DETAILED PUBLIC STATEMENT IN TERMS OF REGULATION 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE PUBLIC SHAREHOLDERS OF

UNITED SPIRITS LIMITED

REG. OFFICE: UB TOWER, #24, VITTAL MALLYA ROAD, BANGALORE – 560 001. TEL: +91 80 3985 6500 FAX: +91 80 3985 6959

OPEN OFFER FOR ACQUISITION OF UP TO 37,785,214 EQUITY SHARES ("EQUITY SHARES") OF UNITED SPIRITS LIMITED, ("USL" / "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" / "DFIN"), DIAGEO CAPITAL PLC ("PAC 3"/ "DCAP") AND TANQUERAY GORDON AND COMPANY LIMITED ("PAC 4" / "TGCL"), AS THE PERSONS ACTING IN CONCERT ("PACs") WITH THE ACQUIRER ("OFFER" / "OPEN OFFER").

This detailed public statement ("**DPS**") is being issued by JM Financial Institutional Securities Private Limited, the manager to the Offer ("**Manager**" / "**JM Financial**"), for and on behalf of the Acquirer and the PACs, in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "**SEBI (SAST) Regulations**") as well as pursuant to the Public Announcement ("**PA**") dated November 9, 2012 sent to the BSE Limited ("**BSE**"), the National Stock Exchange of India Limited ("**NSE**") and Bangalore Stock Exchange Limited ("**BgSE**" and together with BSE and NSE the "**Stock Exchanges**"), in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

I. ACQUIRER, PACs, SELLERS, TARGET COMPANY AND OFFER

1 Details of the Acquirer and the PACs

1.1 Acquirer – Relay B.V.

1. Relay B.V., a private limited company incorporated on July 13, 2012 in the Netherlands with trade register number 55690319, is an indirectly wholly owned subsidiary of Diageo plc. Its registered office is situated at Molenwerf 10-12, 1014 BG, Amsterdam, the Netherlands, Tel: +31 20 7745000, Fax: +31 20 7745091. Compliance Officer: Marga Gerichhausen.
2. Relay is part of the Diageo Group (as defined below). Its main objects include the acquisition of, subscription to and investment in equity shares / equity linked instruments of investee companies and the carrying on of all activities incidental or conducive thereto.
3. The issued and paid up capital of Relay is 1,300 ordinary A shares of ₹ 1,000 each and 100,000 ordinary B shares of ₹ 1000 each. The shares of Relay are not listed on any stock exchange.
4. As of the date of this DPS, neither Relay nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of or any other interest in USL. Further, there are no common directors on the board of Relay and USL.
5. Relay has not been prohibited by the Securities and Exchange Board of India ("**SEBI**") from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act, 1992 ("**SEBI Act**") as amended or under any other regulations made under the SEBI Act.
6. Relay was incorporated on July 13, 2012 and, this being its first year of operations, there are no financial statements related to Relay.

1.2 PAC 1 – Diageo plc

1. Diageo plc is a public limited company incorporated in England and Wales under registered number 23307. Diageo was originally incorporated as Arthur Guinness Son and Company, Limited on October 21, 1886. Its name was subsequently changed to Arthur Guinness and Sons Plc on March 1, 1982 and subsequently to Guinness PLC on May 1, 1985. The company was eventually named Diageo plc on December 17, 1997. Its registered office is situated at Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom, Tel: +44 20 8978 6000, Fax: +44 20 8978 1577. Compliance Officer: Paul Tunnacliffe.
2. Diageo is one of the world's leading premium drinks business selling products in more than 180 markets and collection of beverage alcohol brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's, Windsor and Bushmills whiskies, Smirnoff Ciroc and Ketel One vodkas, Baileys, Captain Morgan, Tanqueray and Guinness. Diageo also manages Jose Cuervo tequila. Diageo is the ultimate holding company of the Acquirer. The companies operating under Diageo across all its markets are together classified in this document as the "**Diageo Group**".
3. The issued and paid up capital of Diageo as of June 30, 2012 was 2,754 million ordinary shares of face value 28(101/108) pence each aggregating to £797 million. This includes 259 million ordinary shares held as treasury shares repurchased under various buy-back programs and shares for hedging share scheme grants to employees. The shares of Diageo are listed on the London Stock Exchange, Paris Stock Exchange and the Dublin Stock Exchange. The American depository receipts of Diageo are listed on the New York Stock Exchange. Diageo is a widely held company with no identified promoter. As at November 9, 2012 the following substantial interest (3 per cent or more) in Diageo's ordinary share capital has been notified to Diageo:

Shareholder	Number of ordinary shares	% of issued ordinary share capital (excluding treasury shares)
BlackRock Investment Management (UK) Limited (indirect holding)	147,296,928	5.89
Capital Research and Management Company (indirect holding)	124,653,096	4.99
Legal & General Group plc (direct holding)	99,894,002	3.99

4. As of the date of this DPS, neither Diageo nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of or any other interest in USL. Further, there are no common directors on the board of Diageo and USL.
5. Diageo has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
6. Brief audited financials of Diageo as of and for the financial years ended June 30, 2012, 2011 and 2010 on a consolidated basis are provided below:

(in million except for EPS)

Particulars	Year ended June 30, 2012		Year ended June 30, 2011		Year ended June 30, 2010	
	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)
Total income[1]	10,975	955,593	10,112	880,452	9,922	863,909
Profit after taxation	2,072	180,408	2,017	175,620	1,743	151,763
Basic earnings per share ("**EPS**")[2]	77.8[3]	67.7	76.2[3]	66.3	65.5[3]	57.0
Net worth[4]	5,588	486,547	5,245	456,682	4,007	348,889

** 1 £ = ₹ 87.07 – Source: Bloomberg data as of June 28, 2012*

Notes

1) Net sales and share of associates' profits after tax

2) Earnings per share after discontinued operations

3) In pence

4) Net assets less non-controlling interests

1.3 PAC 2 – Diageo Finance plc

1. Diageo Finance plc, a public limited liability company incorporated in England and Wales under registered number 213393, is promoted by Diageo and is part of the Diageo Group. DFIN was originally incorporated as Mayfair Hotel Company Limited on April 23, 1926. Its name was subsequently changed to Grand Metropolitan (Finance) Limited on January 26, 1973. Subsequently the company was re-registered as a public company under the name Grand Metropolitan (Finance) Public Limited Company on November 2, 1981. The name of the company was again changed to Grand Metropolitan Finance PLC on December 10, 1981 and eventually to Diageo Finance plc on December 16, 1997. Its registered office is situated at Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom, Tel: +44 20 8978 6000, Fax: +44 20 8978 1577. Compliance Officer: Paul Tunnacliffe
2. DFIN acts as an internal financing company for other companies within the Diageo Group. Together with DCAP and a number of companies within the Diageo Group ("**Diageo Borrowers**"), it raises external debt financing for the Diageo Group. Most of the proceeds of such financing are deposited with DFIN and lent by it to Diageo and other companies within the Diageo Group to fund their operations.
3. DFIN is a 100% subsidiary of Diageo. Its shares are not listed on any stock exchange. The paid up capital of DFIN is 73,200,000,000 ordinary shares of 5 pence each aggregating to £3,660 million.
4. As of the date of this DPS, neither DFIN nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of or any other interest in USL. Further, there are no common directors on the board of DFIN and USL.
5. DFIN has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
6. Brief audited financials of DFIN as at and for the financial years ended June 30, 2012, 2011 and 2010 on a standalone basis are provided below:

