



UNITED BREWERIES LIMITED

November 14, 2018

1. Department of Corporate Services,
BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001

2. National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051

Dear Sirs,

Sub: Outcome of Board Meeting - Unaudited Financial Results for the Quarter ended September 30, 2018

In terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are furnishing herewith Unaudited Financial Results of the Company for the quarter ended September 30, 2018.

Time of commencement of Board Meeting: 13:00 Hrs

Time of conclusion of Board Meeting: 19:10 Hrs

The Results will be published in an English Daily and also in a local Newspaper in Kannada, being the regional language where the Registered Office of the Company is situated.

A copy of the Press Release is enclosed.

Thanking you, we remain,

Yours faithfully,

For UNITED BREWERIES LIMITED,

GOVIND IYENGAR
Senior Vice President - Legal &
Company Secretary

Encl: a/a


UNITED BREWERIES LIMITED

Registered office: UB Tower, UB City, 24, Vittal Mallya Road, Bengaluru - 560001

Phone: 080 - 39855000, 22272806/07 Fax: 080 - 22211964, 22229488

CIN: L36999KA1999PLC025195 Email: ublinvestor@ubmail.com Website: www.unitedbreweries.com

Rs. in Lakhs

Statement of unaudited standalone Ind-AS results for the quarter and year to date period ended September 30, 2018

| Particulars | Quarter ended | | | Year to date ended | | Year ended |
|---|-----------------------|------------------|-----------------------|-----------------------|-----------------------|-------------------|
| | September 30, 2018 | June 30, 2018 | September 30, 2017 | September 30, 2018 | September 30, 2017 | March 31, 2018 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| 1 INCOME | | | | | | |
| (a) Revenue from operations (gross of excise duty) (refer Note 4) | 3,33,184 | 4,15,790 | 2,74,117 | 7,48,974 | 6,55,508 | 12,43,831 |
| (b) Other income | 370 | 1,528 | 120 | 1,898 | 746 | 1,298 |
| Total income from operations | 3,33,554 | 4,17,318 | 2,74,237 | 7,50,872 | 6,56,254 | 12,45,129 |
| 2 EXPENSES | | | | | | |
| (a) Cost of materials consumed | 64,747 | 88,915 | 54,087 | 1,53,662 | 1,27,637 | 2,51,657 |
| (b) Purchase of stock-in-trade | 5,309 | 3,132 | 4,192 | 8,441 | 7,473 | 11,343 |
| (c) (Increase)/Decrease in inventories of finished goods, work-in-progress | (2,312) | (6,409) | 607 | (8,721) | 3,405 | 2,286 |
| (d) Excise duty on sale of goods | 1,80,589 | 2,29,199 | 1,46,160 | 4,09,788 | 3,59,752 | 6,80,958 |
| (e) Employee benefits expense (refer Note 6) | 10,264 | 10,682 | 10,117 | 20,946 | 18,915 | 39,463 |
| (f) Finance costs | 400 | 922 | 1,271 | 1,322 | 2,691 | 4,765 |
| (g) Depreciation and amortisation expense | 6,563 | 6,371 | 6,504 | 12,934 | 12,989 | 25,960 |
| (h) Other expenses (refer Note 6) | 42,763 | 50,230 | 36,764 | 92,993 | 84,301 | 1,68,014 |
| Total expenses | 3,08,323 | 3,83,042 | 2,59,702 | 6,91,365 | 6,17,163 | 11,84,446 |
| 3 Profit before tax | 25,231 | 34,276 | 14,535 | 59,507 | 39,091 | 60,683 |
| 4 Tax expenses | | | | | | |
| (a) Current tax | 9,233 | 12,514 | 5,865 | 21,747 | 15,066 | 24,078 |
| (b) Deferred tax credit | (379) | (430) | (714) | (809) | (1,548) | (2,794) |
| Total tax expenses | 8,854 | 12,084 | 5,151 | 20,938 | 13,518 | 21,284 |
| 5 Profit for the period/year | 16,377 | 22,192 | 9,384 | 38,569 | 25,573 | 39,399 |
| 6 Other comprehensive income (OCI) | | | | | | |
| (a) Items that will not be reclassified to profit or loss in subsequent periods | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | 52 | 113 | (879) | 165 | (703) | (469) |
| Income tax effect on above | (19) | (39) | 304 | (58) | 243 | 164 |
| | - | - | - | - | - | - |
| (b) Items that will be reclassified to profit or loss in subsequent periods | | | | | | |
| Net movement in cash flow hedges | - | 25 | 339 | 25 | 202 | 236 |
| Income tax effect on above | - | (9) | (117) | (9) | (70) | (82) |
| Total other comprehensive income, net of taxes | 33 | 90 | (353) | 123 | (328) | (151) |
| 7 Total comprehensive income | 16,410 | 22,282 | 9,031 | 38,692 | 25,245 | 39,248 |
| 8 Paid up equity share capital (Face value of Re.1 each) | 2,644 | 2,644 | 2,644 | 2,644 | 2,644 | 2,644 |
| 9 Other equity | | | | | | 2,66,201 |
| 10 Earnings per equity share in Rs. | | | | | | |
| (a) Basic | 6.20 | 8.39 | 3.55 | 14.59 | 9.67 | 14.90 |
| (b) Diluted | 6.20 | 8.39 | 3.55 | 14.59 | 9.67 | 14.90 |

