

ENI SPA
Form 6-K
April 07, 2006
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

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

For the month of March 2006

Eni S.p.A.

(Exact name of Registrant as specified in its charter)

Piazzale Enrico Mattei 1 - 00144 Rome, Italy

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

Yes No

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

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Press Release dated March 31, 2006

Annual Report at December 31, 2005 (the Reports of the Statutory Auditors and of the External Auditors will be made public starting from May 9, 2006)

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SIGNATURES

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

Eni S.p.A.

Name: Fabrizio Cosco
Title: Company Secretary

Date: March 31, 2006

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PRESS RELEASE

Società per Azioni
Rome,
Piazzale Enrico Mattei, 1

Capital stock
euro 4,005,358,876 fully paid

Registro Imprese di Roma,
c. f. 00484960588

Tel. +39-0659821
Fax +39-0659822141

www.eni.it

**Eni: 2005 Consolidated Financial Statements
Record net profit of euro 8.8 billion
and dividend of euro 1.10 per share confirmed**

San Donato Milanese, 31 March 2006 - Eni's Board of Directors approved yesterday Eni's 2005 consolidated financial statements which show a net profit of euro 8,788 million¹ and the draft statutory financial statements of the parent company Eni SpA which show a profit of euro 5,288 million. The Board of Directors resolved to propose to the annual Shareholders' Meeting the distribution of a dividend amounting to euro 1.10 per share²(pay out 47%), which includes euro 0.45 already distributed as interim dividend in October 2005. The balance of euro 0.65 will be paid on 22 June 2006, 19 June 2006 being the ex-dividend date. Eni's consolidated financial statements and Eni SpA's draft statutory financial statements were submitted to the Board of Statutory Auditors and to Eni's external auditors. Enclosed are the consolidated profit and loss account and balance sheet of Eni and the statutory profit and loss account and balance sheet of Eni SpA.

Galp: new agreement in force

The Board of Directors was informed that on 29 March 2006 the new agreement for the joint control of Galp entered into by Eni, Rede Electrica Nacional (REN) and Amorim Energia on 29 December 2005³ came in force due to the occurrence of the suspensive clauses.

The earlier agreement between Eni and the Portuguese State, with expected expiration on 31 May 2006, is therefore terminated as well as the rights and obligations therein contained.

At the present date shareholders of Galp are: Eni (33.34%), the Portuguese State (17.711%), Parpublica (12.293%), REN (18.30), Amorim Energia (13.312%), Iberdrola (4%), Caixa Geral de Depósitos (1%), Setgas (0.044%).

Incorporation of EniTecnologie into Eni

The Board approved the merger into the parent company Eni SpA of Eni's wholly-owned subsidiary EniTecnologie with the aim of integrating research and development activities and simplifying Eni's shareholding structure, and

increasing efficiency by reducing decision levels and rationalizing staff structures.

- (1) This result is the same as the preliminary results announced, for details see Press Release of 1 March 2006.
 - (2) As a consequence of new tax laws in force from 1 January 2004, dividends do not entitle to a tax credit and, depending on the receiver, are subject to a withdrawal tax on distribution or are partially cumulated to the receiver's taxable income.
 - (3) For the details of the agreement see Eni press release of 30 December 2005.
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Contacts

e-mailbox: segreteriasocietaria.azionisti@eni.it

Investor Relations:

Jadran Trevisan

Antonio Pinto - Marco Porro

e-mailbox: investor.relations@eni.it

Eni SpA

Piazza Vanoni, 1

20097 San Donato Milanese (Milan) - Italy

tel.:+39-02520.51651 - fax: +39-02520.31929

Eni Press Office:

Gianni Di Giovanni

Domenico Negrini

Tel.: +39 - 02520.31287

gianni.digiovanni@eni.it

domenico.negrini@eni.it

* * *

This press release is available on Eni 's internet site.

Eni 's 2005 Annual Report will be available on Eni 's internet site at 18:00.

