CHAIRMAN'S STATEMENT 2010 - 2011

No listing of the top 10 luxury scotch brands in the world would, today, be complete without inclusion of one or two of W&M's products. Special additions of the Dalmore continue to set new records for price paid for a single bottle, the latest being Singapore $ 250,000 paid, in Singapore, for a bottle of Dalmore 62 year old.

In India, the W&M's brands are being increasingly franchised, not only in the high end on premise outlets, but also by discerning consumers who purchase them from high end retail outlets. The creation of a sales team dedicated to emerging markets will give further impetus to sale of W&M's branded products.

USL's wine brands have begun to attract global awards for quality; while sales of wine in India are still small, I do anticipate double digit growth to continue in the future.

In conclusion, I hope you will share my satisfaction at the end of an excellent year and wish the team many more successes to come.

I would like to record my appreciation for the support received during the year from all Stakeholders, Banks, Distributors, Supply Chain Partners, our esteemed Customers, Employees and my colleagues on the Board.

Thank you

Dr. Vijay Mallya
Chairman

UNITED SPIRITS

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Dr. Vijay Mallya
Chairman

Dear Friends

Let us all share the fantastic achievement of United Spirits Limited [USL] having become the world's largest spirits Company during the course of the last financial year. With sales exceeding over 114 million cases, your Company has overtaken the long standing global leader in volume terms.

This achievement is not only credit to the entire Team who made it happen, but also testimony to the increasing consumerism which underpins India's growth story. Many years ago, I had directed USL to remodel itself on the lines of an FMCG major rather than retain its historical narrow focus of being an alcoholic beverage company. USL has responded to this call in full measure. Despite the various constraints surrounding the Industry not least, the multiplicity of regulatory regimes, excessive taxation and need for constant engagement with State Authorities, the Company has risen to become one of the most respected entities in the Indian consumer space.

USL is a responsible corporate citizen. It is one of the largest contributors to the exchequer in India; it has adopted "green" practices to minimize energy consumption, reduce its carbon foot print and conserve water. It has also been in the forefront of innovations covering both product and packaging.

As the Company sets aggressive growth targets on an already large base, our focus is on ensuring that the back end of our business i.e. sourcing and logistics, keeps pace. Consequently, the Company has set about investing in both primary distillation as well as glass bottle manufacture. These initiatives, which will see fruition over the next 2-3 years, will not only give USL the strategic control of core areas of business but also lead to sustainable cost advantages which will stand the Company in good stead in the years to come.

I am glad to share with you that McDowell's No. 1 Platinum Whisky which was launched in 2010 has achieved the rare distinction of selling over one million cases in its debut year. This record is testimony to the quality of the Company's products, relevance of communication and penetration of our distribution network. Our Company has a pipeline of many more value added products which would be launched in phases going forward. These will reflect the changing demands of consumers who are increasingly aware of global offerings and are also willing to spend on catering to their tastes.

Last year, we took a decision to conserve stocks of scotch at Whyte & Mackay [W&M] and to re-focus the Company's sales away from bulk, and prioritize branded premium and luxury products. This strategy is meeting with planned successes. W&M's branded products are out pacing the industry and the Company is also able to realize higher values as a consequence. Both "Jura" and "Dalmore" Single Malts are amongst the top three fastest growing brands in the world.

The provenance of W&M's brands was further established by the discovery of a century old case of "Mackinlays " whisky buried under the Antarctic ice. The whisky, made by W&M had been carried by the famed British explorer, Ernest Shackleton on his trail blazing attempt to reach the South Pole, and was recently discovered. W&M has launched a replica Shackleton edition in commemoration and received the "Innovation of the Year Award" from the Whisky Magazine.