



UNITED SPIRITS

Ref: bm 110209

February 09, 2011

Bangalore Stock Exchange Limited,
51, Stock Exchange Towers,
1st Cross, J.C. Road,
Bangalore - 560 027

Dear Sirs,

**Sub: Unaudited Financial Results (Provisional) for the
three months ended December 31, 2010**

The Board of Directors of the Company at their meeting held today, has considered and taken on record the un-audited financial results (provisional) of the Company for the three months ended December 31, 2010. We forward herewith a copy thereof alongwith explanatory statement for your information and records. The Limited Review Report thereon received from the Statutory Auditors of the Company was placed at the said Board Meeting.

We are making arrangements to publish the above results in the newspapers in terms of the requirements of the Listing Agreement.

Thanking you,

Yours faithfully,
for UNITED SPIRITS LIMITED,

V.S. VENKATARAMAN
COMPANY SECRETARY

Encl: as above

- cc: 1. Bombay Stock Exchange Limited, Mumbai
(Regular Office & Corporate Relations Dept. – Scrip Code: 532432)
2. National Stock Exchange of India Limited, Mumbai

United Spirits Limited

Registered Office: 'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001, India.

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UNITED SPIRITS LIMITED

'UB Tower', # 24, Vittal Maliya Road, Bangalore - 560 001

Unaudited Financial Results (Provisional) for the three months ended December 31, 2010.

	Unaudited				Rs. Lakhs
	Three months Ended		Nine months Ended		Audited
	December 31		December 31,		Year Ended
	2010	2009	2010	2009	March 31
1 Sales/Income from Operations	408,865	246,646	963,253	684,906	918,386
Less: Excise duty	212,855	111,968	485,529	318,052	425,494
(a) Net Sales/Income from Operations	196,010	134,678	477,724	366,854	492,892
(b) Other Operating Income	930	1,119	2,829	2,503	5,055
Total Income	196,940	135,797	480,553	369,357	497,947
2 Expenditure					
a) (Inc)/Dec in stock in trade	(5,199)	(3,796)	(11,594)	(10,783)	(14,106)
b) Consumption of Raw Materials	50,481	34,615	116,173	93,081	122,588
c) Purchase of Traded Goods	21,885	16,639	56,772	46,233	64,931
d) Consumption of Other Materials	48,546	28,792	106,334	78,425	101,887
e) Employee Cost	10,744	7,372	26,620	22,104	29,045
f) Depreciation	1,258	933	3,214	2,560	3,863
g) Other expenditure					
i) Advertisement & Sales Promotion	19,399	11,991	48,878	29,165	47,354
ii) Others	22,545	16,949	56,914	46,115	63,798
h) Total	169,659	113,495	403,311	306,900	419,360
3 Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	27,281	22,302	77,242	62,457	78,587
4 a) Other Income	213	7	214	8	583
b) Exchange Difference - Gain/(Loss)	(1,302)	(279)	(2,230)	249	(841)
5 Profit before Interest & Exceptional Items (3+4)	26,192	22,030	75,226	62,714	78,329
6 Interest / Finance Charges (Net of receipts)	10,382	7,465	29,862	20,893	30,962
7 Profit after Interest but before Exceptional Item (5-6)	15,810	14,565	45,364	41,821	47,367
8 Exceptional Items (Net)	3,684	-	3,684	7,000	7,000
9 Profit(+)/Loss (-) from ordinary Activities (7 + 8)	19,494	14,565	49,048	48,821	54,367
10 Tax Expense					
Current	3,152	4,500	13,802	14,150	15,250
Deferred	3,346	380	2,686	267	1,515
Fringe Benefit Tax	-	-	-	-	-
11 Net Profit(+)/ Loss(-) from Ordinary Activities after Tax(9-10)	12,996	9,685	32,560	34,404	37,602
12 Extraordinary Items (Net of tax expense)	-	-	-	-	-
13 Net Profit(+)/Loss(-) for the Period (11-12)	12,996	9,685	32,560	34,404	37,602
14 Paid-up Equity Share Capital (Face value Rs.10)	12,559	12,559	12,559	12,559	12,559
15 Reserves excluding Revaluation Reserves					464,919
16 Earnings Per Share					
a) EPS Basic - Rs/share (Not annualised)	9.94	7.98	24.90	30.62	32.51
b) EPS Diluted - Rs/share (Not annualised)	9.94	7.98	24.90	30.62	32.51
17 Public shareholding					
- No. of Shares	87,545,601	88,076,038	87,545,601	88,076,038	87,839,527
- Percentage of shareholding	69.71	70.63	69.71	70.63	69.94
18 Promoters and Promoter Group Shareholding					
a) Pledged/Encumbered					
- No. of Shares	34,664,577	33,269,304	34,664,577	33,269,304	31,459,566
- Percentage of shares	94.64%	90.83%	94.64%	90.83%	85.89%
(as a % of the total share Capital of Promoter and Promoter Group)					
- Percentage of shares	27.60%	26.48%	27.60%	26.48%	25.05%
(as a % of the total share Capital of the Company)					
b) Non-encumbered					
- No. of Shares	1,963,683	3,358,956	1,963,683	3,358,956	5,168,694
- Percentage of shares	5.36%	9.17%	5.36%	9.17%	14.11%
(as a % of the total share Capital of Promoter and Promoter Group)					
- Percentage of shares	1.56%	2.67%	1.56%	2.67%	4.12%
(as a % of the total share Capital of the Company)					

