

Globus Spirits Limited

A-46, Friends Colony (East), New Delhi - 110 065
Tel: +91 120 401 5500 Fax: +91 120 424 5442
Website: www.globusspirits.com



For Immediate Release

FY2011

Net Revenues up by 13.3% at Rs. 4,376 million

EBITDA up by 15.5% at Rs. 448 million

PAT at Rs. 270 million

New Delhi, May 16, 2011

Globus Spirits Limited (GSL), a leading North Indian player in the spirits sector including IMFL & Country Liquor announced its results for the fourth quarter and year ended March 31, 2011.

Performance Review for Q4 FY 2011 vis-à-vis Q4 FY2010

- Net revenues at Rs. 1,090.2 million compared to Rs. 1,144.6 million
- Operating Profits higher by 5% at Rs. 106.7 million compared to Rs. 101.6 million
- Profit After Tax (PAT) stood at Rs. 62.3 million
- EPS stood at Rs. 3.16

Performance Review for FY 2011 vis-à-vis FY2010

- Net revenues higher by 13.3% at Rs. 4,376.0 million compared to Rs. 3,863.7 million
- Operating Profits rise by 15.5% at Rs. 448.0 million compared to Rs. 387.9 million
- Profit After Tax (PAT) stood at Rs. 270.0 million
- EPS stood at Rs. 13.67

Q4 & FY2011

Balance Sheet Perspective

- Total Networth stood at Rs. 1883.9 million on March 31, 2011
- The total debt stood at Rs. 441.68 million

Balance Sheet Snapshot

Particulars (Rs. million)	31 March 2011	31 March 2010
Gross block	2251.3	1,589
Net worth	1883.9	1,614
Total debt	441.68	137
Break-up of total debt		
o Working capital	289.14	125
o Term loan	147.24	10
o Others	5.30	2
Cash & Cash Equivalents	42.6	204

Q4 & FY2011

Commenting on Globus Spirit Limited's Q4 & FY2011 results, Mr. Ajay Kumar Swarup, Managing Director of Globus Spirits Limited said:

"I am pleased to see that the company is progressing in the right strategic direction. Our branded IMFL business has witnessed a growth of more than 100% and our aim is to build on this momentum going forward. 'County Club' has found increasing acceptance amongst the new age Indian drinker and the blend as well as the packaging has been extremely well received. Our core focus continues to remain on establishing ourselves in the branded IMFL space while consolidating our position in country liquor & bottling segments. Post the successful completion of capacity expansion program and the merger of ADL which is subject to regulatory and statutory approvals our combined capacity will stand at 84.4 million BL. This will help us achieve economies of scale as well as lower production costs.

GSL is the only company which has a 360 degrees (across all segments) presence in the spirits sector right from bulk alcohol to branded IMFL which makes it a unique player in this industry and it will be our aim to deliver sustainable all round growth going forward."

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. This flexibility has helped the company to take advantage of the cooling in prices of grain to manufacture alcohol instead of molasses where prices are still ruling at significantly higher levels.

The capacity expansion program to more than double the existing capacity to 70 million BL from 28.6 million BL has been completed, the impact of which will start reflecting from FY2012 onwards. Another key highlight of the expansion program was that the

Q4 & FY2011

addition of this capacity was achieved at a very limited cost. The new capacity is expected to drive up the volumes in the bulk alcohol & franchise IMFL businesses significantly going forward.

Merger of Demerged Undertaking of Associated Distillers Limited (ADL) into GSL*

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 10% 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 12.9% in FY2010 to 21.1% in FY2011. The merger of the Demerged Undertaking of ADL into GSL would result in greater synergies and operational efficiencies which would translate into improved performance going forward.

Financial overview of ADL

Particulars (Rs. million)	FY2011	FY2010	Shift %
Revenues	968.3	784.1	23.5
EBIDTA	191.4	101.2	89.1
PAT	126.5	64.0	97.8

*Merger of GSL & ADL announced on Nov 12, 2010 and is subject to regulatory and statutory approvals

Q4 & FY2011

The Proposed Consolidated financial figures of Globus Spirits Limited & Associated Distilleries Limited (ADL) which will be considered after the permission of the high court.

