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Web Upload of Q3 F14 results

BANGALORE February 12-13 2014

Highlights of the Business April – December '13

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- **Traditionally the Q-III is the best quarter for the business being the festive quarter. This year most FMCG companies have been reporting a slowing of business during the quarter. USL's case has been no different.**
- **USL's Prestige & Above segment has grown**
  - **12% in volume (15% in depletions) and 15% in imputed value during Q-III.**
  - **17% in volume (20% in depletions) &19% in imputed value during Apr-Dec.**
  - **Industry depletions were around 13% in volume terms – during Q-III and Apr-Dec.**
- **For Apr-Dec**
  - **Overall volumes were down 2% at 90.9 million cs (PY 92.3 million cs);**
  - **Imputed overall value was up 6%.**
  - **Industry growth has been flat at +0.7% during Q-III and during Apr-Dec.**
- **ENA costs continue to be a dampener**
  - **ENA costs for Q-III of F14 at ₹ 188.53 are ~ ₹ 24/case > the F13 average of ₹ 164.96**
  - **Compared to Q-III F13, ENA prices in Q-III F14 are**
    - **₹ 16/cs higher approx. - ₹ 50 Cr adverse impact in Q-III alone and ₹ 164 Cr impact during Apr-December**

Segment wise Volume and Value Performance

October '13 – December '13

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Segments	Volume (Million Cases)	USL Primary Growth %	Imputed NSV (₹ Crore)	
	Actual F14	FY14	FY14	Growth%
Scotch	0.1	(2%)	77	(3%)
Premium Whisky	1.4	20%	277	16%
Prestige & Above Whisky	8.1	13%	950	15%
Premium Others	0.2	35%	24	32%
Prestige Others	0.6	(8%)	44	(7%)
Prestige & Above Others	0.9	1%	68	4%
Total Prestige & Above	8.9	12%	1,019	15%
Regular & Below	22.5	(9%)	1,353	(3%)
USL	31.4	(3.7%)	2,372	4%

Segment-wise Volume and Value Performance
April'13 - December'13

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Segments	Volume (Million Cases)	USL Primary Growth %	Imputed NSV (₹ Crore)	
	Actual F14	F14	Actual F14	Growth %
Scotch	0.3	16%	199	14%
Premium Whisky	3.6	13%	708	12%
Prestige Whisky	18.4	19%	1,692	24%
Prestige & Above Whisky	22.3	18%	2,599	20%
Premium Others	0.6	33%	68	33%
Prestige Others	1.9	5%	132	5%
Prestige & Above	24.9	17%	2,799	19%
Regular & Below	66.0	(7%)	3,903	(2%)
USL	90.9	(2%)	6,702	6%

Actual ENA Consumption Rate

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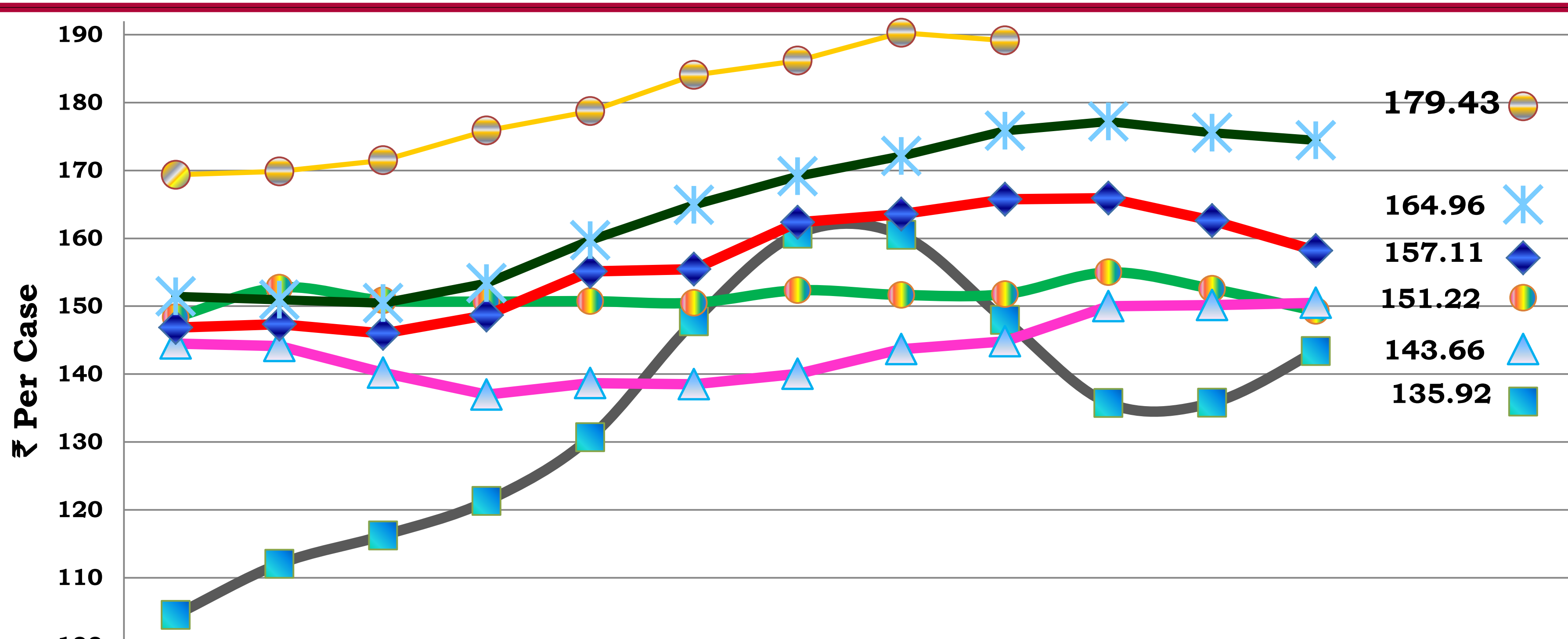

