

27 April, 2006

United Breweries Limited's EBITDA for 12 months up 103%

Performance Highlights - Year Ended March 31, 2006.

- Full Year Volume Growth of 22% compared to previous year
- EBITDA for the 12 months Rs.114.77 crore, an increase of 103%
- Operating Margins at 20% compared to 12% last year
- Kingfisher Strong Beer has become the No.1 Strong Beer Brand In India, selling over 17m cases in the year
- Kingfisher Lager sets record sales , over 20m cases in the year

For the 12 months ended March 2006, United Breweries has declared an EBITDA of Rs 114.77 crore, versus Rs 56.61crore last year. In the quarter EBITDA rose to Rs 40.77 crore, an increase of Rs16.13 crore, for the same period last year.

Net profit reported for the year is Rs 48.37 crore, an increase of Rs 34.33 crore Versus last year. The net margin rose to 8.3% (an increase of 5.3%) and an EPS of Rs 16.38 per share (post dividend). Return on capital employed increased to 15% from 10% in the previous year.

Against an industry volume growth of 14% for the year, UBL has continued to outperform the market in both the strong and mild beer segments, with 13% growth in mild beer (against a market growth of 9.4%), and spectacular growth in strong beer of 36% (against a market growth of 16%). During the last 6 months Kingfisher strong has achieved the number one brand in strong beer in India, joining Kingfisher as the leading brand in the mild beer segment. This has delivered further growth in the UBL market share rising to 40.7% (combined business of MABL and UBL has increased to 50.3%) at the end of March 2006.

Operating margins rose to 21% in the quarter versus 18% last year, and to 20% for the full year versus 12% last year. Higher sales realisations and lower raw material costs have both continued to underpin the margin improvements. Volume increase have resulted in higher contract brewing costs, relative to the same period last year, and therefore impacted margins.

During the year the business has consistently focused upon building brand equity, and has invested further in marketing. The results above clearly indicate that the benefits of such focus are being realized.

The board also approved a split of the equity stock of the company, from nominal a value of Rs10 per share to Re.1 per share. The process to effect this change is underway. This aims to increase the market liquidity in response to requests from shareholders given the excellent performance of UBL's shares.

Ends.

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