



# "United Breweries Limited Earnings Conference Call"

April 28, 2011



**MODERATORS: MR. VIVEK MAHESHWARI  
MR. GUIDO DE BOER  
MR. P. A. POONACHA**



*United Breweries Group  
April 28, 2011*

**Moderator:** Ladies and gentlemen good day and welcome to the Q4 FY'11 Results Conference Call of United Breweries hosted by CLSA India Limited. As a reminder for the duration of this conference, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. If you need any assistance during this conference call please signal an operator by pressing "\*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Vivek Maheshwari. Thank you and over to you, Sir.

**Vivek Maheshwari:** Thanks Marina. Good day everyone and welcome to the Q4 fiscal 2011 conference call of United Breweries. We have with us representing the management Mr. Guido De Boer, the CFO and Mr. P.A. Poonacha, AVP, Finance. We will start the call with opening remarks from Guido and Poonacha, post which we would open the house for Q&A. Thanks and over to you Guido.

**Guido De Boer:** Thank you Vivek for hosting the conference call and all of you for dialing in. Results this year are obviously excellent and for the quarter we posted a 15% volume growth, which was mainly due to strong growth continuing in Andhra Pradesh, Maharashtra, U.P, Karnataka rebounding from last year. Growth was little bit lower than previous quarter primarily because some selling constraints in states like Tamil Nadu, which was flat for the quarter. But if you look overall the fundamental health of the market is unaffected and I think the growth is still very solid and in this quarter we also had the base effect impact from Karnataka, which rebounded last year in the March. I think in general you will see a similar impact also in the coming quarters of this calendar year with the growth we had the last year, the base is obviously increased and will therefore continue to impact us. Overall market share performance was excellent. We achieved 56% market share, which was at highest we have ever achieved in a quarter and in January we even reached 62% market share for the month. If you move on to net sales, which grew by 18%, the positive thing is also that the NSR per case has continued to improve and a third of that improvement is coming from a better state mix, so by having higher growth in states where we have a better NSR and for the remaining two thirds the improvement in price,



*United Breweries Group  
April 28, 2011*

that also from our continued focus on improving our mix and selling more valuable brands in the quarter. If we move on to cost per sales the increase is a bit more than the previous quarters and actually though I might sound contrary I am quite happy with it, because the reason for this was the impact of our proprietary bottle program, which is quite successful. What happened this quarter is that now we have implemented our own proprietary bottles in half of the states, and during the year we only infused our own proprietary bottles. What is happening is that this is creating a shortage of the industry bottle. If you look now in Maharashtra, rather than the prevailing Rs.4.50 that we used to pay for an IBA bottle, we pay for our own proprietary bottle only Rs.3.50, that is per bottle and so per case is Rs.12 improvement, but what has happened now in the peak season when there is a shortage of the industry bottles (AIBA) their price has shot up to Rs. 8 and that is obviously impacting significantly, the smaller competitors. It proves the success of the proprietary bottle infusion. Since we have not moved fully to our own bottle, we also feel the impact of the IBA bottle price increase. To me that is an investment into the future and going forward smaller competitors who have to pay these high prices for the industry bottle while we will continue the drive to get all of our markets into proprietary bottles, where we pay in price of Rs.3.50 or below, I think that is one of the key profit drivers we were aiming for the next financial year. Further fixed costs were basically in line with previous quarters and no material changes seen on that.

There have been quite a few questions on Maharashtra excise increase; this happened some while ago. We have been able to mitigate impact of those excise increases by only increasing the MRP by 20%, which is significantly lower than what you see on the website and although 20% as we speak is something that the consumers should be able to absorb. On that sense no major risks on the growth of the Maharashtra market. Also we have protected our own margins in the value chain by restructuring what we pay the rest of value chain and because of this we don't expect any material changes in the net contribution per case that we get from Maharashtra.

