UNITED SPIRITS LIMITED

A DIAGEO Group Company

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

(Rs. In Crores)

Part I: Statement of Standalone Unaudited Results for the quarter and six months ended September 30, 2015

	3 months ended September 30,	Previous 3 months ended June 30,	3 months ended September 30,	Six months ended September 30,		Previous year ended March 31,
	2015	2015	2014	2015	2014	2015
	Unaudited	Unaudited	Unaudited (Refer note 2)	Unaudited	Unaudited (Refer note 2)	Audited
1 Income from operations	5,215.77	5,146.11	5,149.40	10,361.88	9,913.91	20,502.54
Less: Excise duty	3,093.60	3,157.71	3,141.60	6,251.31	6,123.41	12,550.89
(a) Net sales / Income from operations	2,122.17	1,988.40	2,007.80	4,110.57	3,790.50	7,951.65
(b) Other operating income, net	23.30	17.14	21.84	40.44	36.61	97.69
Total income from operations (net)	2,145.47	2,005.54	2,029.64	4,151.01	3,827.11	8,049.34
2 Expenses:						
a) Cost of materials consumed	838.06	940.05	952.38	1,778.11	1,865.56	3,578.23
b) Purchase of stock-in-trade	351.77	319.21	224.94	670.98	396.21	1,211.03
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	52.27	(113.68)	28.32	(61.41)	(20.87)	(20.50)
d) Employee benefits expense	167.15	164.83	135.46	331.98	268.51	618.50
e) Depreciation and amortisation expense	24.22	25.04	24.47	49.26	48.80	109.74
f) Other expenses:						
i) Advertisement and sales promotion	167.26	216.75	178.40	384.01	383.81	786.80
ii) Others	251.27	276.41	276.75	527.68	559.82	1,364.78
Total expenses	1,852.00	1,828.61	1,820.72	3,680.61	3,501.84	7,648.58
3 Profit / (loss) from operations before other income, finance costs and exceptional items (1-2)	293.47	176.93	208.92	470.40	325.27	400.76
4 a) Other income	4.18	4.42	33.91	8.60	65.02	159.98
b) Exchange difference - gain / (loss), net	1.84	10.15	(2.00)	11.99	(2.11)	(24.25)
5 Profit / (loss) from ordinary activities before finance costs and exceptional items (3+4)	299.49	191.50	240.83	490.99	388.18	536.49
6 Finance costs	110.00	128.38	155.27	238.38	310.20	592.96
7 Profit / (loss) from ordinary activities after finance costs but before exceptional items (5-6)	189.49	63.12	85.56	252.61	77.98	(56.47)
8 Exceptional items (net) (Refer Note 13)	799.45	-	(73.91)	799.45	(116.70)	(1,871.67)
9 Profit / (loss) from ordinary activities before tax (7 + 8)	988.94	63.12	11.65	1,052.06	(38.72)	(1,928.14)
10 Tax expense	59.64	43.20	38.55	102.84	47.14	28.34
11 Net profit / (loss) from ordinary activities after tax (9-10)	929.30	19.92	(26.90)	949.22	(85.86)	(1,956.48)
12 Extraordinary Items (Net of tax expense)	-	-	-	-	-	-
13 Net profit / (loss) for the period (11-12)	929.30	19.92	(26.90)	949.22	(85.86)	(1,956.48)
14 Paid-up equity share capital (Face value Rs.10)	145.33	145.33	145.33	145.33	145.33	145.33
15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						1,796.75
16 Earnings per share of Rs.10 each (not annualised):						
a) Basic	63.94	1.37	(1.85)	65.32	(5.91)	(134.62)
b) Diluted	63.94	1.37	(1.85)	65.32	(5.91)	(134.62)

Part II: Select Information for the quarter and six months ended September 30, 2015

A. Particulars of shareholding						
1 Public shareholding						
- Number of Shares	59,766,064	59,766,064	59,766,064	59,766,064	59,766,064	59,766,064
- Percentage of shareholding	41.13%	41.13%	41.13%	41.13%	41.13%	41.13%
2 Promoters and Promoter Group Shareholding:						
a) Pledged / Encumbered						
- Number of shares	3,213,820	3,213,820	3,213,820	3,213,820	3,213,820	3,213,820
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	3.76%	3.76%	3.76%	3.76%	3.76%	3.76%
- Percentage of shares (as a % of the total share capital of the Company)	2.21%	2.21%	2.21%	2.21%	2.21%	2.21%
b) Non -encumbered						
- Number of shares	82,347,859	82,347,859	82,347,859	82,347,859	82,347,859	82,347,859
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	96.24%	96.24%	96.24%	96.24%	96.24%	96.24%
- Percentage of shares (as a % of the total share capital of the Company)	56.66%	56.66%	56.66%	56.66%	56.66%	56.66%

B. Investor Complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	3
Disposed of during the quarter	3
Remaining unresolved at the end of the quarter	Nil

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Statement of Assets & Liabilities

(Rs. In Crores)

		As at current half year end September 30, 2015 Unaudited	As at previous year end March 31, 2015 Audited
A.EQUITY AND LIABILITIES			
1. Shareholders' funds			
a)	Share capital	**145.33**	145.33
b)	Reserves and surplus	**2,629.95**	1,796.75
		2,775.28	1,942.08
2. Non-current liabilities			
a)	Long-term borrowings	**1,207.87**	1,509.51
b)	Other long-term liabilities	**37.68**	43.92
c)	Long-term provisions	**69.35**	66.11
		1,314.90	1,619.54
3. Current liabilities			
a)	Short-term borrowings	**2,785.73**	3,621.32
b)	Trade payables	**722.97**	718.01
c)	Other current liabilities	**968.85**	868.62
d)	Short-term provisions	**547.22**	248.37
		5,024.77	5,456.32
		9,114.95	9,017.94
B. ASSETS			
1. Non-current assets			
a)	Fixed assets	**1,204.71**	1,133.96
b)	Non-current investments	**62.67**	430.36
c)	Deferred tax assets (net)	**94.10**	87.31
d)	Long-term loans and advances	**2,732.07**	2,706.04
e)	Other non-current assets	**0.28**	0.13
		4,093.83	4,357.80
2. Current assets			
a)	Current investments	**120.73**	120.71
b)	Inventories	**1,687.00**	1,554.24
c)	Trade receivables	**2,239.34**	1,745.48
d)	Cash and bank balance	**55.67**	239.69
e)	Short-term loans and advances	**856.27**	912.82
f)	Other current assets	**62.11**	87.20
		5,021.12	4,660.14
		9,114.95	9,017.94

United Spirits Limited

Unaudited Financial Results for the quarter ended September 30, 2015

Notes:

1. United Spirits Limited ("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 constitute a single business segment. The Company is primarily organized into two main geographic segments namely India and Outside India. However, the Company's operations outside India did not exceed the quantitative threshold for disclosure in standalone financial results envisaged in AS-17 on "Segment Reporting" notified under the Companies (Accounting Standard) Rules 2006. In view of the above, both primary and secondary reporting disclosures for business/ geographical segment as envisaged in AS-17 are not applicable to the Company.

2. For the purpose of disclosures in these financial results, the figures for the quarter and six months ended September 30, 2014, have been adjusted to give effect to the demerger of the Chennai Unit from the appointed date of April 1, 2013.

3. The Board of Directors at their meeting held on January 8, 2014, approved the amalgamation of Tern Distilleries Private Limited, a wholly owned subsidiary of the Company ("TERN") pursuant to a Draft Rehabilitation Scheme and applicable provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 with the appointed date as April 1, 2013 ("TERN Scheme"). The entire operations of TERN comprise transactions with the Company. The net impact on the financial results of the Company from such amalgamation is expected to be insignificant when effected. The equity shareholders of the Company approved the TERN Scheme at their Extraordinary General Meeting held on March 18, 2014 and the approval by the Board for Industrial and Financial Reconstruction ("BIFR") is in progress. Pending approval of the TERN Scheme, no effect has been given in the accompanying statement of financial results.