Table of Contents**Attachment****Eni consolidated profit and loss account**

(million euro)

	2004	2005	Change	% Ch.
Net sales from operations	57,545	73,728	16,183	28.1
Other income and revenues	1,377	798	(579)	(42.0)
Operating expenses	(41,592)	(51,918)	(10,326)	(24.8)
Depreciation, amortization and impairments	(4,931)	(5,781)	(850)	(17.2)
Operating profit	12,399	16,827	4,428	35.7
Net financial expense	(156)	(366)	(210)	134.6
Net income from investments	820	914	94	11.5
Profit before income taxes	13,063	17,375	4,312	33.0
Income taxes	(5,522)	(8,128)	(2,606)	(47.2)
Profit before minority interest	7,541	9,247	1,706	22.6
Minority interest	(482)	(459)	23	4.8
Net profit	7,059	8,788	1,729	24.5

Eni consolidated balance sheet

(million euro)

	31 Dec. 2004	31 Dec. 2005	Change
Fixed assets			
Property, plant and equipment, net	40,586	45,013	4,427
Compulsory stock	1,386	2,194	808
Intangible assets, net	3,313	3,194	(119)
Investments, net	3,685	4,311	626
Accounts receivable financing and securities related to operations	695	775	80
Net accounts payable in relation to capital expenditure	(888)	(1,196)	(308)
	48,777	54,291	5,514
Working capital, net	(1,812)	(3,568)	(1,756)
Employee termination indemnities and other benefits	(982)	(1,031)	(49)
Capital employed, net	45,983	49,692	3,709
Shareholders' equity including minority interests	35,540	39,217	3,677
Net borrowings	10,443	10,475	32
Total liabilities and shareholders' equity	45,983	49,692	3,709

Table of Contents**Eni SpA profit and loss account**

(million euro)

	<u>2004</u>	<u>2005</u>	<u>Change</u>
Net sales from operations	34,017	44,812	10,795
Other income and revenues	376	285	(91)
Operating expenses	(30,262)	(41,033)	(10,771)
Depreciation, amortization and impairments	(907)	(809)	98
Operating profit	3,224	3,255	31
Net financial expense	(56)	(24)	32
Net income from investments	1,394	3,462	2,068
Profit before extraordinary items and income taxes	4,562	6,693	2,131
Net extraordinary (expense) income	(55)	(467)	(412)
Elimination of tax interference	1,076		(1,076)
Profit before income taxes	5,583	6,226	643
Income taxes	(899)	(938)	(39)
Net profit	4,684	5,288	604

Eni SpA balance sheet

(million euro)

	<u>31 Dec. 2004</u>	<u>31 Dec. 2005</u>	<u>Change</u>
Fixed assets			
Property, plant and equipment, net	4,906	4,733	(173)
Intangible assets, net	714	631	(83)
Investments, net	20,825	21,049	224
Accounts receivable financing and securities related to operations	29	29	
Net accounts payable in relation to capital expenditure	(626)	(447)	179
	25,848	25,995	147
Working capital, net	1,536	549	(987)
Reserve for employee termination indemnities	(202)	(222)	(20)
Capital employed, net	27,182	26,322	(860)
Shareholders equity	26,204	25,440	(764)
Net borrowings	978	882	(96)
Total liabilities and shareholders equity	27,182	26,322	(860)

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Mission

We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity

Countries of activity

EUROPE

Austria, Belgium, Croatia, Cyprus, Czech Republic, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Switzerland, Turkey, United Kingdom

CIS

Azerbaijan, Georgia, Kazakhstan, Russia

AFRICA

Algeria, Angola, Cameroon, Chad, Congo, Egypt, Guinea Bissau, Libya, Morocco, Nigeria, Senegal, Somalia, South Africa, Sudan, Tunisia

MIDDLE EAST

Iran, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates

CENTRAL ASIA

India, Pakistan

SOUTH EAST ASIA AND OCEANIA

Australia, China, Indonesia, Japan, Malaysia, Papua-New Guinea, Singapore, South Korea, Taiwan, Thailand, Vietnam

AMERICAS

Argentina, Brazil, Canada, Dominican Republic, Ecuador, Mexico, Peru, Trinidad & Tobago, United States, Venezuela

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This Annual Report includes the report of Eni's Board of Directors and Eni's consolidated financial statements for the year ended 31 December 2005, which have been prepared under the International Financial Reporting Standards (IFRS), as adopted by the European Union.

