

CONSOLIDATION OF KEY NORTH AMERICAN MARKETS SEEN

United Phosphorus buys US' AG Value for \$35 m

OUR CORPORATE BUREAU
Mumbai, 5 November

United Phosphorus today announced the acquisition of a California-based crop protection products company AG Value Inc at \$35.75 million. The acquisition has made through the company's US subsidiary, United Phosphorus Inc. It is understood that the deal was financed by foreign currency convertible bonds

(FCCB) that the company has gone for in the recent past. It has raised \$ 70 million through the FCCB.

"The 100 per cent acquisition of AG Value Inc shares will relate to all stocks of the company and related entities, all the assets, products registrations and other properties and rights associated with the business of AG Value and its subsidiaries and affiliates," the company said in its notice to the Bombay

Stock Exchange.

According to the company, the acquisition will expand and consolidate its position in the key agriculture and speciality market segments in the North American markets. The company's business in the US and Europe accounts for 30 per cent and 25 per cent of its total revenue of Rs 848.7 crore in 2003-04. The balance is from the rest of the world.

United Phosphorus' FCCB

issue was raised in two series. In the first series, it raised \$25 million zero coupon instruments convertible into equity shares at Rs 575 a share. In the second series, the bond issue was \$45 million with a green-shoe option of \$5 million. It was an optionally convertible bond maturing after five years and one month. Carrying a coupon of 1.5 per cent, the instrument is convertible into equity shares at Rs 633.75 a share.