



UNITED SPIRITS

Ref: bm121109

November 9, 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 September 30, 2012.**

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 September 30, 2012. We forward herewith a copy thereof along with 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 enclose a Press Release 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

Registered Office : 'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001, India.
Tel : 91-80 3985 6500, 2221 0705, Fax : 91-80 3985 6862, 3985 6959, 3985 6607

www.unitedspirits.in



UNITED SPIRITS LIMITED

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

(Rs. in Lakhs)

Part I: Statement of Standalone Unaudited Results for the Quarter and six months ended September 30, 2012

Particulars	Unaudited					Audited
	3 months ended	Preceding 3 months ended	Corresponding 3 months ended	Year to date figures for current period ended	Year to date figures for previous period ended	Previous year ended
	30-Sep-12	30-Jun-12	30-Sep-11	30-Sep-12	30-Sep-11	31-Mar-12
1 Income from operations	447,768	470,352	376,303	918,120	786,993	1,604,643
Less: Excise duty	225,698	264,623	197,241	490,322	414,389	850,376
(a) Net sales/income from operations	222,070	205,729	179,062	427,798	372,604	754,267
(b) Other operating income	1,607	1,557	7,569	3,185	8,476	11,721
Total Income from operations (net)	223,677	207,286	186,631	430,983	381,080	765,988
2 Expenses:						
a) Cost of materials consumed	106,790	97,158	89,719	203,946	180,891	384,458
b) Purchase of stock-in-trade	11,137	17,820	19,486	28,956	42,900	85,927
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23,841	5,928	(4,765)	29,767	(3,864)	(17,982)
d) Employee benefits expense	11,582	10,901	10,484	22,483	20,116	42,101
e) Depreciation and amortisation expense	1,880	1,823	1,517	3,503	2,787	6,085
f) Other expenses:						
i) Advertisement & Sales Promotion	17,207	17,136	16,880	34,343	31,894	74,458
ii) Others	26,199	23,292	21,720	49,491	42,038	90,384
Total Expenses	198,636	173,854	154,981	372,489	316,762	685,431
3 Profit/(Loss) from Operations before other income, finance costs and exceptional items (1-2)	25,041	33,432	31,650	58,474	64,318	100,557
4 a) Other Income	1,308	1,062	2,007	2,369	2,754	6,038
b) Exchange Difference - Gain/(Loss)	(3,395)	3,447	3,944	52	4,026	4,308
5 Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	22,952	37,941	37,601	60,895	71,098	110,903
6 Finance costs	17,004	16,556	14,417	33,580	27,437	59,435
7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)	5,948	21,385	23,184	27,335	43,661	51,468
8 Exceptional items - (expense) / Income	-	-	(1,091)	-	(1,091)	(1,082)
9 Profit/(Loss) from ordinary activities before tax (7 + 8)	5,948	21,385	22,093	27,335	42,570	50,386
10 Tax Expense:						
Current tax	2,739	7,361	7,830	10,100	14,500	16,950
Deferred tax charge/ (credit)	(718)	(471)	(336)	(1,188)	(501)	(840)
11 Net Profit/(Loss) from ordinary activities after tax (9-10)	3,927	14,495	14,799	18,423	28,571	34,276
12 Extraordinary items (Net of tax expense)	-	-	-	-	-	-
13 Net Profit/(Loss) for the period (11-12)	3,927	14,495	14,799	18,423	28,571	34,276
14 Paid-up equity share capital (Face value ₹10)	13,080	13,080	13,080	13,080	13,080	13,080
15 Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year						573,669
16 Earnings per share of ₹ 10 each (not annualised):						
a) Basic	3.00	11.08	11.32	14.09	21.84	26.21
b) Diluted	3.00	11.08	11.32	14.09	21.84	26.21

Part II: Select information for the Quarter and six months ended September 30, 2012

A. Particulars of Shareholding	30-Sep-12	30-Jun-12	30-Sep-11	30-Sep-12	30-Sep-11	31-Mar-12
1 Public shareholding	94,458,736	94,458,736	94,154,208	94,458,736	94,154,208	94,458,736
- Number of Shares	72.22%	72.22%	71.30%	72.22%	71.30%	72.22%
- Percentage of shareholding						
2 Promoters and Promoter Group Shareholding:						
a) Pledged / Encumbered						
- Number of Shares	35,592,879	35,592,879	32,845,407	35,592,879	32,845,407	34,307,879
- Percentage of shares	97.95%	97.95%	89.64%	97.95%	89.64%	94.42%
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	27.21%	27.21%	25.11%	27.21%	25.11%	26.23%
(as a % of the total share capital of the Company)						
b) Non -encumbered						
- Number of Shares	743,353	743,353	3,795,353	743,353	3,795,353	2,028,353
- Percentage of shares	2.05%	2.05%	10.36%	2.05%	10.36%	5.58%
(as a % of the total shareholding of promoter and promoter group)						
- Percentage of shares	0.57%	0.57%	2.90%	0.57%	2.90%	1.55%
(as a % of the total share capital of the Company)						
B. Investor Complaints						
Pending at the beginning of the quarter						Nil
Received during the quarter						21
Disposed of during the quarter						21
Remaining unresolved at the end of the quarter						Nil



