

Rosneft to Buy Into Italian Refiner Saras

By [The Moscow Times](#)

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Russia's biggest oil producer, Rosneft, has agreed to take a stake of up to 21 percent in Italian refiner Saras in a move that will strengthen its commitment to the Mediterranean area.

The deal follows an agreement at the end of last year for the two companies to form a joint venture for trading and processing crude oil and selling refined products.

Rosneft said on Monday that the Moratti family, which controls more than 60 percent of Saras, would sell it a 13.7 percent stake in the Italian refiner for 178.5 million euros.

Rosneft will then launch a public bid for a further 7.29 percent of the refiner at 1.37 euros per share.

"Rosneft will get tax benefits from refining outside Russia and be able to leverage on the higher value-added products made at Saras's complex refinery in Sardinia," Mediobanca oil analyst Andrea Scauri said.

Both purchases are priced at 1.37 euros per share, a 41.2 percent premium to Friday's closing price. Saras shares ended up 6.7 percent at 1.04 euros on Monday.

The Moratti family, which also owns top flight soccer club Inter Milan, will retain a 50.02 percent stake in Saras which debuted on the Milan exchange in 2006 at 6 euros.

Flagging refining margins and weaker demand from traditional markets have hurt earnings at Saras's main refining business, which has posted negative core earnings in 11 out of the previous 15 quarters.

Increasing competition is weighing on European refiners as the United States, once an attractive export market, has become a net exporter of oil products due to its shale oil boom.

Some of Europe's refineries, crippled by high oil prices and weak fuel consumption, are facing closure or reduced production because of increased competition from more efficient plants in Asia and the Middle East.

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