UNITED SPIRITS

Ref: bm100421

April 21, 2010

Bangalore Stock Exchange Limited,
51, Stock Exchange Towers,
1st Cross, J.C. Road,
Bangalore - 560 027

Dear Sirs,

Sub: Unaudited Financial Results (Provisional) for the three months ended March 31, 2010

The Board of Directors of the Company at their meeting held today, has considered and taken on record the un-audited financial results (provisional) of the Company for the three months ended March 31, 2010. We forward herewith a copy thereof alongwith explanatory statement for your information and records. The Limited Review Report thereon received from the Statutory Auditors of the Company was placed at the said Board Meeting.

We are making arrangements to publish the above results in the newspapers in terms of the requirements of the Listing Agreement.

Thanking you,

Yours faithfully,
for UNITED SPIRITS LIMITED,

V.S. VENKATARAMAN
COMPANY SECRETARY

Encl: as above

cc: 1. Bombay Stock Exchange Limited, Mumbai
(Regular Office & Corporate Relations Dept. – Scrip Code: 532432)

2. National Stock Exchange of India Limited, Mumbai

United Spirits Limited
Registered Office: 'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001, India.
Tel: 91-80 3985 6500, 22210705, Fax: 91-80 3985 6862, 3985 6959
www.unitedspirits.in

UNITED SPIRITS LIMITED

'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001

Unaudited Financial Results (Provisional) for the three months ended March 31, 2010.

Rs. Lakhs

	UNAUDITED			Audited
	Three months Ended March 31		Year Ended March 31	Year Ended March 31
	2010	2009	2010	2009
1 Sales/Income from Operations	232,644	163,309	917,550	745,496
Less: Excise duty	107,430	72,529	425,482	336,542
(a) Net Sales/Income from Operations	125,214	90,780	492,068	408,954
(b) Other Operating Income	1,418	1,510	3,921	5,014
Total Income	126,632	92,290	495,989	413,968
2 Expenditure				
a) (Inc)/Dec in stock in trade	(9,737)	(8,630)	(18,555)	(19,922)
b) Consumption of Raw Materials	34,036	22,922	127,117	102,080
c) Purchase of Traded Goods	21,385	13,893	65,653	54,248
d) Consumption of Other Materials	23,046	20,875	101,471	95,256
e) Employee Cost	7,520	6,191	29,624	25,923
f) Depreciation	1,141	977	3,701	3,616
g) Other expenditure				
i) Advertisement & Sales Promotion	14,984	7,957	44,149	34,677
ii) Others	15,847	13,056	61,962	53,926
h) Total	108,222	77,241	415,122	349,804
3 **Profit from Operations before Other Income, Interest & Exceptional Items (1-2)**	18,410	15,049	80,867	64,164
4 a) Other Income	573	132	581	420
b) Exchange Difference - Gain/(Loss)	(535)	(554)	(286)	909
5 **Profit before Interest & Exceptional Items (3+4)**	18,448	14,627	81,162	65,493
6 Interest / Finance Charges (Net of receipts)	10,226	5,650	31,119	19,578
7 **Profit after Interest but before Exceptional Item (5-6)**	8,222	8,977	50,043	45,915
8 Exceptional Items	-	-	7,000	-
9 Profit(+)/Loss (-) from ordinary Activities (7 + 8)	8,222	8,977	57,043	45,915
10 Tax Expense				
Current	1,310	4,087	15,460	17,609
Deferred	1,227	(777)	1,494	(1,860)
Fringe Benefit Tax	-	105	-	501
11 Net Profit(+)/ Loss(-) from Ordinary Activities after Tax(9-10)	5,685	5,562	40,089	29,665
12 Extraordinary Items (Net of tax expense)	-	-	-	-
13 Net Profit(+)/Loss(-) for the Period (11-12)	5,685	5,562	40,089	29,665
14 Paid-up Equity Share Capital (Face value Rs.10)	12,559	10,016	12,559	10,791
15 Reserves excluding Revaluation Reserves				295,980
16 **Earnings Per Share**				
a) EPS Basic - Rs/share (Not annualised)	4.53	5.55	34.66	27.49
b) EPS Diluted - Rs/share (Not annualised)	4.53	5.55	34.66	27.49
17 Public shareholding				
- No. of Shares	87,839,527	63,532,239	87,839,527	63,532,239
- Percentage of shareholding	69.94	63.43	69.94	63.43
18 Promoters and Promoter Group Shareholding				
a) Pledged/Encumbered				
- No. of Shares	31,459,566	33,269,304	31,459,566	33,269,304
- Percentage of shares (as a % of the total share Capital of Promotor and Promotor Group)	85.89%	90.83%	85.89%	90.83%
- Percentage of shares (as a % of the total share Capital of the Company)	25.05%	33.22%	25.05%	33.22%
b) Non -encumbered				
- No. of Shares	5,168,694	3,358,956	5,168,694	3,358,956
- Percentage of shares (as a % of the total share Capital of Promotor and Promotor Group)	14.11%	9.17%	14.11%	9.17%
- Percentage of shares (as a % of the total share Capital of the Company)	4.12%	3.35%	4.12%	3.35%

