



UNITED BREWERIES (HOLDINGS) LIMITED

August 14, 2013

The Executive Director
Bangalore Stock Exchange Limited
Exchange Towers, No.51,
J C Road, 1st Cross,
Bangalore 560027

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: Unaudited Financial Results for the Quarter ended June 30, 2013

In terms of Clause 41 of the Listing Agreement, we are furnishing herewith the following:

- (i) Unaudited Financial Results for the Quarter ended June 30, 2013.
- (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 ended June 30, 2013.

The Quarterly 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 Listing Agreement.

Thanking you,

Yours faithfully,

For United Breweries [Holdings] Limited

Kaushik Majumder
Corporate 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

PART I

(Rs. in Lakhs)

Statement of Unaudited Results for the Quarter Ended 30th June 2013

Particulars	Three months ended			Year ended
	30-Jun-13 Unaudited	31-Mar-13 Unaudited (Note 12)	30-Jun-12 Unaudited	31-Mar-13 Audited
1. Income from operations				
(a) Net sales/income from operations	8,090	7,616	9,864	37,588
(b) Property development	1,210	1,200	1,471	5,023
(c) Other operating income	267	324	590	2,103
(d) Profit on sale of investments (net)	-	-	-	13
Total income from operations	9,567	9,140	11,925	44,727
2. Expenses				
(a) Purchases of stock-in-trade	3,325	6,155	4,055	22,001
(b) Cost of materials consumed	578	534	415	2,148
(c) Change in inventories	1,539	(1,490)	1,041	142
(d) Employee benefit expenses	378	459	417	2,013
(e) Depreciation	204	228	232	921
(f) Other expenses	2,239	1,660	2,379	8,128
Total expenses	8,263	7,546	8,539	35,353
3. Profit from operations before other income and finance costs	1,304	1,594	3,386	9,374
4. Other income	258	571	817	353
5. Profit before finance costs	1,562	2,165	4,203	9,727
6. Finance costs (net of receipts)	14,743	23,836	4,021	35,054
7. Profit/(loss) before exceptional item and tax	(13,181)	(21,671)	182	(25,327)
8. Exceptional item (Note 5a)	43,322	2,617	-	8,631
9. Profit / (Loss) before tax	30,141	(19,054)	182	(16,696)
8. Tax expense (Note 5b)	-	(50)	50	-
9. Net Profit/(loss) after tax	30,141	(19,004)	132	(16,696)
10. Paid-up equity share capital (face value of Rs.10 each, fully paid up)	6,682	6,682	6,682	6,682
11. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				124,482
12. Earnings per share (of face value Rs.10/- each) (not annualised): Basic and diluted	45.11	-28.44	0.20	-24.99

UNITED BREWERIES (HOLDINGS) LIMITED

PART II

Select Information for the Quarter 30th June 2013

	Particulars	Three months ended			Year ended
		30-Jun-13	31-Mar-13	30-Jun-12	31-Mar-13
A	PARTICULARS OF SHAREHOLDING				
	1. Public shareholding				
	- Number of shares	32,764,877	33,228,551	32,408,551	33,228,551
	- Percentage of shareholding	49.04	49.73	48.50	49.73
	2. Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	5,186,190	5,186,190	5,260,002	5,186,190
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	15.23	15.44	15.29	15.44
	- Percentage of shares (as a % of the total share capital of the company)	7.76	7.76	7.87	7.76
	b) Non - encumbered				
	- Number of shares	28,867,454	28,403,780	29,149,968	28,403,780
	- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	84.77	84.56	84.71	84.56
	- Percentage of shares (as a % of the total share capital of the company)	43.2	42.51	43.63	42.51

Particulars	3 months ended 30th June 2013
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	2
Disposed of during the quarter	2
Remaining unresolved at the end of the quarter	Nil

UNITED BREWERIES (HOLDINGS) LIMITED

Reg. Office: Level 12, UB Tower, UB CITY, No. 24, Vittal Mallya Road, Bangalore. 560 001

Email: ubfilinvestor@ubmail.com. Website: www.theubgroup.com

Unaudited Results for the quarter ended 30th June 2013

(Rs. in Lakhs)