(in million except for EPS)

Particulars	Year ended June 30, 2012		Year ended June 30, 2011		Year ended June 30, 2010	
	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)
Total income[1]	913	79,495	857	74,619	897	78,102
(Loss) / profit after taxation	(342)	(29,778)	293	25,512	184	16,021
Basic (loss) / earning per share	(0.47)[2]	(0.41)	0.40[2]	0.35	0.25[2]	0.22
Net worth[3]	3,629	315,977	3,971	345,755	3,865	336,525

** 1 £ = ₹ 87.07 – Source: Bloomberg data as of June 28, 2012*

Notes

1) Interest income and other operating income

2) In pence

3) Total assets less total liabilities

1.4 PAC 3 – Diageo Capital plc

1. Diageo Capital plc, a public limited liability company incorporated in Scotland under registered number SC40795,is promoted by Diageo and is part of the Diageo Group. It was originally incorporated as Nutress Laboratories Limited on August 10, 1964. Its name was subsequently changed to Hayes Lyon Limited on August 16, 1990 and again to Guinness Finance Plc on April 16, 1992 and eventually to Diageo Capital plc on December 15, 1997. Its registered office is situated at Edinburgh Park, 5 Lochside Way, Edinburgh, EH12 9DT, United Kingdom, Tel: +44 20 8978 6000, Fax: +44 20 8978 1577. Compliance officer: Paul Tunnacliffe
2. DCAP is one of the Diageo Borrowers authorized to raise external debt financing for the Diageo Group. It deposits most of the proceeds of such financing with DFIN for lending to Diageo and other companies within the Diageo Group to fund their operations.
3. DCAP is a 100% subsidiary of Diageo. Its shares are not listed on any stock exchange. The paid up capital of DCAP is 200,000 ordinary shares of £1 each aggregating to £200,000.
4. As of the date of this DPS, neither DCAP nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of or any other interest in USL. Further, there are no common directors on the board of DCAP and USL.
5. DCAP has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
6. Brief audited financials of DCAP as of and for the financial years ended June 30, 2012, 2011 and 2010 on a standalone basis are provided below:

(in million except for EPS)

Particulars	Year ended June 30, 2012		Year ended June 30, 2011		Year ended June 30, 2010	
	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)
Total income[1]	514	44,754	141	12,277	344	29,952
Profit / (loss) after taxation	46	4,005	(146)	(12,712)	(127)	(11,058)
Basic earnings / (loss) per share	230	20,026	(1,452)	(126,426)	(1,270)	(110,579)
Net worth[2]	145	12,625	51	4,441	(39)	(3,396)

**1 £ = ₹ 87.07 – Source: Bloomberg data as of June 28, 2012*

Note

1) Interest income and other operating income

2) Total assets less total liabilities

1.5 PAC 4 – Tanqueray Gordon and Company Limited

1. Tanqueray Gordon and Company Limited, a private limited company incorporated in England and Wales under registered number 55603, was incorporated on January 11, 1898. It is a wholly owned subsidiary of Diageo and is part of the Diageo Group. Its registered office is situated at Lakeside Drive, Park Royal, London, NW10 7HQ, United Kingdom, Tel: +44 20 8978 6000, Fax: +44 20 8978 1577. Compliance officer: Paul Tunnacliffe
2. TGCL has a track record of supplying Tanqueray and Gordons Gin to the British Royal Households for a period of five consecutive years or more and a representative of TGCL has been issued a Royal Warrant by the Queen's Lord Chamberlain office. Its chief source of income is the dividends it receives from its subsidiary.
3. TGCL is a 100% subsidiary of Diageo. Its shares are not listed on any stock exchanges. The paid up capital of TGCL is 2 ordinary shares of £100 each aggregating to £200.
4. As of the date of this DPS, neither TGCL nor any of its directors hold, either directly or indirectly, any stake in the equity share capital of or any other interest in USL. Further, there are no common directors on the board of TGCL and USL.
5. TGCL has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
6. Brief audited financials of TGCL as of and for the financial years ended June 30, 2012, 2011 and 2010 on a standalone basis are provided below:

(in thousand except for EPS)

Particulars	Year ended June 30, 2012		Year ended June 30, 2011		Year ended June 30, 2010	
	(in £)	(in *₹)	(in £)	(in *₹)	(in £)	(in *₹)
Total income[1]	3,314	288,550	Nil	Nil	Nil	Nil
Profit after taxation	3,148	274,096	Nil	Nil	Nil	Nil
Basic earnings per share	1,574,000	137,048,180	Nil	Nil	Nil	Nil
Net worth[2]	3,150	274,271	2	174	245,787	21,400,674

**1 £ = ₹ 87.07 – Source: Bloomberg data as of June 28, 2012*

Note

1) Dividend from subsidiary undertaking

2) Net assets

2. Details of the Sellers

2.1 Seller 1 – United Breweries (Holdings) Limited

1. United Breweries (Holdings) Limited ("**UBHL**"), a public limited company incorporated in Bangalore, India was originally incorporated as United Breweries Limited on March 23, 1915 under the Indian Companies Act 1913. The name of the company was subsequently changed to UB Limited on January 9, 1989 and again to United Breweries Limited on July 2, 1993. Its name was further changed to Kingfisher Properties & Holdings Limited on August 7, 2002 and eventually to United Breweries (Holdings) Limited on October 11, 2002. Its registered office is situated at UB Tower, Level 12, UB City, 24 Vittal Mallya Road, Bangalore – 560 001, Tel: +91 80 3985 6079, Fax: +91 80 2227 4890. The present "promoter and promoter group" of UBHL consists of Dr. Vijay Mallya, certain private limited companies namely Kamsco Industries Private Limited, The Gem Investments and Trading Company Private Limited, Pharma Trading Company Private Limited, Vittal Investments Private Limited, Devi Investments Private Limited, Ganapathy Mallya Investments Private Limited, Rossi & Associates Private Limited and VJM Investments Private Limited which are substantially controlled by Dr Vijay Mallya and McDowell Holdings Limited, Watson Limited and FirStart Inc.
2. UBHL is a promoter of USL and is the group holding company of the UB Group. USL is the flagship company for the spirits business of the UB Group in India. Other key companies in the UB Group include United Breweries Limited, Kingfisher Airlines Limited, Mangalore Chemical & Fertilizers Limited and UB Engineering Limited.
3. The shares of UBHL are listed on each of the Stock Exchanges. The following table sets out the shareholding pattern of the company as of November 9, 2012:

Particulars	Number of shares	%
Promoter & Promoter Group	33,589,970	50.27
Mutual Funds / UTI	2,099,670	3.14
Financial Institutions / Banks	17,134	0.03
Foreign Institutional Investors	2,141,941	3.21
Other Institutional Investors	1,086,416	1.63
Body corporates	9,695,775	14.51
Individuals	15,565,984	23.29
Others	2,621,631	3.92
Total	**66,818,521**	**100.00**

4. The following table sets out the details of the Equity Shares held by UBHL in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	23,577,293	18.03	23,577,293	18.03
Number of Equity Shares held post Open Offer and the underlying transaction	14,506,698[(1)]	9.98[(1) (2)]	14,506,698[(1)]	9.98[(1) (2)]

Notes

(1) In terms of the SPA, UBHL and Kingfisher Finvest India Limited have agreed to sell an aggregate of 16,716,987 Equity Shares of USL to the Acquirer and the split between them shall be determined closer to the completion of the SPA. Currently, UBHL intends to sell 9,070,595 Equity Shares under the SPA.

(2) Assuming the issuance and allotment of the Preferential Shares (as defined in Part II – Background to the Offer – paragraph 2)

5. UBHL has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.2 Seller 2 – Kingfisher Finvest India Limited

1. Kingfisher Finvest India Limited ("**KFIL**") is a public limited company registered under the Companies Act, 1956. KFIL was originally incorporated as Varigate Trading Private Limited on August 20, 1999. Its name was subsequently changed to Varigate Trading Limited on October 4, 1999, Kingfisher Radio Limited on November 9, 2005 and eventually to Kingfisher Finvest India Limited on June 19, 2008. Its registered office is situated at UB Tower, Level 12, UB City, #24 Vittal Mallya Road, Bangalore – 560 001. Tel: +91 80 3985 6079, Fax: +91 80 2227 4890.
2. KFIL is a wholly owned subsidiary of UBHL and is part of the UB Group. Its shares are not listed on any stock exchange.
3. The following table sets out the details of the Equity Shares held by KFIL in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	12,676,342	9.69	12,676,342	9.69
Number of Equity Shares held post Open Offer and the underlying transaction	5,029,950[(1)]	3.46[(1) (2)]	5,029,950[(1)]	3.46[(1) (2)]

Notes

(1) In terms of the SPA, UBHL and KFIL have agreed to sell an aggregate of 16,716,987 Equity Shares of USL to the Acquirer and the split between them shall be determined closer to the completion of the SPA. Currently, KFIL intends to sell 7,646,392 Equity Shares under the SPA.

(2) Assuming the issuance and allotment of the Preferential Shares

4. KFIL has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.3 Seller 3 – SWEW Benefit Company

1. SWEW Benefit Company is a company limited by guarantee. SWEW Benefit Company was originally incorporated as Shaw Wallace Executives' Welfare & Benefit Company Private Limited on May 24, 1989. Its name was changed to Shaw Wallace Executives' Welfare & Benefit Company vide license dated March 25, 1991 from the erstwhile Department of Company Affairs after deleting the words 'private limited' pursuant to Section 25(3) of the Companies Act, 1956. Its name was subsequently changed to SWEW Benefit Company on September 1, 2008. Its registered office is situated at 4, Bankshall Street, Kolkata – 700 001, Tel: +91 33 2231 7512, Fax: +91 33 2231 7513.
2. SWEW Benefit Company was formed for the benefit / welfare of certain executives of Shaw Wallace & Company Limited or any company with which Shaw Wallace & Company Limited ("**SWCL**") may be merged. SWCL was subsequently merged into USL. SWEW Benefit Company does not have any share capital and Dr.Vijay Mallya is the current "Patron" of the company. SWEW Benefit Company is a person acting in concert with the promoters of USL.
3. The following table sets out the details of the Equity Shares held by SWEW Benefit Company in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	125,531	0.10	125,531	0.10
Number of Equity Shares held post Open Offer and the underlying transaction	Nil	Nil	Nil	Nil

4. SWEW Benefit Company has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.4 Seller 4 – USL Benefit Trust

1. USL Benefit Trust is a private trust and was formed on September 20, 2006. Its office is situated at UB Tower, Level 6, UB City, 24 Vittal Mallya Road, Bangalore – 560 001, Tel: +91 80 3985 6500, Fax: +91 80 3985 6862.
2. USL Benefit Trust holds the Equity Shares for the benefit of USL, its successors and assigns. It has been disclosed as a person acting in concert with the promoters of USL in the stock exchange filings by USL. The trustees of USL Benefit Trust are Dr.Vijay Mallya and Mr. A.K.R. Nedungadi.
3. The following table sets out the details of the Equity Shares held by USL Benefit Trust in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	3,459,090	2.64	3,459,090	2.64
Number of Equity Shares held post Open Offer and the underlying transaction	Nil	Nil	Nil	Nil

4. USL Benefit Trust has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.5 Seller 5 – Palmer Investment Group Limited

1. Palmer Investment Group Limited, a limited liability company incorporated in the British Virgin Islands, is a wholly owned subsidiary of USL and is part of the UB Group. Its registered office is situated at Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands, Tel: +284 494 3399, Fax: +284 494 3041.
2. Palmer Investment Group Limited has been disclosed as a person acting in concert with the promoters of USL in the stock exchange filings by USL. Its shares are not listed on any stock exchange.
3. The following table sets out the details of the Equity Shares held by Palmer Investment Group Limited in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	4,376,771	3.35	4,376,771	3.35
Number of Equity Shares held post Open Offer and the underlying transaction	Nil	Nil	Nil	Nil

4. Palmer Investment Group Limited has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.6 Seller 6 – UB Sports Management Overseas Limited

1. UB Sports Management Overseas Limited, a limited liability company incorporated in Jersey, the Channel Islands, is an indirect wholly owned subsidiary of USL and is part of the UB Group. It was incorporated as JIHL Nominees Limited and its name was subsequently changed to UB Sports Management Overseas Limited on September 6, 2012. Its registered office is situated at La Motte Chambers, St Helier, Jersey, Channel Islands JE1 1PB, Tel: +44 15 3460 2400, Fax: +44 15 3450 1921.
2. UB Sports Management Overseas Limited is a wholly owned subsidiary of Palmer Investment Group Limited which in turn is a wholly owned subsidiary of USL. It has been disclosed as a person acting in concert with the promoters of USL in the stock exchange filings by USL. Its shares are not listed on any stock exchange.
3. The following table sets out the details of the Equity Shares held by UB Sports Management Overseas Limited in USL as of the date of the PA and post completion of the Open Offer and the underlying transaction:

Particulars	Number of Equity Shares	%	Number of voting rights	%
Number of Equity Shares held as of the date of the PA	548,460	0.42	548,460	0.42
Number of Equity Shares held post Open Offer and the underlying transaction	Nil	Nil	Nil	Nil

4. UB Sports Management Overseas Limited has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3. Details of the Target

Target – United Spirits Limited

1. United Spirits Limited, a public limited company incorporated in Bangalore, India, is part of the UB Group. USL was incorporated as McDowell Spirits Limited on March 31, 1999. Subsequently its name was changed to McDowell & Company Limited on April 12, 2001 and eventually changed to United Spirits Limited on October 17, 2006. Its registered office is situated at UB Tower, #24, Vittal Mallya Road, Bangalore – 560 001, Tel: +91 80 3985 6500 and Fax: +91 80 3985 6862. UBHL is a promoter of USL.
2. USL is the flagship company for the spirits business of the UB Group in India and its objects include *inter alia* manufacturing alcohol, rectified spirit and potable and industrial alcohol and manufacturing, brewing, distilling, blending, compounding, preparing, processing and rendering potable or marketable various categories of liquors, wines, spirits and beers. USL carries on the business of manufacturing and bottling Indian Made Foreign Liquor through distillery and bottling units (which include "owned" units, "tie-up" units, "associate" units and "leased"/ "privileged" units).
3. The Equity Shares of USL are listed on each of the Stock Exchanges and are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Further, the Global Depository Shares ("**GDS**") are listed on the Luxembourg Stock Exchange. Two GDS represent 1 Equity Share. There are no outstanding shares that have been issued but not listed in at least one of the Stock Exchanges.
4. The board of directors of USL as of the date of this DPS is provided below:

Name of Director	Designation
Dr.Vijay Mallya	Non-Executive Chairman
Mr. Subhash R. Gupte	Non-Executive Vice Chairman
Mr. Ashok Harikishanlal Capoor	Managing Director
Mr. Maddagiri Ramaswamy Doraiswamy Iyengar	Independent Director
Mr. Brij Mohan Labroo	Independent Director
Mr. Sreedhara Menon	Independent Director
Mr. Sudhir Krishan Khanna	Independent Director
Mr. Ghyanendra Nath Bajpai	Independent Director

5. Brief audited financials of USL on a consolidated basis as of and for the financial years ended March 31, 2012, 2011 and 2010 are provided below:

(in ₹ million except for EPS)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Total Income	94,557.032	76,212.213	64,471.793
Profit for the year	1,879.217	5,695.207	(227.075)
Basic Earnings Per Share	14.93	45.25	(2.05)
Net worth	46,617.679	41,786.177	37,735.353

(Source: CA certificate dated November 15, 2012 issued by Walker, Chandiok & Co, Chartered Accountants, registration number 001076N)

4. Details of the Offer

1. The Acquirer and the PACs are making this Offer to all the equity shareholders of USL other than parties to the Share Purchase Agreement ("**SPA**") dated November 9, 2012 entered into between Acquirer and Diageo with the Sellers (as defined below), the Preferential Allotment Agreement ("**PAA**") dated November 9, 2012 entered into between Acquirer and Diageo with USL and the Shareholders' Agreement ("**SHA**") dated November 9, 2012 entered into between Acquirer and Diageo with UBHL and KFIL, and persons acting in concert or deemed to act in concert with such parties ("**Public Shareholders**"), to acquire up to 37,785,214 Equity Shares ("**Offer Shares**") of face value of ₹ 10/- each at an offer price of ₹ 1,440 per share ("**Offer Price**") aggregating to ₹ 54,410,708,160 (Rupees Fifty four billion four hundred and ten million seven hundred and eight thousand one hundred and sixty only) in cash ("**Offer Size**").
2. The Offer Shares represent 26.0% of the paid up equity share capital of USL as on the 10[th] Working Day (Working Day as defined under SEBI (SAST) Regulations) after the closure of the tendering period ("**Emerging Voting Capital**"). The Emerging Voting Capital has been computed after considering the proposed issue and allotment of the Preferential Shares.
3. The Emerging Voting Capital has been computed as follows:

Particulars	Issued and paid up capital and voting rights	% of Emerging Voting Capital
Fully paid up Equity Shares as of the PA date	130,794,968	90.0
Partly paid up Equity Shares as of the PA date	Nil	Nil
Preferential Shares	14,532,775	10.0
Employee stock options outstanding	Nil	Nil
Emerging Voting Capital	145,327,743	100.0

Note: Where the Preferential Shares are not allotted, the Emerging Voting Capital shall accordingly be adjusted. However it is clarified that the Offer shall continue for the Offer Shares