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended March 31, 2010

Notes:

1. The Company is engaged in the business of manufacture, purchase and sale of Beverage Alcohol (Spirits and Wines) including through Tie-up Manufacturing / brand franchise, which constitutes a single business segment. The Company's operations outside India did not exceed the quantitative threshold for disclosure envisaged in AS-17 on "Segment Reporting" notified under the Companies (Accounting Standard) Rules 2006. In view of the above, primary and secondary reporting disclosures for business/geographical segment as envisaged in AS-17 are not applicable to the Company.

2. The figures for the Quarter ended March 31, 2010, year ended March 31, 2010 and year ended March 31, 2009 are after giving effect to the Scheme of Amalgamation of Shaw Wallace & Company Limited (SWCL) and Primo Distributors Private Limited (Primo) with the Company, figures for the Quarter ended March 31, 2009 are those of the Company prior to the amalgamation of SWCL and Primo and, hence, are not comparable.

3. The Board of Directors of the Company at their meeting held on November 29, 2008 had approved the proposal of merger of Balaji Distilleries Limited ('BDL') with the Company with effect from April 1, 2009 as per the Scheme of Arrangement between BDL, Chennai Breweries Private Limited ('CBPL') and United Spirits Limited ('the Company'), subject to the necessary approvals ('the Scheme').

4. At an Extraordinary General Meeting held on April 21, 2010, the Equity Shareholders of the Company have approved, by way of a Special Resolution, the Scheme and the Draft Rehabilitation Scheme ('DRS') of BDL as circulated by the Hon'ble Board for Industrial and Financial Reconstruction ('the BIFR') vide Order dated February 19, 2010.

   The Scheme and the DRS are pending with the Hon'ble BIFR formed under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, for approval.

   Pending approval of the above Scheme, the results published above are that of the Company only and do not include BDL.

5. Details of number of investor complaints for the quarter ended March 31, 2010: Opening: NIL, Received: 26, Disposed of: 26, Pending: NIL.

6. The above unaudited results have been approved by the Board of Directors at their meeting held on April 21, 2010 and have been subjected to a Limited Review by the Auditors of the Company.

7. Previous period/year's figures have been regrouped, wherever necessary, to conform to the current period/year's classifications.

By authority of the Board

Sd/-
V.K.REKHI
MANAGING DIRECTOR

Bangalore
April 21, 2010

GROUP

UNITED SPIRITS

Bangalore
April 21, 2010

PRESS RELEASE

Q-4 FY10 RESULTS

EBIDTA UP 22% (by Rs.35 Cr to Rs.196Cr)

Volumes up 16% (at 25.7 Mio cases)
REVENUES UP 38% (by Rs.345 Cr to Rs.1,252 Cr)

Q4 FY09	January - March	*Q4 FY10*	
22.1	VOLUMES – USL INDIA (Million cases)	25.7	+3.6 mio ⬆ 16%
907.8	REVENUE (Rs. Crore)	1,252.1	+345 Cr. ⬆ 38%
160.3	Operational EBIDTA (Rs. Crore)	195.5	+ 35 Cr. ⬆ 22%
55.6	P A T (Rs. Crore)	56.8	+1.2 Cr. ⬆ 2%

