

UNITED BREWERIES (HOLDINGS) LIMITED

Reg. Office: Level 12, UB Tower, UB CITY, No. 24, Vittal Mallya Road, Bangalore. 560 001

Email: ubhlinvestor@ubmail.com. Website: www.theubgroup.com

Tel no. +91 80 2227 2808, 2227 5809, 3985 6000 Fax : +91 80 227 4890 CIN: L85110KA1915PLC000740

PART I

Statement of Unaudited Results for the Quarter and Half Year Ended 30th September 2014

(Rs. in Lakhs)

Particulars	Three months ended			Six months ended		Year ended
	30-Sep-14 Unaudited	30-Jun-14 Unaudited	30-Sep-13 Unaudited	30-Sep-14 Unaudited	30-Sep-13 Unaudited	31-Mar-14 Audited
1. Income from operations						
(a) Net sales/income from operations	8,509	9,818	10,176	18,327	18,266	42,370
(b) Property development	1,302	1,285	1,258	2,587	2,467	5,117
(c) Other operating income	271	448	445	719	712	1,689
Total income from operations	10,082	11,551	11,879	21,633	21,445	49,176
2. Expenses						
(a) Purchases of stock-in-trade	3,097	2,946	4,823	6,043	8,148	23,380
b) Cost of materials consumed	1,025	727	514	1,752	1,092	2,263
c) Change in inventories	(5)	1,943	8	1,938	1,547	(923)
d) Employee benefit expenses	898	705	997	1,603	1,375	2,945
e) Depreciation	148	321	199	469	403	816
f) Other expenses (include provisions and write off)	2,504	2,516	1,961	5,020	4,201	383,663
Total expenses	7,667	9,158	8,502	16,825	16,765	412,144
3. Profit from operations before other income and finance costs	2,415	2,393	3,377	4,808	4,680	(362,968)
4. Other income	489	103	62	592	320	2,872
5. Profit before finance costs	2,904	2,496	3,439	5,400	5,000	(360,096)
6. Finance costs (net of receipts)	5,506	6,037	10,280	11,543	25,023	41,023
7. Profit/(loss) before exceptional item and tax	(2,602)	(3,541)	(6,841)	(6,143)	(20,023)	(401,119)
8. Exceptional item	2,961	83,751	141,864	86,712	185,186	198,789
9. Profit / (loss) before tax	359	80,210	135,023	80,569	165,163	(202,330)
10. Tax expense	-	-	32,589	-	32,589	-
11. Net Profit/(loss) after tax	359	80,210	102,434	80,569	132,574	(202,330)
12. Paid-up equity share capital (face value of Rs.10 each, fully paid up)	6,682	6,682	6,682	6,682	6,682	6,682
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						(79,324)
14. Earnings per share (of face value Rs.10/- each) (not annualised):						
Basic and diluted (before exceptional item)	(3.89)	(5.30)	(10.24)	(9.19)	(29.97)	(600.30)
Basic and diluted (after exceptional item)	0.54	120.04	153.30	120.58	198.40	(302.80)

UNITED BREWERIES (HOLDINGS) LIMITED

PART II

Select Information for the Quarter and Half year ended 30th September 2014

	Particulars	Three months ended			Six months ended		Year ended
		30-Sep-14 Unaudited	30-Jun-14 Unaudited	30-Sep-13 Unaudited	30-Sep-14 Unaudited	30-Sep-13 Unaudited	31-Mar-14 Audited
A	PARTICULARS OF SHAREHOLDING						
	1. Public shareholding						
	- Number of shares	31,845,241	31,845,241	32,764,877	31,845,241	32,764,877	31,845,241
	- Percentage of shareholding	47.66	47.66	49.04	47.66	49.04	47.66
	2. Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of shares	5,186,190	3,586,190	3,586,190	5,186,190	3,586,190	3,586,190
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	14.83	10.25	10.53	14.83	10.53	10.25
	- Percentage of shares (as a % of the total share capital of the company)	7.76	5.37	5.37	7.76	5.37	5.37
	b) Non - encumbered						
	- Number of shares	29,787,090	31,387,090	30,467,454	29,787,090	30,467,454	31,387,090
	- Percentage of shares (as a % of the total shareholding of the Promoter and promoter group)	85.17	89.75	89.47	85.17	89.47	89.75
	- Percentage of shares (as a % of the total share capital of the company)	44.58	46.97	45.60	44.58	45.60	46.97

Particulars	3 months ended 30th September 2014
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	3
Disposed of during the quarter	3
Remaining unresolved at the end of the quarter	Nil