4. For the purpose of the Offer, the Registrar has opened a special depository account ("**Open Offer Escrow Demat Account**") in the name and style of Relay BV – USL Open Offer Escrow Demat Account with DSP Merrill Lynch Limited as the depository participant in National Securities Depositories Limited ("**NSDL**"). The DP ID is IN302638 and the Client ID is 10065531.
5. The Offer is subject to the receipt of the following approvals namely (i) the receipt of approval from the Competition Commission of India ("**CCI**"), in a form and substance satisfactory to the Acquirer, for the subscription to the Preferential Shares, acquisition of the Sale Shares (as defined below), and if applicable, the Additional Shares (as defined below) and the acquisition of the Offer Shares; and (ii) the receipt of approval from the German Anti-Trust Authority for the subscription to the Preferential Shares, acquisition of the Sale Shares and, if applicable, the Additional Shares and the acquisition of the Offer Shares.
6. To the best of the knowledge of the Acquirer and the PACs, there are no other statutory approvals required to complete the acquisition of the Offer Shares, other than those mentioned in paragraph 5 above. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approval.
7. The acquisition of Offer Shares tendered by Non-resident Indians ("**NRIs**") and Overseas Corporate Bodies ("**OCBs**") is subject to the approval / exemption from the Reserve Bank of India ("**RBI**").
8. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
9. The Offer is further subject to the receipt of the statutory approvals, as specified in Part II – Background to the Offer - paragraph 7, for the purpose of the acquisition of the Sale Shares and, if applicable, the Additional Shares under the SPA.
10. The Offer is also subject to the satisfaction of the conditions stipulated under the SPA and disclosed herein below in Part II – Background to the Offer - paragraph 9 (all of which are considered to be outside the reasonable control of the Acquirer and the PACs).
11. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified herein above in Part I, Details of the Offer, paragraph 5 and in Part II – Background to the Offer – paragraph 7 and / or the specific conditions outlined in Part II – Background to the Offer - paragraph 9 (all of which are considered to be outside the reasonable control of the Acquirer and the PACs) are not received or satisfied or unless any relevant approval or condition is otherwise waived by the Acquirer, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2). In such an event, the Acquirer shall not acquire the Sale Shares, or, if applicable, the Additional Shares or, where the Preferential Shares have not already been allotted, subscribe to the Preferential Shares and to that extent the SPA, PAA and the SHA shall stand rescinded.
12. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PACs to delay the commencement of the tendering period for the Offer pending receipt of such statutory approvals or grant an extension of time to the Acquirer and the PACs to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.
13. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders and is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
14. The Acquirer and the PACs currently do not have any intention to alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the USL Group (as defined below) during the period of two years following the completion of the Offer, except in the ordinary course of business, or subject to compliance with all applicable laws in connection with, any restructuring, rationalization or reorganization or disposal of assets, investments, business operations or liabilities of the USL Group carried out with the prior approval of the board of directors of the Target as being in the interest of the USL Group, or by way of alienation of material assets of the USL Group that are determined by the board of directors of the Target as being surplus and/or non-core, or on account of any approval of or conditions specified by any regulatory or statutory authorities, Indian or foreign, or for the purpose of complying with any law that is binding on or applicable to the operations of the USL Group and/or the Diageo Group, or as provided in the SPA and/or PAA. It shall be the responsibility of the board of directors of the Target or of any of its subsidiaries to make appropriate decisions in these matters in accordance with the requirements of the business of the USL Group.
15. Other than the above, if the Acquirer and PACs intend to alienate any material asset of the USL Group, within a period of 2 years from completion of the Offer, the Target shall seek the approval of its shareholders as per proviso to Regulation 25(2) of SEBI (SAST) Regulations.
16. The acquisition of the Offer Shares, together with the acquisition of the Sale Shares, the Additional Shares (if applicable) and the subscription to the Preferential Shares, shall not result in the public shareholding in USL falling below the minimum level required for continued listing under clause 40A of the listing agreement and Rule 19A of the Securities Contract (Regulation) Rules, 1957.

II. BACKGROUND TO THE OFFER

1. This Offer is made in accordance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the SPA, SHA and the PAA. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
2. The Acquirer and Diageo have entered into the PAA with the Target, pursuant to which and subject to the satisfaction or waiver of the conditions contained in the PAA, the Acquirer has agreed to subscribe to, within the time period prescribed by applicable laws, 14,532,775 Equity Shares, representing 10.0% of the Emerging Voting Capital of the Target ("**Preferential Shares**"), at a price of ₹ 1,440 per Preferential Share ("**Subscription Price**").
3. Notwithstanding anything contained in the PAA, in the event that on account of the PAA, the Offer Price is revised (or is likely to be revised) upwards, pursuant to any order or direction of SEBI under the SEBI (SAST) Regulations, the Acquirer may elect not to subscribe to the Preferential Shares, in which event the Acquirer shall, save in certain circumstances, not be eligible to acquire the Additional Shares under the SPA.
4. The subscription to the Preferential Shares by the Acquirer is subject to the receipt of the following statutory approvals:
   - (i) Receipt of the approval from the shareholders of USL under the provisions of section 81(1A) of the Companies Act, 1956 and in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and other applicable laws and rules, for the issue of the Preferential Shares to the Acquirer;
   - (ii) Receipt of the approval from the CCI under the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, in a form and substance satisfactory to the Acquirer, for the subscription to the Preferential Shares, acquisition of the Sale Shares and, if applicable, the Additional Shares and the acquisition of the Offer Shares;
   - (iii) Receipt of the approval from the German Anti-Trust Authority for the subscription to the Preferential Shares, acquisition of the Sale Shares and, if applicable, the Additional Shares and the acquisition of the Offer Shares; and
   - (iv) Receipt of the 'in-principle' approval from the BSE and the NSE under clause 24(a) of the listing agreement for the listing of the Preferential Shares.
5. The Acquirer and Diageo have also entered into the SPA with UBHL ("**Seller 1**"), KFIL ("**Seller 2**", together with Seller 1, being the "**UBHL Seller Group**"), SWEW Benefit Company ("**Seller 3**"), USL Benefit Trust ("**Seller 4**"), Palmer Investment Group Limited ("**Seller 5**") and UB Sports Management Overseas Limited ("**Seller 6**", together with Seller 3, Seller 4, Seller 5 and the UBHL Seller Group being the "**Sellers**") pursuant to which the Acquirer has agreed to purchase 25,226,839 Equity Shares, representing 17.36% of the Emerging Voting Capital of USL ("**Sale Shares**"), as follows:
   - (i) 9,070,595 Equity Shares, representing 6.24% of the Emerging Voting Capital of USL, from Seller 1;
   - (ii) 7,646,392 Equity Shares, representing 5.26% of the Emerging Voting Capital of USL, from Seller 2;
   - (iii) 125,531 Equity Shares, representing 0.09% of the Emerging Voting Capital of USL, from Seller 3;
   - (iv) 3,459,090 Equity Shares, representing 2.38% of the Emerging Voting Capital of USL, from Seller 4;
   - (v) 4,376,771 Equity Shares, representing 3.01% of the Emerging Voting Capital of USL, from Seller 5; and
   - (vi) 548,460 Equity Shares, representing 0.38% of the Emerging Voting Capital of USL, from Seller 6,

   in each case, at a price of ₹ 1,440 per Sale Share ("**Sale Price**"). In terms of the SPA, UBHL and KFIL have agreed to sell an aggregate of 16,716,987 Equity Shares of USL to the Acquirer and the split between them shall be determined closer to the completion of the SPA. Currently, UBHL intends to sell 9,070,595 Equity Shares and KFIL intends to sell 7,646,392 Equity Shares under the SPA.
6. In addition, UBHL and KFIL have agreed, conditionally, to sell such number of additional Equity Shares ("**Additional Shares**") to the Acquirer at a price of ₹ 1,440 per Additional Share in certain circumstances where the preferential allotment does not complete and the Acquirer holds less than 25.1% in USL after taking into account the Equity Shares in USL acquired under the Offer, under the SPA or in any other manner, to take the shareholding of the Acquirer in USL to 25.1%.
7. The acquisition of the Sale Shares and, if applicable, the Additional Shares is subject to receipt of the following statutory approvals:
   - (i) Receipt of the approval from the CCI under the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, in a form and substance satisfactory to the Acquirer, for the subscription to the Preferential Shares, acquisition of the Sale Shares and, if applicable, the Additional Shares and the acquisition of the Offer Shares;
   - (ii) Receipt of approval from the German Anti-Trust Authority for the subscription to the Preferential Shares, acquisition of the Sale Shares and, if applicable, the Additional Shares and the acquisition of the Offer Shares; and
   - (iii) Receipt of approval, as applicable, from the RBI for the acquisition of the Sale Shares and, if applicable, the Additional Shares, at the Sale Price.
8. The acquisition of the relevant Sale Shares from Palmer Investment Group Limited and UB Sports Management Overseas Limited, being erstwhile OCBs, is subject to the receipt of approval / exemption from the RBI. Further, the acquisition of relevant Sale Shares from USL Benefit Trust wherein Dr.Vijay Mallya being an NRI is one of the trustees is subject to the approval of RBI if such approval is required for the purpose of the acquisition.
9. The acquisition of the Sale Shares and, if applicable, the Additional Shares is also subject to the satisfaction or waiver of various conditions as set out in the SPA including of the following conditions (each of which is considered to be outside the reasonable control of the Acquirer):
   - (i) The Sale Shares and, if applicable, the Additional Shares, together with the underlying assets and business of the USL and its subsidiaries or entities controlled by USL (together, the "**USL Group**"), being capable of delivery to the Acquirer free from encumbrances and other liabilities pursuant to the terms of certain "Security Release Agreements" and "Security Release Confirmations" to be entered into with USL's lenders/security trustees and other interested parties;