The Board of Directors of United Spirits Limited approved the results for the January-March Quarter of fiscal 2010 at their meeting in Bangalore today. Sales volumes during the current fiscal grew 16% to 25.7 mio cases. As already reported in earlier communication, USL sold 100.2 mio cases, up from 88 mio cases in the previous fiscal, the additional volume of 12 mio cases represents a growth of 13.5%. The sales of 100.2 mio cases were further boosted to 102 mio cases through the inclusion of the sales of USL's overseas subsidiaries. This landmark has pushed USL to the position of the second largest distilled spirits marketer by volume. The Company has its sights set on attaining the No.1 position during fiscal 2011.

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Net sales for the quarter on the other hand have grown to Rs. 1,252 crore, up Rs.345 crore from the previous fiscal, a growth of 38%. A part of the revenue growth is attributable to change in terms of business with contract manufacturing units. Excluding the impact of this change, sales revenue would have shown a growth of 23% on a volume growth of 16%.

Spirit costs during the quarter and during fiscal 2010 had seen a step-up from the average price of the previous comparable period. However, prices during fiscal 2010 were by and large flat (except for a spike in May'09) and have shown a downward trend during Q4 of FY10.

EBIDTA for the quarter shows a 22% increase to Rs.196 crore. For fiscal 2010, EBIDTA at Rs.846 crore represents a margin of 17.2% of net sales compared to Rs.678 crore for the previous fiscal (16.6% of net sales).

Interest costs for the quarter are up 81% to Rs.102.3 crore (P.Y. 56.5 crore) primarily on account of W&M acquisition foreign currency loan being replaced by Rupee debt in USL's balance sheet. Rapid growth in business has also resulted in additional working capital borrowings.

As always USL's leading brands have contributed significantly to the growth in both volume and value. The McDowell's No.1 range of alcoholic beverages, comprising whisky, brandy and rum, ended fiscal 2010 at 35.7mio cases, up 13% from the 31.5 mio cases, of the previous fiscal.

During fiscal 2010, the Company added on its 20th millionaire (a brand which sells over a million cases in a fiscal year) in Bagpiper Rum. The Company now has 3 brands that sell over 10 mio cases each in addition to two that sell between 5 & 10 mio cases each and every fiscal.

With respect to the proposal to merge Balaji Distilleries Limited, Chennai (India's largest IMFL facility with a licensed monthly capacity of just under a million cases) with USL, the BIFR has, during the quarter, circulated the Draft Rehabilitation Scheme to all stakeholders. At a formal Extraordinary General Meeting held after the Board Meeting today, USL shareholders accorded their consent to the merger proposal. This merger which is expected to be consummated in early Q2 of FY11 will provide the Company substantial capacity of its own in the key state of Tamil Nadu.

UNITED SPIRITS LIMITED

MANAGEMENT DISCUSSION ANALYSIS

For the year ended 31st March 2010 :

VOLUME :

USL achieved a volume of 26.7 mio cases as against 22.1 mio cases of the corresponding quarter of last year thereby registering a growth of 16%.

First line brands accounted for 92% of the total volume salience and registered a growth of 15% compared to same period of last year.

BRANDS :

Following brands registered very strong growths :

Key Brands	Growth
Black Dog Whisky	45%
Antiquity	18%
Director Special	25%
Romanov Vodka	25%
Celebration Rum	36%
No.1 Brandy	30%
McDowell Green Label	32%

Certain key States like Karnataka, West Bengal, Kerala, Punjab, Madhya Pradesh & Uttar Pradesh registered growths in the region of 40% while there were modest growths (less than 10%) in States like Tamil Nadu, Andhra Pradesh and Maharashtra.

NET SALES REVENUE :

There have been three important shifts in recording revenue in the last couple of quarters but more pronounced in the current quarter ending March 2010.

The details are as follows :

1. The merger of SWC has resulted in incremental sales of about Rs.60 Cr. being included in the Net Revenue for the quarter. In the corresponding previous quarter, only the economic surplus was captured.

