UB GROUP

UNITED SPIRITS

Ref: bm130731

July 31, 2013

Bangalore Stock Exchange Limited,
51, Stock Exchange Towers,
1st Cross, J.C. Road,
Bangalore - 560 027

Dear Sirs,

Sub: Unaudited Financial Results (Provisional) for the three months ended June 30, 2013.

The Board of Directors of the Company at their meeting held today, has considered and taken on record the un-audited financial results (provisional) of the Company for the three months ended June 30, 2013. We forward herewith a copy thereof along with explanatory statement for your information and records. The Limited Review Report thereon received from the Statutory Auditors of the Company and placed at the said Board Meeting is enclosed herewith for your records.

We are making arrangements to publish the above results in the newspapers in terms of the requirements of the Listing Agreement.

We enclose a Press Release issued in this regard.

Thanking you,

Yours faithfully,
for UNITED SPIRITS LIMITED,

V.S. VENKATARAMAN
COMPANY SECRETARY

Encl: as above

cc: 1. BSE Limited, Mumbai
(Regular Office & Corporate Relations Dept. – Scrip Code: 532432)

2. National Stock Exchange of India Limited, Mumbai

UNITED SPIRITS LIMITED

'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001

(₹ in Lakhs)

Part I: Statement of Standalone Unaudited Results for the Quarter and three months ended June 30, 2013

	3 months ended June 30, 2013	Previous 3 months ended March 31, 2013	3 months ended June 30, 2012	Previous year ended March 31, 2013
	Unaudited	Audited (Note 6)	Unaudited	Audited
1 Income from operations	**526,427**	**464,479**	**470,352**	**1,887,623**
Less: Excise duty	307,192	258,710	264,623	1,036,655
(a) Net sales/Income from operations	**219,235**	**205,769**	**205,729**	**850,968**
(b) Other operating income	1,475	3,675	1,557	9,707
Total income from operations (net)	**220,710**	**209,444**	**207,286**	**860,675**
2 Expenses:				
a) Cost of materials consumed	109,001	108,837	97,156	426,800
b) Purchase of stock-in-trade	17,254	19,135	17,820	72,512
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,719	(3,729)	5,926	17,048
d) Employee benefits expense	12,886	12,154	10,901	47,644
e) Depreciation and amortisation expense	1,946	1,948	1,623	7,183
f) Other expenses:				
i) Advertisement & Sales Promotion	21,102	21,195	17,136	77,790
ii) Others	27,457	28,243	23,292	105,833
Total Expenses	**193,365**	**187,783**	**173,854**	**754,810**
3 Profit /(Loss) from Operations before other income, finance costs and exceptional items (1-2)	**27,345**	**21,661**	**33,432**	**105,865**
4 a) Other Income	2,594	3,777	1,062	7,994
b) Exchange Difference - Gain/(Loss)	3,739	911	3,447	2,323
5 Profit /(Loss) from ordinary activities before finance costs and exceptional items (3+4)	**33,678**	**26,349**	**37,941**	**116,182**
6 Finance costs	15,946	15,702	16,556	65,617
7 Profit /(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	**17,732**	**10,647**	**21,385**	**50,565**
8 Exceptional items - (expense) / income	-	(2,165)	-	(2,165)
9 Profit /(Loss) from ordinary activities before tax (7 + 8)	**17,732**	**8,482**	**21,385**	**48,400**
10 Tax Expense:				
Current tax	6,370	2,710	7,361	16,710
Deferred tax charge/ (credit)	(451)	171	(471)	(390)
11 Net Profit /(Loss) from ordinary activities after tax (9-10)	**11,813**	**5,601**	**14,495**	**32,080**
12 Extraordinary Items (Net of tax expense)	-	-	-	-
13 Net Profit /(Loss) for the period (11-12)	**11,813**	**5,601**	**14,495**	**32,080**
14 Paid-up equity share capital (Face value ₹10)	14,533	13,080	13,080	13,080
15 Reserves excluding Revaluation Reserves				626,117
16 Earnings per share of ₹ 10 each (not annualised):				
a) Basic	8.13	4.28	11.08	24.53
b) Diluted	8.13	4.28	11.08	24.53