The gross debt which stood as of March 31 was around 580 Crores and if we take in to account the preference shares and reduce the available cash the net



debt was around 758 Crores. Subsequently we repaid major portion of the preference shares in mid April. We reduced our Net debt to EBITDA ratio from around 3 times EBITDA at the end of last year to under 2 times now, which I think is a very healthy position. And then lastly, may be something on the impact of the acquisitions that happened in this quarter, we have some like-to-like comparison. If you correct net sales for consolidation of Empee, MAPL and ABDL net sales stood at 670 Crores compared to 573 in the previous year, which is 17% growth and if you look PBT that stood at 60 Crores versus 50 in the pervious year. Correcting for the acquisitions, if you really look at normalized results after excluding any exceptional items which will probably give you the best picture of the impact on earnings per share, the quarterly earnings per share was 1.49. The impact from consolidations after taking both the additional profit, which is a PAT of around 4.7 Crores and taking into account the additional number of shares issued, which is 1.4 Crore shares, it gives 0.10 paisa per share impact. So like-to-like corrected earnings per share is 1.39 and if you look at the previous year similar quarter we have an EPS of Rs.1/- only, however in that quarter we had over one Crore of after tax income from investments, invested from the proceeds of our rights issue. So comparable earnings per share was only 0.95, that gives an EPS growth of 46%, for the quarter. If we do the same analysis for the full year our EPS for FY11 stood at 6.26 and the impact of consolidation is Rs.0.19 again the 4.7 Crores additional PAT but you divide the EPS of the full year by the increased amount so that is actually a diluted impact. So a comparable EPS would be 6.45. Then if you look at the previous year where EPS stood at 3.68, where the full year we had 11 Crores, which is over 10% of PAT coming from after tax income from investments, so that would be on a per share basis 0.44 paisa, if we take this out EPS stood at 3.24. If you then compare like-to-like 6.45 EPS for this year to the 3.24 of previous year we basically have a doubling of EPS on a like for like comparison. So that obviously we are very pleased with the results which is extraordinary, as we have never achieved growth like this previously, we are obviously looking forward to healthy growth going forward, but considering the base impact of the last financial year will be a drag we obviously hope to get price increases in key states like Tamil Nadu, West Bengal, and Kerala, which we have not been discussing yet because of the



elections. Definitely we will not have those positive impacts of price increases in Q1 while we will probably have some cost pressures in quarter ahead. So that is my introductory remarks and we should move to Q&A.

**Moderator:** Thank you, very much. We will now begin the question and answer session. The first question is from Abneesh Roy from Edelweiss. Please go ahead.

**Abneesh Roy:** My first question is what was the difference between growth in sales and growth in volumes and why the difference in terms of price increase is there in nine months and Q4?

**Guido De Boer:** Sorry, can you repeat the second part of your question?

**Abneesh Roy:** Yes the question is how has price increase tended in the first nine months and Q4. Once you give the price growth, we will have more clarity on that and where do you see that going ahead in Maharashtra, we have taken 20% price hike. So I will come to second part of question later, but if you can answer the price growth in Q4?

**Guido De Boer:** In Q4, volumes grew at around 15%; sales grew at 18% so the difference between that obviously is our improvement in NSR per case.

**Abneesh Roy:** What was the nine-month corresponding figure?

**Guido De Boer:** The nine months corresponding figure was higher but if you want to have a meaningful comparison of this, you need to look at the UB Breweries Group on a 100% combined basis because there is also a shift here in what is contracted by one and sold by the other etc., so if you look at that the difference is fairly stable, where you see that around one third of our sales increase is coming from either state mix or price increases and two thirds is coming from volume growth.

**Abneesh Roy:** In the earlier conference calls you have said that volume growth for the next five years can be around 15% CAGR and so in FY'12 how does it look in the context of very high base and in the context of the Q4 numbers and 20% price hike in Maharashtra?



**Guido De Boer:** I think it is- the guidance we give for four to five years we definitely still stand strongly behind. Like I mentioned Maharashtra has 20% MRP increase should not impact the expectation, high base might have some and then it is also largely determined by what kind of price increases will we get in the Govt. markets. In the sense that excise impact is less on beer and the fact that an increased excise is there on Spirits, is a very positive development in Karnataka, Andhra Pradesh we have no knowledge yet, other key market of Tamil Nadu, is under elections so is West Bengal and Kerala. So we have to wait to see what the full impact is. Either one way or the other it will help us either we get a price increase or realization goes up or our growth will be higher.

**Abneesh Roy:** Coming back to volume growth in Q4 we have seen 15% volume growth and Q4 had the full benefit of the World Cup cricket and what we were hearing is the beer consumption had gone up significantly in most of the key towns and cities so why are we not seeing the benefit. I understand the base effect but still 15% does it look lower than your expectation, because cricket was there, a one of event was there?