4. The Scheme of Amalgamation between the Company and SW Finance Co. Limited, a wholly owned subsidiary of the Company ("SWFCL"), under Section 391 and 394 read with Sections 100 to 103 of the Companies Act, 1956 (the "Scheme") with the appointed date of January 1, 2014 has been sanctioned by the Hon'ble High Court of Karnataka and Hon'ble High Court of Judicature at Bombay under the orders dated June 12, 2015 and August 28, 2015 respectively. Upon necessary filings with the respective Registrars of Companies, the Scheme has become effective from September 28, 2015 (the 'Effective Date') and effect thereof have been given in these financial results. Consequently:

   (a) the Share capital of SWFCL to the extent held by SWFSL Trust stood cancelled;

   (b) the entire business and undertakings of SWFCL including all assets and liabilities, as a going concern transferred to and vested in the Company in accordance with the provisions of the Scheme with effect from the appointed date;

   (c) the Authorised capital of the Company increased to Rs.719.20 Crores divided into 548,000,000 equity shares of Rs 10 each, 159,200,000 preference shares of Rs 10 each and 1,200,000 preference shares of Rs 100 each; and

   (d) SWFCL ceased to be subsidiary of the Company, and as SWFCL was a wholly owned subsidiary (WOS) of the Company, no consideration was payable pursuant to amalgamation of

SWFCL with the Company. Shaw Wallace Overseas Limited, a WOS of SWFCL has become a direct subsidiary of the Company.

The Company has given effect to the Scheme in the accounts with effect from January 1, 2014, being the Appointed Date. As stipulated in the Scheme,

i) Surplus arising out of cancellation of equity shares to the extent held by SWFSL Trust in SWFCL has been credited to "Capital Reserve" under "Reserves and Surplus".

ii) Difference between the value of net assets of SWFCL (including reserves) transferred to the Company after adjusting for investments cancelled has been debited to "General Reserve" under "Reserves and Surplus".

Net loss for the period from January 1, 2014 till March 31, 2015 has been debited to the 'Surplus as per the statement of profit and loss' under "Reserves and Surplus"; and

The net loss of SWFCL for the six months ended September 30, 2015 have been given effect during the quarter ended September 30, 2015.

The aforementioned has resulted in decrease in "Reserves and Surplus" by Rs.116.18 Crores and decrease in net profit for the quarter and six months ended September 30, 2015 by Rs.0.16 Crores.

5. Further to the sale of the White & Mackay Group Limited, and the letter dated October 16, 2014 received from the authorised dealer, the Company is in the process of liquidating or restructuring the intermediary wholly owned subsidiaries. The Company will comply with the requisite conditions specified by the authorised dealer in accordance with the applicable law subsequent to the liquidation of the said intermediary wholly owned subsidiary companies.

6. During the financial year ended March 31, 2014, the Board directed a detailed and expeditious inquiry in relation to certain matters, including those referred to in paragraphs (a) and (b) below, the role of individuals involved and potential non-compliance (if any) with the provisions of the Companies Act, 1956, and other regulations applicable to the Company in relation to such transactions, and the possible existence of any other transaction of a similar nature (the "Inquiry"). Pursuant to the directions of the Board, the Inquiry was headed by the Managing Director and Chief Executive Officer ("MD & CEO") of the Company. The Board also directed the MD & CEO to engage independent advisers and specialists as required. At its meeting held on April 25, 2015, the Board discussed and considered in detail the report submitted by the MD & CEO in relation to the Inquiry ("Inquiry Report"), the inputs and expert advice of the independent advisers and specialists and other relevant inputs.

a) During the financial year ended March 31, 2014, certain parties who had previously given undisputed balance confirmations for the financial year ended March 31, 2013, claimed in their balance confirmations to the Company for the financial year ended March 31, 2014 that they had advanced certain amounts to certain alleged UB Group entities and that the dues owed by such parties to the Company would, to the extent of the amounts owing by such alleged UB Group entities to such parties in respect of such advances, be paid/ refunded by such parties to the Company only upon receipt of their dues from such alleged UB Group entities. These dues of such parties to the Company were on account of advances by the Company in the earlier years under agreements for enhancing capacity, obtaining exclusivity and lease deposits in relation to tie-up manufacturing units ("TMUs");

agreements for specific projects; or dues owing to the Company from customers. In response to these claims, under the instruction of the Board, a preliminary internal inquiry was initiated by the Management. Based on the findings of the preliminary internal inquiry by the Management, the Management's assessment of recoverability and other considerations, as a matter of prudence, an aggregate amount of Rs.649.55 Crores (including interest claimed) was provided in the financial statements for the financial year ended March 31, 2014 and was disclosed as a prior period item. Management has sought confirmations of balances from these counterparties for the year ended March 31, 2015, but have not received responses from some of them.

The Inquiry Report stated that between 2010 and 2013, funds involved in many of these transactions were diverted from the Company and/or its subsidiaries to certain UB Group companies, including in particular, Kingfisher Airlines Limited ("KFA"). The diverted amounts were included in the provision made by the Company in the financial statements for the previous financial year. The Inquiry also indicated that the manner in which certain transactions were conducted, *prima facie*, indicates various improprieties and potential violations of provisions, *inter alia*, of the Companies Act, 1956, and the listing agreement signed by the Company with various stock exchanges in India on which its securities are listed.

During the year ended March 31, 2015, an additional provision of Rs.21.60 Crores was made for interest claimed. The Management has determined that in light of these provisions, no additional material adjustments to the financial results are required on this account.

In connection with the recovery of the funds that were diverted from the Company and/or its subsidiaries, pursuant to the decision of the Board at its meeting held on April 25, 2015, the Company is in the process of initiating steps for recovery against the relevant parties, so as to seek to expeditiously recover the Company's dues from such parties, to the extent possible. During the quarter ended September 30, 2015, the Company has reached a settlement with one of the parties pursuant to which the party has withdrawn claims aggregating Rs.27.86 Crores. Accordingly, provision amounting to Rs.27.86 crores has been written back and disclosed as a part of Other operating income (net).

b) Certain pre-existing loans/ deposits/ advances were due to the Company and its wholly-owned subsidiaries from United Breweries (Holdings) Limited ("UBHL") and were in existence as on March 31, 2013. In addition, the amounts owed by UBHL to the Company's wholly-owned subsidiaries had been assigned by such subsidiaries to the Company and recorded as loans from such subsidiaries in the books of the Company. Such dues (together with interest) aggregating Rs.1,337.40 Crores, were consolidated into, and recorded as, an unsecured loan by way of an agreement entered into between the Company and UBHL on July 3, 2013. The interest rate under the above mentioned loan agreement with UBHL is 9.5% p.a., with the interest to be paid at six-monthly intervals starting at the end of 18 months from the effective date of the loan agreement. The loan has been granted for a period of eight years and is payable in three annual instalments commencing from the end of 6th anniversary of the effective date of the loan agreement.

Pursuant to the directions of the Board, the Inquiry also included a review of documentation to further understand and assess elements of and background to the above loan arrangement and to establish the rationale / basis for the interest rate applicable in respect of the consolidated loan amount.

With regard to the prior transactions that were consolidated into the single loan on July 3, 2013, the Inquiry Report stated that, *prima facie*, between 2010 and July 2013, certain transactions appear to have been undertaken and certain accounting entries appear to have been made to show a lower exposure of the Company (and its subsidiaries) to UBHL than the exposure that actually existed at that time. *Prima facie*, this indicates various improprieties and potential violations of provisions, *inter alia*, of the Companies Act, 1956, and the listing agreement signed by the Company with various stock exchanges in India on which its securities are listed. The Company is in the process of evaluating its rights and remedies in relation to such violations.

During the year ended March 31, 2014, as a matter of prudence, the Company had not recognised interest income of Rs.96.31 Crores and had provided Rs.330.32 Crores towards the principal outstanding as at March 31, 2014. The notes to accounts for the year ended March 31, 2014 had recorded the Management's belief that it should be able to recover, and that no further provision is required for the balance amount of Rs.995.46 Crores. The notes also mentioned that the Management would continue to assess the recoverability of the said loan on an on-going basis.

