

## **McDowell's spirited performance continues**

**EBIDTA up 82%, PBT up 70%, PAT up 62%**

Continuing the trend set in Q-I of FY'06, McDowell has turned in yet another outstanding performance. EBIDTA at Rs.72.5 crore is up 82% from the Rs.39.9 crore in HY-I of FY'05. The company which acquired 75% share holding in Shaw Wallace & Company Limited has reported pre-tax profits of Rs. 28.26 crore, up 70% from the comparable period of the previous year. Interest costs have risen from Rs. 15.4 crore to Rs. 36.74 crore as a consequence of the borrowings raised to fund the acquisition. Post-tax profits are up 62% to Rs. 16.01 crore (Rs. 9.90 crore). Volumes of McDowell's lead brands have grown by 19% from 9.5 million to 11.2 million cases in the first half of the FY 06. Input costs, notably spirit, are on a downward trend but are still high enough to render low-end brands unviable; as a result over all volumes for the current half year stood at 13.5 million cases compared to 12.39 million cases, an increase of 9%. This increase coupled with a better product and state mix, led to a 17% increase in net sales which now stand at Rs. 631 crore compared to Rs. 541 crore in the same period last year. Consequent to the acquisition of Shaw Wallace and Company Limited, McDowell has filed merger schemes with the Stock Exchanges for the first phase of the merger process which would involve merger of the operating spirits companies namely Herbertsons Limited, Triumph Distillers and Vintners Limited, Shaw Wallace Distilleries Limited, Baramati Grape Industries Limited, United Distillers India Limited with McDowell and Company Limited to form United Spirits Limited (USL). On a proforma aggregation of the results of the first half year of FY'06 by the management, 'USL' will have sales of Rs. 957 crore from a total sales volume of 30.2 million cases, (a 11% growth over the 27.1 million cases sold during HY 1 of the last fiscal). The aggregate EBIDTA of 'USL' would be Rs. 122 crore for HY-1 of FY '06. All key brands have recorded unprecedented growth thus re-emphasizing the Company's commitment to meeting evolving market trends.

**Sunita Budhiraja**  
Corporate Vice President – Media & Communications, Mobile : 98450 62000