**Guido De Boer:** In general the impact of such events on our overall sales is grossly overestimated. Imagine one World Cup, if that will have 10% impact on our month sales, it means that in that day they need to drink so much more extra beer, but that is not likely. So in general, you do not see a very significant impact of these events overall volume growth. It's real impact is weather.

**Abneesh Roy:** How does that effect?

**Guido De Boer:** Summer time purchases are a bigger driver.

**Abneesh Roy:** Okay Sir I will come back if I have more. Thanks for this.

**Moderator:** Thank you. The next question is from Mayur Gathani from OHM group. Please go ahead.

**Mayur Gathani:** What is the impact of the barley prices Sir, which is purchased in March and April?



**Guido De Boer:** Like I mentioned in the previous quarter the purchasing is now ongoing, harvest seems really okay and after the Q1 results when we have done the purchasing for the full year then we have the proper feeling of how the prices are establishing. Now when we are in the middle of the purchasing process it is yet day-to-day volatility so there is no meaningful statement we can give on that now.

**Mayur Gathani:** What about refund from Balaji Sir, 150 Crores that we have, we have given them as advance, will that be refunded to us?

**Guido De Boer:** That will be refunded to us. It is fully backed up by security, so that should be coming in this financial year.

**Mayur Gathani:** This financial year, and how come the tax rate was around pretty high this time for this quarter?

**Guido De Boer:** That is related to the acquisition, because the deferred tax impact on the merger coming in the quarter, rate seems high will even out in the next year's rate, so that is only temporary and also it will not fully reflect the taxes that we actually have to pay but it just reflects in our P&L charge.

**Mayur Gathani:** So there is a foreign selling and admin expenses, why is that? Overall selling expenses, selling and admin expenses has dropped.

**Guido De Boer:** If you look the drop in general in Q4 and Q1 advertising and sales commercial costs are relatively lower because in the peak season we have to give less discounts, but overall difference it went Q4 down from 80.9 to 80.2%, which is in line with about 1% increase we had over the full year. Now that is the trend we have over the year and we spend quite some time in optimizing our BTL spend and seeing where we can cut back from that, so this is perfectly in line with what we have been doing over the full year.

**Mayur Gathani:** What impact do you see because of the hike of 20% in the beer prices, I mean for Maharashtra and do we see any other states following this hikes going forward?



- Guido De Boer:** These hikes are not likely to have an effect like in Karnataka, the increase in terms of 20% is not the actual impact as part of it comes in the way of 9% inflation, which is a generic issue, this especially in the case of luxury products.
- Mayur Gathani:** So may be for a quarter or so we can see some dips in volumes in Maharashtra and the again it will get back to normal?
- Guido De Boer:** Yes, it would not be like Karnataka few years ago, where we really increased prices and we had a slump, it is early day but we do not expect something major like what happened in Karnataka.
- Mayur Gathani:** The last one is regarding the bottling thing; will it be completely by this financial year?
- Guido De Boer:** Yes, end of this financial year; we should have the full country exclusively on our proprietary bottles.
- Mayur Gathani:** Okay fair enough sir. Good luck and thank you very much.
- Moderator:** Thank you. The next question is from David Reed from Hillhouse Capital. Please go ahead.
- David Reed:** I just wanted to get an update on any changes in your market share that is shifting around a while, so wanted to get just an update on kind of competitive landscape, you are seeing your major competitor for SABMiller versus the smaller guys. That is the first question and the second question is just an update on your working capital?
- Guido De Boer:** I think it is similar as previous quarters, we have been growing quite a bit in UP and Andhra, which are states where SAB is traditionally strong so their shares have gone down a bit. Across verticals I think we have had a pretty good year, but since the start the year they are down by I think 2%-2.5% market share and probably getting some recovery close to Q4 end. There is not much changes and I think the smaller guys are actually under a lot of pressure, which you see now what is happening with bottle prices that is really hurting them, their bottomline and that will also impact the ability to keep giving discounts



because they do not have brands, will hurt their ability to contain the market share. On working capital basically this trend is we achieved exact 10 days of working capital as previous quarter. So that is relatively less in this year we have tightened our credit terms in certain market so for this quarter I expect some improvement.

**David Reed:** In terms of working capital gains the next several quarters?

**Guido De Boer:** We are now about 40 days and that should run towards the 30. We have made great stride and especially on the payment efficiencies and on debtors. We have not started payments that much primarily because a large part of our payables are local bottle suppliers, since we are introducing this level of own bottles we do not want tightening of terms on this front to affect us, will be looked at when the own bottle system is in place.