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended
December 31, 2010

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 Hon'ble Appellate Authority for Industrial and Financial Reconstruction ('AAIFR'), vide its order dated November 29, 2010, sanctioned the Rehabilitation Scheme inter alia, containing the Scheme of Arrangement between Balaji Distilleries Limited ('BDL'), Chennai Breweries Private Limited ('CBPL') and United Spirits Limited and their respective shareholders and creditors, as the case may be ('Scheme'). The Scheme has become effective on December 27, 2010. Accordingly, in terms of the Scheme:
 - a) all assets and liabilities of BDL, as a going concern (post transfer of the brewery division undertaking by BDL to its wholly owned subsidiary CBPL) ("Balaji"), stands transferred to and vested in the Company at their fair values with effect from April 1, 2009, being the Merger Appointed Date. BDL, stands dissolved without winding up.
 - b) CBPL and BDL Distilleries Private Limited became direct subsidiaries of the Company.
 - c) The Company has given effect to the Scheme in the accounts with effect from April 1, 2009 being the Appointed Date. As stipulated in the Scheme,
 - i) difference between the value of net assets of Balaji transferred to the Company and value of shares allotted has been debited to General Reserve of the Company, resulting in decrease in Reserves by Rs.32.54 Crores. Had the Scheme not prescribed the treatment above, the same would have been debited to Goodwill, which would have been charged to the Profit and Loss Account as per the accounting policy of the Company, having corresponding impact on the results for the quarter and year ended December 31, 2010.
 - ii) the profit for the year ended March 31, 2010 amounting to Rs.0.38 crores has been credited to the balance of the Profit and Loss account.
 - iii) The figures for the quarter ended December 31, 2010 and nine months ended December 31, 2010 are after giving effect to the merger of Balaji, while figures for the quarter ended December 31, 2009 and nine months ended December 31, 2009 are those of the Company prior to the merger of Balaji and hence, are not comparable. The results includes Net Income from operations and Profit before Non-recurring income and Taxation amounting to Rs.366.86 Crores and Rs.16.41 crores respectively of Balaji for the period ended December 31, 2010.
 - d) The Authorised Capital of USL automatically stands increased to Rs. 5,542,000,000 divided into 395,000,000 equity shares of Rs. 10 each and 159,200,000 preference shares of Rs. 10 each from 245,000,000 equity shares of Rs.10/- each and 84,200,000 preference shares of Rs.10/- each by the Authorised Capital of BDL amounting to Rs.2,250,000,000 divided into 150,000,000 equity shares of Rs. 10 each and 75,000,000 preference shares of Rs. 10 each.

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended
December 31, 2010

Notes:

- e) The Committee of Directors of the Company, at their meeting held on January 14, 2011, have allotted 5,200,639 equity shares of Rs 10/- each, fully paid-up, to the shareholders holding the equity shares of BDL as on the Record Date viz, January 10, 2011. Post-allotment, the paid up share capital of the Company stands increased to Rs 1,307,949,680/- divided into 130,794,968 equity shares of Rs 10/- each, fully paid up, from the existing paid up share capital of Rs 1,255,943,290/- divided into 125,594,329 equity shares of Rs. 10/- each, fully paid up. The final listing and trading approvals for 5,200,639 equity shares, have since been received by the Company from all the stock exchanges where the Company's shares are listed.
3. The Share Capital shown in the Unaudited Financial Results (Provisional) is the paid up capital as at the respective period /year end dates. However, for the purpose of calculation of Earnings per share, as specified by Accounting Standards, the shares subsequently allotted (as described in 2(e) above) pursuant to the Scheme, have also been considered.
4. Exceptional items (Net) relates to net write back of Sales tax liabilities pursuant to settlement of arrears of sales tax and interest thereon under the Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2010, and includes a write back amounting to Rs.47.80 Crores relating to Sales tax liabilities of Balaji.
5. In accordance with SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 (SEBI Takeover Code), the Company has made an Open Offer to the public share holders of Pioneer Distilleries Limited (PDL) for the acquisition of 2,677,640 equity shares of Rs.10 each representing 20% of the fully paid-up equity share capital at a price of Rs.101 per share payable in cash pursuant to the execution of Share Purchase Agreement with the existing promoters of PDL. The tender period for the Open Offer which opened on January 15, 2011, closed on February 03, 2011. The Company expects to complete the process of acceptance of tendered shares, payments in respect of the accepted shares and return of unaccepted shares by February 18, 2011, which is the specified time limit under the provisions of the SEBI Takeover Code.
6. Details of number of investor complaints for the quarter ended December 31, 2010: Opening: NIL, Received: 26, Disposed of:26, Pending: NIL.
8. The above unaudited results have been approved by the Board of Directors at their meeting held on February 9, 2011 and have been subjected to a Limited Review by the Auditors of the Company.
9. 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/-

