

Italy's Eni Said to Explore Sale of Chemical Division Versalis

Date: 2015-10-26

Comments: Versalis is a Butadiene/Styrene producer in Europe

Eni SpA is exploring the sale of its chemical division Versalis, three months after the unit returned to profit, according to people with knowledge of the matter.

The Italian oil company is working with Barclays Plc on a potential sale of Versalis, which may fetch as much as 1 billion euros (\$1.1 billion), the people said, asking not to be identified as the process is private. Several private-equity firms may be interested in bidding for the unit, they said. No final decision has been made and the valuation may depend on the structure of any deal, they said.

Representatives for Barclays and Eni declined to comment.

A sale of Versalis would fit with Eni's current focus on oil and gas exploration, alongside a restructuring program to cut costs and upgrade the portfolio in areas such as refining and chemicals. Eni said in July that its refining, marketing and chemical operations turned a **profit** for the first time in eight years. The chemical unit specifically reported an adjusted operating profit of 95 million euros in the first half of 2015, compared to a loss of 182 million euros in the same period the previous year.

Versalis is Italy's largest chemical company by sales, according to Eni's website, producing polymers used in industries from food packaging to car parts and toy manufacturing.

Source: ENI website from J Spiel Chemistry daily