Part II: Select Information for the Quarter and three months ended June 30, 2013

A. Particulars of Shareholding				
1 Public shareholding				
- Number of Shares	114,662,736	97,462,061	94,458,736	97,462,061
- Percentage of shareholding	78.90%	74.52%	72.22%	74.52%
2 Promoters and Promoter Group Shareholding:				
a) Pledged / Encumbered				
- Number of Shares	29,478,688	32,318,127	35,592,879	32,318,127
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.13%	96.96%	97.95%	96.96%
- Percentage of shares (as a % of the total share capital of the Company)	20.28%	24.71%	27.21%	24.71%
b) Non -encumbered				
- Number of Shares	1,186,319	1,014,780	743,353	1,014,780
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	3.87%	3.04%	2.05%	3.04%
- Percentage of shares (as a % of the total share capital of the Company)	0.82%	0.78%	0.57%	0.78%

B. Investor Complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	22
Disposed of during the quarter	22
Remaining unresolved at the end of the quarter	Nil

United Spirits Limited
Unaudited Financial Results for the three months ended June 30, 2013

Notes:

1. The Company is engaged in the business of manufacture, purchase and sale of Beverage Alcohol (Spirits and Wines) including through Tie-up Manufacturing / brand franchise, which constitutes a single business segment. The Company is primarily organized into two main geographic segments namely India and Outside India. However, the Company's operations outside India did not exceed the quantitative threshold for disclosure envisaged in AS-17 on "Segment Reporting" notified under the Companies (Accounting Standard) Rules 2006. In view of the above, both primary and secondary reporting disclosures for business/geographical segment as envisaged in AS-17 are not applicable to the Company.

2. During the quarter,

   a) the Board of Directors at their meeting held on May 15, 2013 recommended dividend at the rate of Rs.2.50 per equity share and the same is subject to the approval of the shareholders.

   b) on May 27, 2013 the Company allotted 14,532,775 equity shares of face value of Rs.10/- each at a price of Rs.1,440/- per share (including a premium of Rs.1,430/- per equity share) to Relay B.V. an indirect wholly owned subsidiary of Diageo plc., on a preferential allotment basis in terms of the Preferential Allotment Agreement entered between Relay B.V., the Company and Diageo plc on November 9, 2012 and pursuant to the approval of the shareholders through postal ballot on December 14, 2012 by a way of Special Resolution, for an aggregate amount of Rs.2,092.72 crores. The aforesaid shares are also eligible for the dividend of Rs.2.50 per share as, in terms of the regulations in this regard, such shares rank pari passu with existing equity shares of the Company.

   c) Pursuant to the preferential allotment of equity shares to Relay B.V., the paid up share capital of the Company has increased to Rs.1,453,277,430/- divided into 145,327,743 equity shares of Rs.10. each.

3. a) On July 4, 2013 in terms of the Share Purchase Agreement dated November 9, 2012 between Palmer Investment Group Limited (Palmer) and UB Sports Management Overseas Limited (UB Sports) (both wholly owned subsidiaries of the Company), USL Benefit Trust (of which the Company is a beneficiary), SWEW Benefit Company (SWEW), United Breweries (Holdings) Limited (UBHL) and Kingfisher Finvest India Limited (KFIL) with Relay B.V. and Diageo plc,, the sale of 21,767,749 equity shares ("Sale Shares") of the Company in aggregate by UBHL, KFIL, SWEW, Palmer and UB Sports to Relay at a price of Rs.1,440/- per sale share were completed.

   b) with the sale of Sale Shares, along with preferential allotment referred in (2) above and acquisition under open offer, Relay B.V., an indirect wholly owned subsidiary of Diageo plc will be the single largest shareholder holding 25.02% of the present paid up equity share capital of the Company and pursuant to the coming into effect of the shareholders agreement between Diageo plc, Relay B.V., United Breweries (Holdings) Limited and Kingfisher Finvest India Limited on July 4, 2013, Diageo plc and Relay B.V. are included as 'Promoters' of the Company.

