

UNITED BREWERIES LIMITED

Regd. Office: UB Anchorage, 100/1, Richmond Road, Bangalore 560 025

Unaudited Financial Results for the
three months ended June 30, 2006

Rs in Crores

SL NO		Unaudited		
		Three Months Ended 30.6.2006 Rs.	Three Months Ended 30.6.2005 Rs.	Accounting year ended 31.3.2006 Rs.
1	Income			
	a) Gross Sales/Income from Operations	276.16	218.68	791.40
	b) Excise Duty/Taxes	46.37	37.80	143.32
	c) Purchase of Finished Goods	36.45	18.22	67.59
	d) Net Sales/Income from operations	193.34	162.66	580.48
	e) Other Income	2.40	7.86	15.09
	f) Total Income	195.74	170.52	595.57
2	Expenditure			
	a) (Inc)/Dec in stock in trade	2.69	4.15	3.21
	b) Consumption of Raw Materials	18.83	14.58	53.42
	c) Power & Fuel	8.54	5.54	21.60
	d) Staff Cost	11.97	11.11	42.28
	e) Other expenditure			
	i) Consumption of other materials	47.26	38.35	150.15
	ii) Advertisement & Sales Promotion	44.90	32.92	156.19
	iii) Others relating to operations	10.23	15.00	53.95
3	PBIDT (Refer Note 1)	51.32	48.88	114.77
4	Interest and Finance charges (net)	6.05	4.59	21.87
5	Depreciation	3.31	2.83	13.55
6	Profit Before Non recurring items & Taxation	41.96	41.46	79.36
7	Non Recurring items	-	(13.18)	(1.61)
8	Provision for Taxation			
	- Current	(14.58)	(11.88)	(25.18)
	- Fringe benefit tax	(0.60)	(0.18)	(1.98)
	- Deferred Tax Assets/(Liability)	0.75	(2.39)	(2.20)
9	Net Profit	27.53	13.83	48.38
10	a. Paid-up share capital	21.60	21.60	21.60
	b. Preference share capital	246.90	246.90	246.90
11	Reserves excluding revaluation reserve	234.15	20.61	234.15
12	Basic and diluted EPS (*not annualised) (Refer Note 5)	1.23 *	5.94 *	16.38
13	Aggregate of non promoter shareholding			
	- No of shares (Face value of Re.1/- each) (Refer Note 5)	54,010,310	5,400,531	5,401,031
	- Percentage shareholding	25.00	25.00	25.00

1. The Company has entered in to an agreement with the Promoters of Karnataka Breweries & Distilleries Private Limited (KBDL), for acquiring the brewery entity of the undertaking post de-merger for a total consideration of Rs.186 crores against which a sum of Rs.123 crores has been paid. In view of the de-merger being granted by the Hon'ble High Court and KBDL becoming ultimately a subsidiary of the Company during the current financial year, operating profits to the extent of Rs.24.17 crores for the quarter which presently vests in KBDL shall be treated in the books of the Company upon consolidation at the year end.
2. The accounts for the year ended March 31, 2005, carry a qualification with regard to diminution in value of investments in subsidiaries, namely Associated Breweries & Distilleries Limited (ABDL) & Mangalore Breweries & Distilleries Limited (MBDL) amounting to Rs.87.54 crores; non recoverability of advances to subsidiaries amounting to Rs.56.90 crores and liability towards guarantees given on behalf of subsidiaries amounting to Rs.44.65 crores, the extent of loss of which, if any, is not ascertainable. In addition, the accounts carry a qualification with regard to investments in Millennium Alcobev Private Ltd. (MAPL) amounting to Rs.58.95 crores.

In the opinion of the management there is no likelihood of any impact on the profit of the period for the diminution in value of the investments, advances made to subsidiaries and the guarantees issued on their behalf in view of the proposed amalgamation with these subsidiaries as stated in note 3 below.

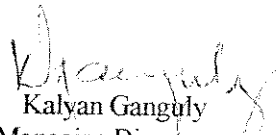
MAPL, being a JV between the Company and S & N, has already made significant inroads into the market by achieving a 10% market share within a period of three years. The said subsidiaries and the JV have their manufacturing locations in critical markets and meet almost 33% of the Company's capacity requirement. Considering these investments are strategic and long term in nature, the management is of the view that no provision is necessary at this stage.

3. A Composite Scheme of Arrangement comprising of amalgamation of Mangalore Breweries & Distilleries Limited (MBDL) and de-merger of brewing business of Associated Breweries & Distilleries Limited (ABDL) (both subsidiary Companies) into the Company effective April 1, 2005 has been filed with the Hon'ble High Courts at Karnataka and Bombay. MBDL, ABDL and the Company have filed their respective petitions u/s 391 to 394 of the Companies Act 1956, with the respective High Courts. Pending court order the Company's accounts have been presented on a standalone basis without considering the financials of ABDL and MBDL.
4. In accordance with the transitional provisions contained in the revised Accounting Standard 15 issued by the Institute of Chartered accountants of India, the difference of Rs.5,20,898/- between the liability in respect of short term employee benefits existing on the date of adoption (April 1, 2006) and the liability that would have been recognized at the same date under the previous accounting policy has been adjusted against the opening balance in General Reserve. However, there is no material impact on the profit for the current quarter.
5. The Company has sub-divided the face value of its Equity Shares from Rs.10/- each to a face value of Re.1- each which was approved by the Members on May 24, 2006. The Equity Share prices quoted on the Stock Exchanges reflect the sub-divided face value effective June 9, 2006.

6. The Company is engaged in manufacture, purchase and sale of beer including licensing of brands which constitute a single business segment. The Company also considers the whole of India as a single geographical segment.
7. The figures relating to the previous periods have been reclassified wherever considered necessary. Also due to the seasonality of business, the quarterly results are not indicative of the overall profitability of the year.
8. The investor complaints pending as on April 1, 2006 were Nil. The complaints received and disposed off during the quarter ended June 30, 2006 were 9 and there were no complaints unresolved as on that date.
9. The results for the quarter ended June 30, 2006 have been subjected to a limited review by the statutory auditors of the company and the same have been approved by the Board of Directors at the meeting held on July 24, 2006.

By the Authority of the Board

Place : Mumbai
Date : July 24, 2006.


Kalyan Ganguly
Managing Director