V.K.REKHI
MANAGING DIRECTOR

Bangalore
February 9, 2011



UNITED SPIRITS LIMITED

Bangalore
February 9, 2011

PRESS RELEASE

RESULTS Q-3 FY11

PAT UP 34% (by `33 Cr to `129.9 Cr)

EBIDTA UP 23% (by `53 Cr to `285.4 Cr)

VOLUMES UP 14% (to 30.30 mio cases)

REVENUES UP 45% (by `611.4 Cr to `1,969 Cr)

Q3 FY10	October - December	Q3 FY11	
26.51	VOLUMES - USL INDIA (Million cases)	30.30	+3.79 mio ↑ 14%
1,358.0	REVENUE (` crore)	1,969.4	+ 611 Cr ↑ 45%
232.4	Operational EBIDTA (` crore)	285.4	+53 Cr ↑ 23%
232.4	Operational EBIDTA adjusted for brand investment spend (` crore)	305.4	+ 73Cr ↑ 31 %
96.9	Profit After Tax (` crore)	129.9	+ 33 Cr ↑ 34 %

The Board of Directors of United Spirits Limited approved the results for the October-December quarter of fiscal 2011 at their meeting in Bangalore today.

The merger of Balaji Distilleries Limited (BDL) with USL was given effect to in the quarter under review and hence the financial results for the quarter reflect the 9-month results of BDL therein.

Sales during the quarter were up 14% at 30.3 mio cases – an increase of nearly 3.8 mio cases over the comparable period of the previous fiscal. The published results reflect Revenue at `1,969 crore, up 45% from the `1,358 crore of the corresponding quarter of the previous fiscal. Adjusted for the impact of the Balaji merger, the Revenue growth of standalone USL would be 21.5%, on a volume growth of 14%, reflecting the continuing success of the premiumisation focus of the Company.

EBIDTA at `285.4 crore represents a 23% (`53 crore) increase over the comparable period of the previous fiscal. Adjusted for the launch expenses of McDowell's Platinum Whisky and McDowell's VSOP Brandy of `20 crore, operational EBIDTA would effectively stand at `305 crore, a growth of 31% over the corresponding period of the last fiscal.

Despite the incorporation of BDL results into the results of the current quarter, EBIDTA margin to net Sales has been maintained at the FY10 rate of 16.5%.

Spirit costs during the quarter were down 6% over the corresponding quarter of the previous fiscal – however, they were up 3.5% over Q2. These costs are expected to come down marginally in the last quarter of the current fiscal.

McDowell's No.1 Platinum Whisky is well on its way to becoming a 'Millionaire' brand in its year of launch – a first for any alcobev brand in this segment. McDowell's VSOP Brandy, a niche offering, is also being rolled out to various states. Black Dog Scotch Whisky's premium 18-Year Old offering is also being taken national by the Company. The promotional expenses of approx. `20 crore on these brands are included under the A&SP head in the current quarter's financial results.

At the end of Q3 of FY10, rupee debt in USL replaced the W&M acquisition debt in USL's foreign subsidiary. As a consequence, interest charges in the current quarter are up 38% and are at `103.8 crore vis-à-vis `75 crore in the same quarter last year. Higher working capital debt to finance the business growth is also another reason for this increase.

On consolidation of the accounts of USL and its subsidiaries, interest costs are however down to `362.5 crore from `431.2crore in the corresponding 9-month period of the previous fiscal.

USL's key brands, particularly at the upper end of the price ladder, continue to register healthy growth in both volume and value.

The current quarter results at the PBT and PAT levels reflect a non-recurring income of `37 crore, primarily due to the availment of the Samadhan Scheme of the Govt. of Tamil Nadu in respect of the sales tax liability of BDL. The previous year's 9-monthly results had reflected a `70 crore non-recurring income from sales of treasure stock.

A comparison of the 9-month results of FY11 and FY10 shows an increase in EBIDTA of `154 crore (+ 24%) on a revenue growth of 30% (`112 crore)

9-MONTH FY10	April - December	9-MONTH FY11	
74.6	VOLUMES - USL INDIA (Million cases)	83.5	+8.9 mio ↑ 12%
3,693.6	REVENUE (`Crore)	4,805.5	+1,112 Cr ↑ 30%
650.2	Operational EBIDTA (`Crore)	804	+154 Cr ↑ 24%
650.2	Operational EBIDTA adjusted for brand investment spend (`crore)	849	+199 Cr ↑ 31%

During the 9 months of FY11, **Whyte & Mackay** registered an EBIDTA of £22.53 million against £52.87 for the corresponding period of the previous year. The drop reflects the de-

emphasizing of the bulk sale business which delivered an EBIDTA of £30.5 million in the 9-month period of the previous fiscal.

Bouvet Ladubay, USL's wine making subsidiary in France has reported a 24% growth in sales which are now at €15.73 million (€12.70 million) for the comparable period in the previous year. EBIDTA is up at €2.28 million compared to €1.82 million for the previous fiscal and stands at 14% of sales.