As per the terms of the said loan agreement, an amount of Rs.191.10 Crores (gross of tax) was payable by UBHL to the Company towards interest as on January 2015 under the loan agreement. However, the Company is yet to receive such interest payment from UBHL. The Company received letters from UBHL stating that it is involved in litigations with various creditors of Kingfisher Airlines Limited in different courts all over the country, and that some of the winding up petitions filed against UBHL have been admitted by the High Court of Karnataka and due to court orders passed in winding up proceedings it is unable to pay such sums without leave of the Court which it proposes to seek.

As a result of the above and other relevant factors, as a matter of prudence, the Company had provided a further amount of Rs.995.46 Crores towards the entire balance principal amount (i.e., the entire principal amount due under the loan agreement less the amount already provided in the accounts for the financial year ended March 31, 2014) and did not recognise interest income of Rs.120.70 Crores for the year ended March 31, 2015. Accordingly, the Company has also not recognised interest income of Rs.31.84 Crores and Rs.63.52 Crores for the quarter and six months ended September 30, 2015 respectively. The Company will pursue all rights and claims to recover the entire amount of the loan together with accrued interest from UBHL and has written to UBHL demanding payment of all sums. As a result of the foregoing and other relevant considerations, subsequent to the end of the quarter ended September 30, 2015, the Company will be applying for consent of the High Court to join the said winding up proceedings as a creditor.

Also refer Note 7 below in connection with the non-approval by the Company's shareholders of the loan agreement with UBHL (and of other potential related party transactions).

c) In relation to the Company's funds that were diverted from the Company, the Board of Directors at their meeting held on April 25, 2015, unanimously agreed to pursue all rights and claims against the relevant parties mentioned in the Inquiry Report to expeditiously recover the Company's dues from such parties, to the extent possible.

d) With regard to the possible existence of any other transaction of a similar nature, the Inquiry identified references to certain additional parties ("Additional Parties") in various documents, which also dealt with transactions involving the counterparties referred to in the notes to the Company's audited financial statements for the previous financial year. The Inquiry also identified certain additional matters ("Additional Matters") where the documents identified raised concerns as to the propriety of the underlying transactions. The Management made the following provisions with respect to such transactions: (a) Rs.67.81 Crores made in the Company's financial results for the financial year ended March 31, 2015, (b) Rs.44.54 Crores made in the Company's subsidiaries' financial statements for the financial year ended March 31, 2015, (c) Rs.15.70 Crores made in the year ended March 31, 2014 in the Company's financial statements, and (d) Rs.108.71 Crores made in the year ended March 31, 2014 in the Company's consolidated financial statements. The Management believes these provisions are adequate and no additional material adjustments are likely to be required in relation thereto.

The Board also believes that it is necessary to assess whether the Additional Matters or the transactions with the Additional Parties were improper. The Board has therefore directed the MD & CEO to expeditiously review the Additional Matters and transactions with the Additional Parties during the period covered by the Inquiry and report to the Board his conclusions on the transactions and any further impact on the Company's financial results. This review is currently underway.

7. As per the requirements of the listing agreements entered into by the Company with various stock exchanges, and applicable circulars issued by SEBI (including circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 ("April 17 Circular") and circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014), the Company sought approval of its shareholders for certain historical agreements at the extraordinary general meeting ("EGM") held on November 28, 2014, including the following: (a) loan agreement dated July 3, 2013, between the Company and UBHL; (b) agreements dated September 30, 2011 and December 22, 2011 respectively, between the Company and UBHL requiring UBHL to sell to the Company certain immovable properties; (c) services agreement dated July 3, 2013, between the Company and Kingfisher Finvest India Limited; (d) advertising agreement dated October 1, 2013 (which amended and restated the original agreement dated July 3, 2013) between the Company and Watson Limited; (e) sponsorship agreement dated June 11, 2013 between the Company and United Racing & Bloodstock Breeders Limited; (f) sponsorship agreement dated June 11, 2013 between the Company and United Mohun Bagan Football Team Private Limited; (g) aircraft services agreement dated June 11, 2013 between the Company and UB Air Private Limited; (h) properties call agreement dated June 11, 2013 between the Company and PE Data Centre Resources Private Limited; and (i) contribution agreement dated June 11, 2013 between the Company and Vittal Mallya Scientific Research Foundation.

As stated in the EGM notice dated October 31, 2014, each of the above-mentioned transactions were duly approved by the board of directors of the Company, prior to entering into the agreement corresponding to such transaction. The EGM notice further stated that while the April 17 Circular mandates that all existing material related party transactions be placed before the shareholders for their approval by way of a special resolution, thus far, the consequences of any non-approval of such existing transactions by the shareholders by the requisite majority is unclear. It is

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therefore possible that non-approval of one or more of the above-mentioned agreements by the requisite majority may result in the Company being obliged to cease to act upon and potentially put the Company in breach of such agreements, which are the subject of non-approval by the shareholders. This could potentially result in a dispute with the relevant counterparties who may contend that the Company has breached the relevant agreement by failing to act on or fulfil its obligations under the same. Such potential disputes could be protracted and costly, and could result in financial or other liabilities on the Company. Also, any inability on the part of the Company to act on or fulfil its obligations under the unapproved agreements could result in the Company being potentially unable to receive the benefit of the various rights that it is entitled to under such agreements (such as in the case of the agreement noted in (b) above). It was also stated in the EGM Notice that in the absence of sufficient clarity in respect of the provisions dealing with existing material related party contracts and arrangements, the Company was tabling the above-mentioned agreements for the approval of the shareholders by way of abundant caution.

It was further stated that the Company was still in the process of seeking confirmations from, and verifying the position in relation to, the counterparties to, *inter alia*, the above mentioned agreements as to whether or not they are related parties of the Company, and it was not clear whether the counterparties to such agreements are indeed related parties of the Company for the purpose of Clause 49(VII) of the Listing Agreement. However, to the extent it ultimately transpired that all or any of above mentioned agreements do not qualify as existing material related party contracts or arrangements, or the counterparties to all or any of these agreements do not qualify as related parties of the Company, such that approval of the shareholders of the Company is not required under the April 17 Circular in respect of any of the above mentioned contracts or arrangements then, in that case, it shall follow that there will be no consequences on such contracts or arrangements or on their validity or on any act or omission that may have been committed or omitted pursuant thereto, by reason of the shareholders having approved or not approved any of such contracts or arrangements.

At the EGM, the above-mentioned agreements were not approved by the shareholders of the Company by requisite majority. Consequently, the Company has sought clarifications/ directions from SEBI with respect to the implications of the non-approval of the aforesaid agreements by the shareholders of the Company and is continuing to communicate with SEBI for the same and the impacts/effects of the subsequent changes to the relevant SEBI rules.

Pending clarification / direction from SEBI on the above, the Company has recognised the charges up to November 28, 2014, in respect of the agreements listed in (c) to (g) and (i) above, amounting to Rs.135.73 Crores during the financial year ended March 31, 2015 (Rs. 138.22 Crores for the financial year ended March 31, 2014). In light of the fact that the Company's shareholders have not approved the said agreements on November 28, 2014, the Company has not recognised the charges amounting to Rs.141.69 Crores from November 29, 2014 to September 30, 2015 (including Rs. 46.75 crores and Rs.93.08 crores for the current quarter and six months ended September 30, 2015) payable under the agreements listed in (c) to (g) and (i) above. The Company has informed the respective counterparties that the contracts mentioned above have not been approved by the shareholders. Further, subsequent to November 28, 2014, in response to the letters received by the Company from the concerned counterparties, the Company has made payments amounting to Rs.8.04 Crores (including Rs. 0.61 crores paid in the current quarter) to some of these counterparties with respect to the dues for services received prior to November 28, 2014 specifically stating that the said amounts would be refundable to the Company if it is determined that such amounts were not payable by the Company in view of the shareholders not having approved the respective agreements. Pending the clarifications / directions from SEBI, the Company has not made any payments to the respective counterparties under the agreements in (c) to (g) and (i) above for the period subsequent to November 28, 2014 and has considered these amounts as contingent liabilities. Also see Note 6(b) above in relation to the loan agreement listed above. During the six months ended September 30, 2015, the Company received communications from some of the counterparties identified above stating that they do not qualify as related parties of the Company, to which the Company has responded.

