DETAILED PUBLIC STATEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE PUBLIC SHAREHOLDERS OF

UNITED SPIRITS LIMITED

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OPEN OFFER FOR ACQUISITION OF UP TO 37,785,214 EQUITY SHARES ("OFFER SHARES") OF UNITED SPIRITS LIMITED ("TARGET COMPANY" / "TARGET") TO THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY RELAY B.V. ("ACQUIRER" / "RELAY") TOGETHER WITH DIAGEO PLC ("PAC" / "DIAGEO"), AS THE PERSON ACTING IN CONCERT WITH THE ACQUIRER ("OFFER" / "OPEN OFFER").

This detailed public statement (**"DPS"**) is being issued by JM Financial Institutional Securities Limited and HSBC Securities and Capital Markets (India) Private Limited, the joint managers to the Offer (**"Managers"**) on behalf of the Acquirer and the PAC, in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the **"SEBI (SAST) Regulations"**) and pursuant to the Public Announcement (**"PA"**) filed on April 15, 2014 with the BSE Limited (**"BSE"**), the National Stock Exchange of India Limited (**"NSE"**) and Bangalore Stock Exchange Limited (**"BgSE"**, and together with BSE and NSE, the **"Stock Exchanges"**), the Securities and Exchange Board of India (**"SEBI"**) and the Target Company in terms of Regulations 3(2) of the SEBI (SAST) Regulations.

I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

1 Details of the Acquirer and the PAC

1.1 Acquirer – Relay

1. Relay, a private limited company incorporated on July 13, 2012 in the Netherlands with trade register number 55690319, is an indirect wholly-owned subsidiary of Diageo. Its registered office is situated at Molenwerf 10-12, 1014 BG, Amsterdam, The Netherlands, Tel: +31 20 7745000, Fax: +31 20 7745091. Company Secretary: Marga Gerichhausen.
2. Relay is part of the Diageo Group (as defined below). Its main objects include the acquisition of, subscription for and investment in equity shares / equity-linked instruments of investee companies and the carrying on of all activities incidental or conducive thereto.
3. The issued and paid-up capital of Relay is 2,576,300 ordinary A shares of ₹1,000 each and 10,321,000 ordinary B shares of ₹1,000 each. The shares of Relay are not listed on any stock exchange as on the DPS date. The principal shareholders of Relay are Diageo Highlands Holding B.V. and Tanqueray Gordon and Company Limited (**"TGCL"**). TGCL is a wholly-owned subsidiary of the PAC and Diageo Highlands Holding B.V. is an indirect wholly-owned subsidiary of the PAC.
4. As of the date of this DPS, Relay holds 28.78% of the total fully diluted voting equity share capital (**"Equity Shares"**) of the Target Company. None of the directors or key employees of Relay hold, either directly or indirectly, any stake in the Voting Share Capital (as defined below) of or any other interest in the Target Company. Further, there are no common directors on the board of Relay and the Target Company.
5. Further, Gilbert Ghostine, Ravi Rajagopal, Paul Walsh and Murali Ananthasubramanian Pathai are the nominee directors of Relay on the board of directors of the Target Company. Gilbert Ghostine is President of Diageo Asia Pacific and a member of the global Executive Committee of Diageo, Ravi Rajagopal is Global Head of Business Development of Diageo, and Paul Walsh (formerly the Chief Executive of Diageo) is an Advisor to the Chairman and Chief Executive of Diageo.
6. Further, Murali Ananthasubramanian Pathai, a nominee of Relay, is the Chief Financial Officer of the Target Company. Pursuant to the decision of the board of directors of the Target Company taken at its meeting held on September 24, 2013, Anand Kripalu, a nominee of Relay, has been appointed as the Chief Executive Officer Designate of the Target Company, and, subject to the approval of the board of directors of the Target Company, will become the Chief Executive Officer of the Target Company with effect from May 1, 2014.
7. Relay, Diageo, United Breweries (Holdings) Limited (**"UBHL"**) and Kingfisher Finvest India Limited (**"KFIL"**) entered into a shareholders' agreement on November 9, 2012 (as amended from time to time) (**"SHA"**), which came into force on July 4, 2013. The Target Company also became a party to the SHA on the same date, i.e. July 4, 2013, by executing a deed of adherence. Pursuant to the terms of the SHA, subject to certain shareholding thresholds being met and for a specified period of time, UBHL, KFIL and entities controlled by them are required to exercise all their respective voting rights in respect of Equity Shares that they hold in the Target Company in accordance with the written instructions of Relay.
8. Relay has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act, 1992 (**"SEBI Act"**) as amended or under any other regulations made under the SEBI Act.
9. Relay was incorporated on July 13, 2012 and therefore there are no financial statements related to Relay for the financial years ending June 30, 2011 and June 30, 2012. For the purpose of this DPS, brief financials extracted from the audited special purpose financial statements of Relay for the financial year ended June 30, 2013 are summarized below:

