



UNITED SPIRITS

Ref: bm101027

October 27, 2010

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 September 30, 2010**

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 September 30, 2010. We forward herewith a copy thereof alongwith explanatory statement for your information and records. The Limited Review Report thereon received from the Statutory Auditors of the Company was placed at the said Board Meeting.

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

Thanking you,

Yours faithfully,
for UNITED SPIRITS LIMITED,


V.S. VENKATARAMAN
COMPANY SECRETARY

Encl: as above

- cc: 1. Bombay Stock Exchange 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

Unaudited Financial Results (Provisional) for the three months ended September 30, 2010.

	Unaudited				Audited
	Three months Ended		Half year Ended		Year Ended
	September 30		September 30,		March 31
	2010	2009	2010	2009	2010
1 Sales/Income from Operations	264,274	201,237	554,389	438,260	918,386
Less: Excise duty	128,854	93,232	272,674	206,084	425,494
(a) Net Sales/Income from Operations	135,420	108,005	281,715	232,176	492,892
(b) Other Operating Income	1,133	750	1,899	1,384	5,055
Total Income	136,553	108,755	283,614	233,560	497,947
2 Expenditure					
a) (Inc)/Dec in stock in trade	(2,111)	(2,689)	(6,395)	(6,987)	(14,106)
b) Consumption of Raw Materials	30,200	25,246	65,692	58,466	122,588
c) Purchase of Traded Goods	14,879	13,042	34,887	29,594	64,931
d) Consumption of Other Materials	29,179	23,337	57,788	49,633	101,887
e) Employee Cost	8,219	7,923	15,876	14,732	29,045
f) Depreciation	1,044	826	1,956	1,627	3,863
g) Other expenditure					
i) Advertisement & Sales Promotion	15,576	8,346	29,479	17,174	47,354
ii) Others	17,570	14,593	34,369	29,166	63,798
h) Total	114,556	90,624	233,652	193,405	419,360
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	21,997	18,131	49,962	40,155	78,587
4 a) Other Income	1	1	1	1	583
b) Exchange Difference - Gain/(Loss)	(844)	339	(928)	528	(841)
5 Profit before Interest & Exceptional Items (3+4)	21,154	18,471	49,035	40,684	78,329
6 Interest / Finance Charges (Net of receipts)	9,829	7,506	19,480	13,428	30,962
7 Profit after Interest but before Exceptional Item (5-6)	11,325	10,965	29,555	27,256	47,367
8 Exceptional Items	-	-	-	7,000	7,000
9 Profit(+)/Loss (-) from ordinary Activities (7 + 8)	11,325	10,965	29,555	34,256	54,367
10 Tax Expense					
Current	3,880	4,500	10,650	9,650	15,250
Deferred	(15)	(399)	(660)	(113)	1,515
Fringe Benefit Tax	-	(96)	-	-	-
11 Net Profit(+)/ Loss(-) from Ordinary Activities after Tax(9-10)	7,460	6,960	19,565	24,719	37,602
12 Extraordinary Items (Net of tax expense)	-	-	-	-	-
13 Net Profit(+)/Loss(-) for the Period (11-12)	7,460	6,960	19,565	24,719	37,602
14 Paid-up Equity Share Capital (Face value Rs.10)	12,559	10,791	12,559	10,791	12,559
15 Reserves excluding Revaluation Reserves					464,919
16 Earnings Per Share					
a) EPS Basic - Rs/share (Not annualised)	5.94	6.45	15.58	22.90	32.51
b) EPS Diluted - Rs/share (Not annualised)	5.94	6.45	15.58	22.90	32.51
17 Public shareholding					
- No. of Shares	87,184,350	70,928,959	87,184,350	70,928,959	87,839,527
- Percentage of shareholding	69.42	65.73	69.42	65.73	69.94
18 Promoters and Promoter Group Shareholding					
a) Pledged/Encumbered					
- No. of Shares	32,360,474	33,269,304	32,360,474	33,269,304	31,459,566
- Percentage of shares	88.35%	90.83%	88.35%	90.83%	85.89%
(as a % of the total share Capital of Promoter and Promoter Group)					
- Percentage of shares	25.77%	30.83%	25.77%	30.83%	25.05%
(as a % of the total share Capital of the Company)					
b) Non-encumbered					
- No. of Shares	4,267,786	3,358,956	4,267,786	3,358,956	5,168,694
- Percentage of shares	11.65%	9.17%	11.65%	9.17%	14.11%
(as a % of the total share Capital of Promoter and Promoter Group)					
- Percentage of shares	3.40%	3.11%	3.40%	3.11%	4.12%
(as a % of the total share Capital of the Company)					



