PUBLIC ANNOUNCEMENT UNDER THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Open offer for acquisition of up to 37,785,214 equity shares of United Spirits Limited ("Target Company"), to the public equity shareholders of the Target Company by Relay B.V. ("Acquirer" / "Relay") together with Diageo plc as the person acting in concert ("PAC" / "Diageo") with the Acquirer ("Offer" / "Open Offer").

This public announcement ("**Public Announcement**" or "**PA**") is being issued by JM Financial Institutional Securities Limited and HSBC Securities and Capital Markets (India) Private Limited (the "**Managers**") for and on behalf of the Acquirer and the PAC to the public equity shareholders of the Target Company ("**Public Shareholders**") pursuant to and in compliance with Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "**SEBI (SAST) Regulations**").

1. Offer Details

Size: The Acquirer and the PAC hereby make this Offer to the Public Shareholders to acquire up to 37,785,214 fully paid up equity shares of face value of ₹10.0 (Rupees Ten only) each of the Target Company ("**Offer Shares**"), constituting 26% of the total fully diluted voting equity share capital (as of the 10th working day from the closure of the tendering period for the Offer) ("**Voting Share Capital**") of the Target Company at a price of ₹3,030 (Rupees Three Thousand and Thirty) per Offer Share ("**Offer Price**") aggregating to 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) ("**Offer Size**"), subject to the terms and conditions mentioned in this Public Announcement and in the detailed public statement ("**DPS**") and the letter of offer ("**LoF**") that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

Price / Consideration: The equity shares of the Target Company are frequently traded in terms of SEBI (SAST) Regulations. The Offer Price of ₹3,030 (Rupees Three Thousand and Thirty) per Offer Share is in accordance with Regulation 8(2) of the SEBI (SAST) Regulations.

Mode of Payment: The Offer Price is payable in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and the terms and conditions mentioned in this PA and in the DPS and LoF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

Type of Offer:

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 dated November 9, 2012 between the Acquirer and the PAC with the Target Company (which completed on May 27, 2013) and under a share purchase agreement dated November 9, 2012 between the Acquirer and the PAC with the selling shareholders (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 PA, the Acquirer holds 28.78% of the Voting Share Capital of the Target Company. The Offer is in compliance 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. Transaction which has triggered the open offer obligations (underlying transaction)

The Offer is being made to the Public Shareholders in accordance with Regulation 3(2) of the SEBI (SAST) Regulations as a result of the decision/intention of the Acquirer and the PAC to increase the shareholding of the Acquirer in the Target Company by way of the acquisition of up to 26% of the Voting Share Capital under the Open Offer (which together with the present shareholding of the Acquirer in the Target Company, would result in the Acquirer holding up to 54.78% of the Voting Share Capital). The acquisition of the Offer Shares by the Acquirer in the Open Offer, assuming full acceptance, will be more than the 5% creeping acquisition limit available to the Acquirer under Regulation 3(2) of the SEBI (SAST) Regulations.

3. Acquirer(s) / PAC

Details	Acquirer	PAC	Total
Name of Acquirer / PAC	Relay B.V.	Diageo plc	Not applicable
Address	Molenwerf 10-12, 1014 BG, Amsterdam, The Netherlands	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	Not applicable
Name(s) of persons in control/promoters of Acquirers/ PAC where Acquirers/PAC are companies	Relay is an indirect wholly owned subsidiary of Diageo	Diageo is a widely held publicly listed company with no identified promoter	Not applicable
Name of the group, if any, to which the Acquirer/PAC belongs to	Diageo Group	The companies operating under Diageo plc across all its markets are together classified as the "Diageo Group"	Not applicable
Pre-transaction shareholding • Number • % of total share capital	41,827,132 28.78%	NIL	41,827,132 28.78%
Proposed shareholding after	79,612,346 54.78%	NIL	79,612,346 54.78%

Details	Acquirer	PAC	Total
the acquisition of shares (including Offer Shares) which triggered the Open Offer* [#]			
Any other interest in the Target Company	The Acquirer and the PAC do not have any other interest in the Target Company, except that: (i) Gilbert Ghostine, Ravi Rajagopal, Paul Walsh and Murali Ananthasubramanian Pathai are the nominee directors of the Acquirer on the board of directors of the Target Company; (ii) Murali Ananthasubramanian Pathai, a nominee of the Acquirer, is the Chief Financial Officer of the Target Company; (iii) Anand Kripalu, a nominee of the Acquirer, is the Chief Executive Officer Designate of the Target Company, and will become the Managing Director and Chief Executive Officer of the Target Company with effect from May 1, 2014; (iv) the Acquirer, the PAC, 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; (v) the Target Company became a party to the SHA on the same date, i.e. July 4, 2013, by executing a Deed of Adherence; (vi) 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 the Acquirer; and (vii) the Target Company and Diageo India Private Limited, a group company of Diageo plc, 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 Spirit Limited's distribution network.		Not applicable

[#] *Assuming 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.*

4. <u>Details of selling shareholders, if applicable</u> – Not applicable.

5. <u>Target Company</u>

Name: United Spirits Limited

Registered Office: UB Tower, #24, Vittal Mallya Road, Bangalore – 560 001, Karnataka, India

Exchanges where listed Equity shares of the Target Company are listed on BSE Limited, National Stock Exchange of India Limited and Bangalore Stock Exchange Limited

6. Other Details

The DPS to be issued under the SEBI (SAST) Regulations shall be published by April 23, 2014 as required by Regulation 13(4) of the SEBI (SAST) Regulations. The DPS shall contain details of the Offer including detailed information on the Offer Price, the Acquirer, the PAC, the Target Company, the background to the Offer, the statutory approvals required for the Offer and details of financial arrangements and other terms of the Offer.

The Acquirer and the PAC undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations and that they have adequate financial resources to meet their obligations under the Offer.

The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19 of the SEBI (SAST) Regulations.

This Offer is not a competing offer under the terms of Regulation 20 of the SEBI (SAST) Regulations.

Issued by the Managers to the Offer



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On behalf of the Acquirer and the PAC

Relay B.V.

Diageo plc

Place: Mumbai
Date: April 15, 2014