Particulars	Three Months ended			Year ended
	30-Jun-13 Unaudited	31-Mar-13 Unaudited	30-Jun-12 Unaudited	31-Mar-13 Audited
1.SEGMENT REVENUE				
Alcoholic Beverages	5,656	4,691	5,569	24,746
Leather Products	717	631	722	2,776
Readymade Garments	1,023	2,045	1,631	6,043
Investments	-	-	-	1,163
Corporate Guarantee Services	46	(223)	1,399	737
Property Development	1,210	1,200	1,471	5,023
Others	915	796	1,133	4,239
	9,567	9,140	11,925	44,727
2.SEGMENT RESULTS				
Alcoholic Beverages	604	1,069	1,316	4,554
Leather Products	82	24	3	167
Readymade Garments	32	80	(26)	152
Investments	(245)	105	(544)	40
Corporate Guarantee Services	(198)	(511)	1,158	(386)
Property Development	759	912	1,024	3,694
Others	270	(85)	455	1,153
Total	1,304	1,594	3,386	9,374
Add: Other Income	258	571	817	353
Less: Interest/ finance charges (net of receipts)	(14,743)	(23,836)	(4,021)	(35,054)
Add: Exceptional Items	43,322	2,617	-	8,631
Profit Before Tax	30,141	(19,054)	182	(16,696)
3. CAPITAL EMPLOYED				
Alcoholic Beverages	(3,302)	(3,573)	(912)	(3,573)
Leather Products	2,378	1,791	3,287	1,791
Readymade Garments	9,117	9,238	3,403	9,238
Investments	163,874	114,912	132,168	114,912
Property Development	14,761	14,811	15,071	14,811
Others	1,272	1,164	660	1,164
Total	188,099	138,343	153,677	138,343
4. Secondary segments based on geographical locations				
a) Segment revenue				
Overseas	7,360	6,957	7,521	26,722
Domestic	2,207	2,183	4,404	18,005
Total	9,567	9,140	11,925	44,727
b) Segment assets less segment liabilities				
Overseas	27,574	26,722	26,461	26,722
Domestic	160,526	111,621	127,216	111,621
Total	188,099	138,343	153,677	138,343

UNITED BREWERIES HOLDINGS LIMITED

NOTES TO FINANCIAL RESULTS

1. The unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 14th August 2013.
2. The development of a luxury residential building "Kingfisher Towers – Residences at UB City" (in which the Company is entitled to share 55% of super built up area) is under progress and is expected to be completed in 2015.
3. (a) The lenders of Kingfisher Airlines Limited (KFA) have, pursuant to certain Corporate Guarantees given by the Company (the validity of which is disputed), demanded from the Company, their dues from KFA amounting to Rs. 6,203.35 Cr and have moved the Debt Recovery Tribunal ("DRT") for recovery of these dues. The Company is taking steps to defend the proceedings before the DRT as per the advice of its lawyers.
 (b) The Goa Senior Division Court has granted an interim injunction against any coercive action by lenders of KFA in respect of the Company's property in Goa, leased to United Spirits Ltd. Subsequently, KFA lenders have sent a notice purportedly under the SARFAESI Act in respect of the said property. The Company has responded to the notice issued to it purportedly under the SARFAESI Act challenging the same.
4. KFA lenders have also sold certain investments belonging to the Company pursuant to purported invocation of the pledge by the Company of certain investments. The Company and others have filed a suit in the Hon'ble Bombay High Court, being Suit No. 311 of 2013 against the consortium of bankers (Bombay Suit) who have advanced loans to Kingfisher Airlines Limited ("KFA") and KFA, inter alia, seeking the following reliefs:-
 (a) For a declaration that the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010, are void ab-initio and non-est;
 (b) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance or in any manner giving effect to the impugned Notices dated 16th March, 2013, or from taking any other or further steps to act upon or in furtherance of the Pledge Agreement dated 21st December, 2010, save and



except in accordance with the procedure set out in clause 8.1 of the MDRA, including issuing a notice there under.

- (c) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon or in furtherance of the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010;
- (d) That an order and decree of damages of the sum of Rs. 3,199.68 Cr as set out in the Particulars of Claim be awarded to the Plaintiffs."

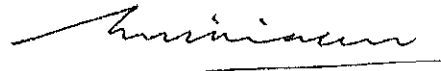
The said Suit is pending in the Hon'ble Bombay High Court.

5. (a) Exceptional income of Rs. 433.22 Cr represents profits arising on sale of part of pledged securities of the Company by the lenders of both KFA and the Company
However, the above action is without prejudice to the rights and contentions of the Company in the pending legal proceedings as well as the stance adopted by KFA against the purported recall of its loans by the lenders, pursuant to which the shares pledged by the Company were sold by the lenders.
 - (b) Provision for Minimum Alternate Tax relating to the above, if any, will be considered in the Annual accounts of the year.
 - (c) The gross sale proceeds from the sale of securities by the lenders of KFA, Rs. 504.02 Cr has been adjusted by the said lenders against their dues from KFA. The Management has obtained legal advice that the company has a potential claim against these lenders for recovery of the above sale proceeds.
6. (a) On 4th July 2013, the Company has sold 10,141,437 equity shares held by it in United Spirits Limited to Relay BV, an indirect wholly owned subsidiary of Diageo plc., with leave of the Hon. High Court of Karnataka. Of the Sale Proceeds of Rs. 1460.37 Cr, Rs. 820.06 Cr have been applied for repaying the borrowings of the Company. The balance amount is being retained as per directive of the Court. Further, the Company is restrained from alienating or disposing any of its assets pending further directions of the Court.

