

Globus Spirits Limited

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For Immediate Release

Q1 FY2011

Net Revenues up by 11% at Rs. 1,031 million

PAT stands at Rs. 63 million

EPS at Rs. 3.19

New Delhi, July 30, 2010

Globus Spirits Limited (GSL), a leading North Indian player in the spirits sector including IMFL & Country Liquor announced its results for the first quarter ended June 30, 2010.

Performance Review for Q1 FY 2011 vis-à-vis Q1 FY2010

- Net revenues higher by 11% at Rs. 1,031 million compared to Rs. 929 million
- Operating Profits stood at Rs. 100 million compared to Rs. 101 million
- Profit After Tax (PAT) stood at Rs. 63 million compared to Rs. 68 million
- EPS stood at Rs. 3.19 compared to Rs. 5.53

Note:

1. PAT calculated after making a provision for tax of Rs. 22.1 million in Q1 FY2011 compared to Rs. 12.5 million in Q1 FY2010
2. EPS calculated on a share capital of 19.75 million in Q1 FY2011 compared to the pre IPO share capital of 12.25 million in Q1 FY2010

Balance Sheet Perspective

- Total Networth stood at Rs. 1,669 million on June 30, 2010 augmented through IPO proceeds during the previous year and continued cash accruals
- The total debt stood at Rs. 323 million

Balance Sheet Snapshot

Particulars (Rs. million)	30 June 2010	31 March 2010
Gross block	1,701	1,589
Net worth	1,669	1,614
Total debt	323	137
Break-up of total debt		
o Working capital	197	125
o Term loan	123	10
o Others	3	2
Cash & Cash Equivalents	218	204

Commenting on Globus Spirit Limited's Q1 FY2011 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"The results have been steady this quarter and the overall environment looks conducive for growth. The launch of 'County Club' in the regular whisky category has augmented our branded IMFL portfolio and the initial response has been very positive. The launch is in sync with our strategy of expanding our footprint in the branded IMFL space and you can expect GSL to come up with new launches at regular intervals. At the same time we have tightened our back end in terms of providing the new brands with the right marketing & distribution support. CL is largely a rural play and a good monsoon bodes well for this segment. Bottling continues to benefit from

strategic tie ups while bulk alcohol will receive a major leg up on the commencement of the new facilities.

With a four pronged strategy to drive each of our business segments our 360 degrees business model is well oiled on our path to explore the growth opportunities going forward."

Update on Capacity Expansion

GSL has two modern distilleries at Behror (Rajasthan) & Samalkha (Haryana).

Both the units have multi feedstock capability which gives them the flexibility to manufacture alcohol from either molasses or grain. The current capacity of these units is 28.6 million BL p.a.

GSL has implemented a capacity expansion program to more than double the existing capacity to 70 million BL which is scheduled to be operational by the end of Q2 FY2011. The new capacity is expected to drive up the volumes in the bulk alcohol & franchise IMFL businesses as soon as it comes on stream.

Business Overview

Branded IMFL

In the branded IMFL category, GSL is present in nine states having entered two of these in June 2011. The Company has launched a new brand 'County Club' in the regular category in June 2011. This launch will be followed by a second launch in the semi premium category. The Company is also tightening its backend in terms of providing the new brands with adequate marketing and distribution support. GSL has identified branded IMFL as a key growth driver for future and is making concerted efforts to establish itself firmly in this segment.

Country Liquor:

Country Liquor continues to benefit from a robust rural demand. CL is a regulated market with high entry barriers as it is mandatory to have a distillery in the area of operations. The prices as well as the minimum sell quotas are also regulated by the government. The growth in this segment has been aided by two factors; one, the increase in sell quota by around 15% and secondly price hikes received in all the three states of Haryana, Rajasthan & Delhi. Also, various marketing initiatives like using PET bottles, creating local brands have helped GSL to create a niche for itself in this space.

Franchise IMFL & Bulk Alcohol

The agreement with ABD for the manufacture of branded IMFL (Officers Choice & Class Vodka) has been renewed for another three years after it expired at the end of FY2010. The tie-up with Jagatjit Industries (Aristocrat Whisky) to manufacture and bottle their IMFL brands in the state of Haryana has become operational in April 2010. The tie-ups together are expected to add approximately 2 million cases in franchise IMFL sales in the current financial year. The bulk alcohol segment is expected to show substantial volume

growth once the new capacity comes on stream. With the commencement of operations, the average production per month is expected to jump to 2.9 million BL from the current 1.3 million BL from each facility making GSL self sufficient and eradicating any need to procure alcohol externally.

Company Outlook:

- Easing of key raw material prices will augment profitability
- New brand launch lined up in semi premium category following the successful launch in the regular category
- Strong rural demand to drive growth in the CL segment
- Bottling will continue to benefit from strategic tie ups
- Commencement of operations from expanded capacities to substantially drive the volumes in the bottling & bulk alcohol segment

About Globus Spirits Limited (GSL)

Established in 1992, Globus Sprits Limited (BSE code: 533104, NSE Id: GLOBUSSPR, ISIN Id: INE615I01010) is engaged in manufacturing, marketing and sale of Industrial Alcohol comprising of Rectified Spirit, ENA, Country Liquor and Indian Made Foreign Liquor (IMFL). The Company has a well established presence in the country liquor segment and is making its mark in the IMFL segment apart from taking up contract bottling to cater to renowned Indian players.

