



Transformation



Shaw Wallace and Company Limited

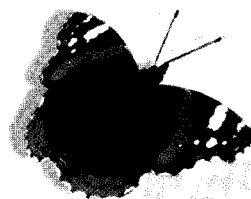
ANNUAL REPORT 2004 - 2005

TRANSFORMATION

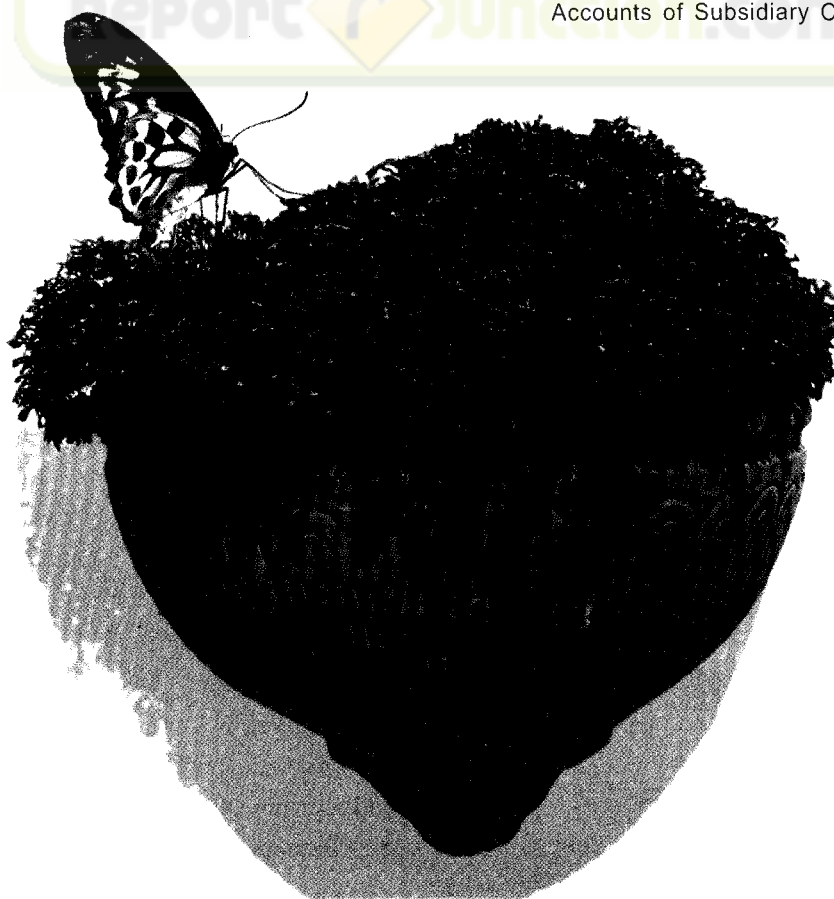
Shaw Wallace is now part of the UB Group and will form a key component of the new United Spirits Limited, an amalgam of McDowells, Herbertsons, Triumph Distillers & Vintners and Shaw Wallace.

With a group turnover exceeding 60 million cases and a retail sale value of Rs 14000 crore, the United Spirits business will be in the top three spirits companies of the world.

The size and strength that the new entity commands now will redefine the spirits industry to the benefit of all.



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Chairman's Statement

Dear Shareholders,

It is my great pleasure to address you today for the first time in my capacity as the Chairman of Shaw Wallace & Company, an organization with a long lineage dating several decades.

During these years, the spirits divisions of Shaw Wallace and the UB Group have fought many battles not merely in the market place, but also in various Courts of Law. Despite the preoccupation of both companies with this rivalry, strong brands and committed people on both sides have led to both organizations growing at a rapid pace meeting the evolving needs of consumers across the country.

On the 14th of June 2005, I had the privilege to consummate a historic agreement with Jumbo, the erstwhile controlling shareholders of Shaw Wallace, thereby acquiring their shareholding in the company. Coming on top of the hugely successful Open Offer by McDowell, pursuant to which 25% of the shares of the Company were purchased, the UB Group became a dominant shareholder with a total of 75% shareholding in Shaw Wallace.

Since then McDowell and Shaw Wallace have been working in close tandem with each other to

ensure that both organizations synergize their activities for the benefit of customers and stakeholders alike.