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(ii) Execution of escrow agreement(s) between the Acquirer, the Sellers, certain lenders/security trustees and other interested parties and an identified escrow agent and if applicable, the receipt of the approval from the RBI, that would enable the payment of the sale consideration by the Acquirer directly to such lenders/security trustees and other interested parties instead of the Sellers for the relevant Sale Shares;

(iii) No order having been made, no petition having been filed or presented and remaining outstanding and no meeting having been convened to consider a resolution and no resolution having been passed for the re-organization or winding-up of (a) any of the Sellers or (b) any other company (including any member of the UB Group) that is known to hold or be interested in certain assets, rights, agreements, arrangement or entitlements which were material and used in, or which related exclusively or predominantly to, the business of any member of the USL Group in the twelve months prior to the date of the SPA;

(iv) In respect of the winding up petitions against Seller 1, Seller 2 and Seller 3 filed with, or presented to any relevant high court, including the Hon'ble High Court of Karnataka before completion, each such Seller having obtained an order from the relevant high court, including Hon'ble High Court of Karnataka (a) granting leave under the applicable provisions of the Companies Act, 1956 for the sale of the Sale Shares and, if applicable, the Additional Shares in accordance with the terms of the SPA; or (b) dismissing each such winding up petition and, in either case, the period of limitation for each such order having elapsed without any appeal being filed against the order or any such appeal having been absolutely and unconditionally dismissed;

(v) The Sellers not having breached certain undertakings in relation to the conduct of USL's business before completion of the transaction under the SPA - (a) the non-ordinary course acquisition or disposal of any material interest in any part of the business and undertaking of the USL Group; (b) the creation, allotment or issue or grant of any option over or other right to subscribe to or purchase, or the redemption or buy-back of any shares or equity-linked securities or securities convertible into the foregoing of any member of the USL Group (other than the Preferential Shares to the Acquirer in accordance with the PAA); (c) the discontinuation or cessation of operation of all or a material part of the business of any member of the USL Group; and (d) the assigning, licensing, charging, abandoning, ceasing to prosecute or otherwise disposing of or failing to maintain, defend or pay any renewal, application or other official registry fees relating to any of USL's priority brand intellectual property;

(vi) No law, rule, regulation, order, judgment, decision, direction, clarification, guideline, guidance, announcement, interpretation or circular of any governmental authority having been issued or made prior to completion under the SPA, and no legal or regulatory requirement remaining to be satisfied which has or may reasonably be expected to have the effect of making unlawful, prohibiting or restricting the sale and purchase of the Sale Shares and, if applicable, the Additional Shares under any applicable law; and

(vii) There having been no breach of any of the following key warranties given under or by virtue of the SPA by the Sellers in respect of themselves and the USL Group:

a. Each of the Sellers remaining the sole legal and beneficial owner of the relevant Sale Shares and, if applicable the Additional Shares free from any relevant encumbrances and together with all rights attaching to such shares;

b. (1) No member of the USL Group having taken any steps, no notice of any proceeding having been filed or served and no other steps have been taken in relation to the reorganization, winding up, dissolution or liquidation of any member of the USL Group, (2) no appointment of a liquidator, provisional liquidator, administrator or receiver (including an administrative receiver) in respect of any member of the USL Group or all or any of its assets having occurred, (3) no composition or similar arrangement with creditors in respect of any member of the USL Group having been proposed and, (4) no suspension of payments or moratorium of any indebtedness of any member of the USL Group having occurred;

c. No member of the USL Group, nor any director, officer, manager, employee or agent of any such member in connection with the business of such member, having engaged in any activity, practice or conduct which constitutes an offence under any applicable law relating to bribery or corruption of any jurisdiction where the relevant member of the USL Group is incorporated that would result (or would be reasonably likely to result) in a material adverse effect on the USL Group or on the reputation of the USL Group or the Diageo Group; and

d. No assets of any member of the USL Group having been encumbered as security for any debt, liability or other obligations of other companies controlled by Dr. Vijay Mallya in respect of each of UBHL and its subsidiaries, Dr. Mallya and members of his close family and any other entity that is directly or indirectly controlled by UBHL, Dr. Mallya or members of his close family (together, the "**Wider UBHL Group**") or any third party nor any member of USL Group having agreed to encumber, guarantee or provide any securities or indemnities or otherwise having any liabilities or obligations of any nature whatsoever (whether current or future, actual or contingent) in relation to any debt, liability or other obligation of any member of the Wider UBHL Group or any third party.

10. In addition to those described above, the SPA and the PAA are each subject to a number of other conditions. These include, among others, conditions relating to the receipt of various lender and other third party consents and registrations, compliance with provisions related to conduct of business up to completion by the USL Group and the absence of other material breaches of the SPA and the PAA. If each of these conditions is not satisfied or, in certain cases, waived in accordance with the terms of those agreements, the Acquirer shall be entitled to terminate the SPA and/or the PAA.

11. The Acquirer and Diageo have entered into a Shareholders' Agreement ("**SHA**") with UBHL and KFIL on November 9, 2012. The principal obligations under the SHA shall become effective upon completion of the SPA. Under the SHA, subject to the Acquirer and the PACs continuing to hold all of the Offer Shares, the Preferential Shares, the Sale Shares and, if applicable, the Additional Shares (other than, in each case, agreed exceptions) until the earlier of (a) the date on which the Acquirer and the PACs first acquire 50.1% of the Equity Shares of USL carrying voting rights; and (b) the date which is the last day of the fourth full annual accounting period of Diageo commencing after completion of the SPA, UBHL and KFIL and entities controlled by them shall exercise all their respective voting rights in respect of Equity Shares that they continue to hold in USL in accordance with the written instructions of the Acquirer.

