(963)	..	8,422	(515)	..
Cash used in investing activities	(6,560)	(571)	8.70	(6,582)	(666)	10.12
Cash used in financing activities	(2,063)	179	..	1,297	17	1.31

In the first half of 2012, Eni finalized a single transaction of major importance with related parties, as defined by Eni s internal procedure and in application of the Consob Regulation No. 17221 of March 12, 2010, later modified by Decision No. 17389 of June 2010. Such transaction referred to the agreement for the sale of 30% less one share of the outstanding shares of Snam SpA to Cassa Depositi e Prestiti SpA. Complete information about the transaction is disclosed in the Information Statement, published on June 6, 2012 (and available at the Eni website www.eni.com) in application of the Consob Regulation No. 11971 of May 14, 1999 and later additions and modifications. On June 15, 2012, Eni finalized the sale contract with Cassa Depositi e Prestiti SpA in accordance with the agreements indicated in the Information Statement.

34 Significant non-recurring events and operations

In the first half of 2012, no non-recurring events and operations were reported.
In the first half of 2011, non-recurring operations of euro 69 million referred to an adjustment to the provisions for contingencies following a sentence issued by the Court of Justice of the European Community in connection of an antitrust proceeding in the European sector of rubbers.

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

In the first half of 2011 and 2012, no transactions deriving from atypical and/or unusual operations were reported.

36 Subsequent events

Subsequent events occurred after the end of the reporting period related to: (i) the sale to Amorim Energia BV of the 5% of the share capital of Galp Energia SGPS SA (see note 10 Investments); the sale to Italian and foreign institutional investors of the 5% of share capital of Snam SpA (see note 22 Discontinued operations, assets held for sale and liabilities directly associated with assets held for sale); (iii) the decision of the Extraordinary and Ordinary Shareholders' Meeting on July 16, 2012, to cancel 371,173,546 Eni s treasury shares and to authorize the Board of Directors to purchase up to a maximum number of 363,000,000 ordinary Eni shares for a price up to a total amount of euro 6,000 million (see note 23 Shareholders equity).

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List of Eni s subsidiaries for the first half 2012

Subsidiary	Country of incorporation	Eni s share of net profit (%)
Exploration & Production		
Agosta Srl	Italy	100.00
Eni Angola SpA	Italy	100.00
Eni East Africa SpA	Italy	100.00
Eni Mediterranea Idrocarburi SpA	Italy	100.00
Eni Timor Leste SpA	Italy	100.00
Eni West Africa SpA	Italy	100.00
Eni Zubair SpA	Italy	100.00
Ieoc SpA	Italy	100.00
Società Adriatica Idrocarburi SpA	Italy	100.00
Società Ionica Gas SpA	Italy	100.00
Società Oleodotti Meridionali - SOM SpA	Italy	70.00
Società Petrolifera Italiana SpA	Italy	99.96
Tecnomare - Società per lo Sviluppo delle Tecnologie Marine SpA	Italy	100.00
Agip Caspian Sea BV	Netherlands	100.00
Agip Energy and Natural Resources (Nigeria) Ltd	Nigeria	100.00
Agip Karachaganak BV	Netherlands	100.00
Agip Oil Ecuador BV	Netherlands	100.00
Burren Energy (Bermuda) Ltd	Bermuda	100.00
Burren Energy Congo Ltd	British Virgin Islands	100.00
Burren Energy India Ltd	United Kingdom	100.00
Burren Energy Ltd	Cyprus	100.00
Burren Energy Plc	United Kingdom	100.00
Burren Energy (Services) Ltd	United Kingdom	100.00
Burren Resources Petroleum Ltd	Bermuda	100.00
Burren Shakti Ltd	Bermuda	100.00
Eni AEP Ltd	United Kingdom	100.00
Eni Algeria Exploration BV	Netherlands	100.00
Eni Algeria Ltd Sàrl	Luxembourg	100.00
Eni Algeria Production BV	Netherlands	100.00
Eni Ambalat Ltd	United Kingdom	100.00
Eni America Ltd	United States of America	100.00
Eni Angola Exploration BV	Netherlands	100.00
Eni Angola Production BV	Netherlands	100.00
Eni Arguni I Ltd	United Kingdom	100.00
Eni Australia BV	Netherlands	100.00
Eni Australia Ltd	United Kingdom	100.00
Eni BB Petroleum Inc	United States of America	100.00
Eni Bukat Ltd	United Kingdom	100.00
Eni Bulungan BV	Netherlands	100.00

