

**A.R.A LAW**

Advocates & Solicitors  
Agra Building, 1<sup>st</sup> Floor,  
121, M.G. Road, Fort,  
Mumbai – 400 023  
India  
Tel: (+91 22) 2263 1700  
Fax: (+91 22) 2263 180  
E-mail: [rajesh@aralaw.com](mailto:rajesh@aralaw.com)  
Website: [www.aralaw.com](http://www.aralaw.com)

## **NEWS UPDATE**

### **Singapore's GIC eyes 20 per cent stake in UB group**

**SOURCE: THE ECONOMIC TIMES, SEPTEMBER 30, 2005**

The UB group, which recently announced the merger of its spirit business into a single company, is in talks with a few offshore funds such as Government Investment Corporation (GIC) of Singapore and Capital International to buy a small chunk of the company. UB group sources said talks are on with international funds, including these two entities, but nothing has been finalised so far. The group is believed to be willing to sell about 20% to foreign institutional investors.

GIC is a global investment management company established in 1981 to manage Singapore's foreign reserves. With overseas offices in important financial capitals around the world, GIC invests in equities, fixed income, money market instruments, real estate and special investments.

Vijay Mallya, chairman of the UB group, had announced last week that McDowell & Co, a UB group spirit company, had received expression of interest from international investors for investment ranging from \$100m to \$200m. The UB group, with the acquisition of Shaw Wallace, controls over 60% of the 110m cases Indian liquor market.

The companies being merged are Herbertsons, which owns Bagpiper whisky with sales of over 8m cases; Triumph Distillers, which owns Gilbey's Green Label Whisky; and McDowell & Company, which owns McDowell's No 1 whisky and Shaw Wallace Distilleries. According to the merger plans announced by Mr Mallya, all spirit companies will be merged into McDowell which will eventually be rechristened UB Spirits. The Shaw Wallace brands will be temporarily excluded from the consolidation process because of an ongoing dispute over tax liabilities.

The UB group has been the No 1 spirit & beer company in India for over a decade, with Shaw Wallace its closest competitor. The acquisition of Shaw Wallace has given the UB group a commanding position, with a 60% share of the spirit market.

Among its major brands are Bagpiper whisky that sells over 8m cases a year, Gilbey's Green Label acquired from Diageo which sells nearly 3m cases a year, and Director's Special Whisky from the Shaw Wallace portfolio.