8. The managerial remuneration for the financial year ended March 31, 2015 aggregating Rs.6.49 Crores and Rs.15.31 Crores towards remuneration of the MD & CEO and the Executive Director and Chief Financial Officer ("ED & CFO"), respectively, was approved by the shareholders of the Company at the annual general meeting of the Company held on September 30, 2014. The aforesaid remuneration includes amounts paid in excess of the limits prescribed under the provisions of Schedule V to the Companies Act, 2013 ("Act"). Accordingly, the Company is in the process of obtaining the requisite approval from the Central Government for such excess remuneration.

9. The following letters/ notices were received by the Company with respect to the matters under Inquiry.

   a) The Company has received a notice from the Ministry of Corporate Affairs for an inspection, under Section 206(5) of the Act, of the books of accounts and other books and papers of the Company. A notice under Section 131 of the Income Tax Act, 1961 has also been received. The Company is cooperating fully with the authorities in relation to the same.

   b) The Company has also received letters from erstwhile auditors who served as the Company's statutory auditors during the period covered by the Inquiry, seeking to understand the impact of the findings of the Inquiry on their respective audit reports. Any remedial actions proposed by the previous auditors will be considered by the Company in the light of applicable legal provisions.

   c) As directed by the Board, the Company provided a copy of the Inquiry Report to its statutory auditors for their review and further actions as may be required. Following this, the Audit Committee of the Board has received from the statutory auditors a report under Section 143(12) of the Act and the relevant rules thereunder, seeking the Audit Committee's reply/ observations. During the previous quarters, the Audit Committee had provided its reply/ observations to the statutory auditors. Thereafter, the statutory auditors issued a report to the Central Government under Section 143(12) of the Act and the relevant rules thereunder.

   d) The Company has also received letters from the National Stock Exchange Limited ("NSE") pursuant to SEBI circular no. CIR/CFD/DIL/7/2012 dated August 3, 2012 in relation to Form B, along with audited financial statements for the financial year ended March 31, 2014. SEBI has directed the NSE to advise the Company to suitably rectify/ provide relevant information/ explanations on the qualifications raised by the statutory auditors. The Company has suitably addressed the same to the extent possible and responded to the NSE's letters.

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e) By a letter dated October 21, 2015, the Institute of Chartered Accountants of India has also sought a copy of the Inquiry Report, pursuant to the provisions of Section 21C of the Chartered Accountants Act, 1949. The Company is responding to this request.

10. During the year ended March 31, 2014, the Company decided to prepay credit facilities availed in the earlier years from a bank, amounting to Rs.621.66 Crores, secured by assets of the Company and pledge of shares of the Company held by the USL Benefit Trust. The Company deposited a sum of Rs.628.00 Crores, including prepayment penalty of Rs.4.0 Crores, with the bank and instructed the bank to debit the amount from the cash credit account towards settlement of the loan and release the assets / shares pledged by the Company. The bank, however, disputed the prepayment. The Company has disputed the same and a petition is pending before the Honourable High Court of Karnataka. On March 31, 2015, the bank demanded an amount of Rs.47.4 Crores towards principal and interest on the said loan, which the Company contested in the Honourable High Court of Karnataka. As per the order of the Honourable High Court of Karnataka, the Company plans to engage with the bank to commence discussions. Pending closure of this matter, the loan amount and balance available in cash credit account is presented on net basis in the financial results as at March 31, 2015 and as at September 30, 2015. The tenure of the said credit facility has been completed as on March 31, 2015. Furthermore, during the quarter, the bank obtained an *ex parte* injunction in proceedings between the bank and Kingfisher Airlines Ltd before the Debt Recovery Tribunal Bangalore ("DRT"), restraining the USL Benefit Trust from disposing of the pledged shares until further orders. The Company and USL Benefit Trust have, upon receiving notice of the said order, filed its objections against such *ex parte* order passed in proceedings in which neither the Company nor the USL Benefit Trust are or have been enjoined as parties, and is vigorously contesting the same.

11. The statutory auditors of the Company have carried out a limited review of the above standalone unaudited financial results for the quarter and six months ended September 30, 2015. The statutory auditors have issued a qualified report in respect of the matter stated in Notes 6(a) & (d), 7 and 8 above. The review report of the statutory auditors is being filed with the NSE and BSE.

12. During the previous year, certain banks have sought to declare one of the directors of the Company as a wilful defaulter in respect of another company where he is a promoter director. The Reserve Bank of India's Master Circular on Wilful Defaulters along with certain covenants in the loan agreements sanctioned by the Company's bankers raise an uncertainty on the impact of this development on the availability of credit facilities to the Company. The said director has assured the Board that he will take appropriate steps to ensure that the operations of the Company are not impacted. Having received such assurance from the said director and appropriate comfort from the controlling shareholder of the Company, the financial results have been prepared on a going concern basis. The Company understands from public records that the above-mentioned decisions of the banks declaring the said director as a wilful defaulter are pending in appeals before various courts.

13. Exceptional items for the quarter and six months ended September 30, 2015 include: (a) profit on sale of UBL Shares as detailed in Note 14 amounting to Rs.853.60 Crores and (b) provision for loans and advances to, and investments in subsidiaries amounting to Rs.54.15 Crores.

14. During the quarter 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) (UBL) for a total sale consideration net of brokerage of Rs.868.60 Crores (against book

value of Rs.15 Crores). The profit on sale of UBL shares amounting to Rs.853.60 cores has been disclosed as a part of Exceptional items.

15. Subsequent to the quarter ended September 30, 2015, USL's wholly owned subsidiary Asian Opportunities & Investments Limited (AOIL), has signed an agreement to sell its entire interest in Bouvet Ladubay S.A. (and its wholly owned subsidiary Chapin Landais S.A.S). The sale is expected to complete in early November after satisfaction of certain conditions precedent. Based on the above agreement to sell, the Company has re-assessed the value of its investments in and advances to AOIL and trued up the provision amounting to Rs.8.86 Crores during the quarter.

16. Previous period's figures have been regrouped/ reclassified as per the current period's presentation for the purpose of comparability.

17. The above unaudited results have been reviewed by the audit committee of the Board and approved by the Board of Directors at its meeting held on November 2, 2015.

By authority of the Board

Anand Kripalu
Managing Director and CEO

Bangalore
November 2, 2015

HM

B S R & Co. LLP
Chartered Accountants

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11-12/1 Inner Ring Road
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Review report to the Board of Directors of United Spirits Limited

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 2015 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 reviewed 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 report on the Statement based on our review. Attention is drawn to the fact that the figures for the quarter and six months ended 30 September 2014 are adjusted for the effects of the demerger as stated in note 2 to the financial results.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Internal 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 financial statements are 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. As stated in Notes 6 (a) and (d) to the Statement; and as qualified in our report dated 27 May 2015 with respect to the audited financial results for the year ended 31 March 2015 and in our review report dated 23 July 2015 with respect to the unaudited financial results for the three months ended 30 June 2015; certain parties who had previously given the required undisputed balance confirmations for the year ended 31 March 2013, claimed in their balance confirmations to the Company for the year ended 31 March 2014 that they had advanced certain amounts to certain alleged UB Group entities and that the dues owed by such parties to the Company would, to the extent of the amounts owing by such alleged UB Group entities to such parties in respect of such advances, be paid / refunded by such parties to the Company only upon receipt of their dues from such alleged UB Group entities. These dues of such parties to the Company were on account of advances by the Company in the earlier years under agreements for enhancing capacity, obtaining exclusivity and lease deposits in relation to Tie-up Manufacturing Units ("TMUs"); agreements for specific projects; or dues owing to the Company from customers. In response to these claims, under the instruction of the Board of Directors of the Company ("Board"), a preliminary internal inquiry was initiated by the Management. Based on the findings of the preliminary internal inquiry by the Management, under the instructions of the Board; and Management's assessment of recoverability, an aggregate amount of Rs 6,495.5 million (including interest claimed) was provided in the financial statements for the financial year ended 31 March 2014 and was disclosed as prior period items. During the year ended 31 March 2015, an additional provision of Rs 216 million was made for interest claimed during the year. The Company has not made provision for any unclaimed interest on these amounts. During the quarter ended 30 September 2015, the Company has reached a settlement with one of the parties pursuant to which the party has withdrawn claims aggregating Rs 278.60 million. Accordingly, provision amounting to Rs.278.60 million has been written back and disclosed as a part of Other operating income.