Particulars (Rs. million)	
Revenues	5335.1
EBIDTA	651.9
PAT	396.7
Total Equity Shares	22,997,741
EPS	17.25

Business Overview

Branded IMFL

County Club' continues to be the cornerstone of GSL's branded IMFL business. The blend as well as the innovative packaging which is a key differentiator compared to the peers in the same segment has been extremely well received. Since the launch of 'County Club' earlier this year, GSL has been successful in building a wide distribution network with a presence in 6 states which is an excellent platform for taking 'County Club' to the next level of growth. The branded IMFL strategy revolves around building a solid distribution network from where GSL is in a position to launch newer brands at higher price points. The branded IMFL business is in a rapid growth phase clocking volumes of 5.5 lac cases in FY2011 up by 112.36% compared to FY2010. Branded IMFL contributed Rs. 410.3 million of the total revenue in FY2011 translating in a revenue share of 9.46%. Further through tie up units the revenue was Rs110.4 million.. The focus remains on investing in

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brand building through higher A&P spends, entering newer markets and entry in to niche areas such as the CSD space.

Country Liquor:

Country liquor continues to benefit from a healthy rural market. There has been a moderation in growth in the North Indian market but the demand for CL is expected to remain steady in the long term primarily because of the price differential on account of the steeper statutory levy on branded IMFL. The market for CL is fragmented but GSL has an extensive brand portfolio of their own in the country liquor segment, such as Rana, Rajasthan No 1, Ghoomar, Samalkha No 1, Samalkha ki Saunfi combined with an innovative marketing approach which give it an edge over competition. Affordability is the key factor which will continue to drive volumes in the CL segment. CL clocked volumes of 62.72 lac cases in FY2011. CL contributed Rs. 1710.5 million of the total revenue in FY2011 translating into a revenue share of 39.43%.

Franchisee IMFL & Bulk Alcohol

Globus is engaged in contract manufacturing and bottling operations for some of the reputed Indian brands such as Officers Choice and Aristocrat Whisky. The Franchisee IMFL business continues to benefit from the strong tie-ups and also provides an opportunity to reap the benefits of the capacity expansion program. Post expansion the combined capacity of both the units at Samalkha & Behror stands at 70 million BL. The buoyancy in bulk spirits prices will help to increase realizations. As per the Ethanol Blending Program, it is mandatory to blend 5% of ethanol with petrol. With high crude prices, OMCs find it more profitable to use ethanol as a blend with petrol, and hence the increased demand appears sustainable. Franchisee IMFL clocked volumes of 7.84 lac cases in FY2011 contributing Rs. 1289.1 million to the total revenue translating into a revenue share of 29.72%. Apart from above, Franchise IMFL on bottling job work basis

Q4 & FY2011

was 4.54 lac cases making total franchisee volume of 12.38 lac cases. Bulk alcohol clocked volumes of 194.74 lakh BL and contributed Rs. 675.1 million to the total revenue translating into a revenue share of 15.56%

Company Outlook:

- Capacity expansion to substantially drive the volumes in FY2012
- Branded IMFL business to witness higher volumes and profitability
- Country Liquor segment to benefit on account of strong rural demand
- Bulk Spirit prices expected to remain firm
- Franchisee Bottling to remain strong on account of long term tie ups

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 had a combined capacity of 28.6 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.

Investor contacts:

Dr. Bhaskar Roy

Globus Spirits Limited

Phone: +91 120 401 5500

Fax: +91 120 424 5442

Email: broy@globusgroup.in

Ishan Selarka / Mayur Maniyar

Citigate Dewe Rogerson

Phone : +91 22 6645 1232/1220

Fax: +91 6645 1213

Email: ishan@cdr-india.com

mayur@cdr-india.com

***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.*

GLOBUS SPIRITS LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2011

(Figure in Lacs)

