

UB group to sell 10.27% stake in Aventis Pharma

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Vijay Mallya's United Breweries (UB) group is exiting its holding in Aventis Pharma Ltd (sanofi-aventis) by selling 10.27 per cent stake in the company, in a deal worth Rs 414.11 crore. However, Mallya will continue as chairman of Aventis Pharma.

Hoechst GmbH, a 100 per cent subsidiary of France's largest drugmaker sanofi-aventis SA, said the deal would help Hoechst consolidate its holding in Aventis Pharma from the present 50.10 per cent to 60.37 per cent and become the sole promoter.

Hoechst will acquire 2,366,380 equity shares held by the UB Group at a price of Rs 1,750 per share. Foreign Institutional Investors (FI) hold 7.57 per cent stake, mutual funds and UTI (14.37 per cent) and corporates hold 5.73 per cent of the Rs 1,056 crore plus Aventis Pharma, as per the shareholding pattern as of 31 December 2009.

UB Group's shares in Aventis are held by Kingfisher Finvest India, United Breweries Holdings, McDowell Holdings and Mallya Private Ltd.

However, Mallya, chair-

man of the UB Group will continue as chairman of the Board of Directors of Aventis Pharma, a sanofi-aventis Group spokesperson told Business Standard in an e-mail from Paris.

He also said the acquisition was conducted as an inter-promoter transfer, and was not part of a plan to delist the company from the Indian stock exchanges.

"India is an important market for the sanofi-aventis Group. The co-promoters' decision to exit Aventis Pharma Limited's capital has provided the sanofi-aventis Group with an opportunity to consolidate its presence in this high-growth market," he said.

Various entities controlled by the UB Group are expected to sell the stake on or after March 30, 2010, said Aventis Pharma.

UB Group's association with Aventis began during early 1960s, when the late Vittal Mallya joined hands with Hoechst AG of Germany to co-promote then called Hoechst Pharmaceuticals Limited, which was later renamed Aventis Pharma India.

Currently sanofi-aventis owns the company, following the merger of sanofi with Aventis a few years ago.