

Globus Spirits Limited

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For Immediate Release

Q2 FY2011

Net Revenues up by 30.3% at Rs. 1,059.4 million

EBITDA up by 17.6% at Rs. 101.4 million

PAT up by 20.9% at Rs. 62.4 million

New Delhi, November 12, 2010

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

Performance Review for Q2 FY 2011 vis-à-vis Q2 FY2010

- Net revenues higher by 30.3% at Rs. 1,059.4 million compared to Rs. 813.2 million
- Operating Profits higher by 17.6% at Rs. 101.4 million compared to Rs. 86.3 million
- Profit After Tax (PAT) up by 20.9% at Rs. 62.4 million compared to Rs. 51.7 million
- EPS stood at Rs. 3.16

Performance Review for H1 FY 2011 vis-à-vis H1 FY2010

- Net revenues higher by 20% at Rs. 2,090.5 million compared to Rs. 1,742.5 million
- Operating Profits higher by 12.4% Rs. 211 million compared to Rs.187.7 million
- Profit After Tax (PAT) higher by 13% at Rs. 134.9 million compared to Rs. 119.4 million
- EPS stood at Rs. 6.83

Balance Sheet Perspective

- Total Networth stood at Rs. 1,748.7 million on September 30, 2010 augmented through IPO proceeds during the previous year and continued cash accruals
- The total debt stood at Rs. 356.4 million

Balance Sheet Snapshot

Particulars (Rs. million)	30 September 2010	30 June 2010
Gross block	1882	1,701
Net worth	1,749	1,669
Total debt	356	323
Break-up of total debt		
o Working capital	234	197
o Term loan	97	123
o Others	25	3
Cash & Cash Equivalents	12	218

Commenting on Globus Spirit Limited's Q2 FY2011 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"The results have been very encouraging and we expect to continue the growth momentum going forward. We firmly remain committed to grow all four segments of our business. The CL business continues to remain robust given no signs of abatement in rural demand. In the IMFL space the response to 'County Club' has been very encouraging and we plan to roll out the brand on a pan India basis. Our focus to grow the branded IMFL business remains strong given that this space is poised to grow at a faster rate and our endeavor to establish GSL as a pan India branded IMFL player. We expect to complete our capacity expansion exercise by the start of Q4 FY2011. This bodes well for our franchisee bottling & bulk alcohol segment as they will directly benefit from increased capacities."

Update on the completion of 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.

The capacity expansion program to more than double the existing capacity to 70 million BL is in the last leg and the new capacity will come on stream at the start of Q4 FY2011. The new capacity is expected to drive up the volumes in the bulk alcohol & franchise IMFL businesses significantly going forward.

Demerger of Demerged Undertaking of ADL into GSL

Associated Distilleries Limited (ADL) is an unlisted company and is engaged in the business of manufacture, marketing and sales of industrial alcohol comprising rectified spirit, extra neutral alcohol, Country Liquor. The net sales and profit after tax of ADL were Rs. 679 million and Rs. 64 million respectively for the year ended March 31, 2010. It is proposed to demerge the demerged undertaking of ADL into GSL on a going concern basis with effect from April 1, 2010. The valuation study was independently conducted by Ernst & Young (E&Y). The board has approved the distribution ratio of 1:6 for the demerger of the demerged undertaking of ADL into GSL i.e. for every 1 equity share of ADL of Rs.10 each fully paid up, 6 equity shares of Rs.10 each fully paid up will be issued according to the valuation criteria suggested by E&Y based on the CCM, DCF Market Price & the NAV method to value companies. GSL will issue additional 3.24 million shares which will take the post dilution equity share capital of GSL to 22.8177 million shares of face value Rs. 10 each.

The Demerged Undertaking of ADL is located in Hissar, Haryana. The present installed capacity of ADL is 14.4 million BL. ADL operates in the two states of Haryana and Delhi and has a market share of 10% in Haryana and 8.9% in Delhi. ADL also has a bottling tie up with ABD India in Haryana. The ADL plant has shown increased operating efficiency since its revamping in October 2009 and EBITDA margins have grown from 8.7% to 16% in FY2010. The demerger of the Demerged Undertaking of ADL into GSL would result in greater synergies and operational efficiencies which would translate into improved performance going forward.

Business Overview

Branded IMFL

The launch of 'County Club' has given a major thrust to the branded IMFL business and will play a major role in driving up the volumes. GSL plans to extend 'County Club' to newer states keeping in sync with the strategy of a pan India rollout. GSL will continue to drive its efforts to consolidate its presence in this segment through new brand launches as well as sustained brand building, marketing & distribution efforts.

Country Liquor:

Country liquor continues to be a beneficiary of a strong rural demand. Country liquor commands the largest volume share in the Indian alcohol segment and affordability is the key factor which drives volumes. A significant factor driving affordability is that the taxes levied on country liquor are much lower than that of branded IMFL. GSL has carved a niche for itself in this sector by selling branded country liquor giving it an edge over competition. The country liquor demand in Northern India (the states where GSL operates) is expected to remain buoyant and this segment will continue to benefit given the strong visibility.

Franchise IMFL & Bulk Alcohol

Franchise IMFL & Bulk Alcohol will directly benefit from the completion of our capacity expansion program. The new plants are technologically superior and would allow GSL to manufacture ENA directly without going through the process of manufacturing rectified spirits resulting in greater operational efficiency. The benefits of this exercise would accrue in Q4 FY2011. Our existing tie ups with ABD & Jagatjit Industries for franchise bottling continue to remain strong and will benefit from the increased capacities.

