UNITED SPIRITS

Ref: bm120120

January 20, 2012

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 December 31, 2011.

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 December 31, 2011. 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 and placed at the said Board Meeting is enclosed herewith for your records.

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

We also enclose a Press Release being issued in this regard.

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

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

Unaudited Financial Results (Provisional) for the three months ended December 31, 2011

Rs. Lakhs

	Unaudited					Audited
	3 Months Ended December 31,	Previous 3 Months Ended September 30,	3 Months Ended December 31,	9 Months Ended December 31		Year Ended March 31
	2011	2011	2010	2011	2010	2011
1 Sales/Income from Operations	415,027	376,303	408,865	1,202,020	963,253	1,283,660
Less: Excise duty	219,633	197,241	212,855	634,022	485,529	646,771
(a) Net Sales/Income from Operations	195,394	179,062	196,010	567,998	477,724	636,889
(b) Other Operating Income	1,340	7,569	930	9,816	2,829	4,919
Total Income	**196,734**	**186,631**	**196,940**	**577,814**	**480,553**	**641,608**
2 Expenditure						
a) (Inc)/Dec in stock in trade	(6,973)	(4,765)	(5,199)	(10,837)	(11,594)	(27,733)
b) Consumption of Raw Materials	58,396	49,614	50,481	156,284	116,173	167,235
c) Purchase of Traded Goods	22,123	19,466	21,885	65,023	56,772	76,249
d) Consumption of Other Materials	45,393	40,104	48,546	128,396	106,334	143,702
e) Employee Cost	11,917	10,464	10,744	32,033	26,620	36,471
f) Depreciation	1,549	1,517	1,258	4,336	3,214	4,775
g) Other expenditure						
i) Advertisement & Sales Promotion	21,672	16,860	19,399	53,566	48,878	67,051
ii) Others	24,177	21,720	22,545	66,215	56,914	77,566
h) Total	178,254	154,981	169,659	495,016	403,311	545,316
3 **Profit from Operations before Other Income, Interest & Exceptional Items (1-2)**	**18,480**	**31,650**	**27,281**	**82,798**	**77,242**	**96,492**
4 a) Other Income	383	4	213	367	214	523
b) Exchange Difference - Gain/(Loss)	2,335	3,944	(1,302)	6,361	(2,230)	(2,257)
5 **Profit before Interest & Exceptional Items (3+4)**	**21,178**	**35,598**	**26,192**	**89,526**	**75,226**	**94,758**
6 Interest / Finance Charges (Net of Income)	13,921	12,414	10,382	38,608	29,862	40,279
7 **Profit after Interest but before Exceptional Item (5-6)**	**7,257**	**23,184**	**15,810**	**50,918**	**45,364**	**54,479**
8 Exceptional Items-(Expense)/Income (Note 4)	(198)	(1,091)	3,884	(1,289)	3,884	3,684
9 Profit(+)/Loss (-) from ordinary Activities (7 + 8)	**7,059**	**22,093**	**19,494**	**49,629**	**49,048**	**58,163**
10 Tax Expense						
Current Tax	3,350	7,630	3,152	17,850	13,802	17,935
Deferred Tax Charge/ (Credit)	(997)	(336)	3,346	(1,498)	2,886	1,679
Fringe Benefit Tax	-	-	-	-	-	-
11 Net Profit(+)/ Loss(-) from Ordinary Activities after Tax(9-10)	**4,706**	**14,799**	**12,996**	**33,277**	**32,560**	**36,549**
12 Extraordinary Items (Net of tax expense)	-	-	-	-	-	-
13 Net Profit(+)/Loss(-) for the Period (11-12)	**4,706**	**14,799**	**12,996**	**33,277**	**32,560**	**38,549**
14 Paid-up Equity Share Capital (Face value Rs.10)	13,080	13,080	12,559	13,080	12,559	13,080
15 Reserves excluding Revaluation Reserves						496,197
16 **Earnings Per Share**						
a) EPS Basic - Rs/share (Not annualised)	**3.60**	**11.32**	**9.94**	**25.44**	**24.90**	**29.47**
b) EPS Diluted - Rs/share (Not annualised)	**3.60**	**11.32**	**9.94**	**25.44**	**24.90**	**29.47**
17 Public shareholding						
- No. of Shares	94,154,208	94,154,208	87,545,601	94,154,208	87,545,801	94,154,208
- Percentage of shareholding	71.99	71.99	69.71	71.99	69.71	71.99
18 Promoters and Promoter Group Shareholding						
a) Pledged/Encumbered						
- No. of Shares	33,509,407	32,845,407	34,664,577	33,509,407	34,664,577	32,069,407
- Percentage of shares (as a % of the total share capital of Promoter and Promoter Group)	91.45%	89.64%	94.64%	91.45%	94.64%	87.52%
- Percentage of shares (as a % of the total share capital of the Company)	25.62%	25.11%	27.60%	25.62%	27.60%	24.52%
b) Non -encumbered						
- No. of Shares	3,131,353	3,795,353	1,963,683	3,131,353	1,963,683	4,571,353
- Percentage of shares (as a % of the total share capital of Promoter and Promoter Group)	8.55%	10.36%	5.36%	8.55%	5.36%	12.48%
- Percentage of shares (as a % of the total share capital of the Company)	2.39%	2.90%	1.56%	2.39%	1.56%	3.50%

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended
December 31, 2011

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 Shareholders, at the Extraordinary General Meeting held on January 20, 2012, have approved the issue of Foreign Currency Convertible Bonds for an aggregate sum not exceeding USD 175 Million with a Green Shoe option of USD 50 Million.