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	-	APR-MAR
FY 09	104.52	112.02	116.21	121.28	130.68	147.75	160.66	160.48	147.96	135.71	135.75	143.39		135.92
FY 10	148.37	152.74	150.86	150.68	150.74	150.50	152.34	151.66	151.78	154.98	152.55	149.28		151.22
FY 11	144.49	144.11	140.19	136.97	138.67	138.49	140.03	143.68	144.83	150.01	150.14	150.48		143.66
FY 12	146.85	147.36	145.98	148.69	155.14	155.45	162.38	163.55	165.75	165.93	162.62	158.17		157.11
FY 13	151.45	150.95	150.46	153.38	159.72	164.93	169.16	172.10	175.85	177.20	175.56	174.44		164.96
FY 14	169.36	169.86	171.49	175.88	178.72	184.06	186.18	190.29	189.16	188.96				179.43

	Q1	*Q2*	*Q3*	*Q4*
Avg FY 11	142.83	137.92	142.98	150.21
Avg FY 12	146.73	153.09	163.97	162.19
Avg FY 13	150.76	159.18	172.58	175.75
Avg FY 14	170.28	179.54	188.53	-

Apr-Dec F12 – 161.19
Apr-Dec F13 – 179.43

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Financials

April 13 to December 13

USL – Q3 F14

un-Audited Financial Results

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Sl. No.	₹ Crore	Un Audited						Audited	
		Three months ended December 31st				Previous 3 month ended Sep 30th		Year ended March 31st	
		December 31 2013	% NSR	December 31 2012	% NSR	September 30 2013	% NSR	March 31 2013	% NSR
1	Net Sales /Income	2,309		2,203		2,058		8,607	
	Growth%	*5%*		*18%*				*12.4%*	
2	C O G S	1,400	60.6%	1,294	58.8%	1,220	59.3%	5,164	60.0%
3	Gross Margin	909	39.4%	908	41.2%	837	40.7%	3,443	40.0%
4	Staff Cost	155	6.7%	130	5.9%	134	6.5%	476	5.5%
5	Advertising & Sales Promotion	234	10.1%	223	10.1%	211	10.3%	778	9.0%
6	Other Overheads	298	12.9%	281	12.8%	268	13.0%	1,058	12.3%
7	E B I D T A	222	9.6%	275	12.5%	224	10.9%	1,130	13.1%
	Growth%	*-19%*		*-17%*				*6%*	
8	Exch.Diff Gain/(Loss) / Oth. Income	43	1.9%	32	1.5%	70	3.4%	103	1.2%
9	Interest	150	6.5%	164	7.4%	136	6.6%	656	7.6%
10	Depreciation	18	0.8%	17	0.8%	17	0.8%	72	0.8%
11	PBT before exceptional item	96	4.2%	126	5.7%	141	6.9%	506	5.9%
12	Exceptional items	0	0.0%	0	0.0%	0	0.0%	(22)	-0.3%
13	P B T	96	4.2%	126	5.7%	141	6.9%	484	5.6%
	Growth%	*-24%*		*-43%*				*-4%*	
14	Tax	31	1.4%	45	2.1%	47	2.3%	163	1.9%
15	P A T	65	2.8%	81	3.7%	94.3	4.6%	321	3.7%
	Growth%	*-19%*		*-46%*				*-7%*	