During the year ended 31 March 2014, the Board had also directed a further detailed and expeditious inquiry in relation to the above matter, the role of individuals involved and potential non-compliance (if any) with the provisions of the Companies Act, 1956 and other regulations applicable to the Company in relation to such transactions, and the possible existence of any other transaction of a similar nature (hereafter "the Inquiry"). While the Inquiry has since been completed, with regard to the possible existence of any other transaction of a similar nature, the Inquiry identified references to certain additional parties ("Additional Parties") in various documents, which documents dealt with transactions involving the counterparties referred to above. The Inquiry also identified certain additional matters ("Additional Matters") where the documents identified concerns as to the propriety of the underlying transactions.

Based on its current knowledge, the Management believes that the provisions made with respect to the above matters are adequate and no additional material adjustments are likely to be required in relation thereto. The Board has directed the Management to expeditiously review the Additional Matters and transactions with the Additional Parties and report to the Board on Management's conclusions on the transactions and any further impact on the Company's financial results. Pending such review of the Additional Matters and transactions with Additional Parties, we are unable to comment on the nature of these transactions; the provisions established; or any further impact on the financial results including the impact on the opening balances for the year. Further, pending resolution of the above disputes, we are unable to comment on whether the provision established for interest is appropriate.

4. As stated in Note 7 to the Statement; and as qualified in our report dated 27 May 2015 with respect to the audited financial results for the year ended 31 March 2015 and in our review report dated 23 July 2015 with respect to the unaudited financial results for the three months ended 30 June 2015; as per the requirements of the equity listing agreements entered into by the Company with various stock exchanges in India and various circulars and regulations issued by the Securities and Exchange Board of India ("SEBI") and applicable provisions of the Companies Act, 2013 (hereafter "the Act") the Company sought approval of its equity shareholders for certain agreements in the extraordinary general meeting (hereafter "the EGM") held on 28 November 2014. Some of the agreements, as detailed in the aforesaid note, were not approved by the equity shareholders in the aforesaid EGM. The Company has sought clarification/direction from SEBI with respect to the implications arising from the non-approval of the said agreements. Pending the clarification/direction from the SEBI, during the year ended 31 March 2015, the Company has recognised the underlying expenses pursuant to these agreements upto 28 November 2014 aggregating Rs 1,357 million. The Company has not recognised charges arising out of non-approved agreements aggregating Rs 1,417 million for the period from 29 November 2014 to 30 September 2015 (Including Rs 467 million and Rs 931 million for the quarter and six months ended 30 September 2015). Further, subsequent to 28 November 2014, in response to the letters received by the Company from some of the concerned counterparties, the Company has made payments amounting to Rs 80 million (including Rs 6 million paid during the current quarter) to such counterparties with respect to the dues for services received prior to 28 November 2014 specifically stating that the said amounts would be refundable to the Company if it is determined that such amounts were not payable by the Company in view of the shareholders not having approved the respective agreements. Pending the resolution of this matter, we are unable to comment on the accounting treatment of the expenses under the agreement, balance due to/from the respective counterparties and any other implications resulting from such non-approval.

5. As stated in note 8 to the Statement; and as qualified in our report dated 27 May 2015 with respect to the audited financial results for the year ended 31 March 2015 and in our review report dated 23 July 2015 with respect to the unaudited financial results for the three months ended 30 June 2015; the Managerial remuneration for the year ended 31 March 2015 aggregated Rs 65 million and Rs 153 million towards remuneration of the Managing Director and Chief executive Officer (MD & CEO) and the Executive Director and Chief Financial Officer (ED & CFO), respectively. The aforesaid amounts includes remuneration in excess of the limits prescribed under the provisions of Schedule V to the Act. The Company is in the process of obtaining the requisite approval from the Central Government for such excess remuneration. In the absence of the required approval, we are unable to assess the impact of such excess remuneration on the financial results of the Company.

6. Without qualifying our opinion, we draw attention to the following matters stated previously in our auditor's report dated 27 May 2015 with respect to the audited financial results for the year ended 31 March 2015 and in our review report dated 23 July 2015 with respect to the unaudited financial results for the three months ended 30 June 2015 as emphasis of matters with respect to:

(a) Note 6 (b) to the Statement, which states that, during the year ended 31 March 14, various pre-existing loans / advances / deposits (together with interest) due from United Breweries (Holdings) Limited ("UBHL") by the Company and its subsidiaries aggregating Rs 13,374 million on 3 July 2013, were consolidated into a single loan agreement dated 3 July 2013 entered into between the Company and UBHL. As per the terms of the said loan agreement, an amount of Rs 1,911 million (gross of tax) was payable by UBHL to the Company towards the interest payable as of January 2015. However, the Company is yet to receive such interest payment from UBHL. The Company has received letters from UBHL stating that it is involved in litigations with various creditors of Kingfisher Airlines Limited in different Courts all over the country, and that some of the winding up petitions filed against UBHL have been admitted by the High Court of Karnataka. As a result of the above and other relevant factors, during the year ended 31 March 2015, the Company has provided the remaining principal balance of the loan aggregating Rs 9,955 million (in addition to the Rs 3,303 million that was provided for during the year ended 31 March 2014) and has not recognised interest income of Rs 318 million and Rs 635 million for the quarter and six months ended 30 September 2015 respectively;

(b) Note 3 to the Statement, wherein it is stated that Tern Distilleries Private Limited, a wholly-owned subsidiary of the Company ("TERN") will be amalgamated with the Company pursuant to a Draft Rehabilitation Scheme and applicable provisions of Sick Industrial Companies (Special Provisions) Act, 1985 with the appointed date 1 April 2013 ("TERN Scheme"). The entire operations of TERN comprise transactions with the Company. The net impact on the stand-alone financial performance of the Company from such amalgamation is expected to be insignificant when effected. The equity shareholders of the Company approved the TERN Scheme at their EGM held on 18 March 2014 and the approval by the Board for Industrial and Financial Reconstruction is awaited. Pending approval of the TERN Scheme, no effect has been given in the Statement;

(c) Note 10 to the Statement, wherein it is stated that during the year ended 31 March 2014, the Company decided to prepay credit facilities availed from a bank amounting to Rs 6,217 million secured by assets of the Company and pledge of shares of the Company held by the USL Benefit Trust. The Company deposited a sum of Rs 6,280 million including prepayment penalty of Rs 40 million with the bank and instructed the bank to debit the amount from the cash credit account towards settlement of the loan and release the assets / shares pledged by the Company. The bank, however, disputed the prepayment. The Company has disputed the same and a case is pending before the Honourable High Court of Karnataka. On 31 March 2015, the bank demanded an amount of Rs 474 million towards principal and interest on the said loan, which the Company contested in the High Court of Karnataka. As per the order of the Honourable High Court of Karnataka, the Company plans to engage with the bank to commence discussions. Pending closure of this matter, the loan amount and balance available in cash credit account is presented on net basis in the Statement as at 31 March 2015 and as at 30 September 2015. Furthermore, during the quarter, the bank obtained an ex parte injunction before the Debt Recovery Tribunal, Bangalore ("DRT"), restraining the USL Benefit Trust from disposing of the pledged shares until further orders. The Company and USL Benefit Trust have, upon receiving notice of the said order, filed its objections against such ex parte order;

(d) Note 9 to the Statement, wherein it is stated that (i) the Company has received a notice from the Ministry of Corporate Affairs for an inspection, under section 206(5) of the Act, of the books of accounts and other books and papers of the Company; (ii) the Company has received a notice under Section 131 of the Income Tax Act, 1961; (iii) the Company has received letters from erstwhile auditors who served as the Company's statutory auditors during the period covered by the Inquiry, seeking to understand the impact of the findings of the Inquiry on their respective audit reports; and (iv) the Company has received a letter from the Institute of Chartered Accountants of India seeking a copy of the Inquiry Report, pursuant to Section 21C of the Chartered Accountants Act, 1949; and

(e) Note 6 to the Statement, wherein it is stated that the Inquiry noted certain regulatory non-compliances with respect to the Companies Act, 1956, the listing agreement with the stock exchanges in India and other regulations as mentioned in the said note, and that the financial impact of these non-compliances on the Company were estimated by Management to be not material.