3. a) During the quarter, Chennai Breweries Private Limited(CBPL), a wholly owned subsidiary of the Company was amalgamated with United Breweries Limited (UBL) effective November 12, 2011. In terms of the Scheme of Amalgamation, the Company was allotted 8,500,000 Equity shares of UBL for the shares held in CBPL.

   b) The figures for the quarter ended December 31, 2010 were after giving effect to the merger of Balaji Distilleries Limited (post transfer of the brewery division undertaking to its wholly owned subsidiary CBPL) ("Balaji") includes nine months results of Balaji and hence, are not comparable with current quarter ended December 31, 2011.

4. The Exceptional Item represents the provision made towards Water charges relating to prior years based on the legal pronouncement, received during the quarter.

5. Details of number of investor complaints for the quarter ended December 31, 2011: Opening: 3, Received: 27, Disposed off: 30, Pending: Nil.

6. The above unaudited results have been approved by the Board of Directors at their meeting held on January 20, 2012 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/-
ASHOK CAPOOR
Managing Director

Bangalore
January 20, 2012

Walker, Chandiok & Co

Limited Review Report

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India

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E BENGALURU@in.gt.com

The Board of Directors
United Spirits Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **United Spirits Limited** (the 'Company') for the quarter and nine months ended **31 December 2011**, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on this Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

WALKER CHANDIOK & CO.
BENGALURU
CHARTERED ACCOUNTANTS

4. The review of financial results for the corresponding period ended 31 December 2010 was carried out and reported on by Price Waterhouse, Chartered Accountants vide their unqualified review report dated 9 February 2011. Further, the statutory audit of the financial statements of the Company for the year ended 31 March 2011, and the limited review of financial results for the quarter ended 30 June 2011 was carried out and reported by Price Waterhouse, Chartered Accountants vide their unqualified audit report dated 3 August 2011 and unqualified review report dated 3 August 2011, respectively. Our report is not qualified in respect of this matter.

Walker, Chandiok & Co

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No: 001076N

WALKER CHANDIOK & CO. BENGALURU CHARTERED ACCOUNTANTS

per Aashish Arjun Singh
Partner
Membership No. 210122

Bengaluru
20 January 2012

UNITED SPIRITS LIMITED

Bangalore
January 20, 2012

PRESS RELEASE

RESULTS Q-3 FY12

The Board of Directors of United Spirits Limited at their meeting in Bangalore today, considered and approved the results of the Company for the October-December Quarter of fiscal 2012.

October - December	Q3 FY12
VOLUMES – USL INDIA (Million cases)	**30.5**
REVENUE - adjusted for Apr-Sept 2010 revenues of Balaji Distilleries included in Q3 FY11 post merger in Dec 2011 (₹ Crore)	**1,953.9**
Operational EBIDTA (₹ Crore)	**200.3**

ENA prices were up in Q-3 by 15% (translating to ₹21/case). Sales during the Quarter were affected by two major developments; one issue related to orders for the Company's products in **Tamil Nadu** that were hampered by a sustained campaign to promote sales of local brands from certain distilleries at the cost of recognized market-leader brands of USL, **resulting in a volume loss to USL of over 1.5 million cases in Q-3 alone**. However, post the revision in the ordering pattern, the situation in Tamil Nadu is improving with both orders and sales trending significantly upwards in January.

The other issue was the sharp **increase in Excise Duty and Sales Tax in West Bengal** that **pushed up End Consumer Prices by 45%** resulting in **Industry volumes dropping by 48% during the Quarter** over the comparable period of the previous fiscal. At the end of the quarter, the Company has launched strategically priced new packs as a corrective measure; these have found huge consumer acceptance. The sharp increase in duties in this state have led to infiltration of cheaper stocks from contiguous states apart from illicit unhygienic distillation affecting the lives of consumers.

As a consequence of these factors that adversely affected business, USL sales volumes during Q-3 were at 30.51 million cases (PY 30.30 million cases). When adjusted for the Tamil Nadu imbroglio, overall sales volumes were up 6%. **In markets other than TN and West Bengal, sales volumes grew 10% during the quarter.**

Sales revenues as reported were at ₹ 1,953.9 crore (PY ₹ 1,960.1 crore). However the reported figures for Q-3 of FY11 included the Apr-Dec'10 results of Balaji Distilleries Limited along with the Oct-Dec'10 figures for USL as the merger of BDL with USL was approved in that quarter. When sales revenues are readjusted to reflect the relevant quarter's sales, Sales Revenue for Q-3 is up 13% (₹240.8 crore).

