UNITED SPIRITS LIMITED

Bangalore
May 15, 2013

PRESS RELEASE

AUDITED RESULTS 2012-13

Results Summary:

Q-IV of FY13

- **11% net sales revenue growth with 4% volume growth**
- **30% growth in the strategic Prestige & Above brands**
- **100 basis points improvement in Margin (EBIDTA/Revenue)**
- **21% growth in operational EBIDTA (up by ₹41 cr.)**
- **460% growth in PAT (up by ₹46 cr.)**

FY13 (April 2012-March 2013)

- **12.8% net sales revenue growth with 3% volume growth**
- **21% growth in the strategic Prestige & Above brands, on top of a 19% growth in FY12**
- **6% growth in operational EBIDTA (up by ₹64 cr.)**

The Board of Directors of United Spirits Limited at their meeting in Bangalore today, considered and approved the unaudited results for Q-IV of fiscal 2013 and the audited results of the Company for fiscal 2013.

The results of the Company for Q-IV are as follows:

FY12	January-March	FY13	
30.2	Volumes – USL INDIA (Million Cases)	31.4	+ 1.13 million ⬆ 4%
1,862.69	REVENUE (₹Crore)	2,057.69	+195 Cr ⬆ 11%
195.09	Operational EBIDTA (₹Crore)	236.09	+41 Cr ⬆ 21%
10.01	Profit After Tax	56.01	+46Cr ⬆ 460%

During the last quarter of fiscal 2013 the strategic brands of the Company grew 30% and added 1.7 million cases. The entire portfolio grew 4% during the quarter.

During fiscal 2013 the strategic brands grew 21% and the annual volumes stopped just short of 29 million cases representing nearly a quarter of Company's overall volumes. On a comparable basis for fiscal 2012, these brands represented 22% of the overall volumes.

During the last quarter of fiscal 2013, USL was successful in obtaining revenue enhancing opportunities in Andhra Pradesh and Karnataka – these have been capitalized on and successfully implemented thereby enhancing profitability.

There is no good news on the Tamil Nadu front with the parastatal trade agency continuing to deny consumers their choice of USL's favorite brands in the fond hope that if the popular brands are not available on the shelves the brands from local vendors which are currently blocking the shelves, due to poor off-take will be bought by the consumers. USL Volumes in the state are down 15% this fiscal on top of a 22% drop in the previous year on account of these artificial restrictions placed on USL brands and capacity resulting in a loss of market share of 13%.

USL's clearly defined strategy to 'premiumize' its portfolio and move consumers up the value chain through the creation of new and variant brands which generate higher revenue and contributions has been in play for some time now. The above performance both on the volume and financial fronts is a consequence of this well thought out strategy. New introductions like the 'DietMate' range of Royal Challenge, No.1 McDowell's and Bagpiper, are all at a premium to the mother brands. Earlier introductions on the same lines e.g. Antiquity Blue, Signature Premier, No.1 McDowell's Platinum, McDowell's Cariba Rum and McDowell's VSOP Brandy are all premium versions of their respective mother brands.

A summary of the audited results for fiscal 2013 is as follows:

2011-12	**April-March**	**2012-13**	
120.2	**VOLUMES – USL INDIA (Million cases)**	**123.7**	**+3.5 million ⬆ 3%**
7,542.7	**REVENUE as Reported (₹Crore)**	**8,509.9**	**+967 Cr ⬆ 12.8%**
1,066.4	**Operational EBIDTA (₹Crore)**	**1,130.4**	**+64 Cr ⬆ 6%**

Spirit costs for the year are up by ₹3.4 per litre or ₹13.6 per case; for the quarter, they are up by ₹7.9 per case (nearly ₹2 per litre). The adverse impact of this is over ₹160 crore for the fiscal year and ₹25 crore for this quarter alone. Despite the output of the crushing season coming into the market in Q-IV, ENA costs did not come off their high during Q-IV and were down only marginally at the end of the year.

Interest costs for the quarter at ₹157.0 crore are down from the comparable figure of FY12 (₹166.3 crore) – the combined result of some repayments that were effected during the year and increased borrowing for operations as also higher rates.

During the quarter, the statutory authorities like the Reserve Bank of India, SEBI and the Competition Commission of India approved the acquisition of shares by Diageo in the Company. The process of such acquisition is underway and is expected to be completed in due course.

------◆◆◆◆◆------