



Regd. Office: 51, Richmond Road, Bangalore - 560 025

Unaudited Financial Results (Provisional) for the Quarter ended June 30, 2006

Rs. Crores

	UNAUDITED		
	Quarter Ended		Year Ended
	June 2006	June 2005	March 31, 2006
Sales/Income from Operations	779.89	531.22	2,193.35
Less: Excise duty	246.35	204.86	813.23
Net Sales/Income from Operations [Note 3]	533.54	326.36	1,380.12
Other income	2.31	2.51	22.96
Total Expenditure			
a) (Inc)/Dec in stock in trade	15.23	4.45	(6.93)
b) Consumption of Raw Materials	75.06	67.55	259.52
c) Purchase of Finished Goods [Note 3]	188.48	75.83	351.32
d) Consumption of Other Materials	71.37	63.82	256.16
e) Staff Cost	24.49	21.99	85.44
f) Other expenditure			
i) Advertisement & Sales Promotion	21.86	17.21	100.49
ii) Acquisition Cost	7.84	-	-
iii) Others	54.05	42.33	184.14
	458.38	293.18	1230.14
Earnings Before Interest, Depreciation and Tax	77.47	35.69	172.94
Interest / Finance Charges (Net of receipts)	19.93	14.88	78.52
Depreciation	4.02	3.67	15.59
Profit Before Tax	53.52	17.14	78.83
Provision for Taxation -Current	19.10	6.20	22.00
-Deferred	(0.76)	0.06	3.01
-Fringe Benefit Tax	0.50	0.50	2.50
Net Profit after Tax	34.68	10.38	51.32
Share Capital (Face value Rs.10)	60.47	51.72	60.47
Reserves excluding Revaluation Reserves			834.43
EPS (Basic & Diluted) - Rs/share	5.74	2.00	9.91
Aggregate of non-promoters shareholding			
- No. of Shares	38,308,922	29,755,556	38,372,405
- Percentage of shareholding	63.35	57.53	63.46

McDowell & Company Limited
Unaudited Financial Results (Provisional) for the three months ended
June 30, 2006

Notes:

1. The Company is engaged in the business of manufacture, purchase and sale of Indian Made Foreign Liquor including brand franchise, which constitutes a single business segment. The Company considers the whole of India as a single geographical segment.
2. The Accounts for the year ended 31st March 2005 carried a qualification with regard to receivables from a toll manufacturer. The amount (net of provisions made) has since been recovered.
3. a) There has been a change in business practice during the current year to procure finished goods from 'Tie-up units' wherever possible and trade. Hence, during the quarter the Net Sales/Income from operations registered a sharp increase mainly because substantial portion of products manufactured in 'Tie-up Units' are now being traded as opposed to recognising the surplus out of such transactions as Income from 'Tie-up Units' and Brand Franchise as in the past.

b) As a consequence, the purchase of finished goods also includes excise duty and other levies as applicable.
4. The Company has introduced a Voluntary Retirement Scheme for the permanent employees of the Company. The process of implementation has commenced and the impact of the scheme is Rs.26.62 lacs during this quarter.
5. The Shareholders and Creditors of the Company have approved the Composite Scheme of Arrangement for demerger of Company's investment business into McDowell India Spirits Limited (Resulting Company) and amalgamation of Phipson Distillery Limited, United Spirits Limited, Herbertsons Limited, Triumph Distillers & Vintners Private Limited, McDowell International Brands Limited, Shaw Wallace Distilleries Limited, Baramati Grape Industries Limited and United Distillers India Limited (Transferor Companies) with the Company (Transferee Company).

The Petition of the Transferee Company for sanction of the Composite Scheme of Arrangement has been allowed and sanctioned by the Hon'ble High Court of Karnataka. Similar sanction is awaited from the Hon'ble High Courts of Karnataka and Bombay in respect of the resulting company and transferor companies.

Pending completion of amalgamation as above, the results published are those of McDowell & Company Limited only.
6. Since the end of quarter, the Schemes of Amalgamation of Asian Opportunities & Investments Limited in Mauritius and Zelinka Limited in Cyprus, wholly owned subsidiaries, with the Company were withdrawn and cancelled by the Board of Directors due to business needs.

7. During the quarter, the following companies became wholly owned subsidiaries of the company.

- (a) Daffodils Flavours & Fragrances Private Limited
- (b) McDowell & Co. (Scotland) Limited.

Since the end of the quarter, Bouvet Ladubay S.A.S, France alongwith its subsidiary Chapin Landais S.A.S. became wholly owned subsidiaries of Asian Opportunities & Investments Limited, Mauritius, which is a wholly owned subsidiary of the company and consequently that of the Company also.

- 8. The entire funds raised through GDS issue in March 2006 has since been fully utilized towards repayment of debt, issue expenses and other permissible uses.
- 9. Details of number of investor complaints for the quarter ended June 30, 2006 :
Opening – Nil, Received – 69, Disposed off – 69, Pending – Nil.
- 10. Previous period/year's figures have been regrouped, wherever necessary, to conform to the current period's classifications.
- 11. The Limited Review of the above results as required under Clause 41 of Listing Agreement has been completed by the Statutory Auditors. The above unaudited results were taken on record at the meeting of Board of Directors held on July 14, 2006.

By authority of the Board

Sd/-
V.K.REKHI
MANAGING DIRECTOR

Mumbai
July 14, 2006

The operating entities of the spirits business of the UB Group viz., Herbertsons Limited, Triumph Distillers & Vintners Private Limited, Shaw Wallace Distilleries Limited, Baramati Grape Industries Limited and United Distillers India Limited are proposed to be merged with McDowell & Company Limited which will be renamed as 'United Spirits Limited'.

As per management estimates, the above operating entities have, on an aggregation of their operating results for the three months ended June 30, 2006 (Unaudited) posted a Net Sales of Rs.721.69 crores and EBIDTA of Rs.104.49 crores.