2. Similarly terms of trade with new toll manufacturing units has resulted in Gross Sales being booked in USL's revenues as against only the economic surplus.

   The differential figure would be about Rs. 40 Cr.

3. Finally, regulatory changes necessitated a change in accounting of A&SP which had been historically debited to toll manufacturing units is now grossed up in both Sales & A&SP. The quantum of the adjustment is Rs.34 Cr. in this quarter and Rs. 40 Cr. for the year.

For a fair comparison of the revenue growth, if one were to adjust the numbers as above, the effective sales value growth would be 23% as against the volume growth of 16% . Price increase accounted for about 4% of this value uplift (Revenue growth of 23% against volume of 16%) and the balance 3% comes from superior product mix.

We have obtained price increases during the year in the following important markets :

Uttar Pradesh, Andhra Pradesh, Delhi, Maharashtra, Kerala, Punjab, Canteen Stores Department, Madhya Pradesh, Assam and Chattisgarh.

COST OF GOODS :

1. The raw material price remained firm at around Rs.153/- per case during the first 2 months of the quarter and declined to about Rs.149/- per case in the month of March '10. This is against an average of Rs.136/- per case during the first two months of the corresponding quarter of the previous year while hardening to Rs.143/- per case in the month of March '09.

   It is important to note that the raw material prices have showed a further declining trend in the first 2 weeks of April '10 but one needs to wait before concluding about the sustainability of this downward trend.

2. The glass prices remained stable through the quarter except for the 2% increase on account of increase in excise duty levy post the Union Budget. However, this did not affect our consumption during the 4th quarter in view of the existing stock levels at various distilleries.

STAFF COST :

The staff cost remained consistent at 6.5% of the adjusted Net Sales Revenue during the quarter as compared to that of last year.

ADVERTISEMENT & SALES PROMOTION EXPENSES :

Advertisement & Sales Promotion expenses at Rs.149.84 cr. includes an adjustment of Rs.34 Cr. which was historically setoff against the economic surplus from toll manufacturing units.

Consequently, the comparable spend on A&SP is Rs.115 Cr. this quarter as against Rs. 80 Cr. in the previous year.

The 43% increase in Advertisement & Sales Promotion spends is mainly on account of the following :

1. Expenses relating to IPL which commenced in the month of March as opposed to the normal schedule in April / May resulting in a lot of promotional activities surrounding the IPL getting booked in this quarter.
2. Re-scheduling of the McDowell Derby in Mumbai in the month of February as against April last year which resulted in higher Advertisement & Sales Promotion expenditure during this quarter.

As a percentage of adjusted Net Sales Revenue, the Advertisement & Sales Promotion expenditure for the 4th quarter works out to 10% as against 8.8% of the corresponding quarter of last year.

In view of the increased growth levels around the Prestige and Regular segments, there is a pressure on 'Below the line spends' which typically drives the growth brands in this category. Therefore, it is expected that the 'Below the line spends' as a proportion of overall Advertisement & Sales Promotion expenses will tend to show an increase in the coming year.

This is also borne out of the fact that in high volume States like UP, Punjab & Haryana, there is a fair amount of consolidation of trade ownership which necessitates resorting to 'push strategy' to garner higher shelf space.

EBIDTA :

EBIDTA for the quarter ended 31st March '10 was at Rs.195.50 Cr. registering a growth of 22% over the corresponding quarter of last year.

Effective EBIDTA margin on adjusted Net Sales Revenue as detailed above was maintained at 17.5%.

INTEREST & FINANCE CHARGES :

Interest & Finance charges at Rs.102.20 Cr. registered an increase of 81% over the corresponding period of 2009 (Rs. 56.5 Cr). This increase is mainly on account of refinancing Dollar denominated debt raised for W&M acquisition and domiciled in the Overseas Subsidiaries with Indian Rupee debt during the early part of the 4th quarter (which also had an element of upfront fee of Rs. 13 Cr. which had to be charged off in the 4th quarter as per the Accounting Standards.) Increase in working capital to fund the growth of the business also contributed to the increase in interest cost.

PROFIT BEFORE TAX :

In view of higher interest charges, PBT showed a marginal decline at Rs.82.20 Cr. as against Rs.89.70 Cr. of the corresponding quarter of last year.

