



UNITED BREWERIES (HOLDINGS) LIMITED

November 10, 2016

The Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001

The Secretary
National Stock Exchange of India Limited
Compliance Department
Exchange Plaza, Bandra Kurla Complex
Bandra [E], Mumbai 400 051

Dear Sir,

Sub: Outcome of Board Meeting- Unaudited Financial Results for the quarter/half year ended September 30, 2016

In terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are furnishing herewith the following:

- (i) Unaudited Financial Results for the quarter/half year ended September 30, 2016;
- (ii) Limited Review Report of Messrs. Vishnu Ram & Co, Chartered Accountants, the Auditors of the Company, in connection with the Unaudited Financial Results for the quarter/half year ended September 30, 2016;

The results will be published in an English Daily and also in a local regional newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

We request you to kindly take this on record as compliance of the relevant Regulations.

Thanking you,

Yours faithfully,

For United Breweries (Holdings) Limited

Kaushik Majumder
Senior Vice President- Legal
& Company Secretary

Encl. as above



UNITED BREWERIES (HOLDINGS) LIMITED

Reg. Office: Level 12, UB Tower, UB CITY, No. 24, Vittal Mallya Road, Bangalore. 560 001
Email: ubhlinvestor@ubmail.com. Website: www.theubgroup.com CIN : L85110KA1915LC000740

PART I STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

PARTICULARS	Quarter ended			Six months ended		Rs. in Lakhs
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	For the year ended March 31, 2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income from operations						
(a) Net sales/income from operations	9,824	7,980	7,751	17,804	13,532	31,021
(b) Property development	1,396	1,366	1,232	2,762	2,487	5,179
(c) Other operating income	292	277	210	569	348	981
Total income from operations	11,512	9,623	9,193	21,135	16,367	37,181
2. Expenses						
(a) Purchases of stock-in-trade	3,998	2,747	3,053	6,745	4,871	11,851
b) Cost of packing materials consumed	1,539	865	939	2,404	1,414	3,627
c) Change in inventories (increase) / decrease	(624)	197	(598)	(427)	(316)	(497)
d) Employee benefit expenses	1,106	799	971	1,905	1,730	3,345
e) Depreciation	382	382	413	764	825	1,661
f) Other expenses	1,520	1,690	1,443	3,210	2,891	18,036
* Includes provisions & write offs						
Total expenditure	7,921	6,680	6,221	14,601	11,415	38,023
3. Profit/(Loss) from operations before other income and finance costs	3,591	2,943	2,972	6,534	4,952	(842)
4. Other income	1,010	892	1,712	1,902	1,714	4,757
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items	4,601	3,835	4,685	8,436	6,666	3,915
6. Finance costs	558	888	3,467	1,446	5,234	9,153
7. Profit / (Loss) from ordinary activities after finance costs and before exceptional items	4,043	2,947	1,217	6,990	1,432	(5,238)
8. Exceptional items (net) Profit on sale of pledged shares	-	-	-	-	-	725
9. Profit / (Loss) before tax	4,043	2,947	1,217	6,990	1,432	(4,513)
10. Tax expense	-	-	-	-	-	-
11. Net Profit / (loss) after tax	4,043	2,947	1,217	6,990	1,432	(4,513)
12. Paid-up equity share capital (face value of Rs.10 each, fully paid up)	6,682	6,682	6,682	6,682	6,682	6,682
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	(36,823)
14. Earnings per share (of face value Rs.10/- each):						
Basic and diluted (after exceptional item)	6.05	4.41	1.82	10.46	2.14	(6.75)
Basic and diluted (before exceptional item)	6.05	4.41	1.82	10.46	2.14	(7.84)



UNITED BREWERIES (HOLDINGS) LIMITED

Segment - wise business performance for the quarter and half year ended September 30, 2016

