



UNITED SPIRITS LIMITED

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PRESS RELEASE

RESULTS Q-2 FY11

EBIDTA UP 22% (by Rs.41 Cr to Rs.230 Cr)

VOLUMES UP 16% (to 26.6 mio cases)

REVENUES UP 26% (by Rs.278 Cr to Rs.1,366 Cr)

Q2 FY10	July - September	Q2 FY11	
22.9	VOLUMES – USL INDIA (Million cases)	26.6	+3.7 mio 16%
1,087.5	REVENUE (Rs. crore)	1,365.6	+ 278 Cr 26%
189.6	Operational EBIDTA (Rs. crore)	230.4	+41 Cr 22%
189.6	Operational EBIDTA adjusted for brand investment spend (Rs. crore)	255.5	+66 Cr 35%

The Board of Directors of United Spirits Limited approved the results for the July-September quarter of fiscal 2011 at their meeting in London today.

Sales during the quarter, traditionally the weakest of the 4 quarters, were up 16% at 26.6 mio cases – an increase of 3.7 mio cases over the comparable period of the previous fiscal. Corresponding revenues were up even higher at 26% and stood at Rs.1,366 crore, an increase of Rs.278 crore over the comparable period of the previous fiscal. The spread between the growth in revenue and that in volumes is accounted for by a 20% growth in the brands at the top end of the product spectrum, as also by price increases in various markets.

Spirit costs in the quarter were marginally lower than in the previous quarter. The trends for the rest of the year would be more apparent post the onset of the crushing in November / December.

EBIDTA at Rs.230.4 crore represents a 22% (over Rs.40 crore) increase over the comparable period of the previous fiscal. EBIDTA margin at 17% remains at the level of the comparable previous quarter and the average of the previous fiscal.





Over the last few months, and more particularly in the quarter just concluded, McDowell's No.1 Platinum Whisky, a premium 100% grain offering has been progressively rolled out nationally. The Company has also launched an 18-year old variant of Black Dog, its premium Scotch whisky offering. Similarly, McDowell's VSOP Brandy, a strategically positioned premium offering has also been launched in the South Indian states. All three products have received very favorable response. The launch and initial promotion expenses of these brands of just over Rs.25 crore have been expensed during the quarter in keeping with accounting standard requirements, although the benefits of these spends will be of an enduring nature. If EBIDTA were to be adjusted for this investment, it would show a 35% growth over the comparable figure of the previous period and represent an EBIDTA margin of 19% to Net Sales. An additional Rs.15-20 crore is likely to be invested behind these brands in Q3 too.

The costs of refinancing of the W&M acquisition loan during the second half of fiscal 2010 together with the increase in working capital as a result of the expansion in business has contributed to an increase in interest costs of Rs.23.2 crore – interest costs now stand at Rs.98.3 crore for the current quarter.

On consolidation of the USL accounts with its subsidiaries, interest costs are however down to Rs.251 crore from Rs.280 crore in the corresponding 6-month period of the previous fiscal.

USL's other leading brands continue to grow significantly in terms of both volume and value.

A comparison of H1 of FY11 and FY10 shows an increase in EBIDTA of Rs.101 crore (+21%) on a revenue growth of 21% or Rs.501 crore.

H1 FY10	April - September	H1 FY11	
48.1	VOLUMES – USL INDIA (Million cases)	53.2	+5.1 mio  11%
2,335.6	REVENUE (Rs. crore)	2,836.1	+ 501 Cr  21%
417.8	Operational EBIDTA (Rs. crore)	519.2	+101 Cr  24%
417.8	Operational EBIDTA adjusted for brand investment spend (Rs. crore)	544.3	+126 Cr  30%

The application of Balaji Distilleries Limited, Chennai for merger with USL is receiving the attention of BIFR; the hearings having concluded, the final order is awaited.

During H1 of FY11, **Whyte & Mackay** earned an EBIDTA of £14.03 million against £12.07 million for the corresponding period of the previous year. During the same period, PBT rose substantially to £6.7 million against £1.3 million in the corresponding period of the previous year. The Company's products continue to be treasured by its consumers. Underpinning the Company's premium pedigree, two bottles of its 64-Year Old Dalmore Trinitas were recently sold for £100,000 each – the first time that the price of a single bottle of malt has gone into six figures. The Company has since received requests for purchase of another 6 bottles at similar prices!

USL's wine-making subsidiary in France, **Bouvet Ladubay**, has reported a 23% growth in Sales Revenue to €9.04 million (€7.36 million in the comparable period of the previous year). EBIDTA for the same period is up at €1.46 million from a comparable €0.8 million, an increase of 79%.