30 March 2006

Contents**Profile of the year****Results**

Net profit for 2005 was a record euro 8.8 billion, up euro 1.7 billion or 24.5% compared with 2004. This was driven by a strong operating performance (up euro 4.4 billion or 35.7%) achieved across all Eni's business areas boosted also by higher oil and gas prices. The share of operating profit earned outside Italy increased to 68% (56% in 2004). Total shareholder return was 35.3% (28.5% in 2004)

Dividend

The increase in earnings and in cash flow provided by operating activities, along with a sound balance sheet structure allow Eni to distribute to shareholders a cash dividend of euro 1.10 per share for 2005, up 22%, compared with euro 0.90 per share the previous year. Included in the euro 1.10 amount is euro 0.45 per share already distributed as an interim dividend. Pay-out stands at 47%

Oil and natural gas production

Oil and natural gas production for the year 2005 grew a solid 7% to above 1.74 mboe/d. Excluding the adverse impact of lower entitlements in certain PSAs and buy-back contracts due to higher oil prices, this increase was 9%. In the first two months of 2006 production exceeded 1.8 mboe/d

Proved oil and natural gas reserves

Net proved reserves of oil and natural gas were 6.84 billion boe (55% crude and condensates) at year-end, down 381 mboe from 2004 due to an estimated 478 mboe adverse impact related to lower entitlements in certain PSAs and buy-back contracts due to higher oil prices (58.205 dollar per barrel at year-end 2005 as compared to 40.47 at year-end 2004). Excluding the price impact, the reserve replacement ratio was 115%. The average reserve life index is 10.8 years (12.1 at 31 December 2004)

The Kashagan project

Eni's operatorship interest in the Kashagan project increased from 16.67% to 18.52%. The field located in the Kazakh offshore section of the Caspian Sea is considered the most important discovery in the world in the past thirty years with recoverable reserves of about 13 billion bbl through partial gas reinjection. The development of the project is advancing as planned, with 40% of work already completed. First oil is expected by the end of 2008 and the production plateau is targeted at over 1.2 mbbbl/d

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Enhancement of asset portfolio

Eni enhanced its portfolio of mineral rights via acquisition of exploration permits and production licenses located mainly in core areas such as Libya, Nigeria and Angola, as well as in new high-potential basins such as Alaska and India for a total net acreage of approximately 67,000 square kilometers (44,000 square kilometers net to Eni)

Growth in natural gas

Natural gas sales volumes were up 8% to 96 bcm reflecting higher sales on both the Italian and European natural gas markets. Sales of liquefied natural gas (LNG) achieved 7 bcm, up 17% compared with 2004

Power generation development plan

Sold production of electricity (22.8 terawatt-hour) was up 64.4%. At year-end 2005 Eni's installed capacity was 4.5 gigawatt and will allow consumption of over 6 bcm/y of natural gas supplied by Eni when it achieves 5.5 gigawatt of installed capacity by 2009

Integration of Saipem and Snamprogetti

The integration of Saipem and Snamprogetti will create a world leader in engineering and oilfield services, increasing their role in Eni's core business growth

Contents**Selected consolidated financial data**

		Italian GAAP				IFRS	
		2001	2002	2003	2004	2004	2005
Net sales from operations	(million euro)	49,272	47,922	51,487	58,382	57,545	73,728
Operating profit	(million euro)	10,313	8,502	9,517	12,463	12,399	16,827
Net profit	(million euro)	7,751	4,593	5,585	7,274	7,059	8,788
Net cash provided by operating activities	(million euro)	8,084	10,578	10,827	12,362	12,500	14,936
Capital expenditure	(million euro)	6,606	8,048	8,802	7,503	7,499	7,414
Investments	(million euro)	4,664	1,366	4,255	316	316	127
Shareholders' equity including minority interest	(million euro)	29,189	28,351	28,318	32,466	35,540	39,217
Net borrowings	(million euro)	10,104	11,141	13,543	10,228	10,443	10,475
Net capital employed	(million euro)	39,293	39,492	41,861	42,694	45,983	49,692
Return On Average Capital Employed (ROACE)	(%)	23.9	13.7	15.6	18.8	16.6	19.5
Leverage		0.35	0.39	0.48	0.31	0.29	0.27
Earnings per share ⁽¹⁾	(euro)	1.98	1.20	1.48	1.93	1.87	2.34
Dividend per share	(euro)	0.750	0.750	0.750	0.90	0.90	1.10
Dividends paid ⁽²⁾	(million euro)	2,876	2,833	2,828	3,384	3,384	4,096
Pay-out	(%)	37	62	51	47	48	47
Total shareholder return	(%)	6	13.1	4.3	28.5	28.5	35.3
Dividend yield ⁽³⁾	(%)	5.6	5.2	5.1	4.9	4.9	4.7
Number of shares outstanding at period end ⁽⁴⁾	(million)	3,846.9	3,795.1	3,772.3	3,770.0	3,770.0	