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

Statement of Assets & Liabilities

(Rs. In lakhs)

	Unaudited	
	Six months ended	
	30/9/2010	30/9/2009
Shareholders' Funds:		
(a) Share Capital	12,559	10,791
(b) Reserves and Surplus	487,389	323,570
Loan Funds	383,274	261,042
TOTAL	883,222	595,403
Fixed Assets	77,367	62,647
Investments	125,394	123,022
Deferred Tax Asset (Net)	1,309	2,277
Foreign Currency Monetary Item Translation Difference	1,638	(2,419)
Current Assets, Loans and Advances		
(a) Inventories	84,123	64,814
(b) Sundry Debtors	112,171	95,347
(c) Cash and Bank Balances	12,958	4,575
(d) Other Current Assets	33,268	21,173
(e) Loans and Advances	547,672	325,934
Less: Current Liabilities and Provisions		
(a) Liabilities	104,658	95,720
(b) Provisions	8,020	6,247
TOTAL	883,222	595,403

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended
September 30, 2010

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'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, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS-17 are not applicable to the Company.
2. The Board of Directors of the Company at their meeting held on November 29, 2008 had approved the proposal of merger of Balaji Distilleries Limited ('BDL') with the Company with effect from April 1, 2009 as per the Scheme of Arrangement between BDL, Chennai Breweries Private Limited ('CBPL') and United Spirits Limited ('the Company'), subject to the necessary approvals ('the Scheme').
3. At an Extraordinary General Meeting held on April 21, 2010, the Equity Shareholders of the Company have approved, by way of a Special Resolution, the Scheme and the Draft Rehabilitation Scheme ('DRS') of BDL as circulated by the Hon'ble Board for Industrial and Financial Reconstruction ('the BIFR') vide Order dated February 19, 2010.

The Scheme and the DRS are pending with the Hon'ble BIFR formed under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, for approval.

Pending approval of the above Scheme, the results published above are that of the Company only and do not include BDL.

4. Pursuant to the approval of the Board of Directors of the Company at their meeting held on September 13, 2010, inter alia, a Share Purchase Agreement has been entered into with the existing promoters of PIONEER DISTILLERIES LIMITED (PDL) for acquisition of 7,322,280 equity shares of Rs.10/- each, representing 54.69% of the fully paid-up equity share capital of PDL at a price of Rs.101 per equity share.

In accordance with Regulations 10 & 12 and other applicable provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 (SEBI Takeover Code), the Company has issued the Public Announcement (PA) to the equity shareholders of PDL on September 17, 2010 for the acquisition of 2,677,640 equity shares of Rs.10 each representing 20% of the fully paid-up equity share capital of PDL at a price of Rs.101 per share payable in Cash.

The Letter of Offer will be sent to the Shareholders of PDL upon receipt of observation from SEBI.

5. At the Annual General Meeting held on 29th September, 2010, a dividend of Rs.2.50/- per share on the equity shares of the Company for the year ended March 31, 2010, was approved by the shareholders, which has since been paid to all the eligible shareholders.

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended
September 30, 2010

Notes:

6. During the quarter, the Company has sold the investment in Herbertsons Limited (HL). Consequently, HL ceased to be a wholly owned subsidiary of the Company.
7. Details of number of investor complaints for the quarter ended September 30, 2010: Opening: NIL, Received: 26, Disposed of: 26, Pending: NIL.
8. The above unaudited results have been approved by the Board of Directors at their meeting held on October 27, 2010 and have been subjected to a Limited Review by the Auditors of the Company.
9. Previous period/year's figures have been regrouped, wherever necessary, to conform to the current period/year's classifications.