GSL currently operates two modern fully integrated distilleries at Behror, Dist: Alwar, (Rajasthan) and Samalkha, Dist: Panipat, (Haryana), which have a combined capacity of 28.8 million bulk litres (BL) per annum. GSL is presently undergoing expansion to increase the combined capacity of both the units to 70 million bulk litres (BL) per annum. Both the plants are presently operating at 100% capacity.

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***Note:** Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Globus Spirits Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

Financial Performance for the quarter ended June 30, 2010



Q1 FY2011

GLOBUS SPIRITS LIMITED

REGISTERED OFFICE : A-46, FRIENDS COLONY (EAST), NEW DELHI-110065

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2010

(Figure in Lacs)

S. No.	Particulars	3 months ended 30.06.2010	Corresponding 3 months ended in the previous year 30.06.2009	Year to date figures for current period ended 30.06.2010	Year to date figures for the previous year ended 30.06.2009	Previous accounting year ended 31.03.2010
		Unaudited	Audited	Unaudited	Audited	Audited
1. (a)	Net Sales/Income from operations	10,261.45	9,234.95	10,261.45	9,234.95	38,428.82
(b)	Other Operating Income	49.22	57.34	49.22	57.34	207.74
	Total	10,310.67	9,292.29	10,310.67	9,292.29	38,636.56
2	Expenditure					
	Increase/decrease in stock in trade and work in progress	95.10	(100.10)	95.10	(100.10)	(173.75)
b.	Consumption of raw & Packing materials	4,453.81	3,937.06	4,453.81	3,937.06	16,375.89
c.	Purchase of Traded goods					
d.	Excise Duty Paid	2,896.69	2,924.11	2,896.69	2,924.11	11,928.79
e.	Employees Cost	134.32	100.31	134.32	100.31	449.35
f.	Depreciation	133.15	169.34	133.15	169.34	437.86
g.	Other expenditure	1,730.38	1,416.96	1,730.38	1,416.96	6,177.46
h.	Total	9,443.45	8,447.68	9,443.45	8,447.68	35,195.60
3	Profit from operation before other Income, Interest and Exceptional Items (1-2)	867.22	844.61	867.22	844.61	3,440.95
4	Other Income	19.36	15.63	19.36	15.63	122.78
5	Profit before interest and Exceptional Items (3+4)	886.58	860.24	886.58	860.24	3,563.73
6	Interest	36.09	57.61	36.09	57.61	142.33
7	Profit after Interest and Exceptional Items (5-6)	850.49	802.63	850.49	802.63	3,421.40
8	Exceptional Items					1,167
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	850.49	802.63	850.49	802.63	4,588.16
10	Provision for Tax - Current Tax	144.16	125.00	144.16	125.00	620.00
	- Deferred Tax	76.84		76.84		1,076.23
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9-10)	629.49	677.63	629.49	677.63	2,891.94
12	Extraordinary Item (net of tax expense Rs. _____)					
13	Net Profit (+)/Loss (-) for the period (9-10)	629.49	677.63	629.49	677.63	2,891.94
14	Paid up equity share capital (Face Value of the share shall be indicated)	1,975.77	1,225.77	1,975.77	1,225.77	1,975.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	5,945.76	5,429.18	5,945.76	5,429.18	14,162.33
16	Earning per share (EPS) a) Basic and diluted EPS before Extraordinary items (not annualised)	3.19	5.53	3.19	5.53	17.73
	b) Basic and diluted EPS after Extraordinary items (not annualised)	3.19	5.53	3.19	5.53	17.73
17	Public Shareholding					
	- No. of shares	7,940,231	440,231	7,940,231	440,231	7,940,231
	- Percentage of shareholding	40.19	3.59	40.19	3.59	40.19
18	Promoters and promoter group shareholding					
a)	Pledged/Encumbered					
	- Number of shares	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL
b)	Non-encumbered					
	- Number of shares	11,817,510	11,817,510	11,817,510	11,817,510	11,817,510
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	59.81	96.41	59.81	96.41	59.81

Notes :

- The above results have been reviewed by the Audit Committee and taken on record in the meeting of the Board of Directors held on 30th July 2010.
- The results for the quarter ended 30th June 2010 have been subjected to "limited review" by the Auditors.
- The company has a single reportable business segment of "Alcoholic Beverages"
- Status of Investor Complaints during the quarter ended 30th June 2010.
No. of Complaints pending at the beginning of the quarter : NIL
No. of Complaints received & disposed during the quarter : 1 (One)
No. of Complaints lying unresolved at the end of the quarter : NIL
- During the year 2009-10, the company has, pursuant to its IPO, allotted 75,00,000 equity shares of Rs.10/- each at a price of Rs.100/- aggregating to Rs.75crores. The details of fu Rs. In Lacs

	Rs. In Lacs	
Funds Raised	7,500.00	Funds Deployed
		IPO Expenses
		662.50
		Adv. To Supplier for P&M & Other Capital Expenditure
IPO		5,169.78
		Brand Promotion & IMFL Launch
		1,667.72
	7,500.00	7,500.00

Place : New Delhi
Date : 30th July 2010

For Globus Spirits Limited

Ajay K. Swarup
Managing Director