PROFIT AFTER TAX :

PAT for the quarter was at Rs.56.84 Cr. as against Rs.55.60 Cr. for the corresponding quarter in 2009 registering a growth of 2%.

UNITED SPIRITS LIMITED

For the year ended 31.03.2010 vs. for the year ended 31.03.2009

VOLUME :

USL achieved a landmark volume of 100 mio cases for the year ended 31st March 2010 and clocked a growth of 14% over its previous year's volume of 88.3 mio cases.

92% of the total volume was accounted for by the first line brands which registered a growth of 13% over 2009.

BRANDS :

Following brands registered very strong growths :

Key Brands	Growth
Black Dog Whisky	31%
Antiquity family	38%
Director Special Black	19%
White Mischief Vodka	15%
Celebration Rum	21%
No.1 Brandy	21%
McDowell Green Label	16%

Bagpiper Rum became the 20th 'Millionaire' brand from the USL stable during the current fiscal with sales passing the million case mark.

NET SALES REVENUE :

Net Sales Revenue for the year ended 31st March 2010 was at Rs.4,920 Cr. registering a growth of 20% as against volume growth of 14%.

Price increase accounted for 2.5% of the value uplift for the year and the balance 3.5% on account of better product mix.

COST OF GOODS :

1. Average raw material price per case for the year ended 31st March 2010 remained stable with a downward bias towards the end of the year.
2. Packaging material remained stable through the year.
3. As a result Gross Margin improved by 100 basis point to be at 46% of Net Sales Revenue for the current year as against 45% during the previous year.

STAFF COST :

Staff cost at Rs. 296.20 Cr. increased by 14% for the year but remained stable at 6% of the Net Sales Revenue.

ADVERTISEMENT & SALES PROMOTION EXPENSES :

Adjusted Advertisement & Sales Promotion expenses at Rs.401 Cr. (Rs. 40 Cr. adjusted towards A&SP expenses for the year on account of re-grouping of expenses / income from Contract Bottling units) increased by 16% and but remained stable at about 8.3% of Net Sales Revenue.

The year's A&SP expenditure includes TWO DERBY's and TWO IPLs due to timing difference in the schedule of the events.

EBIDTA :

EBIDTA for the year 2009 – 10 at Rs.845.70 Cr. registered a growth of 25% over the previous year.

EBIDTA as percentage of Net Sales Revenue improved to 17.2% as against 16.5% of the year 2008 – 09.

IMPUTED TURNOVER AND EBIDTA MARGIN

In view of the various adjustment in Net Sales Revenue arising due to the business exigencies, we feel it would be informative to disclose imputed turnover of USL net of duties and taxes (i.e. incorporating sales booked in toll manufacturing units).

Imputed Net Sales Revenue for the year 2009 – 10 was Rs.6,457 Cr. as against Rs.5,485 Cr. of the previous year registering a growth of 19.4%.

EBIDTA as percentage of imputed Net Sales Revenue for the current year 2009 – 10 works out to 12.9% showing an improvement of 16 basis points over the EBIDTA margin of the previous year which was at 12.3%.

Increased EBIDTA margins were achieved through bold price increases in free markets and increases obtained from Government controlled Beverage Corporations which more than helped to cover increase in material, selling and distribution and operational expenses.

INTEREST & FINANCE CHARGES :

Interest and Finance charges at Rs.311 Cr. registered an increase of 59% over the previous year.

As already stated above, increase was mainly on account of refinancing of Dollar denominated overseas debt with that of Indian Rupee debt as well as on account of increase in working capital outlay during the year to meet the growth in business.

However, on consolidated basis interest charges are lower by almost Rs.95 Cr. for the year 2009 – 10 compared to that of previous year.

The consolidated interest amount for the year including MTM charges on interest rate hedges on overseas loan was at Rs.624 Cr. as against Rs.718 Cr. of the previous year.

PROFIT BEFORE TAX :

PBT before non-recurring income of about Rs.70 Cr. on account of sale of Treasury stock in the month of June 2009 was at Rs.500.40 Cr. as against Rs.459 Cr. of last year registering a growth of 9%.

