



UNITED SPIRITS LIMITED

**Bangalore
February 9, 2011**

PRESS RELEASE

RESULTS Q-3 FY11

PAT UP 34% (by `33 Cr to `129.9 Cr)

EBIDTA UP 23% (by `53 Cr to `285.4 Cr)

VOLUMES UP 14% (to 30.30 mio cases)

REVENUES UP 45% (by `611.4 Cr to `1,969 Cr)

Q3 FY10	October - December	Q3 FY11	
26.51	VOLUMES - USL INDIA (Million cases)	30.30	+3.79 mio ↑ 14%
1,358.0	REVENUE (` crore)	1,969.4	+ 611 Cr ↑ 45%
232.4	Operational EBIDTA (` crore)	285.4	+53 Cr ↑ 23%
232.4	Operational EBIDTA adjusted for brand investment spend (` crore)	305.4	+ 73Cr ↑ 31 %
96.9	Profit After Tax (` crore)	129.9	+ 33 Cr ↑ 34 %

The Board of Directors of United Spirits Limited approved the results for the October-December quarter of fiscal 2011 at their meeting in Bangalore today.

The merger of Balaji Distilleries Limited (BDL) with USL was given effect to in the quarter under review and hence the financial results for the quarter reflect the 9-month results of BDL therein.

Sales during the quarter were up 14% at 30.3 mio cases – an increase of nearly 3.8 mio cases over the comparable period of the previous fiscal. The published results reflect Revenue at `1,969 crore, up 45% from the `1,358 crore of the corresponding quarter of the previous fiscal. Adjusted for the impact of the Balaji merger, the Revenue growth of standalone USL would be 21.5%, on a volume growth of 14%, reflecting the continuing success of the premiumisation focus of the Company.

EBIDTA at `285.4 crore represents a 23% (`53 crore) increase over the comparable period of the previous fiscal. Adjusted for the launch expenses of McDowell's Platinum Whisky and McDowell's VSOP Brandy of `20 crore, operational EBIDTA would effectively stand at `305 crore, a growth of 31% over the corresponding period of the last fiscal.

Despite the incorporation of BDL results into the results of the current quarter, EBIDTA margin to net Sales has been maintained at the FY10 rate of 16.5%.

Spirit costs during the quarter were down 6% over the corresponding quarter of the previous fiscal – however, they were up 3.5% over Q2. These costs are expected to come down marginally in the last quarter of the current fiscal.

McDowell's No.1 Platinum Whisky is well on its way to becoming a 'Millionaire' brand in its year of launch – a first for any alcobev brand in this segment. McDowell's VSOP Brandy, a niche offering, is also being rolled out to various states. Black Dog Scotch Whisky's premium 18-Year Old offering is also being taken national by the Company. The promotional expenses of approx. `20 crore on these brands are included under the A&SP head in the current quarter's financial results.

At the end of Q3 of FY10, rupee debt in USL replaced the W&M acquisition debt in USL's foreign subsidiary. As a consequence, interest charges in the current quarter are up 38% and are at `103.8 crore vis-à-vis `75 crore in the same quarter last year. Higher working capital debt to finance the business growth is also another reason for this increase.

On consolidation of the accounts of USL and its subsidiaries, interest costs are however down to `362.5 crore from `431.2 crore in the corresponding 9-month period of the previous fiscal.

USL's key brands, particularly at the upper end of the price ladder, continue to register healthy growth in both volume and value.

The current quarter results at the PBT and PAT levels reflect a non-recurring income of `37 crore, primarily due to the availment of the Samadhan Scheme of the Govt. of Tamil Nadu in respect of the sales tax liability of BDL. The previous year's 9-monthly results had reflected a `70 crore non-recurring income from sales of treasure stock.

A comparison of the 9-month results of FY11 and FY10 shows an increase in EBIDTA of `154 crore (+ 24%) on a revenue growth of 30% (`112 crore)

9-MONTH FY10	April - December	9-MONTH FY11	
74.6	VOLUMES – USL INDIA (Million cases)	83.5	+8.9 mio ↑ 12%
3,693.6	REVENUE (` Crore)	4,805.5	+1,112 Cr ↑ 30%
650.2	Operational EBIDTA (` Crore)	804	+154 Cr ↑ 24%
650.2	Operational EBIDTA adjusted for brand investment spend (` crore)	849	+199 Cr ↑ 31%

During the 9 months of FY11, **Whyte & Mackay** registered an EBIDTA of £22.53 million against £52.87 for the corresponding period of the previous year. The drop reflects the de-emphasizing of the bulk sale business which delivered an EBIDTA of £30.5 million in the 9-month period of the previous fiscal.

Bouvet Ladubay, USL's wine making subsidiary in France has reported a 24% growth in sales which are now at €15.73 million (€12.70 million) for the comparable period in the previous year. EBIDTA is up at €2.28 million compared to €1.82 million for the previous fiscal and stands at 14% of sales.

