



UNITED SPIRITS

November 8, 2013

Ref: bm131108

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

Dear Sirs,

Sub: 1. Unaudited Financial Results (Provisional) for the quarter and six months ended September 30, 2013.

2. Hiving off Company's Distillery at Poonamallee, Chennai, Tamil Nadu.

1. The Board of Directors of the Company at their meeting held today, has considered and taken on record the unaudited financial results (provisional) of the Company for the quarter and six months ended September 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 also enclose a Press Release issued in this regard.

2. We further wish to inform you that the Board of Directors at the same meeting today, have also approved an arrangement to be entered into by the Company with Enrica Enterprises Private Limited inter-alia for transfer of business pertaining to the Company's distillery at Poonamallee to Enrica Enterprises Private Limited through a Scheme of Arrangement ('Scheme') as well as franchising of its brands in Tamil Nadu.

The Board of Directors have approved the relevant documents including the Scheme between United Spirits Limited and Enrica Enterprises Private Limited and their respective Shareholders which envisages transfer of business pertaining to Poonamallee distillery along with related assets and liabilities to Enrica Enterprises Private Limited under the provisions of Section 391 to 394 of the Companies Act, 1956.

United Spirits Limited

Registered Office : 'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001, India.
Tel : 91-80 3985 6500, 2221 0705, Fax : 91-80 3985 6862, 3985 6959, 3985 6607
www.unitedspirits.in

The salient features of the Scheme are as under:

1. The Scheme provides for transfer of the undertaking, business, activities and operations pertaining to the Poonamallee distillery to Enrica Enterprises Private Limited by way of slump sale on a going concern basis;
2. In consideration, the Company will receive lump sum cash consideration of Rs 125.07 crores (Rupees one hundred and twenty five crores and seven lakhs only) in the manner specified in the Scheme;
3. The Appointed Date for the Scheme is fixed as opening of business hours on April 1, 2013.

Further, the Board of Directors of the Company have also approved the Franchise Agreement with the Enrica Enterprises Private Limited pursuant to which the Enrica Enterprises Private Limited will bottle the Company's brands and in consideration for this bottling arrangement, the Company will earn royalty income.

This communication may kindly be treated as compliance in terms of the applicable provisions of the Listing Agreement.

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

(Rs. in Lakhs)

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

	Unaudited					Audited
	3 months ended September 30,	Preceding three months ended June 30,	Corresponding three months ended Sep 30,	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended March 31,
	2013	2013	2012	2013	2012	2013
1 Income from operations	477,662	526,427	447,768	1,004,088	918,120	1,887,623
Less: Excise duty	273,796	307,192	225,699	580,988	490,322	1,036,655
(a) Net sales/income from operations	203,866	219,235	222,069	423,100	427,798	850,968
(b) Other operating income	1,890	1,475	1,608	3,366	3,165	9,707
Total income from operations (net)	205,756	220,710	223,677	426,466	430,963	860,675
2 Expenses:						
a) Cost of materials consumed	108,362	109,001	108,790	217,363	203,946	426,800
b) Purchase of stock-in-trade	21,077	17,254	11,137	38,331	28,956	72,512
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(7,408)	3,719	23,841	(3,689)	29,767	17,048
d) Employee benefits expense	13,401	12,886	11,582	26,288	22,483	47,644
e) Depreciation and amortisation expense	1,680	1,946	1,880	3,626	3,503	7,183
f) Other expenses:						
i) Advertisement & Sales Promotion	21,148	21,102	17,207	42,250	34,343	77,790
ii) Others	26,755	27,457	28,199	54,212	49,491	105,833
Total Expenses	185,015	193,365	198,636	378,381	372,489	754,810
3 Profit/(Loss) from Operations before other income, finance costs and exceptional items (1-2)	20,741	27,345	25,041	48,085	58,474	105,865
4 a) Other Income	6,356	2,594	1,307	8,950	2,369	7,994
b) Exchange Difference - Gain/(Loss)	668	3,739	(3,395)	4,408	52	2,323
5 Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	27,765	33,678	22,953	61,441	60,895	116,182
6 Finance costs	13,642	15,946	17,004	29,588	33,560	65,617
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	14,123	17,732	5,949	31,853	27,335	50,565
8 Exceptional items - (expense) / income	-	-	-	-	-	(2,165)
9 Profit/(Loss) from ordinary activities before tax (7 + 8)	14,123	17,732	5,949	31,853	27,335	48,400
10 Tax Expense:						
Current tax	5,015	6,370	2,739	11,385	10,100	16,710
Deferred tax charge/(credit)	(319)	(451)	(717)	(770)	(1,188)	(390)
11 Net Profit/(Loss) from ordinary activities after tax (9-10)	9,427	11,813	3,927	21,238	18,423	32,080
12 Extraordinary items (Net of tax expense)	-	-	-	-	-	-
13 Net Profit/(Loss) for the period (11-12)	9,427	11,813	3,927	21,238	18,423	32,080
14 Paid-up equity share capital (Face value '10)	14,533	14,533	13,080	14,533	13,080	13,080
15 Reserves excluding Revaluation Reserves						626,117
16 Earnings per share of Rs.10 each (not annualised):						
a) Basic	6.49	8.67	3.00	15.08	14.09	24.53
b) Diluted	6.49	8.67	3.00	15.08	14.09	24.53