Eni Canada Holding Ltd	Canada	100.00
Eni CBM Ltd	United Kingdom	100.00
Eni China BV	Netherlands	100.00
Eni Congo SA	Republic of the Congo	100.00
Eni Croatia BV	Netherlands	100.00
Eni Dación BV	Netherlands	100.00
Eni Denmark BV	Netherlands	100.00
Eni East Sepinggan Ltd	United Kingdom	100.00
Eni Elgin/Franklin Ltd	United Kingdom	100.00
Eni Energy Russia BV	Netherlands	100.00
Eni Exploration & Production Holding BV	Netherlands	100.00
Eni Gabon SA	Gabon	99.96
Eni Ganal Ltd	United Kingdom	100.00

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Subsidiary	**Country of incorporation**	**Eni s share of net profit (%)**
Exploration & Production		
Eni Gas & Power LNG Australia BV	Netherlands	100.00
Eni Ghana Exploration and Production Ltd	Ghana	100.00
Eni Hewett Ltd	United Kingdom	100.00
Eni India Ltd	United Kingdom	100.00
Eni Indonesia Ltd	United Kingdom	100.00
Eni International NA NV Sàrl	Luxembourg	100.00
Eni International Resources Ltd	United Kingdom	100.00
Eni Investments Plc	United Kingdom	100.00
Eni Iran BV	Netherlands	100.00
Eni Iraq BV	Netherlands	100.00
Eni Ireland BV	Netherlands	100.00
Eni JPDA 03-13 Ltd	United Kingdom	100.00
Eni JPDA 06-105 Pty Ltd	Australia	100.00
Eni JPDA 11-106 BV (former South Stream BV)	Netherlands	100.00
Eni Krueng Mane Ltd	United Kingdom	100.00
Eni Lasmo Plc	United Kingdom	100.00
Eni LNS Ltd	United Kingdom	100.00
Eni Mali BV	Netherlands	100.00
Eni Marketing Inc	United States of America	100.00
Eni Middle East BV	Netherlands	100.00
Eni Middle East Ltd	United Kingdom	100.00
Eni MOG Ltd (in liquidation)	United Kingdom	100.00
Eni Muara Bakau BV	Netherlands	100.00
Eni Norge AS	Norway	100.00
Eni North Africa BV	Netherlands	100.00
Eni North Ganal Ltd	United Kingdom	100.00
Eni Oil Algeria Ltd	United Kingdom	100.00
Eni Oil & Gas Inc	United States of America	100.00
Eni Oil Holdings BV	Netherlands	100.00
Eni Pakistan Ltd	United Kingdom	100.00
Eni Pakistan (M) Ltd Sàrl	Luxembourg	100.00
Eni Papalang Ltd	United Kingdom	100.00
Eni Petroleum Co Inc	United States of America	100.00
Eni Petroleum US Llc	United States of America	100.00
Eni Polska spólka z ograniczona odpowiedzialnoscia	Poland	100.00
Eni Popodi Ltd	United Kingdom	100.00
Eni Rapak Ltd	United Kingdom	100.00
Eni RD Congo SPRL	Democratic Republic of the Congo	100.00
Eni TNS Ltd	United Kingdom	100.00

Eni Togo BV	Netherlands	100.00
Eni Transportation Ltd	United Kingdom	100.00
Eni Trinidad and Tobago Ltd	Trinidad & Tobago	100.00
Eni Tunisia BEK BV	Netherlands	100.00
Eni Tunisia BV	Netherlands	100.00
Eni UHL Ltd	United Kingdom	100.00
Eni UKCS Ltd	United Kingdom	100.00
Eni UK Holding Plc	United Kingdom	100.00
Eni UK Ltd	United Kingdom	100.00
Eni Ukraine Holdings BV	Netherlands	100.00
Eni Ukraine Llc	Ukraine	100.00
Eni ULT Ltd	United Kingdom	100.00
Eni ULX Ltd	United Kingdom	100.00
Eni USA Gas Marketing Llc	United States of America	100.00