UNITED SPIRITS LIMITED
 'UB Tower', # 24, Vittal Maliya Road, Bangalore - 560 001

Standalone Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	Unaudited	Audited
	As at current half year end 30-Sep-12	As at previous year end 31-Mar-12
A. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	13,080	13,080
(b) Reserves and Surplus	608,502	574,769
Sub-total - Shareholders funds	621,582	587,849
2. Non-current Liabilities		
(a) Long term borrowings	115,139	139,919
(b) Other Long-term liabilities	7,684	2,002
(c) Long term provisions	4,061	3,880
Sub-total - Non-current liabilities	126,884	145,801
3. Current Liabilities		
(a) Short-term borrowings	213,848	204,565
(b) Trade Payables	154,955	146,753
(c) Other Current Liabilities	123,485	118,083
(d) Short-term provisions	9,269	7,122
Sub-total - Current liabilities	501,557	476,523
Total - Equity and Liabilities	1,250,023	1,210,173
B. ASSETS		
1. Non-current Assets		
(a) Fixed Assets	119,193	118,255
(b) Non Current Investments	161,873	161,044
(c) Deferred Tax Assets (net)	4,056	2,868
(d) Long term Loans and advances	548,526	537,656
(e) Other Non Current Assets	337	600
Sub-total - Non-current assets	833,985	820,423
2. Current Assets		
(a) Current investments	523	1,888
(b) Inventories	119,779	145,224
(c) Trade Receivables	166,969	128,280
(d) Cash and Bank balance	23,872	27,770
(e) Short term Loans and Advances	104,882	86,575
(f) Other Current Assets	13	13
Sub-total - Current assets	416,038	389,750
Total - Assets	1,250,023	1,210,173

United Spirits Limited
Unaudited Financial Results (Provisional) for the three months ended September 30,
2012

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. At the Annual General Meeting held on 25th September, 2012, a dividend of Rs.2.50/- per share on the equity shares of the Company for the year ended March 31, 2012, was approved by the shareholders, which has since been paid to all the eligible shareholders.
3. The Net worth of subsidiaries of the Company viz., Pioneer Distilleries Limited, Sovereign Distilleries Limited and Tern Distilleries Private Limited has been fully eroded. The respective subsidiaries has made reference to the Board for Industrial and Financial Reconstruction (BIFR) in compliance with Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985.
4. Subsequent to the quarter, McDowell Beverages Limited, United Alcobev Limited, McDowell & Company Limited, United Vintners Limited, Jasmine Flavours and Fragrance Private Limited, Daffodils Flavours & Fragrance Private Limited, Ramanreti Investment & Trading Limited and BDL Distilleries Private Limited have ceased to be subsidiaries of the Company.
5. Subsequent to the quarter, to meet the minimum public shareholding requirement, the Company, pursuant to clause 5(b) of the SEBI Circular no. CIR/MRD/DP/18/2012 dated July 18, 2012 offered for sale 935,982 equity shares aggregating to 6.99% of the paid up equity capital of the Pioneer Distilleries Limited (PDL), a subsidiary of the Company. The Company received and accepted bids for 55,100 equity shares aggregating to 0.41% of the paid up equity capital of PDL.
6. Figures for the previous periods are reclassified / re-arranged / re-grouped, wherever necessary, as per the format revised by SEBI in conformity with the amended Schedule VI to the Companies Act, 1956.
7. The above unaudited results were taken on record at the meeting of the Board of Directors held on November 9, 2012.