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Statement Unaudited Results for the quarter and half year ended 30th September 2014

Particulars	Three Months ended			Six months ended		(Rs. in Lakhs)
	30-Sep-14	30-Jun-14	30-Sep-13	30-Sep-14	30-Sep-13	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31-Mar-14 Audited
1.SEGMENT REVENUE						
Alcoholic Beverages	3,980	5,124	4,124	9,104	9,781	22,004
Leather Products	1,023	1,607	1,074	2,630	1,790	4,154
Readymade Garments	402	1,285	1,837	1,687	2,860	8,495
Investments	487	-	680	487	680	685
Logo Fees	1,658	1,728	1,825	3,386	2,125	5,525
Property Development	1,302	1,285	1,258	2,587	2,467	5,117
Corporate Guarantee Services	28	34	47	62	93	188
Others	1,202	488	1,034	1,690	1,649	3,008
	10,082	11,551	11,879	21,633	21,445	49,176
2.SEGMENT RESULTS						
Alcoholic Beverages	658	823	1,186	1,481	1,789	3,925
Leather Products	96	246	181	342	263	737
Readymade Garments	(84)	(18)	99	(102)	132	669
Investments	81	(342)	244	(261)	48	(917)
Logo Fees	1,252	1,386	1,389	2,638	1,493	3,923
Property Development	896	730	822	1,627	1,629	3,105
Corporate Guarantee Services	(378)	(308)	(389)	(686)	(539)	(1,414)
Others	(106)	(124)	(155)	(231)	(135)	(766)
Total	2,415	2,393	3,377	4,808	4,680	9,262
Other Income	489	103	62	592	320	2,872
Provision for doubtful advances	-	-	-	-	-	(127,171)
Bad debts written off	-	-	-	-	-	(245,059)
Interest expense (net of receipts)	(5,506)	(6,037)	(10,280)	(11,543)	(25,023)	(41,023)
Exceptional Items	2,961	83,751	141,864	86,712	185,186	198,789
Profit /(loss) Before Tax	359	80,210	135,023	80,569	165,163	(202,330)
3. CAPITAL EMPLOYED						
Alcoholic Beverages	(1,528)	1,523	(2,244)	(1,528)	(2,244)	(972)
Leather Products	3,373	4,073	2,654	3,373	2,654	2,988
Readymade Garments	2,663	8,958	7,665	2,663	7,665	12,260
Investments	(23,834)	(22,883)	276,720	(23,834)	276,720	(101,801)
Property Development	4,020	4,131	4,295	4,020	4,295	4,194
Others	13,482	2,235	42,143	13,482	42,143	1,296
Total	(1,824)	(1,963)	331,233	(1,824)	331,233	(82,035)
4. Secondary segments based on geographical locations						
a) Segment revenue						
Overseas	5,931	7,605	7,133	13,536	14,493	34,373
Domestic	4,151	3,946	4,746	8,097	6,952	14,803
Total	10,082	11,551	11,879	21,633	21,445	49,176
b) Segment assets less segment liabilities						
Overseas	30,057	29,296	25,028	30,057	25,028	29,135
Domestic	(31,882)	(31,259)	306,205	(31,882)	306,205	(111,170)
Total	(1,824)	(1,963)	331,233	(1,824)	331,233	(82,035)

UNITED BREWERIES (HOLDINGS) LIMITED

STATEMENT OF ASSETS AND LIABILITIES

		Rs. In Lakhs	
		As at	
		September 30, 2014	March 31, 2014
A	EQUITY AND LIABILITIES		
	Shareholders' Funds		
	Share Capital	6,682	6,682
	Reserves and Surplus	86,985	6,183
	Non-current Liabilities		
	Long term borrowings	181,697	192,819
	Other Long-term liabilities	66,540	60,350
	Long term provisions	725	726
	Current Liabilities		
	Short-term borrowings	32,861	39,896
	Trade Payables	5,790	8,011
	Other Current Liabilities	44,758	71,075
	Short-term provisions	10,064	10,064
		436,102	395,806
B	ASSETS		
	Non-current assets		
	Fixed Assets		
	Tangible Assets	93,219	93,833
	Capital Work in Progress	13,026	12,484
	Non Current Investments	95,626	130,913
	Long term Loans and Advances	21,762	40,266
	Other Non Current Assets	692	686
	Current Assets		
	Current Investments	271	271
	Inventories	1,517	3,458
	Trade Receivables	4,014	3,191
	Cash and Cash Equivalents	10,932	13,759
	Short term Loans and Advances	132,889	31,787
	Other Current Assets	62,154	65,158
		436,102	395,806