Primary Segment Information

		Three months ended			Six months ended		Rs. in Lakhs
Particulars		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	For the year ended March 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1)	Segment Revenue						
a)	Alcoholic beverages	6,223	4,523	3,714	10,746	6,136	14,636
b)	Leather products	1,007	1,272	731	2,279	1,567	3,713
c)	Readymade garments	88	392	445	480	675	3,157
d)	Investments	326	-	410	326	410	410
e)	Logo fees	1,482	1,483	1,633	2,965	3,267	6,483
f)	Property development	1,396	1,366	1,232	2,762	2,487	5,179
g)	Corporate guarantee services	-	8	14	8	28	55
h)	Others	990	579	1,013	1,569	1,797	3,548
	Total Revenue	11,512	9,623	9,193	21,135	16,367	37,181
2)	Segment Results						
a)	Alcoholic Beverages	1,928	1,773	1,236	3,701	1,904	3,345
b)	Leather products	177	270	28	447	(6)	383
c)	Readymade garments	44	34	60	78	76	(467)
d)	Investments	(52)	(339)	(96)	(391)	(419)	(1,331)
e)	Logo fees	1,104	1,144	1,127	2,248	2,437	4,742
f)	Property development	1,004	765	726	1,769	1,441	3,221
g)	Corporate guarantee services	(378)	(331)	(493)	(709)	(802)	(1,686)
h)	Others	(236)	(373)	384	(609)	321	(173)
	Total Results	3,591	2,943	2,972	6,534	4,952	8,034
	Other income	1,010	892	1,712	1,902	1,714	4,757
	Provision for doubtful advances	-	-	-	-	-	(5,500)
	Bad debts/ advances written off	-	-	-	-	-	(1,251)
	Provision for diminution in value of investments	-	-	-	-	-	(2,125)
	Finance costs	(558)	(388)	(3,467)	(1,446)	(5,234)	(9,153)
	Exceptional items	-	-	-	-	-	725
	Profit / (loss) before tax	4,043	2,947	1,217	6,990	1,432	(4,513)

SEGMENT ASSETS AND LIABILITIES

A. Segment Assets		Three months ended			Six months ended		For the year ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	Alcoholic beverages	14,738	13,202	12,797	14,738	12,797	13,409
	Leather products	6,064	6,300	4,220	6,064	4,220	4,544
	Readymade garments	7,815	7,912	11,142	7,815	11,142	9,859
	Investments	2,46,491	2,43,478	2,49,982	2,46,491	2,49,982	2,41,993
	Property development	3,367	4,071	4,790	3,367	4,790	4,351
	Others	2,016	1,963	2,261	2,016	2,261	1,884
	Total	2,80,491	2,76,927	2,85,192	2,80,491	2,85,192	2,76,041

B. Segment Liabilities		Three months ended			Six months ended		For the year ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	Alcoholic beverages	9,512	9,131	10,127	9,512	10,127	10,584
	Leather products	165	190	288	165	288	309
	Readymade garments	141	150	137	141	137	101
	Investments	3,04,693	3,05,258	3,10,266	3,04,693	3,10,266	3,05,654
	Property development	-	-	-	-	-	-
	Others	319	416	593	319	593	331
	Total	3,14,830	3,15,146	3,21,411	3,14,830	3,21,411	3,16,978

Secondary Segments, Based on Geographical locations

1) Segment Revenue		Three months ended			Six months ended		For the year ended
Particulars		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	Within India	3,834	3,691	4,274	7,575	7,851	15,760
	Outside India	7,628	5,932	4,919	13,560	8,516	21,421
	Total	11,512	9,623	9,193	21,135	16,367	37,181

2) Segment Assets		Three months ended			Six months ended		For the year ended
Particulars		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
	With in India	(63,735)	(66,578)	(65,179)	(63,735)	(65,179)	(69,046)
	Outside India	29,396	28,359	28,960	29,396	28,960	28,109
	Total	(34,339)	(38,219)	(36,219)	(34,339)	(36,219)	(40,937)



UNITED BREWERIES (HOLDINGS) LIMITED

STATEMENT OF ASSETS AND LIABILITIES

Rs. in Lakhs

Particulars	As on	
	September 30, 2016	March 31, 2016

A EQUITY AND LIABILITIES

Shareholders' Funds

Share Capital	6,682	6,682
Reserves and Surplus	55,674	48,684

Non-current Liabilities

Long term borrowings	8,695	8,695
Other Long-term liabilities	44,989	46,069
Long term provisions	374	633

Current Liabilities

Short-term borrowings	65,005	64,162
Trade Payables	5,562	5,300
Other Current Liabilities	1,90,205	1,92,119
Short-term provisions	10,064	10,064
	3,87,250	3,82,408