**David Reed:** Great. Thank you.

**Moderator:** Thank you. The next question is from Ashwin Desai from B&K Securities. Please go ahead.

**Ashwin Desai:** I have a few questions. Firstly, if you could give us some idea on the price hikes that we have taken except for the few markets Tamil Nadu, Karnataka and West Bengal?

**Guido De Boer:** Which is taken in the past year?

**Ashwin Desai:** In this year?

**Guido De Boer:** This year FY'11 or FY'12?

**Ashwin Desai:** FY'12?

**Guido De Boer:** In FY'12 we have taken some increase in Karnataka. We have done a little bit through new variants in Kerala, we have some improvement in some market in the north, as well as Delhi, and the other ones, discussions are still in progress, because this is basically the time when we have discussions with the Govt. After the end of this coming quarter the price increase help us for the rest of the



year. This is what is in place now and obviously we are working on getting price increase as we do normal every year.

**Ashwin Desai:** What will be the average price increase that we have taken so far?

**P. A. Poonacha:** This year the price increase that we have taken in Karnataka, is very small, we just don't want to risk Karnataka being major chunk of our contribution. If you recollect in 2009 when the government changed the excise structure in Karnataka the price of beer went up and we had a very bad financial year with Karnataka doing very badly. The price increase has been very mild so that has impact our overall volumes and our profitability. Kerala we have got price increase on certain brands we have improved. We have not had price increases from the government so we are introduced variants like Kingfisher Premier, and got some price increases, which is on overall basis again very small because until the new brand or the brand variants kick up in volume it will not give overall effect. Price whatever we had so far for 2011-12 the price increases is very minimal. We are expecting price increases from Tamil Nadu and the other states including West Bengal, which we will discuss after the election.

**Ashwin Desai:** Guido, you discussed about the cost savings from the proprietary bottles investment that you all have done. Could you also discuss if there are any further levers that you can use to improve margins in the future?

**Guido De Boer:** There obviously are and we are working on those, but may be in a bit more detail on that I can explain that in a later call about what we are doing, but the ongoing things like BTL optimization, SKU reduction etc., other things we do on an ongoing basis, but there some of the projects that are ongoing to **enhance** our margins so I can update you on a later time on that.

**Ashwin Desai:** Lastly, if you could talk on what is all the selling constraint in Tamil Nadu this quarter?

**Guido De Boer:** It is like in every government markets you need to have permits. It is just the thing, which happens in everywhere.



- P. A. Poonacha:** In Tamil Nadu in addition to getting the permits from the government corporation the excise has to give you monthly licensed capacity, which even if you have increased production capacity they do not necessarily increase the license without them having a justifiable reason to do so, they say there is sufficient stock in the depot godowns what is the need to dispatch more. So at such times you convince them and get the license capacity increased for the summer months, if there are delays you tend to miss the season. This was the constraint in Tamil Nadu.
- Ashwin Desai:** Thanks. Poonacha, if you could also give us what is the market share, our market from AP now?
- P. A. Poonacha:** It is almost in line with our national market share, slightly lower, but almost in line.
- Ashit Desai:** Thanks a lot. Guido, can you give some outlook on the CapEx that you planned to incur over the next two year may be specifically fiscal 12 and fiscal 13?
- P. A. Poonacha:** We expect- given the growth that we have that CapEx will be at a higher level than the previous years. That will be for UB most probably around 300 Crores or so.
- Ashit Desai:** 300 Crores is it?
- P. A. Poonacha:** In the FY'11, FY'12 we are looking at 300 Crores but going forward on an average it will be between 200-250 Crores.
- Ashit Desai:** Is there a rough broad split for these 300 Crores if you can share?
- P. A. Poonacha:** Yes, we will have close to 150 Crores, which will be set aside for Greenfield in Karnataka itself. Then the remaining would be spread across the country to build and expand capacities of various units and include a portion for setting aside land in Bihar for our new project in Bihar, which we are yet to acquire land.
- Guido De Boer:** This CapEx basically goes either gradual CapEx in the form of expending our existing breweries or with one big step if you indicate that you do a Greenfield.