United Breweries (Holdings) Limited

Notes:

1. The accompanying Statement of unaudited financial results for the quarter ending 30th September 2014 and the Statement of Assets and Liabilities as on that date have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 14th November 2014.
2. The company's land in Bangalore was revalued on 31.3.2014 based on its fair market value provided by an approved valuer and accordingly, it is carried at Rs. 689.65 Crs which includes revaluation surplus of Rs. 687.77 Crs. Similarly, its buildings in Bangalore were also revalued on 31.3.2014 and such revalued amounts have been depreciated, having regard to their remaining useful life. Incremental depreciation to the extent it relates to the revaluation surplus, has been set off against such surplus.
3. A claim from a Bank amounting to Rs.146.29 crore towards its alleged claim continues to be disclosed as "claim against the company not acknowledged as debt", having regard to a legal opinion obtained regarding its enforceability.
4. Claims against a banker for restitution of deposits of Rs.60.96 crores, which were unilaterally and unlawfully encashed and thereafter partially appropriated to the extent of Rs. 22.44 Crs towards their claims against a group company leaving the balance in an encumbered Fixed Deposit account, is being pursued before the Hon'ble High Court of Karnataka. Appropriated amounts are being shown as amount recoverable from the said bank and the balance as Fixed Deposit with the bank.
5. Investments in other subsidiaries and associates are presently considered as long term and strategic in nature and accordingly, no provision has been considered for diminution in the value.
6. The lenders of KFA have, pursuant to certain Corporate Guarantees given by the Company (the validity of which is disputed as set out hereinafter), demanded from the Company, their dues from KFA amounting to Rs. 6,203.35 crores with further interest and other dues from 01/06/2013 and have moved the Debt Recovery Tribunal ("DRT")

for recovery of these dues by way of Original Application (OA). The Interim Application filed by the Company before the DRT seeking to reject the said OA on the ground of jurisdiction has been dismissed by the Tribunal vide its order dated 12th November, 2013. Based on the order of the Hon'ble High Court of Karnataka giving leave to move the DRAT, the Company has preferred an appeal before the DRAT challenging the DRT order and the matter is pending.

7. Further, 3 lenders who have extended pre delivery payment (PDP) loans to KFA for purchase of aircrafts from M/s. Airbus S.A.S. and who claim to be beneficiaries of Corporate Guarantees of the Company, have filed proceedings before the DRT for recovery of total dues amounting to Rs. 192.51 crores. By an ex-parte order dated February 4, 2014, in I.A. No. 543/2014, the Hon. Tribunal has passed an ad-interim order attaching pre-delivery payments made by KFA to M/s. Airbus S.A.S. up to Rs. 192.51 crores. This ad-interim order is continuing.
8. In a suit filed by United Sprits Limited ("USL"), the Goa Senior Division Court has granted an ad-interim injunction against any coercive action by lenders of KFA in respect of the Company's property in Goa, tenanted to United Spirits Limited. Subsequently, KFA lenders have sent a notice purportedly under the SARFAESI Act in respect of the said property. The Company has responded to the notice issued to it purportedly under the SARFAESI Act challenging the same.

Pending adjudication of the suit, the Goa property continues to remain as an asset of the company.
9. The Consortium of KFA Bankers, have sold certain investments belonging to the Company pursuant to the purported pledge. The Company and others have filed a suit in the Hon'ble Bombay High Court, being Suit No. 311 of 2013 (Bombay Suit) against the consortium of bankers, who have advanced loans to KFA, inter alia, seeking the following reliefs:-
 - (a) For a declaration that the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010, are void ab-initio and non-est;

- (b) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon, in furtherance or in any manner giving effect to the impugned Notice dated 16th March, 2013, or from taking any other or further steps to act upon or in furtherance of the Pledge Agreement dated 21st December, 2010, save and except in accordance with the procedure set out in clause 8.1 of the MDRA, including issuing a notice there under.
- (c) For a permanent order and injunction restraining the consortium of bankers, their servants, agents or assigns, or any other person claiming by, through or under them or any of them, from acting upon or in furtherance of the Corporate Guarantee dated 21st December, 2010 given by the Company and the Pledge Agreement dated 21st December, 2010;
- (d) That an order and decree of damages of the sum of Rs. 3,199.68 Crores as set out in the Particulars of Claim be awarded to the Plaintiffs."

The Company has also filed a Notice of Motion in the said Suit, being Notice of Motion 306 of 2014 inter alia, for a decree on admission that the extent of the liability under the Corporate Guarantee is restricted to Rs. 1601.43 crores based on admissions by the consortium of bankers. The said Suit and Notice of Motion are pending adjudication in the Hon'ble Bombay High Court.