*Not annualised for quarters

See accompanying notes to the standalone Ind AS financial results



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Rs. in Lakhs

Statement of Standalone Assets and Liabilities

| | As at September 30, 2018 | As at March 31, 2018 |
|--|--------------------------------|----------------------------|
| | Unaudited | Audited |
| ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 1,64,833 | 1,67,979 |
| (b) Capital work-in-progress | 9,287 | 7,227 |
| (c) Intangible assets | 2,312 | 2,526 |
| (d) Financial assets | | |
| (i) Investments | 2,569 | 2,557 |
| (ii) Others | 5,398 | 5,277 |
| (e) Income tax assets (net) | 4,872 | 10,828 |
| (f) Other non-current assets | 17,579 | 11,899 |
| | 2,06,850 | 2,08,293 |
| Current assets | | |
| (a) Inventories | 97,289 | 80,644 |
| (b) Financial assets | | |
| (i) Trade receivables | 1,49,630 | 1,49,835 |
| (ii) Cash and cash equivalents | 11,899 | 1,520 |
| (iii) Bank balances other than (ii) above | 517 | 496 |
| (iv) Others | 1,689 | 1,040 |
| (c) Other current assets | 32,171 | 30,077 |
| | 2,93,195 | 2,63,612 |
| Total assets | 5,00,045 | 4,71,905 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| (a) Equity share capital | 2,644 | 2,644 |
| (b) Other equity | 2,97,974 | 2,66,201 |
| | 3,00,618 | 2,68,845 |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 20,547 | 20,500 |
| (ii) Others | 700 | 907 |
| (b) Provisions | 330 | 93 |
| (c) Deferred tax liability (net) | 1,086 | 1,828 |
| | 22,663 | 23,328 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 600 | 5,278 |
| (ii) Trade payables | | |
| - Total outstanding dues to micro and small enterprises | 316 | 481 |
| - Total outstanding dues of creditors other than micro and small enterprises | 33,420 | 51,791 |
| (iii) Others | 64,352 | 54,821 |
| (b) Other current liabilities | 70,129 | 59,298 |
| (c) Provisions | 7,947 | 8,063 |
| | 1,76,764 | 1,79,732 |
| Total equity and liabilities | 5,00,045 | 4,71,905 |

