



UNITED BREWERIES (HOLDINGS) LIMITED

February 11, 2014

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

✓ The Department of Corporate Services
The 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 December 31, 2013

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

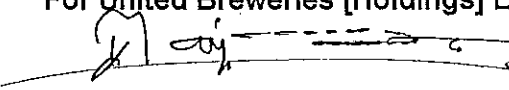
- (i) Unaudited Financial Results for the Quarter ended December 31, 2013.
- (ii) Limited Review Report of Messrs. Vishnu Ram & Co, Chartered Accountants, the Auditors of the Company, in connection with the Unaudited Financial Results for the Quarter ended December 31, 2013.

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

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PART I

(Rs. in Lakhs)

Statement of Unaudited Financial Results for the Quarter Ended 31st December 2013

Particulars	Three months ended			Nine Months ended		Year ended
	31-Dec-13 Unaudited	30-Sep-13 Unaudited	31-Dec-12 Unaudited	31-Dec-13 Unaudited	31-Dec-12 Unaudited	31-Mar-13 Audited
1. Income from operations						
(a) Net sales/income from operations	12,223	10,176	9,165	30,489	29,971	37,588
(b) Property development	1,279	1,258	1,175	3,747	3,823	5,023
(c) Other operating income	587	445	552	1,299	1,780	2,103
(d) Profit on sale of investments (net)	-	-	-	-	-	13
Total income from operations	14,089	11,879	10,892	35,535	35,574	44,727
2. Expenses						
a) Purchases of stock-in-trade	6,086	4,150	5,522	13,561	15,847	22,001
b) Cost of materials consumed	718	514	503	1,810	1,614	2,148
c) Change in inventories	(227)	681	526	1,992	1,632	142
d) Employee benefit expenses	982	997	617	2,356	1,554	2,013
e) Depreciation	206	199	233	608	693	921
f) Advertising and sales promotion expenses	1,265	112	536	2,154	1,335	1,772
g) Other expenses	2,870	1,849	1,600	6,181	6,811	6,356
Total expenses	11,900	8,502	9,537	28,662	29,486	35,353
3. Profit from operations before other income and finance costs	2,189	3,377	1,355	6,873	6,088	9,374
4. Other income	10	62	12	330	862	353
5. Profit before finance costs	2,199	3,439	1,367	7,203	6,950	9,727
6. Finance costs (net of receipts)	7,821	10,280	4,100	32,844	11,218	35,054
7. Profit/(loss) before exceptional item and tax	(5,622)	(6,841)	(2,733)	(25,641)	(4,268)	(25,327)
8. Exceptional item	7,560	141,864	6,625	192,746	6,625	8,631
9. Profit / (Loss) before tax	1,938	135,023	3,892	167,105	2,357	(16,696)
10. Tax expense	2,293	32,589	-	34,882	50	-
11. Net Profit/(loss) after tax	(355)	102,434	3,892	132,223	2,307	(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)	(0.53)	153.30	5.82	197.88	3.45	(24.99)
Basic and diluted (before exceptional item)	(8.41)	(10.24)	(4.09)	(38.37)	3.45	(37.90)

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UNITED BREWERIES (HOLDINGS) LIMITED

PART II

Select Information for the Quarter 31st December, 2013

	Particulars	Three months ended			Year ended
		31-Dec-13	30-Sep-13	31-Dec-12	31-Mar-13
A	PARTICULARS OF SHAREHOLDING				
	1. Public shareholding				
	- Number of shares	32,665,241	32,764,877	33,228,551	33,228,551
	- Percentage of shareholding	48.89	49.04	49.73	49.73
	2. Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	3,586,190	3,586,190	5,186,190	5,186,190
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	10.50	10.53	15.44	15.44
	- Percentage of shares (as a % of the total share capital of the company)	5.37	5.37	7.76	7.76
	b) Non - encumbered				
	- Number of shares	30,567,090	30,467,454	28,403,780	28,403,780
	- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	89.50	89.47	84.56	84.56
	- Percentage of shares (as a % of the total share capital of the company)	45.75	45.60	42.51	42.51

	Particulars	3 months ended 31st December 2013
B	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: ubhlinvestor@ubmail.com. Website: www.theubgroup.com