Part II: Select Information for the Quarter and Six months ended September 30, 2013

A. Particulars of Shareholding						
1 Public shareholding						
- Number of Shares	92,797,831	114,662,736	94,458,736	92,797,831	94,458,736	97,462,061
- Percentage of shareholding	63.85%	78.90%	72.22%	63.85%	72.22%	74.52%
2 Promoters and Promoter Group Shareholding:						
a) Pledged / Encumbered						
- Number of Shares	15,780,543	29,478,688	35,592,879	15,780,543	35,592,879	32,318,127
- Percentage of shares	30.04%	96.13%	97.95%	30.04%	97.95%	96.96%
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	10.86%	20.28%	27.21%	10.86%	27.21%	24.71%
(as a % of the total share capital of the Company)						
b) Non-encumbered						
- Number of Shares	36,749,369	1,188,319	743,353	36,749,369	743,353	1,014,780
- Percentage of shares	69.96%	3.87%	2.05%	69.96%	2.05%	3.04%
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	25.29%	0.82%	0.57%	25.29%	0.57%	0.78%
(as a % of the total share capital of the Company)						
B. Investor Complaints						
Pending at the beginning of the quarter	Nil					
Received during the quarter	15					
Disposed of during the quarter	15					
Remaining unresolved at the end of the quarter	Nil					



UNITED SPIRITS LIMITED

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

Standalone Statement of Assets & Liabilities

(Rs.in Lakhs)

	Unaudited	Audited
	As at current half year end	As at previous year end
	30-Sep-13	31-Mar-13
A.EQUITY AND LIABILITIES		
1. Shareholders' Funds		
a) Share Capital	14,533	13,080
b) Reserves and Surplus	917,246	626,116
Minority Interest		
2. Non-current Liabilities		
a) Long term borrowings	45,499	99,863
b) Other Long-term liabilities	6,259	6,207
c) Long term provisions	4,037	3,763
3. Current Liabilities		
a) Short-term borrowings	299,959	235,724
b) Trade Payables	139,991	161,564
c) Other Current Liabilities	92,146	151,502
d) Short-term provisions	3,354	7,346
	1,523,024	1,305,165
B. ASSETS		
1. Non-current Assets		
a) Fixed Assets	115,159	115,575
Intangible Assets	241	170
Capital Work in Progress	5,222	3,420
c) Non Current Investments	163,572	160,046
d) Deferred Tax Assets (net)	4,027	3,258
e) Long term Loans and advances	791,920	619,983
f) Other Non Current Assets	8,917	3,801
2. Current Assets		
a) Current Investments	92	174
b) Inventories	145,036	132,146
c) Trade Receivables	198,554	176,869
d) Cash and Bank balance	11,490	14,561
e) Short term Loans and Advances	78,781	75,149
f) Other Current Assets	13	13
	1,523,024	1,305,165

United Spirits Limited
Unaudited Financial Results for the quarter and six months ended September 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. a) 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.

b) 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.

c) At the Annual General Meeting held on 24th September 2013, a dividend of Rs.2.50/- per share on the equity shares of the Company for the year ended March 31, 2013, was approved by the shareholders, which has since been paid to all eligible shareholders whose name appeared in the Register of Members as on September 24, 2013 in respect equity shares held in physical form and as at the close of business hours on September 17, 2013 in respect of equity shares held in electronic form.
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.

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.

United Spirits Limited

Unaudited Financial Results for the quarter and six months ended September 30, 2013

Notes:

4. Pursuant to the open offer made to the public shareholders of Pioneer Distilleries Limited (PDL) in terms of Regulations 3(1), 4 and 5(1) of the Regulations of SEBI (Substantial Acquisition of Shares and Takeovers) 2011 by Relay B.V. together with Diageo plc and the Company as persons acting in concert, 639,185 equity shares were acquired during the quarter. With this acquisition, the investment in PDL by the Company stands increased from 81.58 % to 86.35 %.
5. The Board of Directors have approved the Scheme of Arrangement between United Spirits Limited and Enrica Enterprises Private Limited and its Shareholders and creditors as the case may be (the Scheme) in respect of transfer of undertaking of the Company in Tamil Nadu by way of slump sale on a going concern basis under Section 391 read with Section 394 of the Companies Act, 1956.