7. Based on our review conducted as above, except for matters stated in paragraphs 3, 4, and 5 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results for the quarter and six months ended 30 September 2015 prepared in accordance with applicable accounting standards 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.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022

Sunil Gaggar
Partner
Membership number: 104315

Place: Bangalore
Date: 2 November 2015

UNITED SPIRITS
A DIAGEO Group Company

PRESS RELEASE

United Spirits Limited (Standalone only)

Unaudited financial results for the six months ended 30 September 2015

Net sales increase 8%

- **Net sales up 8% in the first half, 6% up in the second quarter**
- **Direct sales of the Diageo brands portfolio added Rs. 183 Crore of net sales in the first half (Rs. 141 Crore in the second quarter)**
- **Prestige and above brands net sales grew 16% in the first half with over 9pps positive price/mix***
- **EBITDA up 39% to Rs. 520 Crore**
- **EBITDA margin of 12.52% with 274bps improvement versus last year – driven largely by the Related Party Transactions benefit(1)**
- **Profit after tax of Rs. 949 Crore (versus Rs. (86) Crore last year) positively impacted by the UBL(2) divestment**
- **Net debt reduced by Rs. 1,324 Crore mainly driven by UBL(2) share divestment**

(*) Imputed revenue based on internal management data; (1) Refer below the EBITDA Margin Bridge; (2) United Breweries Limited

Anand Kripalu, CEO, commenting on the six month ended 30 September 2015 said:

"Our F16 half year results are starting to show the dividends of our comprehensive strategic plan focused behind our power brands with a clear prioritized geographical participation strategy. The divestment of the UBL shares during the quarter has generated Rs.870 Crore of free cash that has been used to retire debt and has reduced our net debt position to less than Rs.4,000 Crore from over Rs.5,000 Crore six months ago.

The "Prestige and Above" growth of 16% in the half and the resultant positive mix underpins our focus on our premiumisation strategy and the benefit of the full Diageo brands integration into our portfolio. Our renovations strategy on our core brands has commenced with encouraging results from the re-launch of our Royal Challenge brand (49% volume growth in the last six months) and we look forward to the McDowell's No.1 re-launch that is currently underway. We have however faced challenges in the last three months including specific industry challenges in states such as Uttaranchal and Chhattisgarh plus a temporary pricing related challenge in Karnataka on our lead brand of Haywards. The highly regulated environment in respect of pricing remains a key challenge for the industry as a whole and needs to be remedied.

Our focus on driving productivity through every aspect of the P&L continues to fuel our strategy to invest behind capabilities and our brands (underlying marketing investment up 18% in the half versus last year). Our EBITDA delivery before taking into account the exception gain on the UBL share sales remains robust and in line with our expectations for the period.

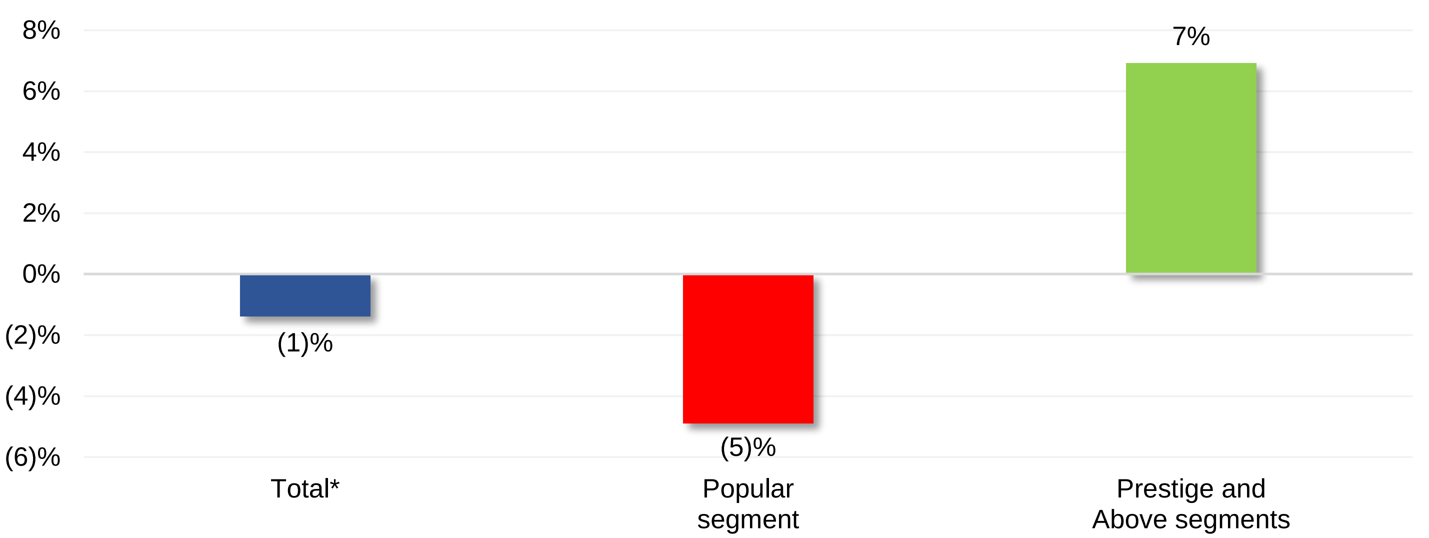
We continue to focus on driving change which will further strengthen this business and deliver our performance ambition. Our brands, our regional footprint / network and our people gives me confidence that USL can deliver strong and sustained performance in the forward years."

The Board of Directors of United Spirits Limited at their meeting in Bengaluru today considered and approved the unaudited financial results for the six months ended 30 September 2015.