Particulars	For the financial year ended June 30, 2013 (in ₹)
Total income[1]	8,247,186
Profit after taxation[2]	6,580,416
Earnings per share[3]	13.18
Net worth[4]	21,479,183,498

Notes to clarify definitions used and reconciliation to special purpose financial statements:
1) Financial Income
2) Net result for the period
3) Earnings per share is derived from the special purpose financial statements and is calculated by dividing Profit after taxation by weighted average issued and paid up shares
4) Total shareholder's equity

As per Title 9, Book 2, Article 396 of the Dutch Civil Code, Relay is considered a small sized company and not required to prepare its interim financial statements.

1.2 PAC – Diageo

1. Diageo is a public limited company incorporated in England and Wales under registered number 23307. Diageo was originally incorporated as Arthur Guinness Son and Company, Limited on October 21, 1886. Its name was subsequently changed to Arthur Guinness and Sons Plc on March 1, 1982 and subsequently to Guinness PLC on May 1, 1985. The company was eventually named Diageo plc on December 17, 1997. Its registered office is situated at Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom, Tel: +44 20 8978 6000, Fax: +44 20 8978 1577. Company Secretary: Paul Tunnacliffe.
2. Diageo is one of the world's leading premium drinks businesses, selling products in more than 180 markets and with a collection of beverage alcohol brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's, Windsor and Bushmills whiskies, Smirnoff, Ciroc and Ketel One vodkas, Baileys, Captain Morgan, Tanqueray and Guinness. Diageo is the ultimate holding company of the Acquirer. The companies operating under Diageo across all its markets are together classified in this document as the **"Diageo Group"**.
3. The issued and paid-up capital of Diageo as of June 30, 2013 was 2,754 million ordinary shares of nominal value 28(101/108) pence each aggregating to £797 million. This includes 251 million ordinary shares held as treasury shares repurchased under various buy-back programs and shares for hedging share scheme grants to employees. The shares of Diageo are listed on the London Stock Exchange, the Paris Stock Exchange and the Dublin Stock Exchange. The American depository receipts of Diageo are listed on the New York Stock Exchange. Diageo is a widely held company with no identified promoter. As at March 31, 2014 the following substantial interests (3 per cent. or more) in Diageo's ordinary share capital have been notified to Diageo:

Shareholder	Number of ordinary shares	% of issued ordinary share capital (excluding treasury shares)
BlackRock Investment Management (UK) Limited (indirect holding)	147,296,928	5.89
Capital Research and Management Company (indirect holding)	124,653,096	4.99

4. As of the date of this DPS, except for the shareholding of Relay in the Target Company, neither Diageo nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of the Target Company. Further, there are no common directors on the board of Diageo and the Target Company.
5. As of the date of this DPS, Diageo does not have any interest in the Target Company except for the fact that: (i) Diageo is a party to the SHA; and (ii) the Target Company and Diageo India Private Limited, a group company of Diageo plc, have entered into a sales promotion arrangement on October 1, 2013, pursuant to which Diageo's international brand portfolio is being sold through certain channels of United Spirits Limited's distribution network.
6. Diageo has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
7. Brief audited financials of Diageo as of and for the financial years ended June 30, 2013, 2012 and 2011 on a consolidated basis, and interim unaudited financials of Diageo (which have been subjected to limited review by auditors) for the six month period ended December 31, 2013 are provided below:

(in million except for EPS)

Particulars	Six month period ended December 31, 2013		Year ended June 30, 2013[1]		Year ended June 30, 2012[1]		Year ended June 30, 2011[1]	
	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)
Total income[2]	6,113	624,015	11,632	1,187,395	10,975	1,120,328	10,112	1,032,233
Profit after taxation	1,654	168,840	2,594	264,796	2,072	211,510	2,017	205,895
Basic earnings per share ("EPS")[3]	63.8[4]	65.1	99.3[4]	101.4	77.8[4]	79.4	76.2[4]	77.8
Net worth[5]	7,086	723,339	7,036	718,235	5,588	570,423	5,245	535,410

* 1 £ = ₹102.08 – Source: Bloomberg data as of December 31, 2013

Notes
1) The figures for the years ended June 30, 2013, 2012 and 2011 have been derived from the audited financial statements of Diageo for the respective years. On July 1, 2013 Diageo adopted IFRS 11-Joint arrangements and the amendment to IAS 19-Employee benefits which will result in the restatement of the prior year figures. The impact of such restatement on Diageo's consolidated results and financial position is not material as per management's view.
2) Net sales and share of associates' profits after tax
3) Earnings per share after discontinued operations
4) In pence
5) Net assets less non-controlling interests