PROFIT AFTER TAX

PAT including the non-recurring income referred above for the year ended 31st March 2010 was Rs.397.50 Cr. as against Rs.296.70 Cr. of the previous year after an effective tax rate of 34.5%.

UNITED SPIRITS LIMITED

PROVISIONAL CONSOLIDATED NUMBERS

For the year ended 31st March 2010

NET SALES REVENUE :

Consolidated Net Sales Revenue for the year ended March 2010 was at Rs.6,390 Cr. as against 5,468 Cr. of the previous year registering a growth of 17%.

EXCHANGE LOSS

USL had exercised the option under Paragraph 46 of AS 11 retrospectively from 1st April 2007 in accounting for the effects of changes in Foreign Exchange rates.

As a result, about Rs.560 Cr. of Exchange difference was remaining to be amortized over the next two years.

In view of the full repayment of the Foreign Currency loan in the Overseas Subsidiary and the exchange rate differences arising at various points of repayment, the exchange loss to be recognized in the consolidated financial statement of 31.03.10 has reduced by an estimated Rs. 305 Cr. to Rs.255 Cr. of which Rs.210 Cr. will be accounted this year and Rs. 45 Cr. carried forward to next year.

DEBT PROFILE

The Consolidated Net Debt Profile of USL as of 31.03.10 stands at :

a) Term Loan	:	Rs. 1,735 cr.
b) Working Capital Line of Credit	:	Rs. 610 cr.
c) Public Deposit	:	Rs. 220 cr.
d) W&M acquisition loan without recourse	:	Rs. 2,185 cr.
Total	:	**Rs.4,750 cr.**

Consolidated Gearing Ratio as at 31.03.2010	:	1.26
At the end of 31.03.2009, it was	:	2.90
Debt as a multiple of EBIDTA on 31.03.2010	:	4.10
Debt as a multiple of EBIDTA on 31.03.2009	:	6.40

The above calculations have not considered the value of 8.4 mio shares held as Treasury stock by USL Benefit Trust and wholly owned Subsidiary of USL which is valued at approx. Rs. 1,050 Cr. at current market price.

WHYTE AND MACKAY

For the year ended 31st March 2010

W&M recorded a net sale of about £ 177 mio as against £ 176 in the previous year.

EBIDTA (before restructuring costs) was £ 57.7 mio as against £ 56.5 mio in the previous year.

PBT was at £ 29 mio as against £ 31.7 mio in the previous year. The drop in PBT was mainly on account of restructuring cost in which redundancy and termination payments accounted for £ 4 mio.

The EBIDTA margin to Net Sales Revenue was at 32.6% during the year ended 31.03.10 as against 32.1% in the previous year.

The Contribution margin (NSR less COGS less strategic marketing expenses) remained at 39.5% of Net Sales Revenue.

SCOTCH INVENTORY – STATUS :

As of 31.03.10, W&M had 99.02 mio litres of alcohol which was valued at £ 411 mio.

As of May '07, the Company had 119.5 mio litres of alcohol which was valued at £ 364 mio which works out to £ 3.05 per OLA.

As of March '09, the Company had 93.4 mio litres of alcohol which was valued at £ 382 mio which works out to £ 4.09 per OLA.

As of March '10, the Company had 99 mio litres of alcohol which was valued at £ 411 mio which works out to £ 4.15 per OLA.

There has been a value uplift of 36% in the average value of Scotch inventory where as intrinsic the value uplift was much more because of higher aged liquid having been sold over the last four year through the Diageo contract.

WINES BUSINESS

For the year ended 31st March 2010

The state of the art and India's largest Winery at Baramati has commenced commercial production during the current year.

Wines Division sold about 44,000 cases during the year 2009 – 10 with a net sale revenue of Rs.12.8 cr.

Wines Division launched Zinzi and Four Seasons range and currently the Wines business is on an investment mode.

During the year under review, advertisement & sales promotion expenses were about Rs.8 cr. and a net loss of about Rs.7 cr.

The plan is to scale up the operations over the next 2 – 3 years so as to capture atleast 12% of the market share in the next couple of years.