10. The Division Bench of the Hon'ble High Court of Karnataka vide its order dated 20th December 2013 has set aside the permission granted by the Hon'ble Company Judge under Section 536(2) of the Companies Act 1956 to dispose of the shares of USL in favour of Diageo Plc / Relay BV. The Company and Diageo Plc have approached the Hon'ble Supreme Court by way of SLPs challenging the order of the Division Bench. Pending disposal of the Company's SLP's, the Hon'ble Supreme Court has directed that status quo be maintained in respect of the transaction of sale of shares to Diageo. The Hon'ble Supreme Court also stated that the proceedings for winding up of the Company may continue before the learned Company Judge. Accordingly, the Company has accounted for

the said sale of shares in its annual accounts for the year ended 31st March 2014.

11. The Company is contesting the admission of seven winding up petitions filed by certain creditors of KFA before the Hon'ble High Court of Karnataka. Additionally, two winding up petitions, which have been admitted are being challenged both in the Hon'ble High Court of Karnataka and Hon'ble Supreme Court.

The Company has filed a suit for damages claiming an amount of Rs. 1,319.30 crores against one of the above Petitioners in the City Civil Court, Bangalore and the same is pending adjudication.

12. The Company and Kingfisher Finvest India Limited (KFIL) have filed a suit, inter alia, against IDBI Trusteeship Services Limited (IDBI Trusteeship), Indian Global Competitive Fund (IDCF) and SREI Venture Capital Limited (SREI), in the City Civil Court at Calcutta, being T.S. No. 966 of 2013, inter alia, for the Security Trustee Agreement dated 30th June, 2008 and the Consolidated Deed of Pledge dated 21st December, 2010 (in respect of shares of United Spirits Limited and KFA held by the Company and KFIL) are void, unenforceable and of no effect. The said suit is pending.

SBICAP Trustee and the Consortium of Banks, which have advanced loans to KFA have filed a suit, inter alia, against IDBI Trusteeship Services Limited, SREI Venture Capital Limited, UBHL and KFIL in the Court of City Civil Judge in Bangalore, being O.S. No. 25877 of 2013 to enforce their alleged rights under the Release of Residual Interest Agreement dated 21st December, 2010 in respect of the aforesaid USL and KFA shares. The Consortium of Banks also filed Writ Petition No. 28577 of 2014 in the Hon'ble Karnataka High Court in respect of the pledged shares. On 10th June 2014, IDBI Trusteeship Services Limited transferred the pledged shares to IGCF who in turn sold 4,937,395 shares of and in United Spirits Limited held by UBHL and KFIL. By an order dated 20th June, 2014 in Writ Petition No. 28577 of 2014, India Global Competitive Fund has been ordered to deposit the surplus/balance sales proceeds from the aforesaid sale of shares in USL. The Company is defending the aforesaid Writ Petition No. 28577 of 2014, O.S. No. 25877 of 2013 and the ex-parte ad-interim orders passed therein.

13. The Company is defending recovery proceedings by the consortium of banks of KFA based on corporate guarantees, the validity of which is being contested. The company has filed in Bombay High Court, a suit seeking to declare the corporate guarantee null, void ab initio and non-est. The suit is still pending adjudication.

The company has filed a suit for damages against the aircraft engine manufacturers for supply of inherently defective engines, both in design and manufacture, to KFA. The suit is pending. However, the company is pursuing without prejudice, negotiations to try and settle the dispute amicably. Similarly, the company is pursuing without prejudice, negotiations with two of the creditors who have filed winding up petitions against the Company, to try and settle the disputes amicably. Two members of the Consortium of Banks of KFA have assigned their debt to an Asset Reconstruction Company (ARC).

Under direction of Court pending resolution of various disputes, amounts totaling Rs. 794.38 crs are held as cash deposits.

Due to embargo by the High Court of Karnataka, rentable commercial office space could not be leased out resulting in a potential loss of revenue. The Company has since filed an Application vide CA No. 1428 of 2014 in COP 185/12 with prayer to permit the Company to lease/rent out the vacant premises at UB City and grant such other further orders as are just. Also, high value residential units in Kingfisher Towers, could not be sold which has impacted the cash flow.

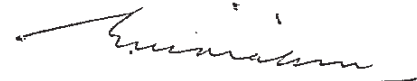
However, the company has substantial assets to monetize in case of necessity.