NOTES

1. The standalone Ind AS financial results for the quarter ended September 30, 2018 and the year to date period from April 1, 2018 to September 30, 2018 of United Breweries Limited (“the Company”) have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on November 13, 2018 and November 14, 2018, respectively, and have been subjected to limited review by the statutory auditors of the Company.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34), “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
3. The Company is engaged in the manufacture and sale of beer including licensing of brands which constitutes a single operating segment as per Ind AS 108 and hence separate segment disclosures have not been furnished. Further, considering the seasonality of the business, the revenue and profits do not accrue evenly over the year. Subsequent to the current quarter end, the Company has also started manufacture and sale of non-alcoholic beverages.
4. Ind AS 115 “Revenue from Contracts with Customers”, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has impacted the Company’s accounting for revenue from sale of products with consequential impact on expenses and taxes. The Company has applied the modified retrospective approach and debited retained earnings as at April 1, 2018 by Rs. 549 Lakhs, net of tax effect. The impact on financial results arising from the application of Ind AS 115 vis-à-vis the amounts if replaced standards were applicable is increase / (decrease) as below:

(Rs. in Lakhs)

| | Quarter ended | | Year to date period ended |
|------------------------------------|-------------------------------|--------------------------|--------------------------------------|
| | September 30, 2018 | June 30, 2018 | September 30, 2018 |
| Revenue | 2,857 | (3,975) | (1,118) |
| Expense | 2,308 | (3,280) | (972) |
| Tax expense | 192 | (243) | (51) |
| Profit after tax | 357 | (452) | (95) |
| Basic / diluted earnings per share | 0.13 | (0.17) | (0.04) |

5. The Bihar State Government (“the Government”) vide its notification dated April 5, 2016 had imposed ban on trade and consumption of foreign liquor in the State of Bihar. The Company had filed a writ petition with the Honourable High Court at Patna (“the High Court”), requesting remedies and compensation for losses incurred on account of such abrupt notification, against which the Government had preferred a special leave petition before the Honourable Supreme Court of India (“the Supreme Court”). Further, pursuant to notification dated January 24, 2017, the Government did not renew brewery licenses for the financial year 2017-18 onwards and consequently the Company discontinued production of beer at Bihar and had given its consent to Bihar State Beverages Corporation Limited (‘BSBCL’) to destroy / drain all its inventories lying with them, without prejudice to remedies and compensation available from its representation pending before the Supreme Court. The matter is currently pending before the Supreme Court for final conclusion.

Subsequent to the quarter end, the Company with necessary permission from the authorities has commenced manufacture of non-alcoholic beverages at its existing manufacturing facility at Bihar using its existing property, plant and equipment at Bihar with carrying value of Rs. 20,452 Lakhs as at September 30, 2018. Management believes that the carrying amount of these property, plant and equipment do not exceed their recoverable amount and accordingly no provision has been considered necessary by the management in this regard.

The statutory auditors of the Company have drawn an Emphasis of Matter in this regard, in their review report on the standalone financial results.

6. Employee benefits expense for the quarter ended June 30, 2017, year to date period ended September 30, 2017 and the year ended March 31, 2018 is net of reversal of Rs. 632 Lakhs.

Sales promotion expense (included under other expenses) for the quarters ended September 30, 2018, June 30, 2018 and September 30, 2017 is net of reversal of Rs. 809 Lakhs, Rs. 1,384 Lakhs and Rs. 274 Lakhs, respectively, and that for the year to date period ended September 30, 2018, year to date period ended September 30, 2017 and the year ended March 31, 2018 is net of reversal of Rs. 1,423 Lakhs, Rs. 564 Lakhs and Rs. 851 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

Selling and distribution expense (included under other expenses) for the quarters ended September 30, 2018 and September 30, 2017 is net of reversal of Rs.1,093 Lakhs and Rs.468 Lakhs, respectively and that for the year to date year period ended September 30, 2018, year to date period ended September 30, 2017 and year ended March 31, 2018 is net of reversal of Rs.337 Lakhs, Rs. 320 Lakhs and Rs. 981 Lakhs, respectively (excluding the amounts accrued and reversed within the said year).

