



UNITED SPIRITS LIMITED
'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001

Unaudited Financial Results (Provisional) for the three months ended June 30, 2011

	Unaudited		Rs. Lakhs
	Three Months Ended		Audited
	June 30		Year Ended
	2011	2010	March 31
1 Sales/Income from Operations	410,690	290,115	1,283,660
Less: Excise duty	217,148	143,820	646,771
(a) Net Sales/Income from Operations	193,542	146,295	636,889
(b) Other Operating Income	907	766	4,919
Total Income	194,449	147,061	641,808
2 Expenditure			
a) (Inc)/Dec in stock in trade	901	(4,284)	(27,733)
b) Consumption of Raw Materials	48,274	35,492	167,235
c) Purchase of Traded Goods	23,434	20,008	76,249
d) Consumption of Other Materials	42,899	28,609	143,702
e) Employee Cost	9,652	7,657	36,471
f) Depreciation	1,270	912	4,775
g) Other expenditure			
i) Advertisement & Sales Promotion	15,034	13,903	67,051
ii) Others	20,318	16,799	77,566
h) Total	161,782	119,096	545,316
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	32,667	27,965	96,492
4 a) Other Income	-	-	523
b) Exchange Difference - Gain/(Loss)	82	(84)	(2,257)
5 Profit before Interest & Exceptional Items (3+4)	32,749	27,881	94,758
6 Interest / Finance Charges (Net of receipts)	12,273	9,651	40,279
7 Profit after Interest but before Exceptional Item (5-6)	20,476	18,230	54,479
8 Exceptional Items	-	-	3,684
9 Profit(+)/Loss (-) from ordinary Activities (7 + 8)	20,476	18,230	58,163
10 Tax Expense			
Current	6,870	6,770	17,935
Deferred	(165)	(645)	1,679
Fringe Benefit Tax	-	-	-
11 Net Profit(+)/ Loss(-) from Ordinary Activities after Tax(9-10)	13,771	12,105	38,549
12 Extraordinary Items (Net of tax expense)	-	-	-
13 Net Profit(+)/Loss(-) for the Period (11-12)	13,771	12,105	38,549
14 Paid-up Equity Share Capital (Face value Rs.10)	13,080	12,559	13,080
15 Reserves excluding Revaluation Reserves			496,197
16 Earnings Per Share			
a) EPS Basic - Rs/share (Not annualised)	10.53	9.64	29.47
b) EPS Diluted - Rs/share (Not annualised)	10.53	9.64	29.47
17 Public shareholding			
- No. of Shares	94,154,208	88,966,069	88,966,069
- Percentage of shareholding	71.98	70.84	70.84
18 Promoters and Promoter Group Shareholding			
a) Pledged/Encumbered #			
- No. of Shares	32,140,407	35,894,566	31,459,566
- Percentage of shares	87.72%	98.00%	85.89%
(as a % of the total share Capital of Promotor and Promotor Group)			
- Percentage of shares	24.57%	28.58%	25.05%
(as a % of the total share Capital of the Company)			
b) Non -encumbered			
- No. of Shares	4,500,353	733,694	5,168,694
- Percentage of shares	12.28%	2.00%	14.11%
(as a % of the total share Capital of Promotor and Promotor Group)			
- Percentage of shares	3.44%	0.58%	4.12%
(as a % of the total share Capital of the Company)			

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June 30, 2011

Notes:

1. The Company is engaged in the business of manufacture, purchase and sale of Beverage Alcohol (Spirits and Wines) including through Tie-up Manufacturing / brand franchise, which constitutes a single business segment. The Company's operations outside India did not exceed the quantitative threshold for disclosure envisaged in AS-17 on "Segment Reporting" notified under the Companies (Accounting Standard) Rules 2006. In view of the above, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS-17 are not applicable to the Company.
2. The Company has further acquired 2,677,640 equity shares on May 18 & 19, 2011 under the Open Offer as per the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 (SEBI Takeover Code) and 7,322,280 equity shares, in Pioneer Distilleries Limited (PDL), from the Promoters of PDL on May 24, 2011. With the earlier acquisition of 977,212 equity shares from the Open Market on January 24, 2011, the Company has thus acquired a total of 10,977,132 equity shares constituting 81.99% of the paid up capital of PDL. Consequently, PDL has become a subsidiary of the Company with effect from May 24, 2011.
3. The Company has acquired 24,274,280 equity shares on March 31, 2011 and 11,680,000 equity shares on July 1, 2011 in Sovereign Distilleries Limited (SDL), an unlisted public company based in Karnataka, aggregating to 61.53% of the paid up capital of SDL. Consequently, SDL has become a subsidiary of the Company with effect from July 1, 2011.
4. The figures for the quarter ended June 30, 2011 and year ended March 31, 2011 are after giving effect to the merger of Balaji Distilleries Limited (post transfer of the brewery division undertaking to its wholly owned subsidiary CBPL) ("Balaji"), while figures for the quarter ended June 30, 2010 are those of the Company prior to the merger of Balaji and hence, are not comparable
5. Details of number of investor complaints for the quarter ended June 30, 2011: Opening: NIL, Received: 19, Disposed of: 19, Pending: NIL.
6. The above unaudited results have been approved by the Board of Directors at their meeting held on August 3, 2011 and have been subjected to a Limited Review by the Auditors of the Company.
7. Previous period/year's figures have been regrouped, wherever necessary, to conform to the current period/year's classifications.