Financial results

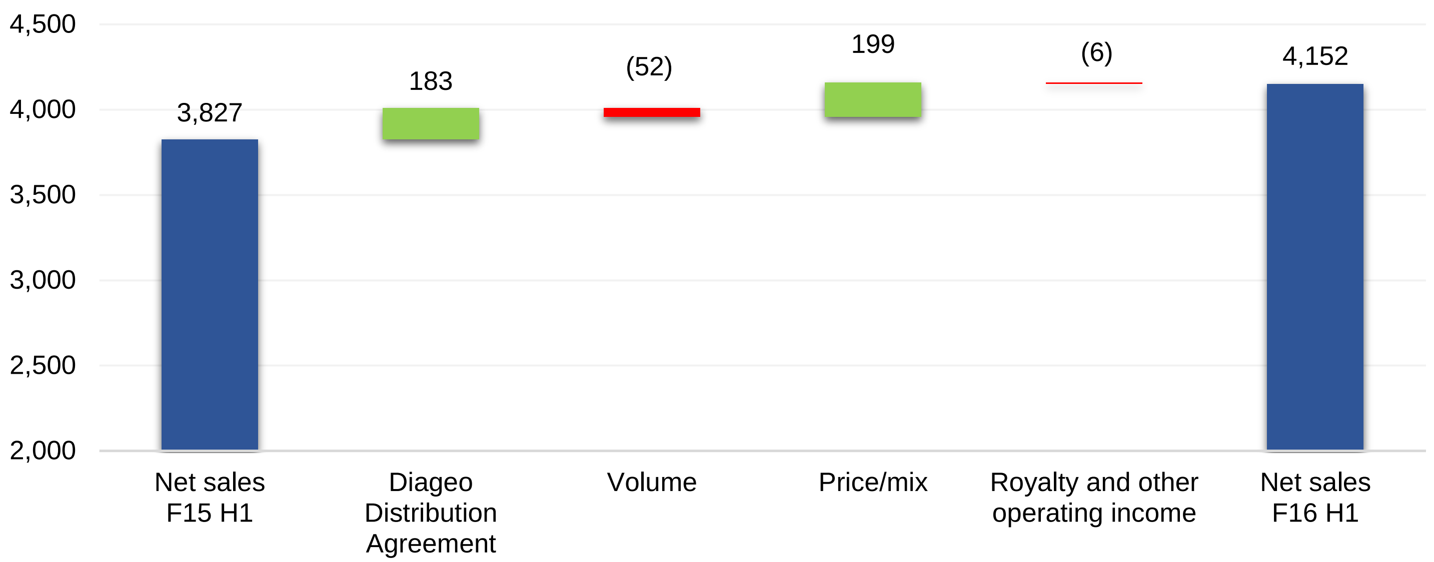
Rs. Crores	**2016 H1**	2015 H1	Growth %
Net sales	**4,151**	3,827	8
COGS	**(2,388)**	(2,241)	7
Gross profit	**1,763**	1,586	11
Staff cost	**(332)**	(269)	24
Marketing spend	**(384)**	(384)	-
Other Overheads	**(528)**	(560)	(6)
EBITDA	**520**	374	39
Exchange Difference Gain / Loss / Other Income	**21**	63	(67)
Depreciation	**(49)**	(49)	1
EBIT	**491**	388	26
Interest	**(238)**	(310)	(23)
PBT before exceptional items	**253**	78	224
Exceptional items	**799**	(117)	785
PBT	**1,052**	(39)	2819
Tax	**(103)**	(47)	118
PAT	**949**	(86)	1206

Volume growth* (%)



**The volume analysis above excludes royalty and franchise volumes but includes volumes sold via Tie-up units. (prior year restated for like for like comparison)*

Net sales growth (Rs. Crores)

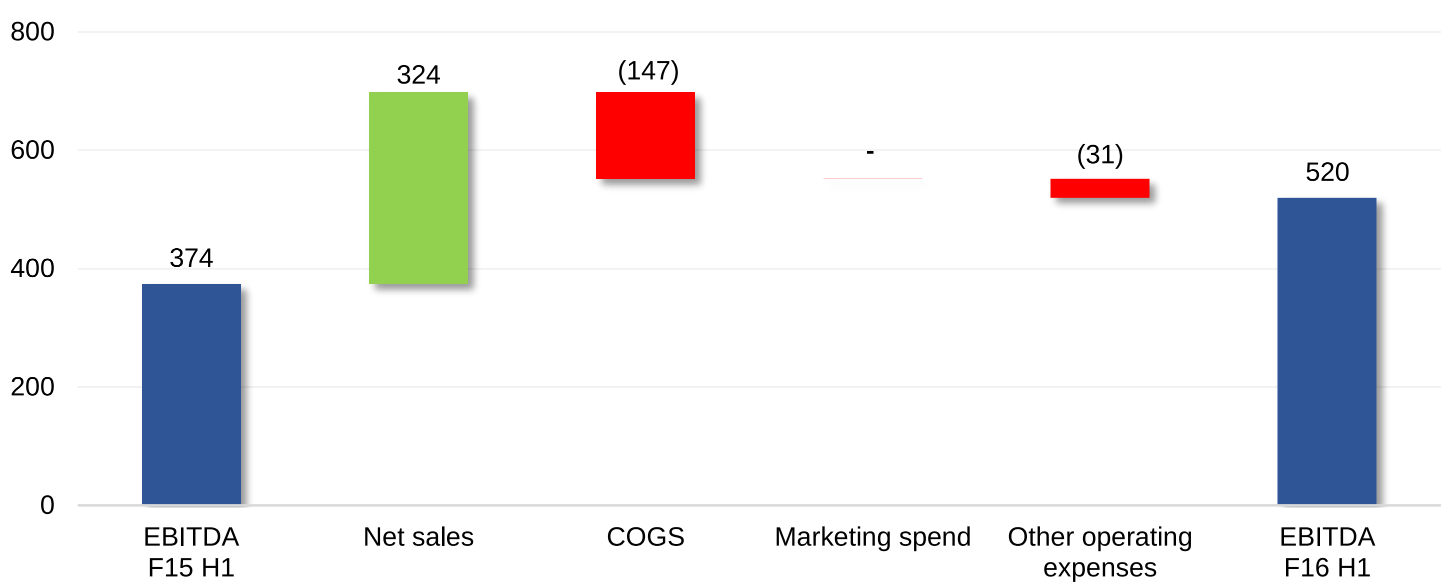


Reported net sales were up 8%. Under the distribution and manufacturing agreements, the Company started the direct distribution / sales of the relevant Diageo brands in India which has resulted in incremental net sales of Rs. 183 Crore and positively impacted net sales growth by 5ppt.

From an imputed revenue* perspective, the Prestige and Above brands contributed to the overall net sales growth with a robust 16% growth in the half (volume growth of 7%) positively impacted by the Diageo portfolio integration especially in the 2nd quarter. The re-launch of Royal Challenge brand had positive impact on net sales and has grown volumes by 49% in the half. The Prestige and Above category represents 39% of total volumes with a 3ppts improvement compared to prior year (and now for the first time accounts for over 50% of our imputed net sales revenues). Popular segment volume declined in the 2nd quarter largely as a result of specific temporary challenge around Haywards in Karnataka which resulted in overall volumes declining by 5% in the half. Despite this, overall Popular segment net sales growth remained positive versus last year.

(*) Imputed revenue represents the net sales value at which we sell our products from its manufacturing facilities (owned/leased/contracted) and its warehouses.

EBITDA growth (Rs. Crores)

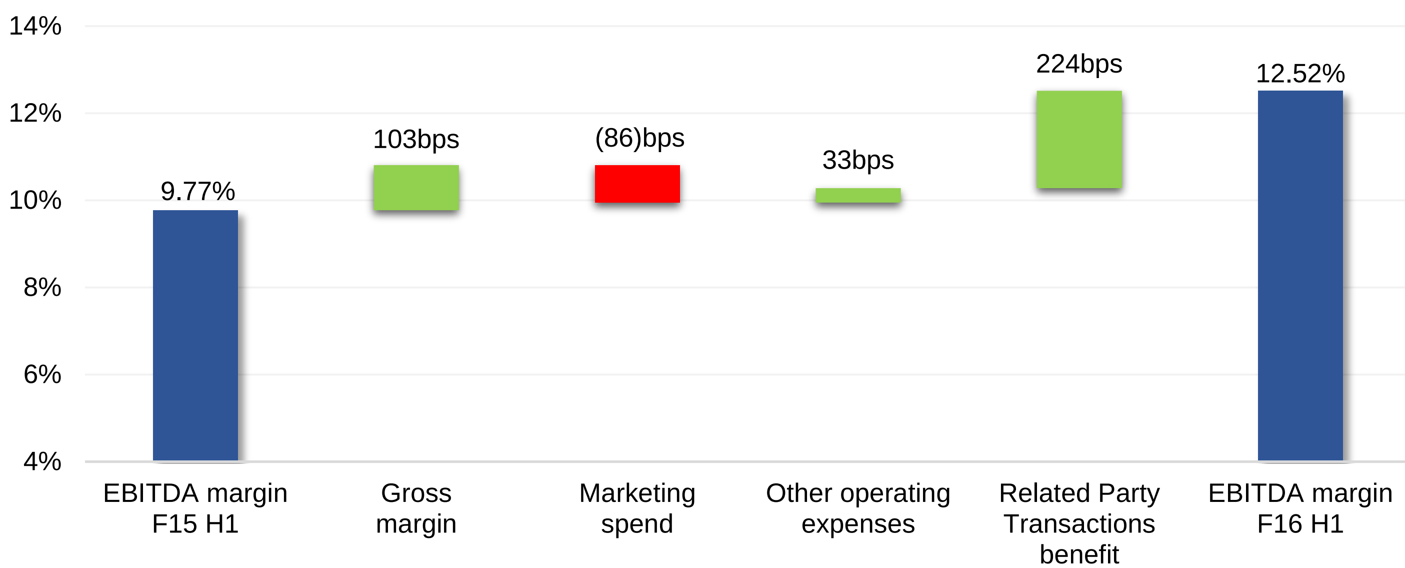


EBITDA was up 39%, mainly driven by incremental net sales from the Diageo distribution agreement coupled with continuous focus on the Premium and Above segment. This was partially offset by higher production and staff costs.