B ASSETS

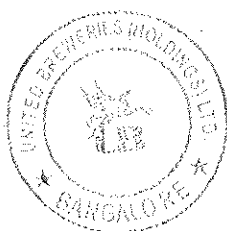
Non-current assets

Fixed Assets		
Tangible Assets	88,682	89,397
Capital Work in Progress	15,218	14,690
Non Current Investments	64,429	64,429
Long term Loans and Advances	7,587	7,578
Other Non Current Assets	608	596

Current Assets

Current Investments	7	6
Inventories	1,801	2,322
Trade Receivables	13,025	10,327
Cash and Cash Equivalents	17,507	19,589
Short term Loans and Advances	34,569	29,553
Other Current Assets	1,43,818	1,43,922

3,87,250	3,82,408
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United Breweries (Holdings) Limited

Notes

1. The accompanying Statement of unaudited financial results for the quarter and half year ended 30th September, 2016 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 10th November, 2016.
2. The position of Managing Director fell vacant on April 17, 2014 and since then efforts are on to identify a successor. The Chairman of the Board, Dr. Vijay Mallya is acting as the Principal Officer of the Company and has been reviewing the performance of the Company through appropriate delegation of duties to various operating executives who report to him on a regular basis.
3. The significant litigations of the company are the following:
 - a) During the quarter one more winding up petition has been filed against the Company by a Creditor of an Associate Company, who is also a beneficiary of a purported Corporate Guarantee issued by the Company. With this, the total number of winding up petitions filed against the Company have now increased to 10. Only 8 winding up petitions have been admitted so far by the Hon'ble High Court of Karnataka. The hearings are in progress.
 - b) Claim filed by the Company in FY 2013-14, against a banker for restitution of deposits of Rs. 60.96 crores, which were unilaterally encashed and thereafter appropriated towards their claims against a group company is being pursued before the Hon'ble High Court of Karnataka. Appropriate amounts are being shown as recoverable from the said bank.

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- c) Three lenders who have extended pre-delivery payment (PDP) loans to KFA for purchase of aircrafts from M/s. Airbus S.A.S. and who claim to be beneficiaries of Corporate Guarantees of the Company, had filed proceedings in FY 2013, before the DRT for recovery of total dues amounting to Rs. 192.51 crores. By an ex-parte order dated February 4, 2014, in I.A. No. 543/2014, the Hon. DRT has passed an ad-interim order attaching pre-delivery payments made by KFA to M/s. Airbus S.A.S. up to Rs. 192.51 crores.

Thereafter, vide final order dated 28th March 2016 issued a Demand Notice directing the Company to pay an amount of Rs.192,51,08,484.67. Aggrieved by the final order of the Hon'ble DRT, the Company preferred a Writ Petition before the Hon'ble High Court of Karnataka and by way of an interim Order dated 16th June 2016, the Hon'ble High Court of Karnataka has stayed the order. The stay is continuing.

- d) After protracted litigation, SBICAP Trustee Limited, acting as Trustees of the Consortium of Banks of KFA, took possession of Kingfisher Villa on 13th May 2016 pursuant to an order of the Hon'ble District Magistrate dated 11th May 2016 pursuant to Section 14 of the SARFAESI Act.

The Company had filed an Appeal under Section 17 of the SARFAESI Act before DRT, Mumbai on 18th August 2016 challenging the order of the District Magistrate, Goa primarily on the manner of taking actual physical possession of the property on 13-5-2016. After filing of the Appeal, SBI had put the property up for sale by e-auction on 19th October, 2016. In view of this, a fresh Appeal was filed before DRT, Mumbai praying for various reliefs which inter alia included reliefs for setting aside the auction sale and also pending the hearing of the Appeal for stay of the said auction sale. The Application for ad-interim relief to stay

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the Auction Sale was rejected by the DRT and SBI was permitted to proceed with the sale of the property at Goa by way of auction sale. This order of DRT rejecting ad-interim relief was challenged before the Hon'ble DRAT Mumbai. The Appeal before the DRAT was argued at length and the Hon'ble DRAT reserved Judgment. However, since SBI did not receive any bid in the auction sale, the auction failed. In view thereof, the Company was advised to withdraw the Appeal before the DRAT and re-file the Application as and when SBI decide to re-auction the property. Our Application for withdrawal of the above Appeal before DRAT was allowed by its Order dated 2nd November, 2016.

Although the possession of the KF Villa property has been taken over by the Consortium of Banks, the legal ownership of the property still remains with the Company.

