

UNITED BREWERIES POSTS RECORD FIRST QUARTER

PERFORMANCE HIGHLIGHTS – QUARTER ENDED JUNE 30, 2010.

- **PROFITS MORE THAN DOUBLE**
- **SALES REVENUE UP 37%**
- **STRONG OPERATING MARGIN EXPANSION**

During the quarter ended June 30, 2010, UBL volumes have grown with 32%, powered by a 36% growth in strong beer. With an industry growth of 30%, UB continues to strengthen its market share and thereby maintaining a relative market share of 200% over our nearest competitor.

Benefiting from favourable weather, all regions except the North showed growth rates of 25% and above. In absolute terms, Andhra Pradesh, Karnataka and Maharashtra were the main contributors to our growth.

During the quarter, supplies to Andhra Pradesh were in full swing as against our halting of supplies in the corresponding quarter of the previous year. In addition, APBCL has awarded a price increase in the preceding quarter. Karnataka, one of the more profitable markets, has recorded a volume growth of more than 50% thereby adding substantially to the profitability of the operations in the quarter.

Kingfisher Premium & Kingfisher Strong continue to dominate their respective categories with Kingfisher Strong being the undisputed single largest selling beer brand in India and growing in double digits. Mild Beer has regained its positive growth trajectory in this fiscal.

Fixed costs have been well contained and the resulting operating leverage has led to a growth of 92% in Operating Profits during the quarter versus the corresponding period of the previous year.

Ongoing capacity investments will be made through expansions in a number of our breweries.

The Net Profit before Tax accounted for Rs. 1180 million, representing an increase of 110% over the corresponding quarter of the previous year. The Net Profit after Tax at Rs. 761 million shows an improvement of 114% over the same quarter of the previous year.