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Subsidiary	Country of incorporation	Eni s share of net profit (%)
Exploration & Production		
Eni USA Inc	United States of America	100.00
Eni US Operating Co Inc	United States of America	100.00
Eni Venezuela BV	Netherlands	100.00
Eni West Timor Ltd	United Kingdom	100.00
First Calgary Petroleums LP	United States of America	100.00
First Calgary Petroleums Partner Co ULC	Canada	100.00
Hindustan Oil Exploration Co Ltd	India	47.18
Ieoc Exploration BV	Netherlands	100.00
Ieoc Production BV	Netherlands	100.00
Lasmo Sanga Sanga Ltd	Bermuda	100.00
Nigerian Agip Exploration Ltd	Nigeria	100.00
Nigerian Agip Oil Co Ltd	Nigeria	100.00
OOO 'Eni Energhia'	Russia	100.00
Gas & Power		
Compagnia Napoletana di Illuminazione e Scaldamento col Gas SpA	Italy	55.36
Eni Gas & Power Belgium SpA	Italy	100.00
Eni Hellas SpA	Italy	100.00
EniPower Mantova SpA	Italy	86.50
EniPower SpA	Italy	100.00
GNL Italia SpA	Italy	55.53
LNG Shipping SpA	Italy	100.00
Snam SpA (former Snam Rete Gas SpA)	Italy	55.53
Snam Rete Gas SpA (former Snam Trasporto SpA)	Italy	55.53
Società EniPower Ferrara Srl	Italy	51.00
Società Italiana per il Gas pA	Italy	55.53
Stoccaggi Gas Italia SpA - Stogit SpA	Italy	55.53
Toscana Energia Clienti SpA	Italy	100.00
Adriaplin Podjetje za distribucijo zemeljskega plina doo Ljubljana	Slovenia	51.00
Altergaz SA	France	99.61
Distribuidora de Gas Cuyana SA	Argentina	45.60
Distrigas LNG Shipping SA	Belgium	100.00
Distrigas NV	Belgium	100.00
Eni Gas & Power Belgium SA	Belgium	100.00
Eni Gas & Power GmbH	Germany	100.00
Eni Gas Transport Services SA	Switzerland	100.00
Eni G&P France BV	Netherlands	100.00
Eni G&P Trading BV	Netherlands	100.00
Finpipe GIE	Belgium	63.33
Inversora de Gas Cuyana SA	Argentina	76.00

Nuon Belgium NV	Belgium	100.00
Nuon Power Generation Walloon NV	Belgium	100.00
Nuon Wind Belgium NV	Belgium	100.00
Société de Service du Gazoduc Transtunisien SA - Sergaz SA	Tunisia	66.67
Société pour la Construction du Gazoduc Transtunisien SA - Scogat SA	Tunisia	100.00
Tigáz-Dso Földgázelosztó kft	Hungary	50.44
Tigáz Tiszántúli Gázszolgáltató Zártkörûen Mûködõ Részvénytársaság	Hungary	50.44
Trans Tunisian Pipeline Co Ltd	Jersey	100.00
Refining & Marketing		
Costiero Gas Livorno SpA	Italy	65.00
Ecofuel SpA	Italy	100.00

