



United Breweries Ltd.

PERFORMANCE HIGHLIGHTS HALF YEAR ENDED SEPTEMBER 30, 2015.

- **4% INCREASE IN REVENUE**
- **5.7% INCREASE IN EBITDA**
- **INDUSTRY STAGNANT**

The beer Industry lacked lustre in the first half of this financial year with a 1% drop in volume. As a results of selective price increases and a continuous positive change in our product mix we have realized an increase in our revenues of 4% with a decline in our volumes by 2.4%.

UBL volumes recorded a 4% growth in the South and a marginal growth of 1% in the West with volumes under pressure in the North and East, in an industry that was sluggish across the country barring a few states.

Growth in the South was driven by Kerala, Telangana and Karnataka with volumes in Andhra Pradesh and Tamil Nadu under pressure.

Markets in the West recorded slow performance. With extraordinary growth in Madhya Pradesh and some growth in small markets like Daman, Diu and Silvassa the total for the region resulted in an overall growth of 1%.

Performance in the North and East was influenced by the pressure on volumes in the state of Rajasthan, with growth in Delhi and Uttar Pradesh and healthy growth in Haryana, which added a little cheer to a rather dull market.

Gross margins for the first half of the year were higher by 100 basis points compared to the corresponding period of the previous year, driven by price increases taken by the company in key markets and the realization of stable input prices.

Our EBITDA improved with almost 6% resulting in a stable development of our Net Profit, with costs of depreciation increasing as a result of our deliberate policy to bring our production capability closer to market and prepare for further growth.

Our recently acquired brewery, Pacific Spirits in Rajasthan will commence operations in the 3rd Quarter of this fiscal year.

Bangalore, November 2, 2015.