

Italy's Pirelli Agrees Retail, Rubber Production Deals With Rosneft

By [The Moscow Times](#)

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Italian tire maker Pirelli has agreed with Rosneft to open more than 200 retail outlets at the Russian oil group's filling stations and cooperate in synthetic rubber production, Pirelli said in a statement Saturday.

Rosneft struck a deal in March that made it Pirelli's largest shareholder with an indirect stake of 13 percent. In exchange the Italian company won the chance to exploit the Russian company's big gas station network to sell tires.

On Saturday a Rosneft entity inked binding agreements to buy the Pirelli stake from a group of Italian investors in an operation that should be completed by the end of June, the Italian investors said in a separate statement. The Italian investors include holding company Nuove Partecipazioni, banks UniCredit and Intesa Sanpaolo and private equity fund Clessidra.

Earlier in May, Pirelli said its deal with Rosneft would not be impacted by Western sanctions

on Russia following its annexation of Ukraine.

Rosneft's head, Igor Sechin, is one of the individuals subject to sanctions by the U.S. and the European Union.

Under the terms of the latest cooperation agreement between the two companies, at least 60 retail outlets selling Pirelli-branded products will open in 2014 and 2015, and the remainder by 2019.

The synthetic rubber will be produced in Nakhodka, a coastal town near Vladivostok in Russia's far east. Pirelli said it was interested in a long-term supply agreement for the rubber produced in Nakhodka.

Under the binding shareholding agreements, Long-Term Investments Luxembourg SA — a company chosen by Rosneft and controlled by Russian investor Neftgarant — will buy 50 percent of Pirelli holding company Camfin for 552.7 million euros (\$753.4 million).

The deal is based on a value of 12 euros for each Pirelli share and envisages that the investment structure will not change for five years, a statement by the Italian investors said.

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