Unaudited Financial Results for the quarter ended 31st December 2013

Particulars	Three months ended			Nine Months ended		(Rs. in Lakhs)
	31-Dec-13 Unaudited	30-Sep-13 Unaudited	31-Dec-12 Unaudited	31-Dec-13 Unaudited	31-Dec-12 Unaudited	Year ended 31-Mar-13 Audited
1.SEGMENT REVENUE						
Alcoholic Beverages	7,091	4,124	6,549	16,871	20,055	24,746
Leather Products	1,468	1,074	522	3,259	2,145	2,776
Readymade Garments	1,851	1,837	1,270	4,711	3,998	6,043
Investments	5	680	-	684	1,150	1,163
Logo fees	1,763	1,825	452	3,888	1,337	1,620
Corporate Guarantee Services	48	47	315	141	960	737
Property Development	1,279	1,258	1,175	3,747	3,823	5,023
Others	584	1,034	609	2,234	2,106	2,619
	14,089	11,879	10,892	35,535	35,574	44,727
2.SEGMENT RESULTS						
Alcoholic Beverages	1,305	1,186	654	3,095	3,468	4,554
Leather Products	373	181	36	636	137	167
Readymade Garments	468	99	29	599	(73)	152
Investments	(603)	244	(630)	(555)	(655)	265
Logo fees	1,155	1,389	215	2,648	523	722
Corporate Guarantee Services	(560)	(389)	78	(1,098)	146	(161)
Property Development	672	822	938	2,301	2,803	3,918
Others	(621)	(155)	35	(753)	(261)	(243)
Total	2,189	3,377	1,355	6,873	6,088	9,374
Add: Other Income	10	62	12	330	862	353
Less: Finance costs (net of receipts)	(7,821)	(10,280)	(4,100)	(32,844)	(11,218)	(35,054)
Add: Exceptional Items	7,560	141,864	6,625	192,746	6,625	8,631
Profit / (Loss) Before Tax	1,938	135,023	3,892	167,105	2,357	(16,696)
3. CAPITAL EMPLOYED						
Alcoholic Beverages	(735)	(2,244)	783	(735)	783	(3,573)
Leather Products	3,263	2,654	3,030	3,263	3,030	1,791
Readymade Garments	10,275	7,665	3,707	10,275	3,707	9,238
Investments	278,454	276,720	134,524	278,454	134,524	114,912
Property Development	14,665	14,716	14,963	14,665	14,963	14,811
Others	41,898	42,143	553	41,898	553	1,164
Total	347,820	341,654	157,559	347,820	157,559	138,343
4. Secondary segments based on geographical locations						
a) Segment revenue						
Overseas	10,013	7,133	8,082	24,506	17,292	26,722
Domestic	4,076	4,746	2,810	11,028	18,282	18,005
Total	14,089	11,879	10,892	35,535	35,574	44,727
b) Segment assets less segment liabilities						
Overseas	30,471	29,537	26,093	30,471	26,093	26,722
Domestic	317,350	312,117	131,466	317,350	131,466	111,621
Total	347,820	341,654	157,559	347,820	157,559	138,343

UNITED BREWERIES HOLDINGS LIMITED

NOTES TO FINANCIAL RESULTS – Quarter ending 31st December 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 11th February, 2014.
2. (a) The lenders of Kingfisher Airlines Limited (KFA) have, pursuant to certain Corporate Guarantees given by the Company (the validity of which is disputed as set out hereinafter), demanded from the Company, their dues from KFA amounting to Rs. 6,203.35 crores with further interest and other dues from 01/06/2013 and have moved the Debt Recovery Tribunal (“DRT”) for recovery of these dues by way of Original Application (OA). The Interim Application filed by the Company before the DRT seeking to reject the said OA on the ground of jurisdiction has been dismissed by the Tribunal vide its order dated 12th November, 2013. Further, the Writ Petition against the DRT dismissal order, filed by the Company, has also been disposed of by the Hon’ble High Court of Karnataka on 4th February, 2014, with liberty to move the Debts Recovery Appellate Tribunal for suitable reliefs. The Company is further taking steps, as per the advice of its lawyers, to defend itself against this order of the Hon’ble High Court.

(b) Further, 3 lenders who have extended pre delivery payment (PDP) loans to KFA, for purchase of aircrafts from M/s Airbus S.A.S., have recently filed proceedings 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. Tribunal has allowed the said application of the banks and have passed an interim order attaching pre-delivery payments made by KFA to M/s Airbus S.A.S. up to Rs. 192.51 crores till the next date of hearing.

(c) In response to KFA Lenders’ action to take possession of the company’s property in Goa under Section 13(4) of the SARFAESI Act 2002 including publication of the statutory Possession Notice in leading newspapers on 1st November 2013, 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 now been directed to maintain status quo and are also restrained from dispossessing USL or in any way interfering with USL's possession of the property. Pending adjudication of the Suit, the Goa property continues to remain as asset of the company.

3. KFA Consortium of Bankers, have also sold certain investments belonging to the Company pursuant to the 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.



4. Exceptional items represents profit of Rs. 75.65 crs on sale by lenders of the company of pledged United Spirits Limited (USL) shares.
5. The gross sale proceeds from the sale of securities by the lenders of KFA, have 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.
6. The Division Bench of the Hon'ble High Court of Karnataka vide its order dated 20th December 2013 has set aside the permission granted by the Hon'ble Company Judge under Section 536(2) of the Companies Act 1956 to dispose of the shares of USL in favour of Diageo Plc / Relay BV. The Company and Diageo Plc have approached the Hon'ble Supreme Court by way of SLPs challenging the order of the Division Bench. The Supreme Court, at a hearing on February 10, 2014, has issued notice in all the SLPs and directed that status-quo be maintained with regard to the shares sold to Diageo.
7. (a) The company, along with its subsidiaries has significant financial exposure on various counts to KFA. As at 31st December 2013, these include, Investment in Equity Rs. 1,069.08 crs, Loans & Advances Rs.3,092.36 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) Two of the several Winding-up petitions filed against KFA before the Hon'ble High Court of Karnataka have since been admitted . The publication of the statutory advertisement calling for objecting or supporting the first admitted petition has been directed to be published on or before 7th March, 2014. KFA has decided to appeal against this order admitting the petition.
- (c) 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.



