



UNITED BREWERIES (HOLDINGS) LIMITED

November 8, 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 September 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 September 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 September 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 Malliya 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 September 2013

Particulars	Three months ended			Six Months ended		Year ended
	30-Sep-13 Unaudited	30-Jun-13 Unaudited	30-Sep-12 Unaudited	30-Sep-13 Unaudited	30-Sep-12 Unaudited	31-Mar-13 Audited
1. Income from operations						
(a) Net sales/income from operations	10,176	8,090	10,943	18,266	20,807	37,588
(b) Property development	1,258	1,210	1,177	2,467	2,648	5,023
(c) Other operating income	445	267	638	712	1,228	2,103
(d) Profit on sale of investments (net)	-	-	-	-	-	13
Total income from operations	11,879	9,567	12,758	21,445	24,683	44,727
2. Expenses						
(a) Purchases of stock-in-trade	4,823	3,325	6,270	8,148	10,325	22,001
(b) Cost of materials consumed	514	578	696	1,092	1,111	2,148
(c) Change in inventories	8	1,539	66	1,547	1,107	142
(d) Employee benefit expenses	997	378	520	1,375	937	2,013
(e) Depreciation	199	204	228	403	460	921
(f) Other expenses	1,961	2,239	3,632	4,201	6,011	8,128
Total expenses	8,502	8,263	11,412	16,765	19,951	35,353
3. Profit from operations before other income and finance costs	3,377	1,304	1,346	4,680	4,732	9,374
4. Other income	62	258	33	320	850	353
5. Profit before finance costs	3,439	1,562	1,379	5,000	5,582	9,727
6. Finance costs (net of receipts)	10,280	14,743	3,097	25,023	7,118	35,054
7. Profit/(loss) before exceptional item and tax	(6,841)	(13,181)	(1,718)	(20,023)	(1,536)	(25,327)
8. Exceptional item	141,864	43,322	-	185,186	-	8,631
9. Profit / (Loss) before tax	135,023	30,141	(1,718)	165,163	(1,536)	(16,696)
10. Tax expense	32,589	-	-	32,589	50	-
11. Net Profit/(loss) after tax	102,434	30,141	(1,718)	132,574	(1,586)	(16,696)
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						124,482
14. Earnings per share (of face value Rs.10/- each) (not annualised):						
Basic and diluted (after exceptional item)	153.30	45.11	(2.57)	198.40	(2.37)	(24.99)
Basic and diluted (before exceptional item)	(10.24)	(19.73)	(2.57)	(29.97)	(2.37)	(37.90)

UNITED BREWERIES (HOLDINGS) LIMITED

PART II

Select Information for the Quarter 30th September 2013

	Particulars	Three months ended			Year ended
		30-Sep-13	30-Jun-13	30-Sep-12	31-Mar-13
A	PARTICULARS OF SHAREHOLDING				
	1. Public shareholding				
	- Number of shares	32,764,877	32,764,877	38,028,551	33,228,551
	- Percentage of shareholding	49.04	49.04	56.91	49.73
	2. Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	3,586,190	5,186,190	5,260,002	5,186,190
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	10.53	15.23	18.27	15.44
	- Percentage of shares (as a % of the total share capital of the company)	5.37	7.76	7.87	7.76
	b) Non - encumbered				
	- Number of shares	30,467,454	28,867,454	23,529,968	28,403,780
	- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	89.47	84.77	81.73	84.56
	- Percentage of shares (as a % of the total share capital of the company)	45.60	43.20	35.21	42.51

	Particulars	3 months ended 30th September 2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	7
	Disposed of during the quarter	7
	Remaining unresolved at the end of the quarter	Nil

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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

Unaudited Results for the quarter ended 30th September 2013

(Rs. in Lakhs)