United Spirits Limited
Unaudited Financial Results for the three months ended June 30, 2013

Notes:

c) The sale of 3,459,090 equity shares of the Company held by USL Benefit Trust to Relay B.V. is pending satisfaction of certain conditions for the sale of shares.

d) On and with effect from May 27, 2013, Mr. Gilbert Ghostine, was appointed as an additional director on the Board of Directors of the Company. On and with effect from July 4, 2013, Mr. Ravi Rajagopal and Mr. P.A.Murali, were appointed as additional directors on the Board of Directors of the Company. Mr. Arunkumar Ramanlal Gandhi, Ms.Renu Sud Karnad, Mr. D. Sivanandhan and Mr. Sudhakar Rao were appointed as independent directors of the Company. All of these directors were appointed as additional directors on the Board of the Company. Mr. P.A.Murali will hold office as an executive director of the Company with effect from July 4, 2013. Further, on and with effect from July 4, 2013, Mr. B.M.Labroo, Mr. Sreedhara Menon, Mr. Sudhinder Krishan Khanna, Mr. M.R. Doraiswamy Iyengar and Mr. S.R.Gupte resigned from the Board of the Company. Pursuant to the aforementioned changes to the Board of Directors of the Company, the audit committee, shareholder/investor grievance committee, compensation committee and general committee of the Board of Directors of the Company have all been reconstituted. There has been no change in the directorship of Dr. Vijay Mallya, Mr. Ashok Capoor and Mr. G.N.Bajpai with the Company and they continue to remain directors of the Company.

4. During the quarter, Four Seasons Wines Limited has become wholly owned subsidiary of the Company.

5. On July 11, 2013, a detailed public statement was issued by JM Financial Institutional Securities Private Limited for and on behalf of Relay B.V. ("**Acquirer**") and Diageo plc and the Company as 'persons acting in concert' ("**PAC**"s) with the Acquirer in connection with the open offer to the public shareholders of Pioneer Distilleries Limited (PDL), (a subsidiary of the Company) for acquisition of up to 2,466,168 equity shares of PDL, representing 18.42% of the paid up equity share capital of PDL, by the Acquirer and its PACs ("**Open Offer**") at a price of Rs.64.02 (Rupees Sixty Four and Two paisa only) per equity share. Pursuant to the coming into effect of the shareholders agreement between Diageo plc, Relay B.V., United Breweries (Holdings) Limited and Kingfisher Finvest India Limited on July 4, 2013, Diageo plc and Relay B.V. are included as 'Promoters' of the Company and accordingly, the Company has also been included as a person acting in concert with the Acquirer for the purpose of the Open Offer. The Company will acquire all the equity shares that are validly tendered by the public shareholders in the Open Offer.

6. The figures for the last quarter ended March 31, 2013 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures up to the period ended December 31, 2012.

7. The above unaudited results were taken on record at the meeting of the Board of Directors held on July 31, 2013.

By authority of the Board

Sd/-
ASHOK CAPOOR
MANAGING DIRECTOR

Bangalore
July 31, 2013

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Limited Review Report

The Board of Directors
United Spirits Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **United Spirits Limited** (the 'Company') for the quarter ended **30 June 2013,** except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on this Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker, Chandiok & Co

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No: 001076N

WALKER CHANDIOK & CO * BENGALURU * CHARTERED ACCOUNTANTS

per Aasheesh Arjun Singh
Partner
Membership No. 210122

Bengaluru
31 July 2013

UNITED SPIRITS LIMITED

Bangalore
July 31, 2013

PRESS RELEASE

UNAUDITED RESULTS APR-JUNE'13

Results Summary:

Q-I of F14

- **7% net sales revenue growth with static volume**
- **20% growth in the strategic Prestige & Above brands**

The Board of Directors of United Spirits Limited at their meeting in Bangalore today, considered and approved the unaudited results for Q-I of fiscal 2014. This was the first meeting of the reconstituted Board of Directors.

