PUBLIC ANNOUNCEMENT UNDER REGULATION 15(1) OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Open Offer for acquisition of up to 2,466,168 equity shares of Pioneer Distilleries Limited, ("Pioneer" / "Target Company" / "Target") to the Public Shareholders (as defined below) of the Target Company by Relay B.V. ("Acquirer" / "Relay") together with Diageo plc ("PAC 1" / "Diageo"), Diageo Finance plc ("PAC 2"), Diageo Capital plc ("PAC 3") and Tanqueray Gordon and Company Limited ("PAC 4") as the persons acting in concert ("PACs") with the Acquirer ("Offer" / "Open Offer").

On November 9, 2012, the Acquirer and Diageo entered into a Share Purchase Agreement ("**SPA**") with United Breweries (Holdings) Limited ("**Seller 1**" / "**UBHL**"), Kingfisher Finvest India Limited ("**Seller 2**" / "**KFIL**"), SWEW Benefit Company ("**Seller 3**"), USL Benefit Trust ("**Seller 4**"), Palmer Investment Group Limited ("**Seller 5**") and UB Sports Management Overseas Limited ("**Seller 6**" and together with Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5, the "**Sellers**") to acquire 25,226,839 equity shares of United Spirits Limited ("**USL**"), representing 17.4% of USL's Emerging Voting Capital (being the share capital of USL as of the 10th working day after the closure of the tendering period for the USL Open Offer (as defined below) including the Preferential Shares (as defined below)), from the Sellers. The Acquirer and Diageo further entered into a Preferential Allotment Agreement ("**PAA**") with USL to subscribe to 14,532,775 equity shares ("**Preferential Shares**"), representing 10.0% of the USL's Emerging Voting Capital, on a preferential basis. Further the Acquirer and Diageo entered into a Shareholders' Agreement ("**SHA**") with UBHL and KFIL (together with the SPA and PAA the "**Transaction Documents**"). The Acquirer, together with PACs, vide public announcement dated November 9, 2012, has made an open offer to acquire up to 26.0% of the USL's Emerging Voting Capital ("**USL Open Offer**").

USL presently holds 10,922,032 equity shares representing 81.6% of the voting capital of Pioneer and consequently and pursuant to Regulation 3(1), Regulation 4 and Regulation 5(1) and in accordance with Regulation 13(2)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "**SEBI (SAST) Regulations**"), this public announcement ("**Pioneer Public Announcement**" or "**Pioneer PA**") is being issued by JM Financial Institutional Securities Private Limited (the "**Manager**") for and on behalf of the Acquirer and the PACs to the equity shareholders of the Target Company excluding the parties to the Transaction Documents and persons acting in concert or deemed to be acting in concert with these parties ("**Public Shareholders**").

1. Offer Details

Size: The Acquirer and the PACs hereby make this open offer ("**Open Offer**" / "**Offer**") to the Public Shareholders to acquire up to 2,466,168 fully paid up equity shares of face value of ₹10.0 (Rupees ten only) each of the Target Company ("**Offer Shares**"), constituting the remaining 18.4% of the voting share capital of the Target Company, at a price of ₹60.0 per Offer Share ("**Offer Price**") aggregating to ₹147,970,080/- ("**Offer Size**"), subject to the terms and conditions mentioned in this Pioneer Public Announcement, the Pioneer detailed public statement ("**PDPS**") and the Pioneer letter of offer ("**PLoF**") that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

Price / Consideration: The equity shares are infrequently traded as per Regulation 2(1)(j) of the SEBI (SAST) Regulations. The Offer Price of ₹60.0 (Rupees Sixty only) per Offer Share has been determined by the Acquirer and the PACs together with the Manager in accordance with the provisions of Regulation 8(3) and Regulation 8(4) of the SEBI (SAST) Regulations taking into account, inter alia, valuation report Ref DHS/ G-200/132 dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117365W), 'Heritage', 3rd Floor, Near Gujarat Vidyapith, Off Ashram Road, Ahmedabad – 380 014 .

The PDPS to be issued under the SEBI (SAST) Regulations shall be published not later than 5 working days after completion of the acquisition of equity shares of USL pursuant to the USL Open Offer and the Transaction Documents in accordance with the proviso to Regulation 13(4) of the SEBI (SAST) Regulations. Accordingly, interest computed at the rate of ten per cent. per annum on the Offer Price from the date of this Pioneer PA until the date of the PDPS will be paid together with the Offer Price in accordance with Regulation 8(12) of the SEBI (SAST) Regulations.