Particulars	Three months ended			Six Months ended		Year ended
	30-Sep-13 Unaudited	30-Jun-13 Unaudited	30-Sep-12 Unaudited	30-Sep-13 Unaudited	30-Sep-12 Unaudited	31-Mar-13 Audited
1.SEGMENT REVENUE						
Alcoholic Beverages	4,124	5,656	7,937	9,781	13,506	24,746
Leather Products	1,074	717	901	1,790	1,623	2,776
Readymade Garments	1,837	1,023	1,097	2,861	2,728	6,043
Investments	680	-	1,150	680	1,150	1,163
Logo fees	1,825	300	445	2,125	885	1,620
Corporate Guarantee Services	47	46	(755)	93	644	737
Property Development	1,258	1,210	1,177	2,467	2,648	5,023
Others	1,034	615	806	1,648	1,499	2,619
	11,879	9,567	12,758	21,445	24,683	44,727
2.SEGMENT RESULTS						
Alcoholic Beverages	1,186	604	1,498	1,789	2,814	4,554
Leather Products	181	82	98	263	101	167
Readymade Garments	99	32	(105)	132	(131)	152
Investments	244	(196)	470	48	(25)	265
Logo fees	1,389	104	61	1,493	309	722
Corporate Guarantee Services	(389)	(150)	(1,139)	(539)	67	(161)
Property Development	822	808	793	1,629	1,865	3,918
Others	(155)	20	(330)	(135)	(268)	(243)
Total	3,377	1,304	1,346	4,680	4,732	9,374
Add: Other Income	62	258	33	320	850	353
Less: Finance costs (net of receipts)	(10,280)	(14,743)	(3,097)	(25,023)	(7,118)	(35,054)
Add: Exceptional Items	141,864	43,322	-	185,186	-	8,631
Profit / (Loss) Before Tax	135,023	30,141	(1,718)	165,163	(1,536)	(16,696)
3. CAPITAL EMPLOYED						
Alcoholic Beverages	(2,244)	(3,302)	53	(2,244)	53	(3,573)
Leather Products	2,654	2,378	3,176	2,654	3,176	1,791
Readymade Garments	7,665	9,117	3,516	7,665	3,516	9,238
Investments	276,720	163,874	131,665	276,720	131,665	114,912
Property Development	14,716	14,761	15,017	14,716	15,017	14,811
Others	42,143	1,272	722	42,143	722	1,164
Total	341,654	188,099	154,149	341,654	154,149	138,343
4. Secondary segments based on geographical locations						
a) Segment revenue						
Overseas	7,133	7,360	9,771	14,493	17,292	26,722
Domestic	4,746	2,207	2,987	6,952	7,391	18,005
Total	11,879	9,567	12,758	21,445	24,683	44,727
b) Segment assets less segment liabilities						
Overseas	25,058	27,574	26,093	25,058	26,093	26,722
Domestic	316,596	160,526	128,056	316,596	128,056	111,621
Total	341,654	188,099	154,149	341,654	154,149	138,343

UNITED BREWERIES (HOLDINGS) LIMITED

STATEMENT OF ASSETS AND LIABILITIES

		Rs. In Lakhs	
		As at	
		September 30, 2013	March 31, 2013
A	EQUITY AND LIABILITIES		
	Shareholders' Funds		
	Share Capital	6,682	6,682
	Reserves and Surplus	261,968	134,903
	Non-current Liabilities		
	Long term borrowings	248,514	158,719
	Other Long-term liabilities	47,033	39,259
	Long term provisions	686	690
	Current Liabilities		
	Short-term borrowings	50,434	131,584
	Trade Payables	5,403	4,665
	Other Current Liabilities	54,717	150,282
	Short-term provisions	42,653	10,064
		718,090	636,848
B	ASSETS		
	Non-current assets		
	Fixed Assets		
	Tangible Assets	19,079	19,454
	Capital Work in Progress	11,943	11,403
	Non Current Investments	146,921	161,863
	Long term Loans and Advances	421,969	402,140
	Other Non Current Assets	649	645
	Current Assets		
	Current Investments	359	265
	Inventories	1,409	2,615
	Trade Receivables	3,739	2,411
	Cash and Cash Equivalents	58,101	12,758
	Short term Loans and Advances	27,861	22,045
	Other Current Assets	26,060	1,249
		718,090	636,848

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UNITED BREWERIES HOLDINGS LIMITED

NOTES TO FINANCIAL RESULTS – Quarter ending 30th September 2013

1. The unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on 8th November 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 Crores and have moved the Debt Recovery Tribunal (“DRT”) for recovery of these dues. The Company is taking steps, as per the advice of its lawyers, to defend itself against the proceedings before the DRT.
(b) In response to KFA Lenders’ action to acquire company’s property in Goa, under Section 13(4) of the SARFAESI Act, United Spirits Limited [USL], which is a tenant in respect of the Goa property, has obtained an Order from the Court of the Senior Civil Judge “A” Court on 1st November 2013 whereby the Defendant Banks have been directed to maintain status quo and are also restrained from dispossessing USL or in any way interfering with their possession of the property. The Company continues to be the owner of the property.
4. Consortium of KFA Bankers, have sold certain investments belonging to the Company pursuant to invocation of purported pledge. The Company and others have filed a suit in the Hon’ble Bombay High Court, being Suit No. 311 of 2013 (Bombay Suit) against the consortium of bankers, who have advanced loans to Kingfisher Airlines Limited (“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 Notice 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 Crores 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. Exceptional item represents profit on sale of USL shares pursuant to Share Purchase Agreement with Diageo plc., dated November 9, 2012, for Rs. 1,405.22 crs and Rs. 13.42 crores on account of sale of certain Company investments by Company's and KFA lenders.
6. The gross sale proceeds from the sale of securities by the lenders of KFA, 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 lenders for recovery of the above sale proceeds.