- Having regard to all the above facts, the financial statements for the Quarter/Half Year ended September 30, 2014 including Balance Sheet as on that date have been presented on principles applicable to Going Concern.
14. Notices for Wilful Default have been received by the Company from several KFA Banks, who are part of consortium of Banks of KFA,

identifying the Company and its Directors as Wilful Defaulters. This action of the Banks is under challenge before the appropriate authorities of the Banks and / or various courts of law. The Company is taking appropriate legal measures to defend itself.

15. The acquisition of 43,424 equity shares in Mangalore Chemicals & Fertilisers Ltd. by Zuari Fertilisers and Chemicals Limited (the Acquirer), under the open offer, pursuant to Regulation 20 of SEBI (SAST) Regulations, 2011, in which the company was a Person Acting in Concert (PAC) has been completed and post the completion of the open offer, the voting power of the group along with that of the Acquirer stands at 38.44%.
16. The position of Managing Director fell vacant on 17th April 2014 and the Company is in the process of identifying a successor. Similarly, efforts are being made to appoint a Chief Financial Officer.
17. During the quarter, a lender has sold the pledged shares and the profit on such sale amounting to Rs. 29.61 crs has been shown as exceptional items.
18. Liability for income tax, if any, will be considered in the annual accounts.
19. Previous year/periods figures have been regrouped wherever necessary.

November 14, 2014



Dr. Vijay Mallya
Chairman

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

LIMITED REVIEW REPORT

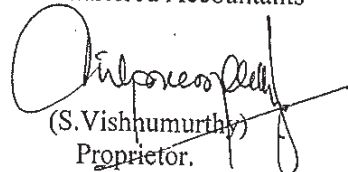
1. We have reviewed the accompanying statement of unaudited financial results of United Breweries (Holdings) Limited, Bangalore ("the company") for the period ended September 30, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. Our review has been restricted to the figures shown in the columns headed "three months ended 30-09-14" and "for the six months ended 30-09-14".
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review Interim Financial Information 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. *We have issued a qualified report on the audited financial statements for the accounting year ended 31-3-2014 stating amongst other things, non-provision for decline in the value of investments in certain subsidiaries and associates which are carried at Rs. 258.81 crores, non-provision for the probable loss that may arise due to non-recovery of loans and advances of Rs 155.60 crores due from certain subsidiaries and associates, non-provision for the probable loss that may arise on account of various financial exposures to Kingfisher Airline Limited, non-recognition of certain liabilities/obligations and appropriateness of preparation of financial statements on going concern basis being subject to favourable outcomes of several litigations involving the Company. There have not been any significant developments during the current quarter in this regard..*
5. *The company has not estimated and provided for the losses that may arise on account of its financial exposures to Kingfisher Airlines Limited(KFA) which are in the form of investments in equity shares of Rs. 504.68 crores, loans and advances of Rs. 22.26 crores, invoked corporate guarantees of Rs. 8,158.89 crores (which the company continues show as contingent liabilities). KFA is under severe financial stress and has defaulted in honouring its financial obligations on several counts; winding up petitions filed against it have been admitted by the Honourable High Court of Karnataka; it is not carrying on any business. Under these circumstances, there is a need to estimate and provide for the probable loss.*

VISHNU RAM & CO.,
CHARTERED ACCOUNTANTS

6. *The company has shown Rs.22.44 crores as due from a banker who has unilaterally encashed company's deposits with it and appropriated the amount towards its claims against a group company. Similarly, an amount of Rs. 854.73 crores is shown as dues from a financial company, which has sold the company's investments and appropriated part of the sale proceeds against dues from KFA.*
7. *Two winding up petitions filed against the company before the Honourable High Court of Karnataka by certain beneficiaries of corporate guarantees have been admitted. The company continues to recognise these obligations as contingent liability. Seven more winding up petitions against the company are pending disposal. (Refer note. 11)*
8. *The company has prepared its financial statements on going concern basis, the appropriateness of which, would depend upon successful resolutions of significant litigations. (Refer note 13)*
9. *The 'status quo' with respect to the transaction of sale of 10,141,437 no. of shares in United Spirits Limited in favour of Diageo group, as ordered by the Honourable Supreme Court of India continues. (Refer note 10)*
10. *Based on our review conducted as above and subject to our observations in paragraphs 4 to 9 above we report that nothing else has come to our attention that causes us to believe that the accompanying statement of un-audited financial results read with the notes thereon and prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.*

Place: Bangalore
Date: 14-11-2014

For Vishnu Ram & Co.,
Chartered Accountants


(S. Vishnumurthy)
Proprietor.
Membership No.22715
Firm Registration No. 004742S