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Subsidiary	Country of incorporation	Eni s share of net profit (%)
Refining & Marketing		
Eni Fuel Centrosud SpA	Italy	100.00
Eni Fuel Nord SpA	Italy	100.00
Eni Rete oil&nonoil SpA	Italy	100.00
Eni Trading & Shipping SpA	Italy	100.00
Petrolig Srl	Italy	70.00
Petroven Srl	Italy	68.00
Raffineria di Gela SpA	Italy	100.00
Eni Austria GmbH	Austria	100.00
Eni Austria Tankstellenbetrieb GmbH	Austria	100.00
Eni Benelux BV	Netherlands	100.00
Eni Ceská Republika Sro	Czech Republic	100.00
Eni Deutschland GmbH	Germany	100.00
Eni Ecuador SA	Ecuador	100.00
Eni France Sàrl	France	100.00
Eni Hungaria Zrt	Hungary	100.00
Eni Iberia SLU	Spain	100.00
Eni Marketing Austria GmbH	Austria	100.00
Eni Mineralölhandel GmbH	Austria	100.00
Eni Romania Srl	Romania	100.00
Eni Schmiertechnik GmbH	Germany	100.00
Eni Slovenija doo	Slovenia	100.00
Eni Slovensko Spol Sro	Slovakia	100.00
Eni Suisse SA	Switzerland	100.00
Eni Trading & Shipping BV	Netherlands	100.00
Eni Trading & Shipping Inc	United States of America	100.00
Eni USA R&M Co Inc	United States of America	100.00
Esain SA	Ecuador	100.00
Chemicals		
Versalis SpA (former Polimeri Europa SpA)	Italy	100.00
Dunastyr Polisztirolgyártó Zártkoruen Mukodo Részvénytársaság	Hungary	100.00
Polimeri Europa Benelux SA	Belgium	100.00
Polimeri Europa France SAS	France	100.00
Polimeri Europa GmbH	Germany	100.00
Polimeri Europa Ibérica SA	Spain	100.00
Polimeri Europa UK Ltd	United Kingdom	100.00
Engineering & Construction		
Saipem SpA	Italy	43.15
Servizi Energia Italia SpA	Italy	43.15

SnamprogettiChiyoda SAS di Saipem SpA	Italy	43.10
Andromeda Consultoria Tecnica e Representações Ltda	Brazil	43.15
BOSCONGO SA	Republic of the Congo	43.15
Construction Saipem Canada Inc	Canada	43.15
ER SAI Caspian Contractor Llc	Kazakhstan	21.57
ERS - Equipment Rental & Services BV	Netherlands	43.15
Global Petroprojects Services AG	Switzerland	43.15
Medsai SAS	France	43.15
Moss Maritime AS	Norway	43.15
Moss Maritime Inc	United States of America	43.15
North Caspian Service Co	Kazakhstan	43.15
Petrex SA	Peru	43.15

Subsidiary	Country of incorporation	Eni s share of net profit (%)
Engineering & Construction		
PT Saipem Indonesia	Indonesia	43.15
Saigut SA De Cv	Mexico	43.15
Saimexicana SA De Cv	Mexico	43.15
Saipem America Inc	United States of America	43.15
Saipem Asia Sdn Bhd	Malaysia	43.15
Saipem Australia Pty Ltd	Australia	43.15
Saipem (Beijing) Technical Services Co Ltd	China	43.15
Saipem Contracting Algérie SpA	Algeria	43.15
Saipem Contracting Netherlands BV	Netherlands	43.15
Saipem Contracting (Nigeria) Ltd	Nigeria	43.26
Saipem do Brasil Serviçõs de Petroleo Ltda	Brazil	43.15
Saipem Drilling Co Private Ltd	India	43.15
Saipem Drilling Norway AS	Norway	43.15
Saipem India Projects Ltd	India	43.15
Saipem International BV	Netherlands	43.15
Saipem Libya Llc - SA.LI.CO. Llc	Libya	43.15
Saipem Ltd	United Kingdom	43.15
Saipem Luxembourg SA	Luxembourg	43.15
Saipem (Malaysia) Sdn Bhd	Malaysia	17.85
Saipem Maritime Asset Management Luxembourg Sàrl	Luxembourg	43.15
Saipem Mediteran Usluge doo	Croatia	43.15
Saipem Misr for Petroleum Services SAE	Egypt	43.15
Saipem (Nigeria) Ltd	Nigeria	38.58
Saipem Norge AS	Norway	43.15
Saipem Offshore Norway AS	Norway	43.15
Saipem (Portugal) Comércio Marítimo, Sociedade Unipessoal Lda	Portugal	43.15
Saipem SA	France	43.15
Saipem Services México SA De Cv	Mexico	43.15
Saipem Services SA	Belgium	43.15
Saipem Singapore Pte Ltd	Singapore	43.15
Saipem UK Ltd	United Kingdom	43.15
Saipem Ukraine Llc	Ukraine	43.15
Sajer Iraq Co for Petroleum Services Trading General Contracting & Transport Llc	Irak	25.89
Saudi Arabian Saipem Ltd	Saudi Arabia	25.89
Sigurd Rück AG	Switzerland	43.15
Snamprogetti Canada Inc	Canada	43.15
Snamprogetti Engineering BV	Netherlands	43.15
Snamprogetti Ltd	United Kingdom	43.15
Snamprogetti Lummus Gas Ltd	Malta	42.72