7. Pursuant to the Share Purchase Agreement entered into by the Company and its subsidiary Kingfisher Finvest India Ltd (KFIL) for sale of 16,716,987 equity shares held by it in United Spirits Ltd to Relay BV, an indirect wholly owned subsidiary of Diageo plc., the Company, on July 4, 2013, with leave of the Hon. High Court of Karnataka under sec. 536(2) of the Companies Act sold 10,141,437 Equity shares. Appeals were filed by the petitioners in the Winding up petition before the Karnataka High Court seeking to set aside the above Order of the Company Judge. This matter is currently being heard by the Company Bench of the Karnataka High Court. The net sale proceeds from Diageo sale, after repaying some of the borrowings of the company, as permitted by the Court, is being retained as per directives of the Court. The Company Bench has further reiterated that the Company is restrained from alienating or disposing of any of its assets without permission of the Court.
8. (a) The company, along with its subsidiaries has significant exposure on various counts to KFA. As at 30th September, 2013, these include, Investment in Equity Rs. 1,913.77 crs, Loans & Advances Rs. 3,077.33 crs, other Receivables Rs. 316.49 crs 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 drawn attention to the above matters in their limited review report.
- The Board will decide the future course of action on the exposure to KFA after receipt of recommendations from an independent consultant.



9. (a) The Company is contesting admission of eight 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 foreign decree awarding USD 16.93 million, which is being contested.
- (c) The Company has also filed a suit for damages, claiming an amount of Rs. 1,319.30 crores against some of the above Petitioners in the City Civil Court, Bangalore
10. a) As stated in para 3, the Company is defending recovery suits filed by lenders of KFA based on guarantees, the validity of which are being contested. Per para 4, the company has filed in Bombay High Court, a suit seeking to restrain the beneficiaries of aforesaid guarantees from taking any further action. Further, as stated in para 9, the company has filed a suit for damages against the aircraft engines manufacturers for supply of defective engines to KFA.
- The Board believes that both its claims and defenses are tenable in law.
- b) Some creditors, including some who have filed winding up petitions against the Company have indicated their willingness to settle outside Court for reduced sums.
- c) The company has substantial assets to monetise in case of necessity.
- Having regard to the above, the financial statements have been prepared on 'going concern' basis.
11. Previous year's / period's figures have been re-grouped wherever necessary.

By Authority of the Board



V. SHASHIKANTH
Managing Director

Bangalore

8th November 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 September 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 30-09-13" and "for the six months ended 30-09-13".
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 30-09-2013 is as under;*

Particulars	Rs / Crores
1. Investment in equity	1,913.77
2 Guarantees given to banks	6,631.35
3. Guarantees to aircraft lessors / others	2,135.60
4. Advances given	3,077.33
5. Interest/Commission/logo fees receivable	316.49



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 30-09-2013 is Rs. 971.11 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. Emphasis of matter;

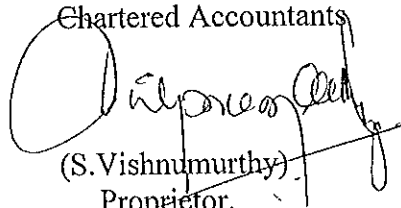
(i) Without qualifying our report, we draw attention to notes 3, 9 and 10 in the financial statements which indicate that there are significant litigations pending against the company and give the reasons based on which financial statements have been prepared on going concern basis.

(ii) Without qualifying our report, we draw attention to note 7 in the financial statements which indicates that the permission obtained by the company to sell shares in United Spirits Limited in the favour of Diageo is being contested by the petitioners in winding up petitions, before a division bench of the Honourable High Court of Karnataka.

7. 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: 08-11-2013

For Vishnu Ram & Co.,
Chartered Accountants



(S. Vishnumurthy)
Proprietor.

Membership No. 22715

Firm Registration No. 004742S