We continue to invest behind our brands with an underlying increase in our marketing investment of 18% versus last year (excluding the impact of the Related Party Transactions savings).

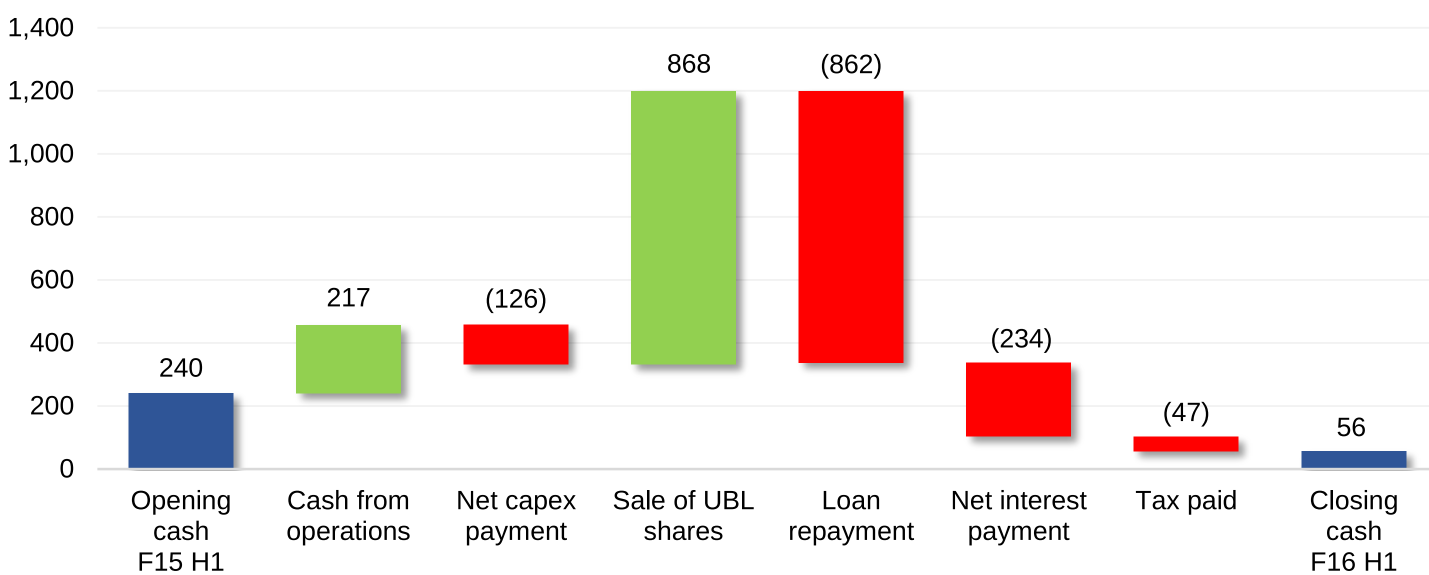
Pending clarifications / directions from SEBI, the Company has not made any payments to the respective counterparties under the agreements referred to in Para (7) of the Notes to the Accounts for the period subsequent to November 28, 2014, and has considered these amounts as contingent liabilities (including Rs. 47 Crores and Rs. 93 Crores for the current quarter and six months ended 30 September 2015 respectively).

Change in EBITDA margin (%)



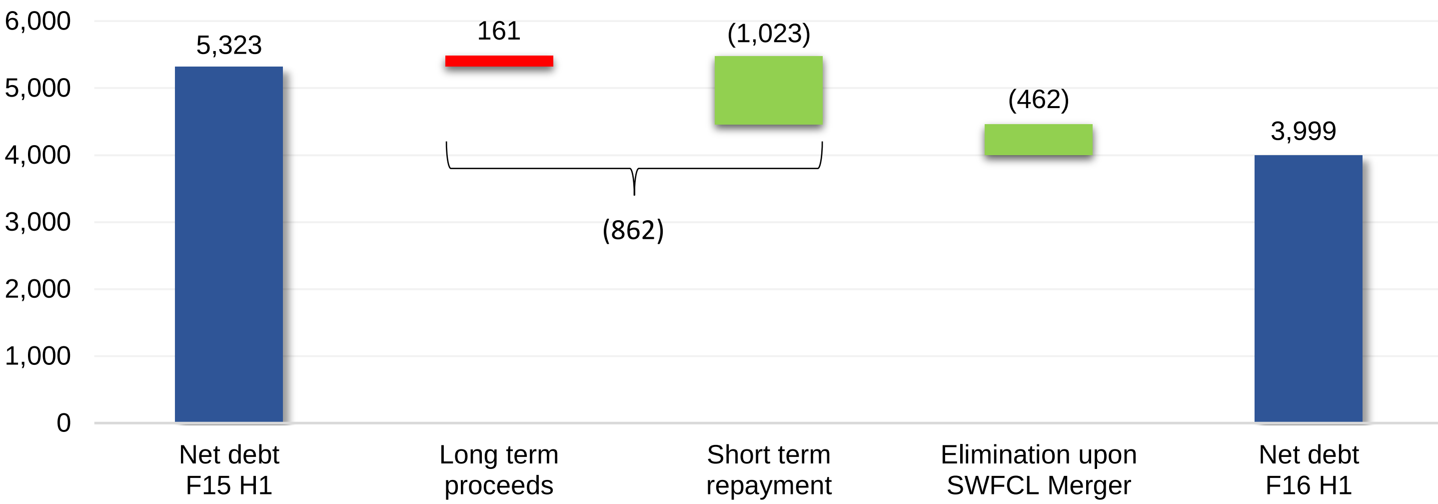
Continued focus on portfolio premiumisation and clear participation choices in our Popular segment together with our focus on driving productivity is yeilding dividends in terms of positive mix and gross margin enhancement which are being invested behind our brands and capability. Reported savings associated with Related Party Transactions as outlined above is positively impacting margins.

Movement in cash (Rs. Crores)



Underlying operations generated cash of Rs. 217 Crore net of working capital movement of Rs. 323 Crore including the working capital increment associated with the full Diageo brands integration into the Company's portfolio. Our capex investments are focued on upgrading our strategically important manufacturing units. Focus on rebasing the balance sheet via the divestment of surplus / non-core assets together with renegotiation of borrowings terms will continue to para back the total interest cost for the Company.

Movement in debt (Rs. Crores)



UBL Share(s) divestment is the main driver of the short term debt repayment during the half. As outlined in Para (4) in the Notes to the Accounts, a Scheme of Amalgamation between the Company and SW Finance Co. Limited a wholly owned subsidiary of the Company ("SWFCL") was sanctioned by the Hon'ble High Court of Karnataka and Hon'ble High Court of Judicature at Bombay and has become effective from 28 September 2015. The above change will have no impact on the consolidated group debt position.

Cautionary statement concerning forward-looking statements

This document contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to United Spirits Limited, anticipated cost savings or synergies, expected investments, the completion of United Spirits Limited's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside United Spirits Limited's control. United Spirits Limited neither intends, nor assumes any obligation, to update or revise these forward-looking statements in the light of any developments which may differ from those anticipated.

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