

## **USL signs sale and franchise agreements for select Popular brands with Inbrew**

**Bengaluru, 27 May 2022:** Following the strategic review of selected Popular brands of United Spirits Limited (“USL”), announced on 23 February 2021, the Board of Directors of USL today approved the sale and franchising of selected brands to Inbrew Beverages Pvt Limited (“Inbrew”). The transaction does not include the McDowell’s or Director’s Special brands, which will be retained by USL.

USL and Inbrew have executed definitive agreements for the sale of the entire business undertaking associated with 32 brands, including iconic brands Haywards, Old Tavern, White-Mischief, Honey Bee, Green Label and Romanov, for a total cash consideration of approximately INR 8,200 million, subject to customary adjustments. The sale portfolio covers the entire business undertaking associated with the 32 brands set out below, including the related contracts, permits, intellectual property rights, associated employees, and a manufacturing facility. In addition to the above, USL and Inbrew have entered into a 5-year franchise arrangement for 11 other brands, including Bagpiper. USL has also granted Inbrew a right, subject to certain conditions, to convert the fixed term franchise arrangement into one with perpetual rights to use and/or a call option to acquire the brands at a pre-agreed consideration. Certain ancillary agreements, including transitional services arrangements, in relation to the sale of the business undertaking and the franchise and option agreements have been approved to be executed between USL and Inbrew.

Hina Nagarajan, Managing Director & CEO of USL, commented: “The transaction reflects the continued evolution of the management of the Popular portfolio since 2016, when the company moved to a franchise model in many states, to enable a sharpened focus on ‘Prestige & Above’. This is a significant move to reshape our portfolio in service of our publicly stated mission to deliver sustained double digit profitable top-line growth.”

Ravi Deol, Chairman of Inbrew, said: “The acquisition of these iconic brands provides Inbrew with a unique platform to extend its ambition of becoming India’s trusted household beverage company. These brands have delighted consumers over generations, and we are excited at the prospect of strengthening this legacy. Inbrew will revitalise these brands through expanded distribution, innovation and investments. After the acquisition of Molson Coors’ beer business last year, we will now participate in the mainstream spirits category, making Inbrew India’s diverse AlcoBev player.”

The brands / variants covered under the franchise agreement are the subject of a previously disclosed encumbrance. The validity of the encumbrance has been disputed by USL on the basis that the underlying loan has already been fully repaid (together with the accrued interest and all other amounts). Pending the resolution of the ongoing dispute and the release of the existing encumbrance over the franchised brands, the legal title to the franchised brands remains with USL. Following the release of the existing encumbrance over the franchised brands, and subject to the exercise of the call option by Inbrew, the Company will assign ownership of these brands to Inbrew.

The Company expects to complete the transaction by the end of the quarter ending 30 September 2022.

A copy of USL’s announcements to the Stock Exchange relating to the transaction will be available on [Bombay Stock Exchange](#) and [National Stock Exchange](#).

## **About USL**

USL ("Diageo India") is the country's leading beverage alcohol company and a subsidiary of global leader Diageo PLC. The company manufactures, sells and distributes an outstanding portfolio of premium brands such as Johnnie Walker, Black Dog, Black & White, VAT 69, Antiquity, Signature, Royal Challenge, McDowell's No1, Smirnoff and Captain Morgan.

Headquartered in Bengaluru, our wide footprint is supported by a committed team of over 3,300 employees, 49 manufacturing facilities across states and union territories in India, a strong distribution network and a state-of-the-art Technical Centre.

Incorporated in India as United Spirits Limited (USL), the company is listed on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. For more information about Diageo India, our people, our brands, and performance, visit us at [www.diageoindia.com](http://www.diageoindia.com). Visit Diageo's global responsible drinking resource, <http://www.DRINKiQ.com>, for information, initiatives, and ways to share best practices.

## **About Inbrew**

Inbrew is founded with the strategic vision of giving India its first integrated, new age beverage platform. We aspire to give consumers a wide range of alcoholic to non-alcoholic beverages through both acquisition and franchising models. A strong blend of local and popular international brands, established distribution networks and state of the art manufacturing facilities, has enabled Inbrew to consistently scale its offerings, reach every corner of the country and delight customers with a wide variety of selections. From a beer-major, the Company is now making big strides in both products and markets to become the first choice of Indian consumers.

## **USL Contacts**

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## **ANNEXURE: LIST OF BRANDS**

### **BRANDS COVERED BY THE SLUMP SALE AGREEMENT**

(in alphabetical order in each case, along with their variants)

1. Amber
2. Black Stallion
3. Bombay Deluxe
4. Derby
5. Diplomat
6. Doctor's Brandy
7. Doctor's Special
8. Doctor's Day and Night
9. Golconda
10. Gold Medal
11. Golden Grape
12. Green Label
13. Haywards
14. Honey Bee
15. John ExShaw/ ExShaw
16. Joie De Franc
17. Kerala Malted
18. Kissan
19. Louis Vernant
20. Louis XI
21. Majestic
22. Men's Choice
23. Men's Club
24. Old Tavern
25. Old Adventurer
26. Regal Crest
27. Romanov
28. VIN
29. White Mischief
30. French VSOP
31. Bonaparte VSOP
32. Tiger

### **BRANDS COVERED BY FRANCHISE AGREEMENT**

(in alphabetical order in each case, along with their variants)

1. Bagpiper

2. Black Riband
3. Blue Riband
4. Carew's
5. Duet
6. Gold Riband
7. Old Cask
8. Red Riband
9. Silk Riband
10. Silver Riband
11. White Riband