

Mumbai
July 23, 2015

Press Release

Un-Audited Financial Results for Quarter Ended 30 June 2015 (Q-1 F16)
United Spirits Limited (Standalone only)

Results Summary:

- **+11.8% Net Sales Revenue growth in the quarter ended 30 June 2015**
- **The Company commenced direct sales of relevant Diageo brands in June 2015, adding Rs. 42.0 Crore of Net Sales Revenue in the period (positively impacting Net Sales Revenue growth by 2.4 pts)**
- **Prestige & Above category brands showing +5.7% volume and +17.2% imputed value growth in the quarter (P&A volume growth excluding Tamil Nadu at +13.4%)**
- **EBIDTA growth* +46.6% to Rs.202 Crore; + Rs.64.0 Crore versus last year**
- **EBIDTA margin* of 10.1%, +2.4 pts versus last year**
- **Positive PAT delivery of Rs. 20 Crore, + Rs. 82 Crore versus prior year comparable period**

The Board of Directors of United Spirits Limited at their meeting in Mumbai today considered and approved the unaudited financial results for Q-1 of the fiscal year 31 March 2016. The reported results of the Company are as follows:

	April – June 2014	April – June 2015	Change versus prior period
Volumes (Million Cases)	27.2	27.3	+0.4m; +0.4%
Net Sales Revenue (Rs. Crore)	1,795	2,006	+Rs. 211 Cr; +11.8%
EBIDTA (Rs. Crore)	137.8	202.0	+Rs. 64 Cr; +46.6%
PAT (Rs. Crore)	(61.8)	19.9	+Rs. 82 Cr

- ❖ For the purpose of disclosures in these financial results, the figures for the quarter ended June 30, 2014, have been adjusted to give effect to the demerger of the Chennai Unit from the appointed date of April 1, 2013 (thus providing like-for-like comparable results for the quarter ended 30 June 2015).

(*) Refer to para 6 of the Notes to the Accounts

- ❖ Under the distribution and manufacturing agreements approved in January 2015, the Company during the quarter (June 2015), started the direct distribution / sales of relevant Diageo brands in India. This has resulted in the generation of Net Sales Revenue of Rs. 42.0 Crore in the period (positively impacting Net Sales growth by 2.4 ppts).
- ❖ During the First quarter of the fiscal 2016, the strategically focused portfolio comprising the "Prestige and Above" brands added 0.5 million cases and grew volumes by +5.7% (Diageo brands added circa 1ppts to the volume growth) resulting in +17.2% imputed Net Sales growth. This category now represents 33% of the total sales volumes of the Company (+2ppts increase versus prior year). Positive state and brand mix driving positive gearing despite the continued challenged environment on pricing in the industry.
- ❖ EBIDTA* for the quarter at Rs. 202 Crore resulting in an EBIDTA margin of 10.1% (up 2.4 ppts from the prior year comparable period). Pending clarifications / directions from SEBI, the Company has not made any payments to the respective counterparties under the agreements referred to in para 6 of the Notes to the Accounts for the period subsequent to November 28, 2014, and has considered these amounts as contingent liabilities.
- ❖ Interest costs of Rs. 128 Crore for the quarter is Rs. 27 Crore below the prior year comparable period. The reduction is in part the driven by the reduction of debt post the W&M divestment and the Company's focus on debt / interest rate management. The Company is in the process of revamping its banking facilities to drive advantageous terms on its borrowings leveraging the relationships that Diageo Plc. enjoys with global banks, and therefore is already seeing a reduction in rates which is manifested in the lower costs.
- ❖ Subsequent to the quarter end, the Company has sold 8,500,000 equity shares held by the Company in United Breweries Limited (constituting 3.21% of the paid up equity share capital of United Breweries Limited) for a total sale consideration net of brokerage of Rs. 872 Crores (against book value of Rs. 15 Crores).
- ❖ Previous period's figures have been regrouped / reclassified as per the current period's presentation for the purpose of comparability.

End

(*) Refer to para 6 of the Notes to the Accounts