



UNITED SPIRITS LIMITED

Bangalore
July 20, 2010

PRESS RELEASE

RESULTS Q-1 FY11

EBIDTA UP 25% (by Rs.58 Cr to Rs.288 Cr)

Volumes at 26.7 Mio cases

REVENUES UP 18% (by Rs.221 Cr to Rs.1,463 Cr)

Q1 FY10	April - June	Q1 FY11	
25.2	VOLUMES – USL INDIA (Million cases)	26.7	+1.5 mio ↑ 6%
1,241.71	REVENUE (Rs. Cr)	1,462.95	+221 Cr ↑ 18%
230.14	Operational EBIDTA (Rs. Cr)	287.93	+58 Cr ↑ 25%
162.91	Operational PBT (Rs. Cr)	182.30	+19 Cr ↑ 12%

At their meeting in Bangalore today, the Board of Directors of United Spirits Limited approved the results for the April-June Quarter of fiscal 2011.

Sales volumes were at 26.7 mio cases, up 6% over the comparable period of the previous fiscal. Andhra Pradesh, the largest consumption state for both the spirits industry and for USL, witnessed de-stocking in the first quarter on account of a fresh tendering process for retail licenses. This adversely affected industry off-take by 27% or nearly 2.74 mio cases.

USL's performance, were AP to be excluded from the analysis, shows a growth of over 15% for Q1 of FY11 vis-à-vis the corresponding quarter of FY10.

Sales realization has grown at 18% to Rs.1,463 crore. Adjusting for the re-grouping of sales and A&SP expenses ex-Tie-up Units, effective sales growth would be 11% - the difference between the volume and value growth represented by the continued premiumisation drive and the price increases in various markets.

Spirit costs during the quarter have come off the high of the previous fiscal as a consequence of better availability in the market place. The prices are expected to remain at or around this level during the ensuing quarter and trend downwards once the produce from the new crushing comes into the market.

Advertising & Sales Promotion expenditure of Rs.139 crore is at 9.5% of Net Sales (PY Rs.88 crore or 7.1%). Adjusting for the re-grouping in sales methodology ex-Tie-up Units referred to above, the comparable figure of A&SP at Rs.107 crore for the current quarter would be approximately flat at 7.3% of Net Sales.

EBIDTA for the quarter at Rs.287.9 crore, shows an increase of 25% (Rs.58 crore) and represents a margin of 19.7% of net sales, up from 18.5% for the corresponding quarter of the previous fiscal and 17.3% based on the unaudited results for fiscal 2010.

The expansion in business coupled with investments in both fixed and working capital has pushed up interest charges by Rs.37 crore to Rs.96.5 crore for the quarter. This charge also includes the impact of borrowings for similar funding as also the refinancing of the W&M acquisition loan during the latter quarters of fiscal 2010.

The current quarter has seen the roll-out of McDowell's No.1 Platinum Whisky, a premium 100% grain offering. This has received very favorable response from the trade and from consumers, both for its blend and its packaging. USL's leading brands continue to contribute significantly to the growth in both volume and value terms.

The application of Balaji Distilleries Limited, Chennai for merger with USL is receiving the attention of BIFR, and their final order is awaited.

During the quarter Whyte & Mackay earned an EBIDTA of GBP 5.93 million against GBP 5.44 million for the corresponding quarter of the previous year. The Company continues its award winning streak, having been awarded Global Distiller of the Year by the International Wine & Spirits Competition and Whyte & Mackay 30-Year Old being named the Best Whisky in the World 2009.

Excluding the one-time income of Rs.70 crore from the sale of treasury stock last year, the company's PBT grew 12% from Rs.163 crore to Rs.182 crore.