S. No.	Particulars	Quarter Ended		Year Ended	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
		Audited	Audited	Audited	Audited
1. (a)	Net Sales/Income from operations	10,810.35	11,380.97	43,382.37	38,428.82
(b)	Other Operating Income	91.33	64.64	377.33	207.74
	Total	10,901.67	11,445.60	43,759.71	38,636.56
2	Expenditure				
	Increase/decrease in stock in trade and work in progress	(108.02)	(20.88)	66.38	(173.75)
a.	Consumption of Raw & Packing Materials	4,637.95	4,755.16	18,228.98	16,375.89
b.	Purchase of Traded goods				
c.	Excise Duty Paid	3,252.39	3,671.67	13,065.25	11,928.79
d.	Employees Cost	114.18	105.59	510.03	449.35
e.	Depreciation	162.04	(108.74)	567.36	437.86
f.	Other expenditure	1,938.45	1,917.83	7,409.39	6,177.46
g.	Total	9,996.98	10,320.63	39,847.40	35,195.60
3	Profit from operation before other Income, Interest and Exceptional Items (1-2)	904.69	1,124.97	3,912.30	3,440.95
4	Other Income	17.70	52.18	59.71	122.78
5	Profit before interest and Exceptional Items (3+4)	922.39	1,177.15	3,972.02	3,563.73
6	Interest	73.03	15.11	218.06	142.33
7	Profit after Interest and Exceptional Items (5-6)	849.36	1,162.04	3,753.96	3,421.40
8	Exceptional Items w.r.t. surplus depreciation written back	-	1,166.77	-	1,167
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	849.36	2,328.81	3,753.96	4,588.16
10	Tax Expenses	225.94	1,171.23	1,052.33	1,696.23
11	Net Profit (+)/Loss (-) from Ordinary Activities after Tax (9-10)	623.41	1,157.58	2,701.63	2,891.94
12	Extraordinary Item (net of tax expense Rs.	-	-	-	-
13	Net Profit (+)/Loss (-) for the period (9-10)	623.41	1,157.58	2,701.63	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
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	16,804.57	14,162.33	16,804.57	14,162.33
16	Earning per share (EPS) a) Basic and diluted EPS before Extraordinary items	3.16	5.86	13.67	17.73
	b) Basic and diluted EPS after Extraordinary items	3.16	5.86	13.67	17.73
17	a) Debt Equity Ratio	-	-	0.23	0.08
	b) Debt Service Coverage Ratio	-	-	4.98	9.84
	c) Interest Service Coverage Ratio	-	-	18.21	16.20
18	Public Shareholding				
	- No. of shares	7,940,231	7,940,231	7,940,231	7,940,231
	- Percentage of shareholding	40.19	40.19	40.19	40.19
19	Promoters and promoter group shareholding				
a)	Pledged/Encumbered				
	- Number of shares	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL
b)	Non-encumbered				
	- Number of shares	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
	- Percentage of shares (as a % of the total share capital of the company)	59.81	59.81	59.81	59.81



SUMMARY OF ASSETS & LIABILITIES AS AT 31ST MARCH, 2011

S. No.	Particulars	Year Ended	
		31.03.2011	31.03.2010
		Audited	Audited
1	Capital		
2	Reserve and Surplus		
3	Loan Funds	1,975.77	1,975.77
4	Secured Loans	16,863.95	14,162.33
5	Unsecured Loans		
6	Deferred Tax Liabilities (Net)	4,399.21	553.28
7		17.66	817.66
8	Net Fixed Assets (including Capital Work in Progress)	2,140.68	1,837.35
9	Investments	25,397.27	19,346.39
10	Current Assets, Loans and Advances	20,974.53	13,628.77
11	Less: Current Liabilities and Provisions	2.59	2.59
12	Net Current Assets	10,300.48	11,327.94
13	Miscellaneous Expenditure (not written off or adjusted)	5,880.33	5,613.05
		4,420.15	5,714.89
	TOTAL	25,397.27	19,346.39

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 16th May, 2011.
 - The company has a single reportable business segment of "Alcoholic Beverages".
 - Status of Investor Complaints during the quarter ended 31st March 2011.
 - 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 : 1 (One)
 - 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. And all these funds have been utilised for the purpose for which it was being raised.
 - The above figures of Globus Spirits Limited does not include the financial results of demerged undertaking of M/s Associated Distilleries Limited which is proposed to be demerged into M/s Globus Spirits Limited, which will be considered & consolidated after necessary approval of High Court.
- The key financial figures of demerged undertaking of M/s Associated Distilleries Limited are as follows:-

Particulars	(Figure in Lacs)			
	figures for the quarter ended 31.03.2011	figures for year ended 31.03.2011	figures for the year ended 31.03.2010	figures for the year ended 31.03.2010
Gross Sales including other Operating Income	Unaudited 2,244.90	Audited 9,592.23	Audited 7,755.15	
EBIDTA	635.32	1,979.85	1,090.53	
PAT	453.43	1,265.06	639.56	



The Proposed Consolidated financial figures of M/s Globus Spirits Limited & M/s Associated Distilleries Limited which will be considered after the permission of the high court.

(Figure in Lacs)

Particulars	Consolidated financial figures for the year ended 31.03.2011	Unaudited
Gross Sales including other Operating Income	53,351.94	
EBIDTA	6,519.23	
PAT	3,966.69	
Total No. of equity share	22,997,741	
EPS (in Rs.)	17.25	

Place : New Delhi
Date : 16th May 2011



For Globus Spirits Limited
May K. Swamp
Managing Director