2. Details of the Sellers, if applicable:

Not applicable

3. Details of the Target

Target – United Spirits Limited

1. United Spirits Limited is a public limited company incorporated in Bangalore, India. The Target Company was incorporated as McDowell Spirits Limited on March 31, 1999. Subsequently its name was changed to McDowell & Company Limited on April 12, 2001 and eventually changed to United Spirits Limited on October 17, 2006. Its registered office is situated at UB Tower, #24, Vittal Mallya Road, Bangalore – 560001, Tel: +91 80 3985 6500 and Fax: +91 80 3985 6862. The promoters / members of the promoter group of the Target Company include Relay, Diageo, UBHL and KFIL.
2. Relay, an indirect wholly owned subsidiary of Diageo plc, is the single largest shareholder of United Spirits Limited holding 28.78% of the Voting Share Capital (as defined below) and entitled to certain voting commitments under the terms of the SHA as mentioned in paragraph I (1) (1.1) (7) above. Further, out of 11 directors on the board of directors of the Target Company, 4 directors (which includes the Chief Financial Officer) are the nominees of Relay. The nominees of the Acquirer on the board of directors of the Target Company shall not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Open Offer.
3. The Target Company is engaged in the spirits business in India and its objects include *inter alia* manufacturing alcohol, rectified spirit and potable and industrial alcohol and manufacturing, brewing, distilling, blending, compounding, preparing, processing and rendering potable or marketable various categories of liquors, wines, spirits and beers. The Target Company carries on the business of manufacturing and bottling Indian Made Foreign Liquor through distillery and bottling units (which include "owned" units, "tie-up" units, "associate" units and "leased" / "privileged" units).
4. The Equity Shares of the Target Company are listed on the Stock Exchanges and are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. As per the annual report of United Spirits Limited for the financial year 2012-2013, Global Depository Shares (**"GDS"**) issued by United Spirits Limited are listed on the Luxembourg Stock Exchange. Two GDS represent 1 Equity Share of the Target Company. There are no outstanding shares that have been issued but not listed on at least one of the Stock Exchanges.
5. The board of directors of the Target Company as of the date of this DPS is provided below:

Name of Director[§]	Designation
Dr. Vijay Mallya	Non-Executive Chairman
Mr. Murali Ananthasubramanian Pathai*	Executive Director
Mr. Gilbert Ghostine*	Non Executive Director
Mr. Paul Steven Walsh*	Non Executive Director
Mr. Ravi Rajagopal*	Non Executive Director
Mr. Ashok Harikishanlal Capoor[#]	Managing Director
Mr. Sivanandhan Dhanushkodi	Independent Non Executive Director
Mr. Arunkumar Ramanlal Gandhi	Independent Non Executive Director
Mr. Vikram Singh Mehta	Independent Non Executive Director
Mr. Sudhakar Rao	Independent Non Executive Director
Mr. Ghyanendra Nath Bajpai	Independent Non Executive Director

[§] Ms Renu Sud Karnad, an independent director, tendered her resignation as a director of the Target Company on February 25, 2014. The Target Company is in the process of identifying an independent director to replace Ms. Renu Sud Karnad within the timeframe of 180 days as specified as under the Listing Agreements entered into by the Target Company with each of the Stock Exchanges.

** Directors on the board of directors of the Target Company as nominees of the Acquirer.*

[#] Mr. Ashok Capoor will continue his tenure as President and Managing Director until 30 April 2014.

6. As of the date of the DPS, the authorized share capital of the Target Company is ₹5,542,000,000 comprising 395,000,000 Equity Shares and 159,200,000 preference shares. The issued, subscribed and paid-up equity share capital of the Target Company is ₹1,453,277,430 divided into 145,327,743 fully paid-up Equity Shares of ₹10 each. The Target Company does not have partly paid-up equity shares or any outstanding instruments which are convertible into Equity Shares.
7. Brief audited financials of the Target Company on a consolidated basis as of and for the financial years ended March 31, 2013, 2012 and 2011, and unaudited stand-alone financials as of and for the nine month period ending December 31, 2013 are provided below:

(in ₹ million except for EPS)