12. Other key terms of the SHA include those governing (i) the nomination and appointment of USL's directors; (ii) certain limited veto rights available to UBHL while it continues to have a minimum shareholding; and (iii) the transfer / acquisition of Equity Shares in USL held by the parties, their affiliates and their PACs post-completion of the SPA. Pursuant to the SHA, the Acquirer and Diageo have also entered into a letter agreement with Dr.Vijay Mallya (to come into effect upon completion of the SPA) governing the terms and conditions of his proposed continuing as the Chairman / appointment as Chairman Emeritus of USL.

13. The Acquirer and the PACs acknowledge that the local spirits market in India offers a number of growth opportunities with its increasing number of middle class consumers who are looking to enjoy premium and prestige local spirits brands as income levels rise. The Offer and the agreement contained in the SPA and PAA to acquire the Sale Shares and, if applicable, the Additional Shares and to subscribe to the Preferential Shares represent an opportunity for the Acquirer and the PACs to participate in these growth opportunities in India as part of the Diageo Group's strategy of building its presence in the world's faster growing markets.

14. The Acquirer and the PACs currently do not have any intention to alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the USL Group (as defined below) during the period of two years following the completion of the Offer, except in the ordinary course of business, or subject to compliance with all applicable laws in connection with, any restructuring, rationalization or reorganization or disposal of assets, investments, business operations or liabilities of the USL Group carried out with the prior approval of the board of directors of the Target as being in the interest of the USL Group, or by way of alienation of material assets of the USL Group that are determined by the board of directors of the Target as being surplus and/or non-core, or on account of any approval of or conditions specified by any regulatory or statutory authorities, Indian or foreign, or for the purpose of compliance with any law that is binding on or applicable to the operations of the USL Group and/or the Diageo Group, or as provided in the SPA and/or PAA. It shall be the responsibility of the board of directors of the Target or of any of its subsidiaries to make appropriate decisions in these matters in accordance with the requirements of the business of the USL Group.

15. Other than the above, if the Acquirer and PACs intend to alienate any material asset of the USL Group, within a period of 2 years from completion of the Offer, the Target shall seek the approval of its shareholders as per proviso to Regulation 25(2) of SEBI (SAST) Regulations.

III. SHAREHOLDING AND ACQUISITION DETAILS

Please find below the shareholding of the Acquirer and the PACs in USL:

Details	Acquirer		Diageo		DFIN		DCAP		TGCL	
	Number of Equity Shares	%	Number of Equity Shares	%	Number of Equity Shares	%	Number of Equity Shares	%	Number of Equity Shares	%
Shareholding as on the PA date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shares acquired between the PA date and the DPS date including by way of subscription to the preferential issue by USL	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Post-Offer and post underlying transaction shareholding (based on Emerging Voting Capital)*	77,544,828	53.36	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

** Assuming the full acceptance in the Open Offer*

IV. OFFER PRICE

1. The Equity Shares are listed on each of the Stock Exchanges.
2. The trading turnover in the Equity Shares based on the trading volumes during the twelve months prior to the month of the PA on NSE, BSE and BgSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding date of the PA	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA	Trading turnover (as a % of weighted average number of Equity Shares)
BSE	117,550,403	130,794,968	89.9
NSE	577,902,935	130,794,968	441.8
BgSE	No trading		

(Source: CA certificate dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, registration number 117365W)

3. Based on the above, the Equity Shares are frequently traded in terms of the SEBI (SAST) Regulations.
4. The Offer Price of ₹ 1,440 per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

SL. No.	Details	₹
A	The highest negotiated price per Sale Share of USL (as per the SPA) attracting the obligation of the Open Offer	1,440.00
B	The price per Preferential Share under the PAA attracting the obligation of the Open Offer	1,440.00
C	The volume weighted average price paid or payable per Equity Share by the Acquirer or the PACs during the fifty two weeks immediately preceding the date of the PA	NA
D	The highest price paid or payable per Equity Share for any acquisition by the Acquirer or the PACs during the twenty six weeks immediately preceding the date of the PA	NA
E	The volume weighted average market price of the Equity Shares during the sixty trading days immediately preceding the date of the PA as traded on NSE, being the stock exchange on which the Equity Shares were most frequently traded for the said period	1,095.97

Note: The Offer Price would be revised in the event of any corporate action like bonus, rights, split etc: where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of the tendering period of the Open Offer

(Source: CA certificate dated November 9, 2012 issued by Deloitte Haskins & Sells, Chartered Accountants, registration number 117365W)

5. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to three Working Days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Part V – Financial Arrangements, of this DPS; (ii) make a public announcement in the same newspapers in which this DPS is published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
6. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer and the PACs shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