USL – Nine Months ended December 31st

un-Audited Financial Results

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	₹ Crore	Un Audited					Audited	
		Nine months ended December 31st					Year ended March 31st	
		Apr- Dec 2013	% NSR	Apr - Dec 2012	% NSR	% NSR w/o Bulk sale	March 31 2013	% NSR
1	Net Sales /Income	6,573		6,512			8,607	
	Growth% / # Normalised %	*0.9% / +6.0%*		*13%*			*12.4%*	
2	C O G S	3,920	59.6%	3,921	60.2%	58.8%	5,164	60.0%
3	Gross Margin	2,654	40.4%	2,591	39.8%	41.2%	3,443	40.0%
4	Staff Cost	418	6.4%	355	5.4%	5.7%	476	5.5%
5	Advertising & Sales Promotion	656	10.0%	566	8.7%	9.1%	778	9.0%
6	Other Overheads	840	12.8%	776	11.9%	12.2%	1,058	12.3%
7	E B I D T A	739	11.2%	894	13.7%	14.1%	1,130	13.1%
	Growth% / # Normalised %	*-17.4% / -15.4%*		*3%*			*6.0%*	
8	Exch.Diff Gain/(Loss) / Oth. Income	176	2.7%	56	0.9%	0.9%	103	1.2%
9	Interest	446	6.8%	499	7.7%	8.1%	656	7.6%
10	Depreciation	55	0.8%	52	0.8%	0.8%	72	0.8%
11	PBT before exceptional item	415	6.3%	399	6.1%	6.1%	506	5.9%
12	Exceptional items	0	0.0%	0	0.0%	0.0%	(22)	-0.3%
13	P B T	415	6.3%	399	6.1%	6.1%	484	5.6%
	Growth% / # Normalised %	*3.9% / 9.7%*		*-20%*			*-4.0%*	
14	Tax	137	2.1%	134	2.1%	2.1%	163	1.9%
15	P A T	277	4.2%	265	4.1%	4.0%	321	3.7%
	Growth% / # Normalised %	*1.8% / 7.5%*		*-20%*			*-7%*	

#- Effective figures (excluding one-off sale of bulk malt spirit in previous year)

USL Profit Statement (April-December13)

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Consolidated - Provisional

₹ Crore	2013-14		2012-13			
	Unaudited		Unaudited		Audited	
	Dec-13	%NSR	Dec-12	%NSR	Mar-13	%NSR
Sales	8,106.2		8,136.3		10,598.0	
Growth %	-0.4%					
COGS	4,514.3	56%	4,580.1	56%	5,952.2	56%
Gross Margin (A)	3,591.9	44%	3,556.3	44%	4,645.8	44%
Other Income	296.3		168.5		253.3	
	3,888.3		3,724.8		4,899.1	
Expenditure :						
Staff Cost	582.2	7%	486.6	6%	756.7	7%
Advertisement & Sales Promotion	981.6	12%	820.7	10%	1,080.5	10%
Other Overheads	1,296.7	16%	1,121.4	14%	1,550.8	15%
EBITDA	1,027.7	13%	1,296.1	16%	1,511.1	14%
Exch. Diff (Gain) / Loss	(490.7)	-6%	(58.1)	-1%	226.0	2%
Pension Provision (Gain) / Loss	39.8	0%	44.6	1%	37.9	0%
Onerous Lease Provision (Gain)	0.0	0%	(8.7)	0%	0.0	0%
Interest (Gross)	809.0	10%	727.5	9%	984.9	9%
Depreciation	144.1	2%	131.8	2%	178.4	2%
PBT before exceptional item	525.4	6%	459.0	6%	83.8	1%
Exceptional items		0%	0.0	0%	(10.8)	0%
PBT	525.4	6%	459.0	6%	73.0	1%
Tax	348.9	4%	154.6	2%	178.1	2%
PAT	176.5	2%	304.4	4%	(105.0)	-1%

USL Balance Sheet as at 31st December 2013

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Consolidated - Provisional

₹ Crore

	Dec-13	Mar-13
SOURCE		
Share Capital	145	126
Reserves and Surplus	7,638	4,661
Minority Interest	1	11
Long Term Borrowings	4,044	4,652
Short Term Borrowings	3,021	2,411
Current Maturities of Long Term Loans	729	1,156
Non-Current Liabilities	271	267
Current Liabilities	2,036	2,910
Term Liability towards Franchisee Rights	134	165
Total	**18,019**	**16,359**
APPLICATION		
Fixed Assets - Net	2,971	2,796
Goodwill on Consolidation	6,165	5,205
Investments	236	216
Loans & Advances	2,167	1,917
Other Non-Current Assets	385	318
Cash and Bank Balances	214	243
Other Current Assets	5,883	5,690
Total	**18,019**	**16,385**

USL Debt Position (April-December13)

Consolidated - Provisional

₹ Crore

	Dec - 13	Mar - 13
Secured Loans :		
Capex Loans & Term Loans	962	1,154
Term Loans : Acquisition of W & M	0	802
Working Capital	1,693	1,921
Short Term Loans	240	390
Long Term Loan from FI	0	50
Term Loans of SDL, PDL & Others	50	204
	2,945	4,521
Unsecured Loans		
Unsecured Loans	1,154	172
Fixed Deposits	416	427
Inter Corporate Deposit	0	45
From Others	12	13
Sub -Total	4,526	5,178
USL Holdings (UK) Ltd - With recourse (GBP 370 Mio)	3,267	3,040
Total Debt	7,793	8,219
USL - Consolidated :		
Total Gross debt (consolidated)	7,793	8,219
Cash & Bank Balance	214	243
Total Net Debt	7,579	7,975