Snamprogetti Netherlands BV	Netherlands	43.15
Snamprogetti Romania Srl	Romania	43.15
Snamprogetti Saudi Arabia Co Ltd Llc	Saudi Arabia	43.15
Sofresid Engineering SA	France	43.14
Sofresid SA	France	43.15
Sonsub AS	Norway	43.15
Sonsub International Pty Ltd	Australia	43.15
Terminal Portuário do Guarujá SA	Brazil	43.15
Varisal - Serviços de Consultadoria e Marketing Unipessoal Lda	Portugal	43.15
Other activities		
Ing. Luigi Conti Vecchi SpA	Italy	100.00
Syndial SpA - Attività Diversificate	Italy	100.00

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Subsidiary	Country of incorporation	Eni s share of net profit (%)
Corporate and financial companies		
Agenzia Giornalistica Italia SpA	Italy	100.00
Eni Adfin SpA (former Eni Administration & Financial Service SpA)	Italy	99.63
Eni Corporate University SpA	Italy	100.00
EniServizi SpA	Italy	100.00
Serfactoring SpA	Italy	48.82
Servizi Aerei SpA	Italy	100.00
Banque Eni SA	Belgium	100.00
Eni Finance International SA	Belgium	100.00
Eni Finance USA Inc	United States of America	100.00
Eni Insurance Ltd	Ireland	100.00
Eni International BV	Netherlands	100.00

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Certification pursuant to rule 154-bis paragraph 5 of the Legislative Decree No. 58/1998 (Testo Unico della Finanza)

1. The undersigned Paolo Scaroni and Alessandro Bernini, in their respective role as Chief Executive Officer and officer responsible for the preparation of financial reports of Eni, also pursuant to Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998, hereby certify that internal controls over financial reporting in place for the preparation of the condensed consolidated interim financial statements as of June 30, 2012 and during the period covered by the report, were:
   adequate to the Company structure, and
   effectively applied during the process of preparation of the report.

2. Internal controls over financial reporting in place for the preparation of the 2012 condensed consolidated interim financial statements have been defined and the evaluation of their effectiveness has been assessed based on principles and methodologies adopted by Eni in accordance with the Internal Control-Integrated Framework Model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents an internationally-accepted framework for the internal control system.

3. In addition, we certify that:

3.1 These condensed consolidated interim financial statements as of June 30, 2012:

a) have been prepared in accordance with applicable international accounting standards recognised by the European Community pursuant to Regulation (CE) No. 1606/2002 of the European Parliament and European Council of July 19, 2002;
b) correspond to the information in the accounting books and entries;
c) fairly and truly represents the financial position, the performance and the cash flows of the issuer and the companies included in the scope of consolidation as of, and for, the period presented in this report.

3.2 The interim operating and financial review includes a reliable analysis of the material events occurred during the first half of 2012 and their impact on condensed consolidated interim financial statements, as well as a description of the main risks and uncertainties for the second half of the year. The interim operating and financial review contains a reliable analysis of the disclosure on significant related-partly transactions.

July 31, 2012

/s/ Paolo Scaroni	/s/ Alessandro Bernini
Paolo Scaroni	Alessandro Bernini

Chief Executive Officer	Chief Financial Officer

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