

PRESS RELEASE

September 22, 2005

THE UB GROUP ANNOUNCES AMALGAMATION OF SPIRITS COMPANIES

The Board of Directors of McDowell and Company Ltd., at their meeting held today in Mumbai, has considered and approved the following proposal:

1. Demerger of the Investment Business into McDowell India Spirits Limited ('MISL')
 - a. Appointed date for the demerger is July 1, 2005
 - b. In consideration of Demerger, the shareholders of the Company will be issued 1 fully paid up equity share of MISL of Rs.10/- each for every 5 equity shares of Rs.10/- each held by them in the Company
 - c. The assets of Investment Business of McDowell & Company Limited (McD) would be transferred subject to subsisting charges and pledges, if any.
 - d. The shares of MISL will be listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Bangalore Stock Exchange Limited, Madras Stock Exchange Limited, Delhi Stock Exchange Association Limited, Calcutta Stock Exchange Association Limited and The Stock Exchange, Ahmedabad.
 - e. The name of MISL will be changed to McDowell Holdings Limited.
 2. Amalgamation of Spirits companies into McDowell
 - a. Amalgamation of the following companies into McDowell:
 - i. Phipson Distillery Limited (PDL)
 - ii. United Spirits Limited (USL)
 - iii. Herbertsons Limited (HL)
 - iv. Triumph Distillers and Vintners Private Limited (TDV)
 - v. McDowell International Brands Limited (MIBL)
 - vi. Shaw Wallace Distilleries Limited (SWDL)
 - vii. Baramati Grape Industries Limited (Baramati)
 - b. The Appointed Date for the merger will be July 1, 2005.
 - c. In respect of amalgamation of various companies, McD shall allot shares in the following ratio:
 - i. 2 fully paid up equity share of Rs 10 each for every 3 equity shares of Rs 10 each held in HL
 - ii. 83 fully paid up equity share of Rs 10 each for every 4 equity shares of Rs 10 each held in TDV
 - iii. 31 fully paid up equity share of Rs 10 each for every 20 equity shares of Rs 100 each held in Baramati
 - iv. 3 fully paid up equity share of Rs 10 each for every 100 equity shares of Rs 10 each held in UDIL
 - v. 7 fully paid up equity share of Rs 10 each for every 20 equity shares of Rs 10 each held in SWDL.
- The share exchange ratio has been determined based on the recommendation of two independent valuers viz., KPMG India Private Limited and M/s Haribhakti & Co., Chartered Accountants.
- In addition, preference shares shall be issued to preference shareholders of SWDL.
- d. The name of McDowell & Company Limited would be changed to United Spirits Limited.
3. The Board of Directors have also approved the scheme for merger of Asian Opportunities and Investments Limited ('AOIL') and Zelinka Limited ('Zelinka') into McD. Since AOIL and Zelinka are directly / indirectly wholly owned subsidiaries of McD; no shares would be issued in consideration for the merger.