- e) The Company has filed a suit in FY 2012-13 claiming an amount of USD 210,400,000 along with Rs.162,10,00,000/- by way of Damages against one of the Petitioners who have filed a winding up Petition against the Company in the City Civil Court, Bangalore and the same is pending adjudication. Applications filed by the said Petitioner challenging the jurisdiction of the Suit have since been dismissed vide order of the Hon'ble City Civil Court dated 30th April 2016. The suit is continuing.

Against the order of the Trial Court, the said Petitioner and others have filed some Civil Revision Petitions before the Hon'ble High Court of Karnataka which are pending for admission.

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- f) The Company had entered into a loan agreement with United Spirits Limited on July 3, 2013 on the terms and condition set out therein. The Effective Date as per the Agreement is the date of completion of the sale of shares of USL by the Company to Diageo Plc/Relay B.V. Although the sale of shares in question was completed on 4th July, 2013 pursuant to the permission granted by Hon'ble Karnataka High Court under Section 536 of the Companies Act, 1956 by its judgement and order dated 24th May, 2013, in Appeals preferred against the said judgement and order, the sale of the shares in question was set aside by the Division Bench of the Karnataka High Court in its judgement and order dated 20th December, 2013. In Special Leave Petitions filed in the Supreme Court by Relay B.V. and the Company, although by an order dated 11th February, 2014 the Supreme Court has directed status quo with regard to the transaction of sale of shares, the operation of the judgement and order dated 20th December, 2013 has not been stayed. In fact, in the absence of a stay of the judgement and order of the Hon'ble Karnataka High Court, the Loan Agreement has not become effective in terms of Clause 2.1 thereof. As a consequence, there is no "Loan outstanding" or "Interest period" or "Interest Payment date" as contemplated and defined in the Loan Agreement. In addition, at an EGM of United Spirits Limited on November 28, 2014, the said loan agreement between the Company and United Spirits Limited, was not approved.

Despite the aforesaid facts, alleging non-compliance of certain terms of the Agreement, USL has invoked the arbitration clause in the agreement. The claim of USL in the matter is Rs.1,337.41 crs together with outstanding interest. The Company has contended that USL's claim is untenable, and in any event premature, in view of the aforesaid facts. Therefore, the Company has denied that any amount is due or payable by the Company to USL



under the Agreement. Each party has appointed one arbitrator of their choice and the two Arbitrators have appointed a Presiding Arbitrator and the process is ongoing.

- g) The Directorate of Enforcement (ED), Ministry of Finance Dept. of Revenue, Government of India, vide its Provisional Attachment Order No. 11/2016 dated June 11, 2016, received by the Company, has attached the immovable properties (including those under construction) based in Bangalore and Mumbai under Prevention of Money Laundering Act, 2002 for a period of 180 days from the date of the Order. The Company filed an application before the Adjudicating Authority seeking disclosure of documents and statements of persons interrogated. This application was dismissed. Accordingly, the Company carried the matter in Appeal to the Appellate Authority as well as Karnataka High Court. Ultimately, the Appellate Authority directed ED to furnish relevant documents and statements. Although this order was not fully complied, the Company has filed its Objections before the Adjudicating Authority, and the matter was extensively argued. The order in this regard has been reserved.
- h) Although the Company has settled the entire dues of HDFC Limited, it has not given the NOC / Loan closure certificate to the Company. HDFC Limited has also stopped remitting the rentals from the Escrow account, without reference to the Company, against which the Company has moved a Writ petition in the Hon'ble High Court of Karnataka, which is pending. Objections have since been filed by HDFC Limited and the Union of India, against which no interim order has been passed by the Hon'ble High Court. The petition is now posted for final hearing.

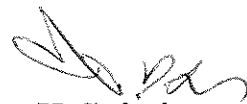
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4. Investment in subsidiaries and associate are presently considered as long term and strategic in nature. Carrying value of these investments will be reviewed at the year end and necessary adjustments, if any, will be effected in accounts.
5. In September 2016, one of the Company's lender has invoked a pledge in respect of 19,00,000 shares of United Breweries Ltd. pledged by a Group Company to secure the borrowing of the Company; of which 18,54,785 shares have been sold and the balance 45,215 shares have been retained in their DP account. The sale proceeds of Rs. 15,169.98 lacs from the sale of the aforesaid shares has been appropriated by the lender towards the dues of the Company. Consequently, the Company owes the aforesaid appropriated amount to the Group Company.
6. The Company has accrued dividend income of Rs. 3.26 crores from a group company. However, the disbursal of such dividend is restrained by an order of the Debt Recovery Tribunal.
7. In view of the available business losses of earlier years, no provision for tax is considered in the Quarterly/Half yearly accounts. Liability towards Minimum Alternate Tax, if any, would be provided in the final accounts
8. With regard to Auditors' qualification, these mainly refer to developments prior to 31st March, 2016, which have already been adequately covered by relevant financial notes to Accounts for the year ended 31st March, 2016 and hence not repeated.
9. Previous year/periods figures have been regrouped wherever necessary.