7. The Board of Directors of the Company at its meeting held on May 24, 2018 had proposed dividend of Rs. 2 per equity share of Re. 1 each amounting to Rs. 6,370 Lakhs (inclusive of dividend distribution tax) for the year ended March 31, 2018, which was approved at the ensuing annual general meeting held on September 17, 2018.
8. The Company had received an order dated September 30, 2015 from the Debt Recovery Tribunal, Karnataka, Bangalore (DRT), whereby the Company has been directed not to pay/release amounts that may be payable with respect to shares in the Company held by an erstwhile director (including his joint holdings) and United Breweries (Holdings) Limited, without its prior permission. Accordingly, the Company has withheld payment of Rs.918 Lakhs (net of subsequent payment of Rs.784 Lakhs to the official liquidator of United Breweries (Holdings) Limited) relating to dividend on aforesaid shares.

Further, the Company had received various orders from tax and provident fund authorities prohibiting the Company from making any payment to an erstwhile director of the Company. The Company has accordingly withheld payment of Rs. 45 Lakhs (net of TDS), relating to director commission and sitting fees payable to the aforesaid erstwhile director.

9. The previous period/year's figures have been regrouped where necessary to confirm to this period's classification.
10. The standalone financial results and notes are also available on the websites of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com and also on the website of the Company viz. www.unitedbreweries.com.

By the authority of the Board



Shekhar Ramamurthy
Managing Director

Place : Bengaluru
Date : November 14, 2018

Limited Review Report**Review Report to
The Board of Directors
United Breweries Limited**

We have reviewed the accompanying statement of unaudited standalone Ind AS financial results of United Breweries Limited ("the Company") for the quarter ended September 30, 2018 and the year to date period from April 1, 2018 to September 30, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("the Circular").

The preparation of the Statement, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim 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 Statement is 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note 5 to the accompanying unaudited standalone Ind AS financial results, which more fully describes the uncertainty relating to the outcome of special leave petition filed by the Bihar State Government before the Honourable Supreme Court of India and the consequential impact thereof. Our conclusion is not qualified in respect of this matter.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Mahendra Jain
Partner

Membership No.: 205839



Place : Bengaluru

Date : November 14, 2018



United Breweries Ltd

PERFORMANCE HIGHLIGHTS FOR THE HALF YEAR ENDING SEPTEMBER 2018

- **YTD VOLUME GROWTH OF 14% COMPARED WITH INDUSTRY GROWTH OF 11%**
- **YTD NET SALES INCREASED BY 15%, EBITDA BY 35%. PROFIT BEFORE TAX GREW 52%**
- **Q2 VOLUME GROWTH OF 17%, NET SALES INCREASED BY 19%, AND EBITDA BY 44%**

UBL achieved good performance across the business with volume and pricing growth, favorable mix and fixed cost efficiencies.

Most key markets reported strong growth with the exception of West Bengal and Mumbai, primarily due to higher consumer prices. The Excise Policy changes in Uttar Pradesh resulted in more outlets contributing to overall industry growth.

Regional performances for the first six months of the year:

- In the North, UBL saw significant volume growth in Rajasthan and Haryana whilst volumes in Delhi remained flat.
- In the South region, UBL registered double digit volume growth in all States except Andhra Pradesh where growth was marginal.
- Growth in the East was driven by Orissa while volume continued to decline in West Bengal.
- In the West, Rest of Maharashtra and Goa saw single digit volume growth, whereas Daman and Chhattisgarh grew volume double digit.

For the second quarter, performance was strong in all regions resulting in a healthy half year performance.

Gross debt materially reduced following the good performance and strong cash flow during the first half.

The interest costs were almost 50% lower due to reduced borrowings. In addition to profit growth, working capital levels were lower, supported by improved debtor collections.

Bangalore, November 14, 2018