Particulars	From unaudited financials (which have been subjected to limited review by auditors of the Target Company) for nine months ended December 31, 2013	From audited financials for year ended and as of March 31, 2013	From audited financials for year ended and as of March 31, 2012 (restated)	From audited financials for year ended and as of March 31, 2011 (restated)
Total Income	67,497.1	108,512.8	94,954.1	75,873.1
Profit / (Loss) for the year	2,772.8	(1,012.1)	1,879.2	5,695.2
Basic Earnings Per Share	19.48	(8.04)	14.93	45.25
Net worth	Not Available	47,873.0	46,617.7	41,786.2

(Source: CA Certificate dated April 21, 2014 issued by Lodha & Co, registration number 301051E)

4. Details of the Offer

1. This Offer is made to all the equity shareholders of the Target Company other than the promoter and promoter group shareholders (**"Public Shareholders"**), to acquire up to 37,785,214 Equity Shares of face value of ₹10/- each at an offer price of ₹3,030 (Rupees Three Thousand and Thirty only) per share (**"Offer Price"**) aggregating to a total consideration of ₹114,489,198,420 (Rupees One Hundred Fourteen Billion Four Hundred Eighty Nine Million One Hundred Ninety Eight Thousand Four Hundred Twenty only) payable in cash (**"Offer Size"**).
2. The Offer Shares represent 26% of the total fully diluted voting equity share capital of the Target Company as on the 10th Working Day (Working Day as defined under SEBI (SAST) Regulations) after the closure of the tendering period (**"Voting Share Capital"**), assuming there is no change in the Voting Share Capital between the date of this DPS and such date. The Voting Share Capital is as follows:

Particulars	Issued and paid up capital and voting rights	% of Emerging Voting Capital
Fully paid up Equity Shares as of the PA date	145,327,743	100.0
Partly paid up Equity Shares as of the PA date	Nil	Nil
Employee stock options outstanding	Nil	Nil
Voting Share Capital	145,327,743	100.0

3. For the purpose of the Offer, the Registrar (defined below) has opened a special depository account (**"Open Offer Escrow Demat Account"**) in the name and style of Relay BV – USL Open Offer Escrow Demat Account with JM Financial Services Limited as the depository participant in National Securities Depositories Limited (**"NSDL"**). The DP ID is IN302927 and the Client ID is 10214762.
4. To the best of the knowledge of the Acquirer and the PAC, there are no other statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DPS except as set out in sub-paragraphs 2 and 3 of paragraph VI (*Statutory and Other Approvals*) below. If, however, any statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s).
5. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
6. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in this DPS or those which become applicable prior to completion of the Open Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Managers) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
7. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PAC to delay the commencement of the tendering period for the Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer and the PAC to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.
8. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
9. The Equity Shares will be acquired by the Acquirer fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
10. Except as set out in sub-paragraphs 11 to 12 below, the Acquirer and the PAC currently do not have any intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of its subsidiaries or of entities controlled by the Target Company (collectively, the **"USL Group"**) during the period of two years following the completion of the Offer except:
    (a) in the ordinary course of business; or
    (b) on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the USL Group and/or the Diageo Group.
11. The board of directors of the Target Company, in a meeting held on November 8, 2013, has approved an arrangement to be entered into by the Target Company with Enrica Enterprises Private Limited *inter alia* for transfer of business pertaining to the Target Company's distillery at Poonamallee to Enrica Enterprises Private Limited through a scheme of arrangement as well as franchising of its brands in Tamil Nadu. The completion of such transfer of business is subject to obtaining the applicable corporate and regulatory approvals.
12. At the meeting of the board of directors of the Target Company held on January 8, 2014:
    (a) the board considered a potential sale of Whyte & Mackay Limited (**"W&M"**) (an indirect wholly-owned subsidiary of the Target Company). The board proposed to initiate a process, based on an outline timetable provided under UK law in connection with the decision of the Office of Fair Trading, to explore a potential sale of W&M. The board nominated certain persons to oversee the process and consider, examine and evaluate possibilities and structures in relation to such potential sale. The board will, after completion of the process, consider and decide upon any sale of W&M and will make further announcements when appropriate decisions are made;
    (b) the board approved the amalgamation of Tern Distilleries Private Limited (**"TERN"**) (a wholly-owned unlisted subsidiary of the Target Company) with the Target Company, pursuant to a draft rehabilitation scheme and applicable provisions of Sick Industrial Companies (Special Provisions) Act, 1985, and subject to the sanction of the Board for Industrial and Financial Reconstruction. The draft rehabilitation scheme containing the scheme of amalgamation between TERN and the Target Company and their respective shareholders, as the case may be, was approved by the shareholders of the Target Company at an extraordinary general meeting held on March 18, 2014; and
    (c) the board approved the amalgamation of SW Finance Co. Limited (formerly known as Shaw Wallace Breweries Limited, an unlisted wholly-owned subsidiary of the Target Company) with the Target Company pursuant to the applicable provisions of the Companies Act and subject to the sanction of the jurisdictional High Courts / any such concerned authority.
13. Other than the above, if the Acquirer and the PAC intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 years from completion of the Offer, the Target shall seek the approval of its shareholders as per proviso to regulation 25(2) of SEBI (SAST) Regulations.
14. The acquisition of the Offer Shares shall not result in the public shareholding in the Target Company falling below the minimum level required for continued listing under clause 40A of the listing agreement and Rule 19A of the Securities Contract (Regulation) Rules, 1957.
15. The Managers to the Open Offer shall not deal on their own account in the Equity Shares of the Target Company during the offer period.