Pending approval of the Scheme, no effect has been given in the accompanying statement of unaudited financial results.

6. The above unaudited results were taken on record at the meeting of the Board of Directors held on November 8, 2013 and have been subjected to a Limited Review by the Auditors of the Company.

By authority of the Board

Sd/-
ASHOK CAPOOR
MANAGING DIRECTOR

Bangalore
November 8, 2013

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11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
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Review report to the Board of Directors of United Spirits Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of United Spirits Limited ('the Company') for the quarter and six months ended 30 September 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 reviewed 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 report on this Statement, based on our review. The financial results of the Company for all periods prior to the quarter ended 30 September 2013 included in the Statement were reviewed or audited, as applicable, by M/s Walker, Chandiook & Co, Chartered Accountants, the then statutory auditors of the Company, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review opinion on the Statement.

We conducted our review in accordance with the Standard on Review Engagement (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 financial statements are 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards 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.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W



Zubin Shekary

Partner

Membership Number: 048814

Bangalore

8 November 2013



UNITED SPIRITS LIMITED

Bangalore
November 8, 2013

PRESS RELEASE

UNAUDITED RESULTS JUL-SEP'13 & H-I FISCAL 2014

Results Summary:

Q-II of FY14

- PBT up 267% at ₹141.2 crore (+₹103 Cr.)
- 7% effective net sales revenue growth with almost static volume
- 21% growth in the strategic Prestige & Above brands

H-I of FY 14

- PBT up 26% at ₹318.5 crore (+₹66 Cr.)
- 7% effective 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-II of fiscal 2014.

The results of the Company for Q-II (July – September) are as follows:

FY 13	July - September	FY 14	
28.42	Volumes – USL INDIA (Million Cases)	28.10	↔
1,906.0 *	REVENUE (₹Crore)	2,038.7	+₹132.7 cr ↑ +7%
38.5 *	Profit Before Tax (₹Crore)	141.2	+₹103Cr ↑ 267%
25.4 *	Profit After Tax (₹Crore)	94.3	+₹69 Cr ↑ 273%

* Effective figures (excluding one-off sale of bulk malt spirit)

FY 13	April – September	FY 14	
59.69	Volumes – USL INDIA (Million Cases)	59.45	↔
3,963.0 *	REVENUE (₹Crore)	4,231.0	+₹268 cr ↑ 6.8%
252.4 *	Profit Before Tax (₹Crore)	318.5	+₹66.1Cr ↑ 26.2%
170.1 *	Profit After Tax (₹Crore)	212.4	+₹42.3 Cr ↑ 24.8%

** Effective figures (excluding one-off sale of bulk malt spirit)*

During the second quarter of fiscal 2014, the strategic brands of the Company in the Prestige & Above segment grew 21% in volume (adding 1.34 million cases) and 27% in value. These brands now represent nearly 28% of the overall volumes of USL vis-à-vis 26% for the comparable quarter and 23% for fiscal 2013.

Extra Neutral Alcohol (ENA) prices continue to unfavorably impact the business. On average, the cost of this key ingredient has risen by ₹20/case compared to Q-II and H-1 of the previous fiscal. Given the huge volumes of the Company this translates to approximately ₹56 crore for Q-II and approx. ₹120 crore for H-I. While a rise in cost of inputs is the stated reason for this increase, the truth lies elsewhere – an attempt by the sugar lobby to raise prices on the strength of an alternate high paying customer – the Oil Marketing Companies (OMC) - for their Ethanol Blending program. As far as the OMCs are concerned, their willingness to pay higher prices to Indian Ethanol vendors is linked to the higher cost of imports. This is notwithstanding the fact the EBP is not beneficial to consumers in the long run.

As has been reported for some time now, the USL business in Tamil Nadu has been adversely affected by the skewed order placement by the parastatal buying agency in that State. Additionally, despite inflation and rising cost of inputs, the last price increase granted to manufacturers in Tamil Nadu was in Dec 2007.

The continued focus on the brands at the upper end of the portfolio has helped them register healthy growth. While the No.1 McDowell's family of whisky brands has registered a growth of 25%, Black Dog Scotch grew by 34%, Antiquity Whisky by 16% and Royal Challenge by 15%. – all comparisons are vis-a-vis the comparable period of fiscal 2013.

Interest costs are down ₹33.6 Cr in Q-II and ₹39.7 Cr. in H-I as a consequence of the loan repayment of ₹1,857.4 crore effected from the proceeds of the issue of Preference Capital and the sale of shares by USL's Subsidiary Companies to Diageo.