Sales of the Company's brands in the Premium and Prestige categories during Q-3 grew 7% to 6.95 million cases (PY 6.51 million cases). Adjusted for the unique situation in Tamil Nadu and West Bengal, this would have been a 16% growth.

April-December	FY12
Volumes – USL INDIA (Million Cases)	**89.9**
REVENUE (₹ Crore)	**5,679.97**
Operational EBIDTA (₹ Crore)	**871.3**

For the April-December 2011 period, overall **Sales volumes have registered a growth of 12% and stand at 89.94 million cases** (PY 83.49 million cases).

Revenues are up almost 19% and are at ₹5,680 crore (PY ₹4,777.3 crore) thereby further reinforcing the continuing premiumization story. Black Dog Scotch volumes are up 26% having crossed last year's annual volumes in 9 months of the current fiscal. India's most expensive IMFL brand, Antiquity Blue Whisky, grew 39% while premium whiskies Royal Challenge and Signature grew by 18% and 16% respectively. No.1 McDowell's Platinum Whisky, last year's addition to the 'Millionaires Club' in its year of launch, has registered a phenomenal growth of 58%. This year, McDowell's VSOP Brandy, a prestige brandy offering is the new (and **USL's 23rd) entrant to the 'Millionaires Club'** having crossed a million cases in only its second year of launch and that too notwithstanding the setback to USL in Tamil Nadu, India's largest brandy market.

Spirit costs have started dropping in January'12 with the produce of the delayed crushing season arriving in the market; however these were **up during the Quarter by 15% (translating to approx. ₹21/case)** over both the comparable quarter and the average rate of the previous fiscal. While the prices of this essential raw material have taken a quantum step-up from the rates in the previous year as a result of multiple factors including sanction by some states to export spirit overseas, the increasing supplies of Ethanol to the Oil Marketing Companies at very profitable prices for the distillers and supply disruptions in states like UP and Karnataka etc., **currently** rates **are down 6% (₹10/case)**.

All the Company's investments in ensuring supply side security on the ENA front (Pioneer Distilleries-Maharashtra, Sovereign Distilleries-Karnataka and Tern Distilleries–Andhra Pradesh) are operational and are helping to contain cost increases of this very important input for the Company.

The results for the comparable quarter of FY11 did not have the impact of a 7% rate increase granted to glass bottle suppliers in February 2011.

During the Quarter under review, the Company extended the rollout of two new brands in the Premium segment and one new variant in the Prestige segment. Signature Premier Whisky (a super-premium offering from the millionaire Signature

Rare Whisky family), a blend of 8-year old Scotch and Indian malts created by Whyte & Mackay's master blender Richard Paterson, was rolled out to all key premium whisky markets and has notched up a healthy six-figure sales volume – an indication of how well it has been received by the trade and by consumers. Similarly, Vladivar Vodka, a Premium Vodka offering from the Whyte and Mackay stable, has been rolled out in key markets to very enthusiastic response from customers. Combo-flavors of the best-selling White Mischief Vodka are also being rolled out nationally. **As was indicated in the commentary on the Q-2 results, one-time advertising and sales promotion expenses for the launch and rollout of these brands amounting to ₹26cr have been included in the results of the current Quarter and this has resulted in the increase of promotional spends during Q-3 by 200 basis points.**

During the quarter, the Company progressively increased its shareholding in the Karnataka based Sovereign Distilleries Ltd, an unlisted primary distillation Company with a 180 Kilo Liters Per Day facility using both molasses and grain as input substrates. USL's shareholding in SDL as on date stands at over 99% of the equity capital.

Interest costs in the current quarter stood at ₹139.2 crore vis-à-vis ₹103.8 crore for the corresponding quarter of the previous fiscal. On a consolidated basis, interest costs for the 9-month period increased to ₹ 565.2 crore against ₹ 362.5 crore for the corresponding period. This increase is substantially driven by higher cost of interest owing to repeated increases in interest rates as also increased debt for working capital and capital expenditure to finance business growth.

The Company has initiated steps to issue **Foreign Currency Convertible Bonds** of US $ 175 million with a green shoe option of up to an additional US $ 50 million. This will go to paying down the foreign currency debt and to finance capital expenditure aimed at reducing costs on the supply side through increased multi-substrate distillation capacity and investment in a glass container plant. Through the proceeds of the FCCB issue, the Company envisages a reduction in interest costs by at least 200 basis points from current levels. At an Extraordinary General

Meeting of Shareholders held earlier today, the Company was accorded approval by the shareholders to proceed with the issue.

The Emerging Markets Division of the Company has tied up arrangements to open up four new markets in the African and Asian continents. Henceforth, this Division will manage sales of IMFL brands from USL and of the W&M brands to these markets.

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