II. BACKGROUND TO THE OFFER

1. In addition to the Equity Shares, representing 25.02% of the Voting Share Capital, acquired in aggregate under the earlier open offer (which completed on May 13, 2013), under a preferential allotment agreement (which completed on May 27, 2013) and under a share purchase agreement (which completed on July 4, 2013), the Acquirer has acquired 3.76% of the Voting Share Capital during the financial year from April 1, 2013 to March 31, 2014. As a result, on the date of this DPS, the Acquirer holds 28.78% of the Voting Share Capital of the Target Company. The Offer is being made to the Public Shareholders in accordance with Regulation 3(2) of the SEBI (SAST) Regulations pursuant to the decision and intention of the Acquirer and the PAC to increase the shareholding of the Acquirer in the Target Company by additionally acquiring up to 26% of the Voting Share Capital under the Open Offer.
2. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
3. The Acquirer and the PAC acknowledge that the local spirits market in India offers a number of growth opportunities with its increasing number of middle class consumers who are looking to enjoy premium and prestige local spirits brands as income levels rise. The object of this Offer is to increase the shareholding of the Acquirer in the Target Company, as part of the Diageo Group's strategy of building its presence in the world's faster growing markets. The decision to increase the shareholding in the Target Company demonstrates the commitment of the Acquirer and the PAC as foreign investors in India and to the Target Company and its growth, and such increase will also help the Acquirer in implementing its business strategies more effectively and efficiently.
4. A brief description of the intention of the Acquirer and the PAC in connection with certain assets of the Target Company is set forth in sub-paragraphs 10 to 13 of paragraph I, 4 (*Details of the Offer*) above.

III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed shareholding of the Acquirer and the PAC in the Target Company and the details of their acquisition are as follows:

Details	Acquirer**		PAC	
	Number of Equity Shares	%	Number of Equity Shares	%
Shareholding as on the PA date	41,827,132	28.78%	Nil	Nil
Shares acquired between the PA date and the DPS date	Nil	Nil	Nil	Nil
Post-Offer shareholding (based on Voting Share Capital)*	79,612,346	54.78%	Nil	Nil

** Assuming the full acceptance in the Open Offer*

*** In addition, pursuant to the terms of the SHA, the Acquirer is entitled to instruct UBHL, KFIL and entities controlled by them to exercise all their respective voting rights in respect of the Equity Shares that they hold in the Target Company, subject to certain shareholding thresholds being met and for a specified period of time.*

None of the members of the board of directors of the Acquirer or the PAC hold any equity shares of the Target Company.

IV. OFFER PRICE

1. The Equity Shares are listed on the Stock Exchanges.
2. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the month of the PA on NSE, BSE and BgSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA ("A")	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA ("B")	Trading turnover % (A/B)
BSE	5,82,81,169	14,30,98,057	40.73%
NSE	24,86,80,598	14,30,98,057	173.78%
BgSE	Not Traded	14,30,98,057	Not Applicable

(Source: CA certificate dated April 17, 2014 issued by SSPA & Co., Chartered Accountants, registration number 128851W)

3. Based on the above, the Equity Shares are frequently traded in terms of the SEBI (SAST) Regulations.
4. The Offer Price of ₹3,030 (Rupees Three Thousand and Thirty only) per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	₹
A	The highest negotiated price per Equity Share of the Target Company for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer	Not Applicable
B	The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by the PAC, during the fifty two weeks immediately preceding the date of the PA*	₹ 1,571.76**
C	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer or by the PAC, during the twenty six weeks immediately preceding the date of the PA	₹ 2,474.45
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the National Stock Exchange of India Limited, being the stock exchange where the maximum volume of trading in Equity Shares are recorded during such period and such shares being frequently traded	₹ 2,524.94

** The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by the PAC, during the fifty two weeks immediately preceding the date of the PA (excluding shares acquired through share purchase agreement, preferential allotment and earlier open offer by the Acquirer) works out to ₹ 2,447.66.*