By authority of the Board

Sd/-
ASHOK CAPOOR
Managing Director

New Delhi
August 3, 2011



UNITED SPIRITS LIMITED

New Delhi
August 3, 2011

PRESS RELEASE

RESULTS Q-1 FY12

EBIDTA UP 18% (by ₹50.6 Cr to ₹339.4 Cr)

VOLUMES UP 15.4% (to 30.7 mio cases)

REVENUES UP 32% (by ₹473.9 Cr to ₹1,944.5 Cr)

Q1 FY11	April - June	Q1 FY12	
26.62	VOLUMES – USL INDIA (Million cases)	30.73	+4.11 mio ↑ 15%
1,470.6	REVENUE (₹ crore)	1,944.5	+ 473.9Cr ↑ 32%
288.8	Operational EBIDTA (₹ crore)	339.4	+50.6Cr ↑ 18%

The Board of Directors of United Spirits Limited approved the results for the April-June quarter of fiscal 2012 at their meeting in New Delhi today.

During the quarter, Sales Revenue was up 32% to ₹1,944.5 crore, an increase of ₹474 crore over that of the previous year (₹1,470.6 crore). After adjusting for the fact that the previous year figures did not incorporate the sales revenue of Balaji Distilleries Ltd., effective revenue growth stands at 22%. Sales Volumes during the quarter were up 15.4% (4.11 million cases), and stood at 30.73 million (PY 26.62 mio cases). The higher growth in revenue vis-a-vis volume reflects the continuing success of the premiumization drive by the Company. Spirit costs during the quarter were flat as a result of multiple factors including the increasing supplies of Ethanol to the Oil Marketing Companies at rates that increase the minimum prices for ENA and temporary imbalances in states like UP and Karnataka.

Ramping up production at the recently acquired units of Pioneer at Nanded (Maharashtra) and Sovereign at Sindhanur (Karnataka) and the increasing emphasis on grain as feedstock will help to contain or possibly reduce the net rates by the year end. The results of the current quarter also reflect the impact of price increases granted during the previous fiscal to suppliers of glass and paper.

Overall COG is up by 700 basis points on a Q-o-Q comparison while for the same period EBIDTA margin is down only by 200 basis points – in fact, effectively by 100 basis points if one were to consider the effect of inclusion of the Balaji Distilleries turnover in the current quarter. A similar comparison with the FY 11 margin also shows that while COG is up by almost 350 basis points, margins have in fact increased by over 150 basis points. Despite the increases in the cost of goods and inflation in other costs, EBIDTA for the quarter was up 18% (₹50.6cr) and stood at ₹339.4 crore (PY 288.8cr).

This increase in EBIDTA, despite the cost-push, has been brought about by price increases and the premiumization drive of the Company. Price increases as per the Company's usual practice were taken through a mix of increases in billing prices, decreases in promotional trade spends and the introduction of higher-priced alternate brands.

The reduction in promotional trade spends to effect 'hidden price increases' has reduced the salience of advertising and sales promotion expenditure on a Q-o-Q basis by about 170 basis points. With the impending launch of new brands from the USL stable e.g., Signature Premier (a higher-priced 8-year old Scotch Whisky blended variant of the best-selling Signature Rare Whisky), Vladivar Vodka, a high-end variant from the W&M stable and three flavors of the best selling millionaire brand White Mischief Vodka, brand launch and brand building expenditure in subsequent quarters is likely to increase.

USL brands, particularly at the top-end of the product portfolio, continue to grow in both volume and value terms.

During the quarter, the Company increased its shareholding in the Karnataka based Sovereign Distilleries Ltd, an unlisted primary distillation Company with a 180 Kilo Litres Per Day facility using both molasses and grain as input substrates. This shareholding now stands at 61.53% of the equity capital of SDL.

Subsequent to the end of the quarter, USL undertook a GBP 370 million re-finance of the remnant debt originally taken for the acquisition of W&M. The new loan has a 7-year tenor including a 3-year moratorium with a ballooning re-payment over the subsequent 4 years. The total hedged cost of this new debt is about 45 basis points lower than the current loan.

Interest costs in the current quarter stood at ₹122.7 crore vis-a-vis ₹96.5 crore for the corresponding quarter. On a consolidated basis however, the increase is less sharp - ₹152.1 crore against ₹138.4 crore of the corresponding quarter. This increase is substantially driven by the higher cost of domestic borrowings over the past year and higher working capital debt to finance business growth.

With a view to reinforcing its position as the Global Leader in Distilled Spirits, the Company is seeking to open new markets in the African and Asian continents. To this end the Company has created an Emerging Markets Division to spearhead its foray into these markets with brands from both the Indian and the Whyte and Mackay stables.

At the same meeting, the Audited Accounts of the Company for FY11 were also approved. A dividend of ₹2.50 per equity share was also approved for distribution to the equity shareholders of the Company, subject to approval by the members at the ensuing AGM.