By authority of the Board

Sd/-
ASHOK CAPOOR
MANAGING DIRECTOR

London
November 9, 2012

Walker, Chandniok & Co

Limited Review Report

"WINGS", First Floor
16/1, Cambridge Road
Ulsoor, Bengaluru 560008
India

The Board of Directors
United Spirits Limited

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1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of United Spirits Limited (the 'Company') for the quarter and six months ended 30 September 2012, 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, Chandniok & Co
For Walker, Chandniok & Co
Chartered Accountants
Firm Registration No: 001076N

Aashish Arjun Singh
per Aashish Arjun Singh
Partner
Membership No. 210122

London
9 November 2012





UNITED SPIRITS LIMITED

London
November 9, 2012

PRESS RELEASE

Q-2 FY13 RESULTS

**REVENUES UP Rs. 430 Crore to Rs.2,221 Crore
EBIDTA moves up by Rs. 3 Crore to Rs.269 Crore)**

Q2 FY12	July - September	Q2 FY13	
28.7	VOLUMES (Million cases)	28.4	(0.28 mio) ↓ 1%
1,790.6	REVENUE (Rs. Crore)	2,220.7	+ 430.1 Cr ↑ 24%
266.53*	Operational EBIDTA (Rs. Crore)	269.21	+2.7 Cr ↑ 1%

***net of one time income of Rs. 65.15 Crore**

The Board of Directors of United Spirits Limited approved the unaudited financial results for the July-September quarter of fiscal 2013 at their meeting in London this morning.

Sales Revenues were up 24% and stood at Rs. 2,220.7 Crore, an increase of Rs. 430.1 Crore over the comparable quarter of the previous year (Rs. 1,790.6 Crore). Excess Bulk spirit stocks were sold for Rs. 314.7 crore – were this one-time sale eliminated from the Sales Value, NSR growth would be 6% for the quarter. Sales Volumes were flat and stood at 28.4 million cases for the quarter (PY 28.7 million cases). What is heartening, however, is the growth in what the Industry refers to as Prestige and Above brands or the Premium segments which grew sharply for USL by 14% and stood at just under 7.4 million cases – an increase of 0.91 million cases over the comparable quarter of the previous fiscal. During H-1 of FY13 this upper end of the portfolio grew 16% over the comparable period.

The key markets of Tamil Nadu & West Bengal continued to dampen USL's performance during the quarter. Despite USL products in Tamil Nadu flying off the shelves whenever they

are available, an artificially imposed constraint on USL volumes against the tide of consumer demand for the Company's brands in that state, saw USL output being restricted to about 70% of its capacity. This artificial embargo restricts consumer demand from being satisfied in full and consumers in the state have to make do with brands that were never their first choice. Things have partially improved the position during from H-2 of the last fiscal, nevertheless USL is nowhere close to utilizing its full capacity.

The West Bengal market is slowly coming to terms with the sharp increase in duties and taxes imposed by the State Govt. at the end of Q2 of the previous fiscal which saw volumes dropping by as much as 50% in the immediately following quarter and by 20% each in Q4 of FY12 and Q1 of FY13. In the quarter just ended, volumes of both USL and the Industry are down 3%.

Spirit costs during the quarter are up approximately Rs. 2.25/case from the average of FY12 and about Rs. 6.25/case up from Q-2 of the previous fiscal, an adverse impact of Rs. 17 Crore for the quarter alone. However, unless State Governments intervene in the process of trading in molasses and spirit, we expect that spirit prices will be benign in the rest of the current fiscal, post the commencement of the crushing season this month.

Despite the adverse impact of the above, EBIDTA margin is up approximately 150 basis points over the average of FY12 (computed without the one-time income referred to earlier). This increase is a manifestation of the premiumization efforts of the Company reflected in the 14% growth in the Prestige & Above segment and the price increases taken at varying points during FY12 and during the current fiscal. Revenue enhancement measures continue to be a combination of increase in billing prices, the introduction of higher priced alternate brands and cuts in trade spends.

Leading brands of the Company - McDowell's No.1 & Royal Challenge registered healthy growths of 16% & 23% for the half year. While the Black Dog Scotch Whisky range grew by 19%. Other brands in the Prestige & Above Segment also registered healthy growth vis-à-vis the previous fiscal as a result of which the upper end of the USL product portfolio grew 14% during the quarter and 16% during the half year.

Interest costs are up to Rs. 170.04 Crore (PY Rs. 144.17 Crore) as a consequence of increased borrowings for working capital coupled with rate increases by lenders as directed

by RBI from time to time. *Ad hoc* borrowings, at higher interest rates, to fund the growth in business also accounted for this rise.

Profit before Tax is additionally impacted by a foreign exchange swing of Rs. 73.4 crore (comparable quarter of PY had an exchange gain of Rs. 39.4 crore as against a loss of Rs. 34.0 crore in the current quarter) – this is on account of shift in rupee-dollar/pound parity on loans to overseas subsidiary companies. However, on a consolidated basis, this impact has been negated.

As mentioned in earlier communication, the activities of the Emerging Markets Division are to be conducted through a wholly owned Singapore-based subsidiary of Whyte & Mackay Ltd., U.K. Sales through the Singapore company have commenced subsequent to the end of the quarter. Country specific teams have already been put in place in 4 identified markets to take the business activity forward.

