

## United Spirits gains on share placement move

### Our Bureau

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Shares of United Spirits Ltd gained 7 per cent on Thursday on reports that the company raised \$350 million by placing shares with institutional investors.

The USL stock ended at Rs 987.10 on the BSE, up 7 per cent over previous close of Rs 921.40, while the Sensex ended marginally lower at 17,195 points.

The pricing of the shares to institutional investors could not be ascertained as UB (United Breweries) officials did not comment. "I am not in a position to comment," said UB Group Chief Financial Officer, Mr Ravi Nedungadi.

However, agency reports said the USL shares were priced at Rs 913.70 a share, a discount of 0.8 per cent to the Wednesday's closing price of Rs 921.40 on the BSE.

USL had earlier said it planned to capitalise its debt in a bid to contain interest costs. The company had plans to raise up to \$350 million through either private equity or qualified institutional placement to pre-pay debt related to acquisition of Whyte & Mackay, which would help the company save on interest costs, UB Chairman, Mr Vijay Mallya, had said at the USL annual general meeting recently.

USL had raised a debt of \$625 million to fund the buyout of Whyte & Mackay in 2007. The company recently sold some 10.28 million treasury shares to retire debt to the tune of \$300 million. "We have another 8.38 million treasury shares, which we will decide what to do with at an appropriate time," Mr Mallya had said at the 10th AGM of USL on September 30.