



UNITED BREWERIES LIMITED

February 02, 2018

1. Department of Corporate Services,
BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001

2. National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

Dear Sirs,

Sub: Un-audited Financial Results for the Quarter ended December 31, 2017

In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Unaudited Financial Results of the Company for the quarter ended December 31, 2017.

Time of commencement of Board Meeting: 11.00 a.m.

Time of conclusion of Board Meeting: 16:05 hrs

The Results will be published in an English Daily and also in a local Newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,

For UNITED BREWERIES LIMITED,

GOVIND IYENGAR

Senior Vice President - Legal &
Company Secretary

Encl: a/a



UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

Statement of unaudited standalone results for the quarter and nine months period ended December 31, 2017

Particulars	Quarter ended			Year to date		Year ended
	December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 INCOME						
(a) Revenue from operations (gross of excise duty)	260,781	273,804	222,804	915,598	767,038	1,022,816
(b) Other income	77	120	3,295	823	4,735	5,160
Total income from operations	260,858	273,924	226,099	916,421	771,773	1,027,976
2 EXPENSES						
(a) Cost of materials consumed	54,274	53,774	48,436	181,220	165,032	220,626
(b) Purchase of stock-in-trade	2,112	4,192	-	9,585	280	825
(c) Decrease/(Increase) in inventories of finished goods, work-in-progress and stock-in-trade	601	607	(1,204)	4,006	(63)	(2,032)
(d) Excise duty on sale of goods	141,071	146,160	120,584	500,823	404,896	549,404
(e) Employee benefits expense (refer Note 5)	9,575	10,117	8,497	28,490	26,318	35,209
(f) Finance costs	934	1,271	1,528	3,625	4,421	5,865
(g) Depreciation and amortisation expense	6,496	6,504	6,975	19,485	20,364	28,695
(h) Other expenses (refer Note 5)	37,885	36,764	33,695	122,186	116,570	154,667
Total expenses	252,948	259,389	218,511	869,420	737,818	993,259
3 Profit before tax	7,910	14,535	7,588	47,001	33,955	34,717
4 Tax expenses						
(a) Current tax	4,097	5,865	3,175	19,163	13,330	13,254
(b) Deferred tax charge/(credit)	(925)	(714)	(436)	(2,473)	(1,635)	(1,470)
Total tax expenses	3,172	5,151	2,739	16,690	11,695	11,784
5 Profit for the period/year	4,738	9,384	4,849	30,311	22,260	22,933
6 Other comprehensive income (OCI)						
(a) Items that will not be reclassified to profit or loss in subsequent periods						
Re-measurement gains/(losses) on defined benefit plans	528	(879)	(100)	(175)	(580)	(387)
Income tax effect on above	(182)	304	35	61	201	134
(b) Items that will be reclassified to profit or loss in subsequent periods						
Net movement in cash flow hedges	29	339	(326)	231	(552)	(504)
Income tax effect on above	(10)	(117)	113	(80)	191	174
Total other comprehensive income, net of taxes	365	(353)	(278)	37	(740)	(583)
7 Total comprehensive income	5,103	9,031	4,571	30,348	21,520	22,350
8 Paid up equity share capital (Face value of Re.1 each)	2,644	2,644	2,644	2,644	2,644	2,644
9 Reserve excluding Revaluation Reserve as per balance sheet of previous accounting year						230,608
10 Earnings per equity share in Rs. (nominal value per share Re.1)*						
(a) Basic	1.79	3.55	1.84	11.46	8.42	8.67
(b) Diluted	1.79	3.55	1.84	11.46	8.42	8.67

*Not annualised for quarters

See accompanying notes to the financial results

NOTES

1. The standalone financial results for the quarter ended December 31, 2017 and the year to date from April 1, 2017 to December 31, 2017 of United Breweries Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on February 1, 2018 and February 2, 2018, respectively, and have been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. The Company is engaged in the manufacture and sale of beer including licensing of brands which constitutes a single operating segment. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year.
4. The Bihar State Government ("the Government") vide its notification dated April 5, 2016 imposed ban on trade and consumption of foreign liquor in the State of Bihar with immediate effect. The Company filed a writ petition with the Honourable High Court at Patna ("the High Court"), requesting remedies and compensation for losses incurred on account of such abrupt notification. The High Court vide its order dated September 30, 2016 ("the Order") allowed the aforesaid writ petition, however, the Government preferred a special leave petition against the Order before the Honourable Supreme Court of India ("the Supreme Court"). As an interim measure, the Supreme Court directed stay of operation of the Order.

Meanwhile, vide notification dated April 9, 2016, the Government had allowed production of beer in the state of Bihar for export to outside states. However, pursuant to notification dated January 24, 2017, the Government did not renew existing brewery licenses for the financial year 2017-18 and consequently the Company was required to destroy or drain all its inventories of finished goods lying at Bihar, including those at warehouses of Bihar State Beverages Corporation Limited ('BSBCL'), for which the Supreme Court had extended time till July 31, 2017. Accordingly, effective April 1, 2017, the Company discontinued production of beer at Bihar and had given its consent to BSBCL to destroy / drain all its inventories lying with them, without prejudice to remedies and compensation available from its representation pending before the Supreme Court. The Company has obtained permission from authorities for manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar and has initiated necessary steps towards commencement of operations for the new product line.