*** Includes interest paid for shares acquired under earlier open offer*

(Source: CA certificate dated April 17, 2014 issued by SSPA & Co., Chartered Accountants, registration number 128851W)

Note: The Offer Price would be revised in the event of any corporate action like bonus, rights, split, etc., if the record date for effecting such corporate actions falls within three Working Days prior to the commencement of the tendering period of the Open Offer

5. Accordingly, the Offer Price of ₹3,030 presents a premium of 20.0% to the highest of the above parameters mentioned in the SEBI (SAST) Regulations.
6. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PAC at any time prior to three Working Days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer or the PAC has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PAC shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraph V – Financial Arrangements – of this DPS; (ii) make a public announcement in the same newspapers in which this DPS is published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
7. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer and the PAC shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Managers to the Offer in a fair and equitable manner.

V. FINANCIAL ARRANGEMENTS

1. The Offer Size is ₹114,489,198,420 (Rupees One Hundred Fourteen Billion Four Hundred Eighty Nine Million One Hundred Ninety Eight Thousand Four Hundred Twenty only).
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, an escrow arrangement has been created in the form of a bank guarantee (**"BG"**) and Cash Escrow (as defined below).
3. The Acquirer has entered into an escrow agreement with The Hongkong and Shanghai Banking Corporation Limited (acting through its branch at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai - 400 057) (**"Open Offer Escrow Agent"**) and the Managers (**"Open Offer Escrow Agreement"**) pursuant to which the Open Offer Escrow Agent has issued a BG dated April 16, 2014 in favour of the Managers for an amount of ₹12,198,919,842 (Rupees Twelve Billion One Hundred and Ninety Eight Million Nine Hundred and Nineteen Thousand Eight Hundred and Forty two only). The Acquirer has additionally, in accordance with Regulation 17(4) of the SEBI (SAST) Regulations, deposited cash aggregating to ₹1,144,891,984.20 (Rupees One Billion One Hundred Forty Four Million Eight Hundred Ninety One Thousand Nine Hundred Eighty Four and Twenty Paise only), being one percent of the Offer Size (**"Cash Escrow"**), in the escrow account (**"Open Offer Escrow Account"**) opened with the Open Offer Escrow Agent. The Cash Escrow, together with the BG, constitutes the escrow amount (**"Open Offer Escrow Amount"**). The Open Offer Escrow Amount has been computed in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Managers have been authorized to operate the Open Offer Escrow Account on the terms set out in the Open Offer Escrow Agreement.
4. The Managers have been duly authorized pursuant to the terms of the SEBI (SAST) Regulations and the Open Offer Escrow Agreement to realize the BG to meet the obligations of the Acquirer and the PAC in connection with the Offer. The BG shall remain valid until April 15, 2015 and the Acquirer and the PAC undertake to extend the validity of the BG for such period as may be required and in no event shall the BG be terminated prior to thirty days from the date of completion of payment of the consideration to Public Shareholders who have successfully tendered their Equity Shares in the Offer.
5. SSPA & Co., Chartered Accountants have, vide their certificate dated April 17, 2014 certified on the basis of a commitment letter entered by Diageo plc and Diageo Capital plc with HSBC Bank plc for US$ 2,000 million facility and on the examination of the Open Offer Escrow Agreement and the balance in the Open Offer Escrow Account that the Acquirer / PAC have made firm financial arrangements to fulfill their obligations under this Offer.
6. The Acquirer and the PAC have, by certificates dated April 15, 2014, given undertakings to the Managers to meet their financial obligations under this Offer.
7. Based on the above, the Managers to the Offer are satisfied that firm arrangements have been put in place by the Acquirer and the PAC to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirer and the PAC, there are no other statutory or other approvals required to complete the acquisition of the Offer Shares as on the date of this DPS, except as set out below. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).

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2. The acquisition of Offer Shares tendered by Non-resident Indians (**"NRIs"**) and Overseas Corporate Bodies (**"OCBs"**) is subject to approval / exemption from the Reserve Bank of India (**"RBI"**) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. The Acquirer is in the process of finalizing the application for the RBI approval, which will be filed with RBI following the date of this DPS.