So here because we do a Greenfield in Karnataka and initial investments for Greenfield in Bihar, it seems high compared to previous years and also if you look at from a continuous basis. This 300 would not be on an ongoing basis.

**Ashit Desai:** Understood, and second could you also provide status on the role out of Heineken brand in India?

**Guido De Boer:** It still as per plan and early Q2 it will be launched.

**Ashit Desai:** Early second quarter right?

**Guido De Boer:** Yes.

**Ashit Desai:** Third is loan or the advance that you have given to Balaji when do you expect to receive this money?

**Guido De Boer:** In this financial year.

**Ashit Desai:** Lastly on patented bottles. You mentioned that in the peak season the prices are closer to Rs.8 for non-patented one or the normal bottles do you still have to pay only Rs.3.5 to Rs.4 to get your own bottle back. Delta is basically as much as Rs.4-Rs.4.5 during peak season is that correct?

**Guido De Boer:** That is correct and I think that also shows effectiveness of these initiatives. Normally during the season we would have a big issue with the price of the industry bottles going up, but with availability and our own bottle, the price is stable and availability is relatively good.

**Ashit Desai:** Understood, so at any point of time of the total, I mean, once you have this initiative being rolled out to across the India, at any point of time how much will be the contribution or the percentage of patented bottles per se versus the non-patented ones?

**Guido De Boer:** When we rolled it up to all the states?

**Ashit Desai:** Will it be 100%?



*United Breweries Group  
April 28, 2011*

**Guido De Boer:** Yes, but we have for some brands like ultra, we use the one-way bottle but everywhere where we use returnable bottles as well as the proprietary bottles.

**Ashit Desai:** Understood. Thanks.

**Moderator:** Sure. Thank you. The next question is a followup question from Abneesh Roy from Edelweiss. Please go ahead.

**Abneesh Roy:** My followup question is on the Heineken, which you have planned to do in early Q2. How big is that segment currently of the entire industry and how in the next two years, you believe Heineken can benefit us in terms of say market share or the overall revenue and profits?

**Guido De Boer:** It is relatively a small segment of the market, if you look, mild is at around 25% of the beer market, and this is the premium segment in mild, so out of the total market it is relatively small but it is usually the fastest growing segment of the market and the most profitable also. So we see this as an investment in building the brands now to make sure that it is a key profit contributor in the future. This is something for the future and almost delivered big profit announcement in the coming year.

**Abneesh Roy:** This will be restricted to the state of 20-25 cities, is that the plan?

**Guido De Boer:** It may be even more restricted because we believe that where there is a roll out of a brand like this, we can only do one market at a time and we need to do it properly, we will do it and selected cities and selected outlets, when the brand picks up, it will be a gradual rolled out across the country.

**Abneesh Roy:** My second followup is on the Carlsberg brand you said that has done well from 2% to 2.5% market share they are now 4% so what are the key reasons and how are we trying to...?

**Guido De Boer:** I think I said Carlsberg the company has done well. If you look at Carlsberg half of their sales volumes are just the economy brand Okacim Palone, focusing on the basis of low price and then they have Tuborg and Carlsberg. I think



these two brands that are having the traction, Carlsberg I think is doing well while they are doing extremely well with Tuborg.

**Abneesh Roy:** What is the reason for it? Is it any particular market they are doing well is it because of low prices that they are doing well?

**Guido De Boer:** I think it is being European brand relatively at Indian prices rather than at the prices of Heineken, Corona.

**Abneesh Roy:** And lastly you said the three key states where the elections are being held normally after the election how much time does it take to get the price hike back in the past what has been average, is it two months, is it six months, and is it one year?

**Guido De Boer:** No. It takes few months for them to decide whether to give a price increase or not. It also obviously depends on the outcome of the election, whether that party is willing to give this price increase. They should decide this after the new Government comes into power.

**Abneesh Roy:** Sir lastly on the raw materials side in the last concall you said in Q1 we will have more clarity. Now as in Q4, you will have more clarity, in how in Q4 you are?

**Guido De Boer:** No. I mentioned Q1.

**Abneesh Roy:** But in the mid season don't you have fair clarity? Is in the mid reason right now?

**Guido De Boer:** We now purchased about the 20% our requirements. I would to like to mention that there is still quite a significant volatility in the prices because they have traders etc., so we decide when to buy and how much to buy and whether we buy in India or we will buy abroad, so that all is in progress.