By order of the Board

November 10, 2016
Bangalore




N Srinivasan
Director

VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

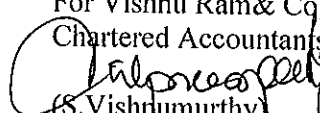
1. We have reviewed the accompanying statement of unaudited financial results of United Breweries (Holdings) Limited, Bangalore ("the company") for the period ended September 30, 2016. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. Our review has been confined to the figures shown in the columns headed "three months ended 30-09-16" and "for the six months ended 30-09-16".
3. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *We have issued a qualified report on the audited financial statements for the accounting year ended 31-3-2016 stating amongst other things, non-provision for decline in the value of investments in certain subsidiaries and associates which are carried in the books at Rs. 147.26 crores, non-provision for the loss that may arise due to possible non-recovery of loans and advances of Rs 75.43 crores due from certain subsidiaries, non-provision for the possible loss that may arise on account of various financial exposures to Kingfisher Airline Limited, non-recognition of certain liabilities/obligations and appropriateness of preparation of financial statements on going concern basis being subject to favourable resolution of several litigations involving the Company. There have not been any significant developments during the current quarter in this regard.*
5. *The company has not so far estimated and provided for the losses that may arise on account of its financial exposures to Kingfisher Airlines Limited (KFA) which are in the form of invoked corporate guarantees of Rs. 8,158.89 crores (which the company continues to show as contingent liabilities). KFA is under severe financial stress and it has defaulted in honouring its financial obligations on several counts; winding up petitions filed against it have been admitted by the Honourable High Court of Karnataka; it is not carrying on any business.*
6. *Some of the beneficiaries of the company's corporate guarantees referred to in paragraph 5 above have filed winding up petitions against the company. Eight such winding up petitions involving amounts of Rs. 7,256.24 crore, have been admitted by the Honourable High Court of Karnataka. The company is contesting these orders and continues to disclose its obligations as contingent.*



VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

7. *The company has shown Rs. 36.07 crores as due from a banker. The amount represents deposits kept by the company, which have been encashed by the said banker and appropriated towards its claims against a group company. This has been contested by the company. The possible loss on account of this, has not been estimated and recognised in the accounts.*
8. *The company has shown Rs. 807.46 crores as due from a financial company. The amount represents the sale proceeds of company's investments which have been partly appropriated against dues from KFA and partly retained by the said financial company. Further, the said financial company still holds custody of 59,150,000 shares in KFA, belonging to the company. The company has petitioned the High Court of Calcutta and High Court of Karnataka challenging the validity of the actions taken by the financial company and for rendering full accounts. The petitions are pending disposal and the company continues to show the amount as good and recoverable from such financial company.*
9. *The 'status quo' with respect to the transaction of company's sale of 10,141,437 no. of shares in United Spirits Limited in favour of Diageo group, as ordered by the Honourable Supreme Court of India, continues.*
10. Attention is invited to note no. 3(f) with regard to demands made by United Spirits Limited for immediate repayment of their dues amounting to Rs. 1,337.42 crore and the interest thereon.
11. Attention is invited to note no. 5 with regard to sale of third party securities by a lender banker and appropriating the sale proceeds against the dues from the company amounting to Rs. 151.70 crore.
12. Attention is invited to note no. 7 regarding non-provision for income tax liability.
13. Based on our review conducted as above and *subject to our observations in paragraphs 4 to 9 above*, we report that nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited financial results read with the notes thereon and 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Bangalore
Date: 10-11-2016

For Vishnu Ram & Co.
Chartered Accountants

(S. Vishnumurthy)
Proprietor
Membership No. 22715
Firm Registration No. 0047425