3. Any person or entity (including a security trustee) who holds any liens, charges, equitable interests, pledges and/or other encumbrances or rights of any kind whatsoever over any Equity Shares of the Target Company which are owned by UBHL or in which UBHL has an interest (such persons or entities collectively, the **"Restricted Pledgees"**, and the relevant Equity Shares, the **"Pledged Equity Shares"**), shall, subject to the provisions of applicable law including the SEBI (SAST) Regulations, be eligible to participate, in its own name, in this Offer (i.e. pursuant to invocation of the corresponding encumbrances or rights) to the extent of such Pledged Equity Shares, **only if** such Restricted Pledgee: (i) furnishes (along with the form of acceptance annexed with the letter of offer) a certified copy of an order of the High Court of Karnataka satisfactory to the Acquirer (acting in its sole discretion) unconditionally granting leave under and in accordance with sections 536(2) and 537(1) of the Companies Act, 1956 (or the equivalent provisions of the Companies Act, 2013, as applicable at the relevant time) for the sale of such Pledged Equity Shares to the Acquirer on the terms of this Offer (the **"Leave Order"**); and (ii) furnishes evidence satisfactory to the Acquirer (acting in its sole discretion) to show that (a) the period of limitation for filing an appeal against the Leave Order (and, where applicable, also against any order passed in an appeal or further appeal against the Leave Order) has expired, with in each case such limitation period being extended by the time taken by the High Court of Karnataka to issue a certified copy of the order (or any later order), and (b) that (I) no appeal has been filed against such an order, or (II) if any such appeal has been filed, that such appeal has been absolutely and unconditionally dismissed, is not subject to any outstanding right of appeal and that there is no application pending for an extension of time. In case any Pledged Equity Shares are tendered in the Offer without satisfying the above mentioned requirement, the tender of such Equity Shares will not be considered as valid for acceptance in this Offer and the Equity Shares comprised therein shall be returned to the respective Restricted Pledgees. In addition to, and without prejudice to, the above, each Restricted Pledgee who tenders any Pledged Equity Shares shall be deemed to: (i) have represented and warranted to the Acquirer that it has the absolute and unconditional right, title and authority to offer and sell the Pledged Equity Shares in this Offer and convey an indefeasible, good and marketable title to the Acquirer; and (ii) agree to indemnify and keep harmless the Acquirer and the PAC against any loss, damages, harm, costs, charges and expenses (including reasonable legal fees at actuals) by reason of any Pledged Equity Shares tendered by the Restricted Pledgee being purchased by the Acquirer including, but not limited to, any breach of the abovementioned representation and warranty.

4. The Acquirer does not require any approvals from financial institutions or banks for this Offer.

5. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

6. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer and /or the PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PAC to delay the commencement of the tendering period for the Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer and the PAC to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.

7. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified in this DPS or those which become applicable prior to completion of the Offer are not received, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Managers) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Schedule (Date and Day)
1.	Public Announcement	April 15, 2014 – Tuesday
2.	Date of publishing this DPS	April 23, 2014 – Wednesday
3.	Filing of the draft Letter of Offer (**"Letter of Offer"**) with SEBI	May 2, 2014 – Friday
4.	Last date for competitive offer(s)	May 19, 2014 – Monday
5.	Last date for SEBI observations on the draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Managers to the Offer)	May 26, 2014 – Monday
6.	Identified Date#	May 28, 2014 – Wednesday
7.	Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	June 4, 2014 – Wednesday
8.	Last date for revising the Offer Price / Offer Size	June 5, 2014 – Thursday
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	June 9, 2014 – Monday
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	June 10, 2014 – Tuesday
11.	Date of commencement of the tendering period (**"Offer Opening Date"**)	June 11, 2014 – Wednesday
12.	Date of closure of the tendering period (**"Offer Closing Date"**)	June 24, 2014 – Tuesday
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	July 8, 2014 – Tuesday
14.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	July 15, 2014 – Tuesday

 # The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that subject to sub-paragraphs 2 and 3 of paragraph VI (Statutory and Other Approvals) above, all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time on or prior to the Offer Closing Date.

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. Subject to sub-paragraphs 2 and 3 of paragraph VI (*Statutory and Other Approvals*) above, all Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period for this Offer.

2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer (subject to sub-paragraphs 2 and 3 of paragraph VI (*Statutory and Other Approvals*) above and provided that they do not constitute the promoter or promoter group shareholders) by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, this DPS and the Letter of Offer. Alternatively, such holders of Equity Shares may also apply on the form of acceptance-cum-acknowledgement in relation to this Offer annexed to the Letter of Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Link Intime India Private Limited (**"Registrar to the Offer"** / **"Registrar"**). Any such application must be sent to the Registrar to the Offer at the address mentioned below in paragraph IX (*Other Information*) so as to reach the Registrar to the Offer on or before 4:00 p.m. on the Offer Closing Date, together with:

   (a) In the case of registered shareholders holding Equity Shares in physical form, name, address, the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s) and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar, on plain paper, stating the name and address of the first holder, name(s) and address(es) of joint holder(s) (if any), the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or

   (b) In the case of Equity Shares held in dematerialized form, the Depository Participant (**"DP"**) name and the DP identity and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the Escrow Demat Account. Any shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favour of the Escrow Demat Account during the tendering period of this Offer. Any form of acceptance in respect of dematerialized Equity Shares not credited to the Escrow Demat Account on or before the Offer Closing Date is liable to be rejected.

