

Press Release

28th July,2005

SHAW WALLACE RECORDS OUTSTANDING RESULTS

EBITDA up 65 percent; Net Profit at Rs.40.51 crore

The UB Group is happy to announce excellent results in the recently acquired Shaw Wallace group of companies.

The principal operating company, Shaw Wallace Distilleries Ltd., recorded a growth of 32 per cent in the volumes of its profitable 1st line main brands which constituted 93 per cent of total sales in the Quarter as compared to 78 per cent in the corresponding Quarter of the previous year. Overall sales volumes grew 10 per cent against an industry growth of 5-6 per cent.

Higher realizations, and improved product mix has enabled the company to increase sales value by 24 per cent on a volume increase of 10 per cent.

Despite continuing high input costs of raw materials, the EBITDA increased almost 65 per cent to reach Rs.18.37 crore. Reduction in overall interest costs through a combination of lower net borrowings and sharper interest rates have combined to help the company achieve a PBT of Rs.14.52 crore which is at 228 per cent of the profit recorded in the corresponding Quarter of the previous year.

While all the mainline brands showed considerable growths, Directors Special Black and Haywards Fine Whisky both clocked volume growth in excess of 60 per cent. Flagship brands Antiquity Whisky at 33 per cent and Royal Challenge Whisky at 21 per cent have contributed significantly to improved profitability.

Shaw Wallace and Company Ltd., the brand owning company recorded an income of Rs.159 crore from the sale of Hayward's brand and lease of the Royal Challenge brand for the brewing business to SAB Miller.

The company has made provisions for diminution in value of investments (which had been qualified by auditors in the previous year) amounting to Rs.45.16 crore. Similarly, provision has been made for refunded pension liability amounting to Rs.2.50 crore. In view of the large number of tax and legal cases against the company, the Directors have decided to make a provision of Rs.35 crore.

After the foregoing provision and making full provision for taxes on the transaction, the company retained a profit of Rs.40.51 crore for the Quarter.

Ends