By putting aside expensive rivalry in the mindless pursuit of volumes and market shares, I am confident that all shareholders of this proud company will benefit in the years to come. Early indications are already seen in the improved working results during the first quarter when the sales of your Company's profitable brands showed great buoyancy. Managements have been instructed to ensure that the business runs profitably and brands receive the support that they deserve in the market place.

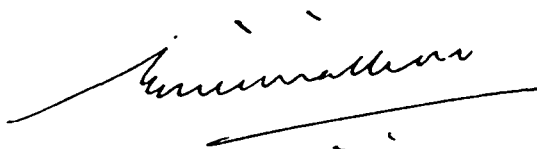


We are now embarked on the onerous task of integration of two companies that have had different cultures but each of which have market-leading products in various segments. It has been my endeavor to approach this challenge in a sensitive and humane fashion keeping in mind the aspirations of customers, employees, suppliers and above all, you shareholders. We recognize that the Shaw Wallace brands have prospered even under trying circumstances and management preoccupation with widespread litigation on various fronts. Clear directives have been issued to all concerned to bring

these items of litigation to quick conclusion so that management can remain focused on its main priority of building brands and market shares. I am confident that by the time of the next general meeting, I will be able to report considerable progress on these matters.

Friends, it has long been my dream to ensure sustainable profitability in this difficult business we are engaged in. The recent steps leading to a creation of an integrated Drinks Group ranking among the top 3 in the world is a step in precisely this direction. I am sure that we will all have good reason to cheer starting with the current fiscal year itself.

I take this opportunity to welcome all of you to the larger UB family and look forward to the continued support of employees, suppliers, financial partners and other stakeholders.



Dr Vijay Mallya
Chairman

Revitalization



Some of the best known and popular brands in the country have been surging ahead in terms of value, volume and growth. Now under the UB Group fold and with innovative promotions and marketing ideas, these brands promise to do well in the future as well.



ROYAL CHALLENGE

Known for its consistent quality and blend, Royal Challenge is a favorite brand amongst discerning consumers. India's favourite premium whisky has been launched in a new 'avatar' with international packaging that is truly international class.

ANTIQUITY

The leading player in the Super Premium Whisky Segment, the 'IMAGE' brand amongst Indian whiskies.

DIRECTOR'S SPECIAL

On the threshold of 4 million cases, the change of packaging to a more contemporary design has boosted sales to make it India's fastest growing whisky in the regular segment.

WHITE MISCHIEF VODKA


Capturing a special place amongst white spirit consumers, White Mischief Vodka is driving the growth of this flavour category.



Resurgence

reportjunction.com

We had an
entire bank to
choose from.



Presenting

The Music of the Great American Song-
 writers of the 1940s and 1950s. There is
 And There is no other like this.

with Special Guest Vocalists
 The Chantones and The Chantones

1940-1950s
 1940-1950s

So true. So blue.

कुछ लोग होते हैं Special.




कोण Smooth. कोण Special.

So true. So blue.

I'M IN THE MOOD FOR MISCHIEF

WHITE MISCHIEF
Holidays

I'M IN THE MOOD FOR MISCHIEF

WHITE MISCHIEF
Holidays

ANTIQUITY

Showcased Premier and exclusive events like-

- Antiquity Business Standard Awards
- Antiquity Festival of Fine Arts
- Antiquity - Business Today - Best Banks' Awards

ROYAL CHALLENGE

Royal Challenge Strategy Summits showcasing leading management thinkers - Philip Kotler, Edward De Bono, Deepak Chopra, Michael Porter and Don Peppers.

Royal Challenge continues to be associated with Golf Championships including the Royal Challenge Indian Golf Tour.

DSP BLACK

The fastest growing brand in the Indian Prestige Whisky segment retained its association with musical events - War of the DJs, Radio Mirchi, RJ Hunt, etc.

WHITE MISCHIEF

The brand's tagline "I am now in the mood for Mischief" represents its personality - youthful, exuberant, trendy and aspirational. Events are focused on promoting this image.

Rejuvenation



BOARD OF DIRECTORS



Dr. Vijay Mallya
Chairman



S. R. Gupte



S. D. Lalla
Managing Director



Ravi Nedungadi



Shrikant Ruparel



C. L. Jain



Mani Narayanaswami

Re