**Abneesh Roy:** At United Spirits plans to go for glass manufacturing what are your thoughts on that because you would also be a very big buyer of glass, so any joint plans on that or you would continue to operate independently.



**Guido De Boer:** We welcome more competition in the glass market especially if it fits the company who has a glass company, almost a very welcome development. We ourselves have no intentions to get in glass.

**Abneesh Roy:** Thanks, Guido and all the best.

**Moderator:** Thank you. The next question is from Harish Zhaveri from Deutsche Bank. Please go ahead.

**Harish Zhaveri:** Just on this notes to the accounts in note V-B particularly you mentioned that the three companies on which the approval has not yet come for the scheme of amalgamation. Now just like you specified in the earlier part of the conference call that how much would be the sales EBITDA PAT impact. Could you also give an impact for these two companies where the approvals have not come?

**P. A. Poonacha:** The sales impact is not available of the hand, but the impact would be negative on the PBT, 30 Crores, impact would be negative on the PAT, 20 Crores, though all these four companies make operating profit, three of these companies make cash profits, but there is a huge depreciation impact there with equipment being added on capacities getting expanded. One of the companies is making a cash loss on account of the huge interest costs. So all in all the PBT impact would be 30 Crores that is on the 263 Crore, currently published for the full year will have to be written down by this amount.

**Guido De Boer:** That maybe still for clarification- entities that you are taking about now do not include CBPL.

**P. A. Poonacha:** Does not include CBPL, that is Chennai Breweries purchase only the balance sheet merger because it is closing on March 31, 2011 and I think that is relevant from there The CBPL, PBT is 36 Crores, so going forward it will negate the downside in this financial year.

**Guido De Boer:** And if you look from an economic perspective there are no dividends in the company, so may be accounting wise it does not accrue to us, but the cash possession comes to us and if you want to compare it on a like-to-like basis it will help the growth orientation with cash coming in.



United Breweries Group  
April 28, 2011

- Harish Zhaveri:** If I understand you correct the Chennai Breweries does only a balance sheet merger that is happening, a merger that is happening and whenever that were to happen it could be plus 36 Crores that is what you are mentioning?
- P. A. Poonacha:** The full year PBT for Chennai Breweries after they pay out royalty to us on a standalone basis is around 36 Crores.
- Harish Zhaveri:** And just out of curiosity on this 150 Crore of deposit what would be the collateral that you would have?
- P. A. Poonacha:** We have one of the group companies of Star give us the optionally convertible debentures that the group company holds in Kingfisher Airlines.
- Harish Zhaveri:** Thanks Guido and thanks Poonacha.
- Moderator:** Thank you. The next question is from Mahesh Nandurkar from CLSA. Please go ahead.
- Mahesh Nandurkar:** Earlier in the call you had mentioned about the strategy of the company to keep a tight check on the sale and distribution and admin expenditure, which as of now for the full year FY'11 works out to 27% of your net revenues. So going forward, how do you see that trend and what are the measures that you are taking to control that cost?
- Guido De Boer:** Like I mentioned on the BTL side we are working on evaluating our BTL spends on the market-by-market basis and looking at markets where we have big shares, limiting discounts where possible. So this is on BTL. Then if you look at ATL they are highly brand driven. It is not so much that we focus on bringing down cost. There we just look at what kind of marketing requirement is there to launch our brand. For example, this year we have stressed a number of marketing initiatives and on the other hand we will start doing an additional ATL on the Heineken brands also. So it is not per se that we are bringing down ATL and BTL, but we try to spend as efficiently as possible.
- Mahesh Nandurkar:** Right and would it be possible for you to give us some idea about the quantitative trend in that. As of now we are talking about 27% of net sales?



*United Breweries Group  
April 28, 2011*

**Guido De Boer:** We do not give any specific guidance on that.

**Mahesh Nandurkar:** Thanks a lot.

**Moderator:** Thank you. At this time, there are no further questions from the participants. I would now like to hand over to Vivek Maheshwari for closing comments.

**Vivek Maheshwari:** Well I would like to thank the management team at United Breweries and also all the participants for being there on the call. Guido, do you want to make any closing comments?

**Guido De Boer:** No, just to say thank you all for dialing in and taking your time.

**Vivek Maheshwari:** Thank you very much.

**Moderator:** Thank you. On behalf of the CLSA India Limited that concludes the conference call. Thank you for joining us. You may now disconnect your lines.