3. Shareholders having their beneficiary account with Central Depositories Services Limited (**"CDSL"**) must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer.

IX. OTHER INFORMATION

Special Leave Petitions in Supreme Court

1. On December 20, 2013, a Division Bench of the Karnataka High Court in Bangalore passed an order (**"December 20 Order"**) setting aside an order of a Single Judge of the same Court dated May 24, 2013 granting leave to UBHL under Sections 536(2) and 537(1) of the Companies Act, 1956 to sell shares of the Target Company to Relay and the PAC, and pursuant to which 1,01,41,437 Equity Shares of the Target Company (representing 6.98% of the Voting Share Capital) had been sold by UBHL to Relay on July 4, 2013. Following the December 20 Order, Relay and Diageo (amongst other parties) filed petitions for special leave to appeal (**"SLPs"**) against the December 20 Order before the Supreme Court of India. On February 10, 2014, the Supreme Court of India issued an order, *inter alia*, admitting the SLPs and ordering that the status quo be maintained with regard to the transaction which had not been approved by the Division Bench of the Karnataka High Court in the December 20 Order. The SLPs are currently listed for final disposal and the next date of hearing is April 28, 2014.

Writ petition in Karnataka High Court

2. Under a share purchase agreement dated November 9, 2012 amongst, *inter alia*, the Acquirer, the PAC and USL Benefit Trust (acting through its trustees), the Acquirer agreed to acquire from USL Benefit Trust (of which the Target Company is the sole beneficiary) 3,459,090 Equity Shares of the Target Company, representing 2.38% of the Voting Share Capital (**"USLBT Shares"**). However, the Acquirer has not yet been able to complete the acquisition of the USLBT Shares.

3. To the best of the knowledge of the Acquirer and the PAC: (i) the USLBT Shares had been pledged in favour of Unit Trust of India Investment Advisory Services Limited (**"Security Trustee"**), acting on behalf of Punjab National Bank (**"PNB"**) and IDBI Bank Limited (**"IDBI"**), to secure certain outstanding facilities under their respective loan agreements with the Target Company; (ii) the amounts due to PNB have been repaid in full by the Target Company following which PNB issued its 'no-objection' to the Security Trustee to release the pledge over the USLBT Shares; (iii) the Target Company has also repaid the entire outstanding amount due to IDBI (together with all outstanding interest, prepayment premium and processing fees); (iv) notwithstanding such repayment and repeated requests by or on behalf of the Target Company and the Acquirer to IDBI, IDBI has refused to instruct the Security Trustee to release the pledge over the USLBT Shares.

4. To the best of the knowledge of the Acquirer and the PAC, the Target Company and USL Benefit Trust (acting through a trustee) filed a writ petition against IDBI and the Security Trustee before the High Court of Karnataka at Bangalore on November 6, 2013 seeking appropriate reliefs in this matter (including securing release of the pledge over the USLBT Shares). This writ petition is currently pending before the High Court of Karnataka at Bangalore.

General

5. The Acquirer and the PAC and their respective directors (as applicable) accept full responsibility for the information contained in the PA and this DPS (other than such information as has been obtained from public sources or provided or confirmed by the Target Company or any subsidiaries or entities controlled by the Target Company) and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.

6. This DPS and the PA shall also be available on SEBI's website (www.sebi.gov.in).

Issued on behalf of the Acquirer and the PAC by the Managers

JM FINANCIAL

JM Financial Institutional Securities Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai – 400 025
Tel. No.: +91 22 6630 3030
Fax No.: +91 22 6630 3330
Email: lakshmi.lakshmanan@jmfl.com
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration Number: INM000010361
CIN: U65192MH1995PLC092522

HSBC

HSBC Securities and Capital Markets (India) Private Limited
52 / 60 MG Road, Fort Mumbai 400 001
Tel: +91 22 2268 1840
Fax: +91 22 2263 1984
Email: uslopenoffer@hsbc.co.in
Contact Person: Mr. Ravi Thanvi
SEBI Registration Number: INM000010353
CIN: U67120MH1994PTC081575

Registrar to the Offer

LINK INTIME INDIA PVT LTD

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078
Tel No.: +91 22 2596 7878; Fax No.: +91 22 2596 0329
Email: usl.offer@linkintime.co.in; Contact Person: Mr. Pravin Kasare

Place: Mumbai

Date: April 22, 2014

CONCEPT

Size: 20x32.9 sq. cm