- (b) Consequent upon the above sale, United Spirits Limited, will not be considered as an associate, for accounting purpose. The Company continues to be a promoter, along with Relay B.V. and Diageo plc., as co-promoters.
7. The Company has, effective 29th June 2013 renewed the non-exclusive license for Pegasus Logo in favour of United Spirits Limited for a period of 10 years. The annual license fee is on a graded scale commencing at Rs. 56.25 Cr and going up to Rs. 71.25 Cr over a period of time.
8. As in the previous year, Guarantee commission arising out of the Corporate guarantee given and security commission arising out of security pledged in favour of lenders of KFA, has not been accrued during the quarter in view of KFA being precluded by its Bankers from making payment of any Guarantee Commission and in view of the stand taken by the Company and the other Plaintiffs in the Bombay Suit. Similarly, interest has not been accrued on the outstanding loans relating to KFA.
9. (a) The company, along with its subsidiaries has significant exposure on various counts to KFA. As at 30th June, 2013, these include, Investment in Equity Rs. 1969.30 Cr, Loans & Advances Rs. 2930.89 Cr, other Receivables Rs. 310.44 Cr and Corporate Guarantees to Banks / Aircraft lessors, some of which have been invoked and are being contested in Court, including in the Bombay Suit.
- (b) Investment in subsidiaries and Associates are considered as long term and strategic in nature.
- The Statutory Auditors have expressed reservation on the above matters in their limited review report.
10. The Board has initiated a comprehensive review of the above exposure, with a view to deciding further course of action
- 11.(a) The Company is contesting admission of six petitions under Section 433/434 of the Companies Act, 1956 before the Hon'ble High Court of Karnataka by certain creditors of KFA.

- (b) One of the Petitioners has also filed an execution petition in Delhi High Court for executing an ex-parte purported foreign decree passed by the Queen's Bench in United Kingdom awarding USD 16.93 million.
- (c) The Company has filed a suit for damages, claiming an amount of Rs. 1,319.30 Cr against some of the above Petitioners in the City Civil Court, Bangalore
12. Previous year / periods figures have been re-grouped wherever necessary. The figures for the last quarter ended 31st March, 2013 are the balancing figures between the Audited figures in respect of full financial year and the year to date figures up to the period ended 31st December, 2012.

On behalf of the Board



Dr. Vijay Mallya

Chairman

Goa

14th August 2013

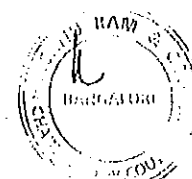
VISHNU RAM & CO.,

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 June 30, 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 report on these financial statements based on our review.
2. Our review has been restricted to the figures shown in the columns headed "three months ended 30-06-13".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Interim Financial Information 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 had issued a qualified report on the audited financial statements for the accounting year ended 31.3.2013, wherein, we had drawn attention of the shareholders to (i) decline in the value of investments of Rs. 70.06 crores in certain subsidiaries whose networth is eroded/partially eroded and not providing for such decline (ii) not providing for probable loss that may arise due to non-recovery of loans and advances of Rs. 170.95 crores due from certain subsidiaries whose networth is eroded/partially eroded and (iii) non provision for the probable loss that may arise on account of various exposures to Kingfisher Airlines Limited (KFA).*
5. (i) *The company has significant financial exposure to Kingfisher Airlines Limited (KFA). KFA's licence to operate the airline business stands suspended. Its net worth is fully eroded. It is under severe financial stress and has defaulted in honouring its financial obligations on several counts. Company's financial exposure on account of KFA as at 30-06-2013 is as under;*

Particulars	Rs / Crores
1. Investment in equity	1,969.30
2. Guarantees given to banks	6,631.35
3. Guarantees to aircraft lessors / others	2,135.60
4. Advances given	2,930.89
5. Interest/Commission/logo fees receivable	310.44



10/10

VISHNU RAM & CO.,

CHARTERED ACCOUNTANTS

(ii) *Out of the above,*

(a) *certain corporate guarantees given in favour of aircraft lessors and vendors of KFA have been invoked. The total amount invoked and outstanding as on 30-06-2013 is Rs. 920.36 crores.*

(b) *certain corporate guarantees given in favour of certain lenders of KFA have been invoked and the lenders have filed a suit before the Debt Recovery Tribunal for recovery of dues of Rs. 6,203.35 crores.*

(iii) *Certain beneficiaries of Corporate Guarantees issued on behalf of KFA have filed petition against the Company under section 433/434 of the Companies Act, 1956.*

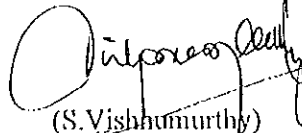
(iv) *No provision has been made in the accounts for the probable loss that may arise on account of various financial exposures to KFA.*

6. Based on our review conducted as above and *subject to our observations in paragraphs 4 and 5 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 clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Bangalore

Date: 14-08-2013

For Vishnu Ram & Co.,
Chartered Accountants


(S. Vishnumurthy)
Proprietor.

Membership No. 22715

Firm Registration No. 004742S