Mode of Payment: The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

Type of Offer: The Offer is in compliance with Regulation 3(1), Regulation 4 and Regulation 5(1) of the SEBI (SAST) Regulations pursuant to the indirect acquisition of equity shares, voting rights of and control over the Target.

2. Transaction which has triggered the open offer obligations (Underlying Transaction)

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ Market Purchase)**	**Shares / Voting rights acquired/ proposed to be acquired**		**Total Consideration for Shares /Voting Rights (VR) acquired (₹ in Million)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis a vis total equity / voting capital**			
Indirect	Transaction Documents as described above	Indirect acquisition of 10,922,032 equity shares of Pioneer	Indirect acquisition of 81.6% of voting capital of Pioneer	NA	NA	Regulation 3, Regulation 4 and Regulation 5(1) of the SEBI (SAST) Regulations

3. <u>Acquirer(s) / PAC</u>

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
Name of Acquirer(s)/ PAC(s)	Relay B.V.	Diageo plc	Diageo Finance plc	Diageo Capital plc	Tanqueray Gordon and Company Limited	
Address	Molenwerf 10-12, 1014 BG, Amsterdam, The Netherlands	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT	Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom	
Name(s) of persons in control/promoters of Acquirers/ PAC where Acquirers/PAC are companies	Relay is an indirect wholly owned subsidiary of Diageo	Diageo is a widely held publicly listed company with no identified promoter	Diageo Finance plc is a wholly owned subsidiary of Diageo	Diageo Capital plc is a wholly owned subsidiary of Diageo	Tanqueray Gordon and Company Limited is a wholly owned subsidiary of Diageo	
Name of the Group, if any, to which the Acquirer/PAC belongs to	Diageo Group	The companies operating under Diageo plc across all its markets are together classified as the "Diageo Group"	Diageo Group	Diageo Group	Diageo Group	
Pre Transaction shareholding in Piston • Number • % of total share capital	NIL	NIL	NIL	NIL	NIL	NIL
Proposed indirect shareholding in Pioneer after the acquisition of shares (including the Offer Shares) which triggered the Open Offer	13,388,200(1) 100.0%	NIL	NIL	NIL	NIL	13,388,200(1) 100.0%
Any other interest in the Target Company	None	None	None	None	None	None

Note 1: In accordance with the provisions of the proviso to Regulation 13(4) of the SEBI (SAST) Regulations and the explanation thereto, the Open Offer to the Public Shareholders is subject to the completion of the underlying transaction as contemplated in the Transaction Documents. Accordingly the proposed shareholding in Pioneer after the Open Offer includes the current shareholding of USL in Pioneer.

4. Details of selling shareholders, if applicable

This being an indirect acquisition, there are no selling shareholders for the purpose of this Open Offer. UBHL, KFIL, SWEW Benefit Company, USL Benefit Trust, Palmer Investment Group and UB Sports Management Overseas Limited are the selling shareholders under the SPA.

5. Target Company

Name:	Pioneer Distilleries Limited
Registered Office:	UB House, Plot No. 36, Street No. 4, Srinagar Colony, Hyderabad – 500 073
Exchanges where listed	Equity shares of Pioneer are listed on BSE Limited, National Stock Exchange of India Limited and Pune Stock Exchange Limited

6. Other Details

The PDPS to be issued under the SEBI (SAST) Regulations shall be published not later than 5 working days after the completion of the acquisition of equity shares of USL pursuant to the USL Open Offer and the Transaction Documents in accordance with the proviso to Regulation 13(4) of the SEBI (SAST) Regulations. The PDPS shall contain details of the Offer including detailed information on the Offer Price, the Acquirer, the PACs and the Target Company, background to the Offer, statutory approvals for the Offer and details of financial arrangements, other terms of the Offer and the conditions to the Offer.

The Acquirer and the PACs undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations and that they have adequate financial resources to meet their obligations under the Offer.

The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19(1) of the SEBI (SAST) Regulations.

This PA is not being issued pursuant to a competing offer under the terms of Regulation 20 of the SEBI (SAST) Regulations.

Issued by the Manager to the Offer

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On behalf of the Acquirer and the PACs

Relay B.V.
Diageo plc
Diageo Finance plc
Diageo Capital plc
Tanqueray Gordon and Company Limited

Place: Mumbai
Date: November 9, 2012