As at December 31, 2017, the Company has property, plant and equipment (net) of Rs. 21,887 Lakhs, inventories (gross) of Rs. 287 Lakhs, trade receivables (gross) of Rs. 2,448 Lakhs and deposits/advances of Rs. 406 Lakhs at its units in Bihar. Management believes that the carrying amount of the aforesaid property, plant and equipment do not exceed their recoverable amount and is confident of utilization of aforesaid assets either for the new product line relating to non-alcoholic beverages in Bihar or for manufacturing units in other states. Provision aggregating to Rs. 1,001 Lakhs have been made against aforesaid inventories and trade receivable balances and no other adjustment has been considered necessary by the management in this regard.

The statutory auditors of the Company have drawn an Emphasis of Matter in this regard, in their limited review report on the standalone financial results.

5. Employee benefits expense for the year to date period ended December 31, 2017 is net of reversal of Rs. 632 Lakhs.

Sales promotion expense (included under other expenses) for the quarter ended December 31, 2017 is net of reversal of Rs. 1,618 Lakhs and that for the year to date period ended December 31, 2017 is net of reversal of Rs. 702 Lakhs (excluding the amounts accrued and reversed within the said year to date period).

Selling and distribution expense (included under other expenses) for the quarters ended December 31, 2017, September 30, 2017 and December 31, 2016 is net of reversal of Rs. 390 Lakhs, Rs. 465 Lakhs and Rs. 144 Lakhs, respectively and that for the year to date period ended December 31, 2017, the year to date period ended December 31, 2016 and the year ended March 31, 2017 is net of reversal of Rs. 521 Lakhs, Rs. 904 Lakhs and Rs. 1,126 Lakhs, respectively.

6. The Company received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs. 1,127 Lakhs relating to dividend on aforesaid shares.

The Company received an order dated March 11, 2016 from the Deputy Commissioner of Income Tax (International Taxation), Bangalore, requesting the Company to create a charge in favour of the Central Government on any amount due or likely to be due to an erstwhile director of the Company, to the extent of Rs. 67,980 Lakhs relating to tax demands on Kingfisher Airlines Limited. The Company also received an order dated June 28, 2016 from the Commissioner of Income Tax (TDS), prohibiting the Company from making any payment in the nature of salary, remuneration, allowances, etc. to an erstwhile director of the Company. Further, the Company received an order dated September 19, 2017 from the Assistant Provident Fund Commissioner & Recovery Officer, whereby the Company has been directed to remit to the authorities amount to the extent of Rs. 874 Lakhs from any amount payable or that may accrue in future to an erstwhile director.

The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

7. The previous period/year's figures have been regrouped where necessary to confirm to this period's classification.
8. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board



Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : February 2, 2018

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

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"UB City" Canberra Block
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Limited Review Report

Review Report to The Board of Directors United Breweries Limited

We have reviewed the accompanying statement of unaudited standalone financial results of United Breweries Limited ("the Company") for the quarter ended December 31, 2017 and the year to date from April 1, 2017 to December 31, 2017 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity 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 Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 4 to the accompanying unaudited standalone financial results, which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof. Our conclusion is not qualified in respect of this matter.

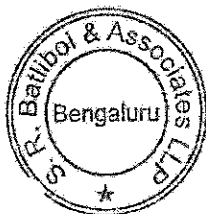
For S.R. Batliboi & Associates LLP

ICAI Firm registration number: 101049W/E300004

Chartered Accountants


per Mahendra Jain
Partner

Membership No.: 205839



Place : Bengaluru

Date : February 2, 2018



PERFORMANCE HIGHLIGHTS FOR THE QUARTER ENDED DECEMBER 2017

- **UBL Q3 VOLUMES GREW AT TWICE THE INDUSTRY GROWTH RATE OF 6%**
- **NET REVENUE INCREASED 14%**
- **COMPARABLE EBITDA FOR THE QUARTER UP 18%**

The industry and the company recorded volume growth in all regions except for the West. In the West region, industry volume declined due to the temporary issue in the State of Maharashtra. Following the excise duty increase announced in Maharashtra in October, clarity on the revised pricing structure was only obtained in the second half of December. During this period UBL did not sell its main brands, however the matter has since been successfully resolved and business resumed at the end of the quarter. The underlying industry trend in the state is positive and the impact of the highway ban in Maharashtra is now largely behind us.

In the other regions, most large markets saw industry volume growth. However industry volume declined in Kerala, which is still recovering from the impact of the highway ban. Also, in West Bengal, the change in the route-to-market moving from a private distributor model to a State Corporation led to industry declines.

UBL gained market share in its important markets including Rajasthan, Karnataka, Orissa and West Bengal. Furthermore, UBL showed strong growth and outperformed the beer market in Andhra Pradesh and Telangana. Also in Tamil Nadu, volume growth exceeded the market, given our absence in the state in the same quarter last year.

During the quarter, Gross sales revenue increased by 15%, whilst revenue net of excise duties grew by 14%. This increase was due to price increases taken in a few open markets since Q3 2016, namely, Karnataka, Maharashtra, Tamil Nadu, Kerala, West Bengal and Delhi, as well as positive state and brand mix. Whilst gross profit grew by 8%, gross profit margin was impacted by higher commodity prices as well as the effect of GST.

EBITDA recorded last year in Q3 included a large Government subsidy, and adjusted for this one-off income EBITDA grew 18% quarter on quarter.

On a year to date basis, volume grew 6% compared with industry growth of 3%. Year to date net revenue growth was up 13%. EBITDA adjusted for the one-off income from the Government subsidy booked last year was up 25% for the nine month period.

Our Capital Investments are on track year to date, with projects being commissioned in time for the coming season. Interest costs were lower mainly due to a reduction in interest rates by more than 100bps, coupled with lower borrowings as a result of higher income from operations and tight control of working capital.

Bangalore, February 2, 2018