No provision has been made by the Company to cover its financial exposure to KFA and subsidiaries, pending receipt of final report of the independent Consultant, appointed by the Board.

- 8.(a) The Company is contesting eight winding up petitions filed by certain creditors of KFA under Section 433/434 of the Companies Act, 1956 before the Hon'ble High Court of Karnataka.
- (b) Vide orders dated 19/11/2013 and 13/12/2013, the Hon'ble Karnataka High Court has admitted two out of the eight winding up petitions presently contested by the Company. Of the above two admitted petitions, BNP Paribas, an unsecured creditor of KFA, has since advertised Notice of Petition pursuant to The Companies (Court) Rules 1959 in two newspapers on 18/12/2013 in terms of the High Court order dated 19/11/2013. The appeal filed by the Company against the Order of the Single Judge admitting the winding up petition filed by BNP Paribas was dismissed by the Hon'ble Division Bench of the Hon'ble Karnataka High Court vide Order dated 16/12/2013. The Company has since preferred a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India to challenge the impugned order dated 16/12/2013 of the Hon'ble Division Bench of the Hon'ble Karnataka High Court. The SLP has since been listed for further hearings.
- (c) The Company has since filed an Original Side Appeal in the Hon'ble Division Bench of the Hon'ble Karnataka High Court to challenge the impugned order dated 13/12/2013 passed by the Single Judge of the Karnataka High Court, admitting the winding up petition filed by Avions De Transport Regional GIE, an unsecured creditor of KFA. The appeal is yet to be listed.
- (d) 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 and the same is pending adjudication.



9. a) As stated in para 2, the Company is defending recovery proceedings by lenders of KFA based on guarantees, the validity of which are being contested. Per para 3, 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 8, the company has filed a suit for damages against the aircraft engine manufacturers for supply of defective engines to KFA.
- b) One of the creditors who has filed a winding up petition against the Company has indicated willingness to settle outside Court for a reduced sum.
- c) The company has substantial assets to monetize in case of necessity.
- Having regard to the above, the financial statements have been prepared on 'going concern' basis.
10. Previous year / period's figures have been re-grouped wherever necessary.

Bangalore

11th February, 2014

By Authority of the Board



V. SHASHIKANTH
Managing 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 December 31, 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 31-12-13" and "for the nine months ended 31-12-13".
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). Creditors' winding up petition against KFA has been admitted by the High Court of Karnataka. KFA has, since over a year, suspended its airline business. It is under severe financial stress and has defaulted in honouring its financial obligations on several counts. The Company's financial exposure on account of KFA as at 31-12-2013 is as under;*

Particulars	Rs / Crores
1. Investment in equity	1,069.08
2. Advances given (direct and indirect)	3,092.36
3. Interest/Commission/logo fees receivable	316.49
4. Guarantees given to banks	6,631.35
5. Guarantees given to aircraft lessors / others	2,135.60



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 31-12-2013 is Rs. 958.79 crores.

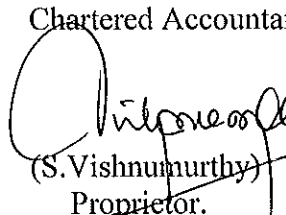
(b) certain corporate guarantees given in favour of certain lenders of KFA have been invoked and the lenders have filed suit before the Debt Recovery Tribunal for recovery of dues of Rs. 6,203.35 crores and also interest and other charges from 01-06-2013. Company has filed a suit before Bombay High Court questioning the validity of the guarantee. Pending disposal of the suit, company continues to show this as contingent liability.

(iii) No provision has been made in the accounts for the losses that may arise on account of various financial exposures to KFA.

6. Two winding up petitions filed against the company before the High Court of Karnataka by certain beneficiaries of corporate guarantees have been admitted. The company continues to recognise these obligations as contingent liability. Six more winding up petitions against the company are pending disposal. (Refer note 8)
7. The company has prepared its financial statements on going concern basis, the appropriateness of which, would depend upon successful resolutions of significant litigations. (Refer note 9)
8. The transaction of sale of shares in United Spirits Limited in favour of Diageo Plc resulting in a profit of Rs. 1,430.56 crores for the quarter ended 30.9.2013 has been challenged by the beneficiaries of certain corporate guarantees and the Supreme Court has ordered maintaining status quo. (Refer note 6)
9. Based on our review conducted as above and subject to our observations in paragraphs 4 to 8 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: 11-02-2014

For Vishnu Ram & Co.,
Chartered Accountants


(S. Vishnumurthy)
Proprietor.

Membership No.22715
Firm Registration No. 004742S