The results of the Company for are as follows:

Jan-Mar'13 F13		Apr-Jun'13 F14	
31.24	Volumes – USL INDIA (Million Cases)	31.34	⟷
2,057.69	REVENUE (₹Crore)	2,192.34	+₹135 Cr ↑ 7%
236.09	Operational EBIDTA (₹Crore)	292.91	+₹57 Cr ↑ 24%
84.82	Profit Before Tax (₹Crore)	177.31	+₹92 Cr ↑ 109%
56.01	Profit After Tax (₹Crore)	118.12	+₹62 Cr ↑ 110%

During the first quarter of fiscal 2014, the strategic brands of the Company grew 20% and added 1.34 million cases. These brands now represent over 26% of the overall volumes of USL compared to 22% for the comparable quarter and 23% for fiscal 2013.

The results have been impacted by a sharp increase in the costs of its primary raw material - Extra Neutral Alcohol (ENA) - over the comparative period of the previous fiscal. The increase of nearly ₹ 20/case translates to an adverse impact of over ₹ 61 crore in the Cost of Goods which flows down to the operating profit line. The evident cartelization by vendors when quoting for the ethanol supply tenders of the Oil Marketing Companies is a pointer to further increases in the price of this key ingredient.

Similarly, higher expenditure on IPL 6 that took place during Q-I has led to a 150 basis points increase in Advertising and Sales Promotion expenditure.

The following two events of significance took place after the last Board Meeting of the Company held on May 15, 2013:

- On May 27, 2013 the Board of Directors approved the issue and allotment of 14,532,775 equity shares of face value of ₹ 10/- each at a price of ₹ 1,440/- per share to Relay B.V., an indirect wholly owned subsidiary of Diageo plc on a preferential basis. An aggregate amount of ₹ 20,927,196,000/- was received as consideration towards the issue.
- United Breweries (Holdings) Limited and related companies sold 21,767,749 equity shares held by them in USL to Relay B.V. at a price of ₹ 1,440/- per share on July 4, 2013.

As a result of the above, and together with the shares tendered in the open offer by the public shareholders of the Company, Diageo plc now holds 36,359,192 shares representing 25.02% of the share capital of the Company. Shares owned by the USL Benefit Trust of which USL is a beneficiary, which represents 2.38% of the share capital of USL are to be purchased at a later stage once the release of all security interests over these shares is obtained.

The Board of Directors has also been reconstituted to reflect the change in the share holding pattern.

Tamil Nadu continues to be a dampener on USL business with the ordering mechanism deliberately skewed to favor brands from select local vendors at the cost of the popular brands of USL. From a situation 3 years ago where one of every three bottles sold in Tamil Nadu was from the USL stable, the USL share is now down to one out of every six bottles sold.

Strategic brands of the Company continue to perform well. The No.1 McDowell's Whisky family has registered a healthy growth of just under 25%. The DietMate series which incorporates an ingredient developed through a patented process of the Vittal Mallya Scientific Research Foundation now has 3 brands under its belt - Royal Challenge DietMate Whisky, No.1 McDowell's DietMate Whisky and Bagpiper DietMate Whisky – these are gradually being rolled out nationally at prices that are at a premium to the mother brands. The Black Dog range has been embellished with the introduction of premium variants of the mother brand – Black Reserve, Gold Reserve and Triple Gold Reserve, in addition to the 21-Year Old Quintessence and 18-Year Old Reserve. These brands will be introduced gradually in key Scotch whisky markets.

Interest costs for the quarter are down around 4% representing the benefit of repayment of ₹1,600 Crore of loans at the end of May 2013 from the proceeds of the issue of preference capital. Further reduction in interest costs is likely during the year.

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