Company Outlook:

- Easing of key raw material prices will augment profitability
- 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 Q4 FY2011

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 has completed the expansion to increase the combined capacity of both the units to 70 million bulk litres (BL) per annum.

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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 & Half year ended September 30, 2010

Q2 & H1 FY2011



GLOBUS SPIRITS LIMITED

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

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

(Figure in Lacs)

S. No.	Particulars	3 months ended 30.09.2010	Corresponding 3 months ended in the previous year 30.09.2009	Year to date figures for current period ended 30.09.2010	Year to date figures for the previous year ended 30.09.2009	Previous accounting year ended 31.03.2010
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. (a)	Net Sales/Income from operations	10,478.43	8,097.94	20,739.89	17,332.88	38,428.82
(b)	Other Operating Income	116.30	34.86	165.52	92.20	207.74
	Total	10,594.73	8,132.80	20,905.40	17,425.08	38,636.56
2	Expenditure					
	Increase/decrease in stock in trade and work in progress	26.00	22.98	26.00	(77.12)	(173.75)
a.	Consumption of raw & Packing materials	4,619.50	3,441.30	9,073.31	7,378.36	16,375.89
b.	Purchase of Traded goods					
c.	Excise Duty Paid	3,200.36	2,360.09	6,097.06	5,284.20	11,928.79
d.	Employees Cost	113.87	103.01	248.19	203.33	449.35
e.	Depreciation	135.49	174.17	268.64	343.51	437.86
f.	Other expenditure	1,620.15	1,342.23	3,350.53	2,759.19	6,177.46
g.	Total	9,715.37	7,443.78	19,063.72	15,891.46	35,195.60
h.						
3	Profit from operation before other Income, Interest and Exceptional Items (1-2)	879.36	689.02	1,841.68	1,533.62	3,440.95
4	Other Income	17.27	6.86	36.63	22.49	122.78
5	Profit before interest and Exceptional Items (3+4)	896.63	695.87	1,878.31	1,556.11	3,563.73
6	Interest	41.82	54.29	77.91	111.90	142.33
7	Profit after interest and Exceptional Items (5-6)	854.81	641.58	1,800.40	1,444.21	3,421.40
8	Exceptional Items					1,167
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	854.81	641.58	1,800.40	1,444.21	4,588.16
10	Provision for Tax - Current Tax	150.84	125.00	295.00	250.00	620.00
	- Deferred Tax	79.55	-	156.39	-	1,076.23
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9-10)	624.42	516.58	1,349.01	1,194.21	2,891.94
12	Extraordinary Item (net of tax expense Rs. _____)					
13	Net Profit (+)/Loss (-) for the period (9-10)	624.42	516.58	1,349.01	1,194.21	2,891.94
14	Paid up equity share capital (Face Value of the share shall be indicated)	1,975.77	1,975.77	1,975.77	1,975.77	1,975.77
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	15,511.34	5,945.76	15,511.34	5,945.76	14,162.33
16	Earning per share (EPS) a) Basic and diluted EPS before Extraordinary items (not annualised)	3.16	3.80*	6.83	9.25*	17.73
	b) Basic and diluted EPS after Extraordinary items (not annualised)	3.16	3.80*	6.83	9.25*	17.73
17	Public Shareholding					
	- No. of shares	7,940,231	7,940,231	7,940,231	7,940,231	7,940,231
	- Percentage of shareholding	40.19	40.19	40.19	40.19	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	100.00	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	59.81	59.81	59.81	59.81	59.81

* EPS for the period ended 30th September 2009 has been computed on weighted average method as the capital base has been enhanced during that quarter.

Financial Performance for the Quarter & Half year ended September 30, 2010

Q2 & H1 FY2011



SUMMARY OF ASSETS & LIABILITIES AS AT 30TH SEPTEMBER, 2010

(Figures in Lacs)

S. No.	Particulars	Half-Year Ended
		AS ON 30.09.2010
		Unaudited
1	Capital	1,975.77
2	Reserve and Surplus	15,511.34
3	Loan Funds	
4	Secured Loans	3,546.61
5	Unsecured Loans	17.66
6	Deferred Tax Liabilities (Net)	1,993.74
7	TOTAL	23,045.12
8	Net Fixed Assets (including Capital Work in Progress)	16,294.66
9	Investments	0.35
10	Current Assets, Loans and Advances	11,401.77
11	Less: Current Liabilities and Provisions	4,651.73
12	Net Current Assets	6,750.05
13	Miscellaneous Expenditure (not written off or adjusted)	0.07
	TOTAL	23,045.12

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 12th November 2010.
- The results for the quarter ended 30th September 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 September 2010.

No. of Complaints pending at the beginning of the quarter : NIL

No. of Complaints received & disposed during the quarter : NIL

No. of Complaints lying unresolved at the end of the quarter : NIL

5. 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 fund received from allotment & utilisation of such funds are given below:

Detail of Funds Raised & Utilised

	Rs. In Lacs		Rs. In Lacs
Funds Raised		Funds Deployed	
IPO	7,500.00	IPO Expenses	662.50
		Adv. To Supplier for P&M & Other Capital Expenditure	6,337.43
		Brand Promotion & IMFL Launch	500.07
	7,500.00		7,500.00

Place : New Delhi
Date : 12th November 2010

For Globus Spirits Limited

Ajay K. Swarup
Managing Director