By authority of the Board

Sd/-
V.K.REKHI
MANAGING DIRECTOR

London
October 27, 2010



UNITED SPIRITS LIMITED

London
October 27, 2010

PRESS RELEASE

RESULTS Q-2 FY11

EBIDTA UP 22% (by Rs.41 Cr to Rs.230 Cr)

VOLUMES UP 16% (to 26.6 mio cases)

REVENUES UP 26% (by Rs.278 Cr to Rs.1,366 Cr)

Q2 FY10	July - September	Q2 FY11	
22.9	VOLUMES – USL INDIA (Million cases)	26.6	+3.7 mio ↑ 16%
1,087.5	REVENUE (Rs. crore)	1,365.6	+ 278 Cr ↑ 26%
189.6	Operational EBIDTA (Rs. crore)	230.4	+41 Cr ↑ 22%
189.6	Operational EBIDTA adjusted for brand investment spend (Rs. crore)	255.5	+66 Cr ↑ 35%

The Board of Directors of United Spirits Limited approved the results for the July-September quarter of fiscal 2011 at their meeting in London today.

Sales during the quarter, traditionally the weakest of the 4 quarters, were up 16% at 26.6 mio cases – an increase of 3.7 mio cases over the comparable period of the previous fiscal. Corresponding revenues were up even higher at 26% and stood at Rs.1,366 crore, an increase of Rs.278 crore over the comparable period of the previous fiscal. The spread between the growth in revenue and that in volumes is accounted for by a 20% growth in the brands at the top end of the product spectrum, as also by price increases in various markets.

Spirit costs in the quarter were marginally lower than in the previous quarter. The trends for the rest of the year would be more apparent post the onset of the crushing in November / December.

EBIDTA at Rs.230.4 crore represents a 22% (over Rs.40 crore) increase over the comparable period of the previous fiscal. EBIDTA margin at 17% remains at the level of the comparable previous quarter and the average of the previous fiscal.

Over the last few months, and more particularly in the quarter just concluded, McDowell's No.1 Platinum Whisky, a premium 100% grain offering has been progressively rolled out nationally. The Company has also launched an 18-year old variant of Black Dog, its premium Scotch whisky offering. Similarly, McDowell's VSOP Brandy, a strategically positioned premium offering has also been launched in the South Indian states. All three products have received very favorable response. The launch and initial promotion expenses of these brands of just over Rs.25 crore have been expensed during the quarter in keeping with accounting standard requirements, although the benefits of these spends will be of an enduring nature. If EBIDTA were to be adjusted for this investment, it would show a 35% growth over the comparable figure of the previous period and represent an EBIDTA margin of 19% to Net Sales. An additional Rs.15-20 crore is likely to be invested behind these brands in Q3 too.

The costs of refinancing of the W&M acquisition loan during the second half of fiscal 2010 together with the increase in working capital as a result of the expansion in business has contributed to an increase in interest costs of Rs.23.2 crore – interest costs now stand at Rs.98.3 crore for the current quarter.

On consolidation of the USL accounts with its subsidiaries, interest costs are however down to Rs.251 crore from Rs.280 crore in the corresponding 6-month period of the previous fiscal.

USL's other leading brands continue to grow significantly in terms of both volume and value.

A comparison of H1 of FY11 and FY10 shows an increase in EBIDTA of Rs.101 crore (+21%) on a revenue growth of 21% or Rs.501 crore.

H1 FY10	April - September	H1 FY11	
48.1	VOLUMES – USL INDIA (Million cases)	53.2	+5.1 mio  11%
2,335.6	REVENUE (Rs. crore)	2,836.1	+ 501 Cr  21%
417.8	Operational EBIDTA (Rs. crore)	519.2	+101 Cr  24%
417.8	Operational EBIDTA adjusted for brand investment spend (Rs. crore)	544.3	+126 Cr  30%

The application of Balaji Distilleries Limited, Chennai for merger with USL is receiving the attention of BIFR; the hearings having concluded, the final order is awaited.

During H1 of FY11, **Whyte & Mackay** earned an EBIDTA of £14.03 million against £12.07 million for the corresponding period of the previous year. During the same period, PBT rose substantially to £6.7 million against £1.3 million in the corresponding period of the previous year. The Company's products continue to be treasured by its consumers. Underpinning the Company's premium pedigree, two bottles of its 64-Year Old Dalmore Trinitas were recently sold for £100,000 each – the first time that the price of a single bottle of malt has gone into six figures. The Company has since received requests for purchase of another 6 bottles at similar prices!

USL's wine-making subsidiary in France, **Bouvet Ladubay**, has reported a 23% growth in Sales Revenue to €9.04 million (€7.36 million in the comparable period of the previous year). EBIDTA for the same period is up at €1.46 million from a comparable €0.8 million, an increase of 79%.