V. FINANCIAL ARRANGEMENTS

1. The Offer Size is ₹54,410,708,160 (Rupees Fifty four billion four hundred and ten million seven hundred and eight thousand one hundred and sixty only).
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, an escrow arrangement has been created in the form of a bank guarantee ("**BG**") and Cash Escrow (as defined below).
3. The Acquirer has entered into an escrow agreement with Bank of America NA, Mumbai branch ("**Open Offer Escrow Agent**") and the Manager ("**Open Offer Escrow Agreement**") pursuant to which the Open Offer Escrow Agent has issued a BG dated November 9, 2012 in favour of the Manager for an amount of ₹ 6,191,070,816 (Rupees Six billion one hundred and ninety one million seventy thousand eight hundred and sixteen only). The Acquirer has additionally, in accordance with Regulation 17(4) of the SEBI (SAST) Regulations, deposited cash aggregating to ₹ 544,107,082 (Rupees Five hundred and forty four million one hundred and seven thousand and eighty two only), being one percent of the Offer Size ("**Cash Escrow**"), in the escrow account ("**Open Offer Escrow Account**") opened with the Open Offer Escrow Agent. The Cash Escrow, together with the BG, constitutes the escrow amount ("**Open Offer Escrow Amount**"). The Open Offer Escrow Amount has been computed in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Manager has been authorized to operate the Open Offer Escrow Account on the terms set out in the Open Offer Escrow Agreement.
4. The Manager has been duly authorized pursuant to the terms of the SEBI (SAST) Regulations and the Open Offer Escrow Agreement to realize the BG to meet the obligations of the Acquirer and the PACs in connection with the Offer. The BG shall remain valid for a period of twelve months and the Acquirer and the PACs undertake to extend the validity of the BG for such period as may be required and in no event shall the BG be terminated prior to thirty days from the date of completion of payment of the consideration to Public Shareholders who have successfully tendered their Equity Shares in the Offer.
5. SSPA & Co Chartered Accountants, have, vide their certificate dated November 12, 2012 certified on the basis of lines of credit available to DFIN and DCAP from various lenders aggregating to US$ 3,500.00 million and undertakings received from co-borrowers of these facilities regarding usage of these facilities and on the examination of the Open Offer Escrow Agreement and the balance in the Open Offer Escrow Account that the Acquirer / PACs have made firm financial arrangements to fulfill their obligations under this Offer.
6. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. The Offer is subject to the statutory approvals as specified in Part I - Details of the Offer, paragraph 5 therein.
2. To the best of the knowledge of the Acquirer and the PACs, there are no other statutory approvals required to complete the acquisition of the Offer Shares, other than the ones mentioned in Part I – Details of the Offer, paragraph 5 therein. If any other statutory approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approval.
3. The acquisition of Offer Shares tendered by NRIs and OCB is subject to the approval / exemption from the RBI.
4. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. The Offer is further subject to the receipt of the statutory approvals, as specified in Part II – Background to the Offer, paragraph 7 therein, for the purpose of acquisition of the Sale Shares and, if applicable, the Additional Shares under the SPA.
6. The Offer is also subject to the satisfaction of the conditions stipulated under the SPA and disclosed herein above in Part II – Background to the Offer, paragraph 9 therein, (all of which are considered to be outside the reasonable control of the Acquirer and the PACs)
7. In case of delay in receipt of any statutory approvals, SEBI may, if satisfied that such delay in receipt of the requisite statutory approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and /or the PACs to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer and the PACs to delay the commencement of the tendering period for the Offer pending receipt of such statutory approvals or grant an extension of time to the Acquirer and the PACs to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.
8. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals specified herein above in Part I - Details of the Offer, paragraph 5 therein and in Part II – Background to the Offer, paragraph 7 therein and / or the specific conditions outlined herein above in Part II – Background to the Offer, paragraph 9 therein, (all of which are considered to be outside the reasonable control of the Acquirer and the PACs) are not received or satisfied or unless otherwise waived by the Acquirer, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2). In such an event, the Acquirer shall not acquire the Sale Shares or, if applicable, the Additional Shares or, where the Preferential Shares have not already been allotted, subscribe to the Preferential Shares and to that extent the SPA, PAA and SHA shall stand rescinded.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Activity	Schedule (Date and Day)
1.	Public Announcement	November 9, 2012 - Friday
2.	Date of publishing this DPS	November 20, 2012 - Tuesday
3.	Filing of the draft Letter of Offer with SEBI	November 27, 2012 - Tuesday
4.	Last date for competitive offer(s)	December 12, 2012 – Wednesday
5.	Last date for SEBI observations on the draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	December 19, 2012 – Wednesday
6.	Identified Date#	December 21, 2012 – Friday
7.	Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	December 31, 2012 – Monday
8.	Last date for revising the Offer Price / Offer Size	January 1, 2013 – Tuesday
9.	Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	January 3, 2013 – Thursday
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	January 4, 2013 – Friday
11.	Date of commencement of the tendering period (Offer Opening Date)	January 7, 2013 – Monday
12.	Date of closure of the tendering period (Offer Closing Date)	January 18, 2013 – Friday
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	February 1, 2013 – Friday
14.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	February 8, 2013 – Friday

***#** The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in this Offer at any time prior to the closure of this Offer.*

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. All Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period for this Offer.
2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, this DPS and the Letter of Offer. Alternatively, such holders of Equity Shares may also apply on the form of acceptance-cum-acknowledgement in relation to this Offer annexed to the Letter of Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Link Intime India Private Limited ("**Registrar to the Offer**" / "**Registrar**"). Any such application must be sent to the Registrar to the Offer at the address mentioned below in Part IX so as to reach the Registrar to the Offer on or before 4:00 p.m. on the date of closure of the tendering period of this Offer (as mentioned in Part VII), together with:
   a. In the case of registered shareholders holding Equity Shares in physical form, his name, address, the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s) and valid transfer deeds. Unregistered shareholders can send their application in writing to the Registrar, on plain paper, stating the name and address of the first holder, name(s) and address(es) of joint holder(s) (if any), the number of Equity Shares held, the number of Equity Shares offered and the distinctive numbers and folio number, together with the original Equity Share certificate(s), valid share transfer deeds and the original contract note(s) issued by the broker through whom they acquired their Equity Shares and/or such other documents as may be specified; or
   b. In the case of Equity Shares held in dematerialized form, the Depository Participant ("**DP**") name and the DP identity and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the Escrow Demat Account. Any shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favour of the Escrow Demat Account during the tendering period of this Offer. Any form of acceptance in respect of dematerialized Equity Shares not credited to the Escrow Demat Account on the date of closure of the tendering period for this Offer (as mentioned in Part VII) is liable to be rejected.
3. Shareholders having their beneficiary account with Central Depositories Services Limited ("**CDSL**") must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

The detailed procedure for tendering the shares in the Offer will be available in the Letter of Offer.

IX. OTHER INFORMATION

1. Diageo and Dr. Vijay Mallya have entered into a non-binding memorandum of understanding ("**MoU**") to establish a joint venture to own United National Breweries' traditional sorghum beer business in South Africa. Under the MoU, Diageo would acquire a 50.0% stake in the joint venture, with the other 50.0% being held by a company affiliated to Dr. Mallya. Diageo and the Dr. Mallya affiliated company would have equal shareholder votes in the joint venture and equal representation on its board. Dr. Mallya would be the Chairman of the board of the joint venture company, but would not have a casting vote. Implementation of this joint venture would be conditional on agreement of definitive documentation between the parties and the receipt of certain consents, including from the South African competition and other regulatory authorities.
2. Diageo and Dr. Vijay Mallya are also considering the possibility of extending their joint venture relationship by establishing a joint venture in respect of certain emerging markets in Africa and Asia (excluding India) on terms and with a scope as yet to be determined. It is not certain whether such a joint venture will be established or, if so, on what basis. If this emerging markets joint venture is established, it is expected that the South African joint venture would be contributed to it.
3. The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for the information contained in the PA and this DPS (other than such information as has been obtained from public sources or provided or confirmed by any of the Sellers or USL or any subsidiaries or entities controlled by USL) and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
4. This DPS and the PA shall also be available on SEBI's website (www.sebi.gov.in).

Issued on behalf of the Acquirer and the PACs by the Manager

Manager to the Offer

JM FINANCIAL

JM Financial Institutional Securities Private Limited
141, Maker Chamber III, Nariman Point, Mumbai – 400 021, Tel: +91 22 6630 3030,
Fax: +91 22 2204 7185, Contact Person: Ms.Lakshmi Lakshmanan, Email: lakshmi.lakshmanan@jmfl.com

Registrar to the Offer

LINK INTIME
INDIA PVT LTD
(Formerly INTIME SPECTRUM REGISTRY LTD)

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078
Tel: +91 22 2596 7878, Fax: +91 22 2596 0329. Contact Person: Mr.Pravin Kasare
Email: usl.offer@linkintime.co.in

Place: Mumbai
Date: November 19, 2012