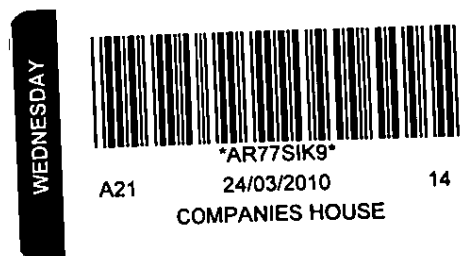


Guinness Overseas Limited

Financial statements 30 June 2009

Registered number 778398



Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2009

Activities

The company is the holding company for companies engaged in brewing, marketing and distribution of beer, including Guinness Stout and Harp Lager in overseas countries (except Western Europe and the USA) and in the production, marketing and distribution of soft drinks in certain territories

The registered office address changed from 8 Henrietta Place London W1G 0NB to Lakeside Drive, Park Royal, London, NW10 7HQ effective from 7 December 2009

The company's activities are primarily carried out through related companies (Guinness Overseas Limited's direct and indirect interests are shown in brackets), which are principally

Guinness Nigeria Plc (53.80%)

Marketing and distribution activities in Nigeria Brewing and packaging operations at Benin, Ogba and Aba

GAPL Pte Limited (49.99%)

Markets and distributes Foreign Extra Stout, Draught Guinness, Canned Draught Guinness and ABC Stout to the Singapore domestic market

Guinness Anchor Berhad (25.49%)

Operates a brewery in Kuala Lumpur and sells and distributes Guinness Foreign Extra Stout, Draught Guinness, Guinness Malta and Anglia Shandy in Malaysia and certain export territories

Financial

The results for the year ended 30 June 2009 are shown on page 5

The directors do not recommend the payment of a dividend (2008 - £21,085,000)

The profit for the year transferred to reserves is £56,512,000 (2008 – £21,478,000)

Directors

The directors who held office during the year were as follows

A A Abigail (appointed 7 August 2008)

N B Blazquez

C D Coase

G P Crickmore

S R Fletcher

J Kyne (resigned 30 June 2009)

N Mákos

S C Moore

A M Smith (appointed 29 June 2009)

P D Tunnacliffe

A A Abigail resigned as a director of the company on 1 October 2009

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2008- £nil)

Directors' report (continued)

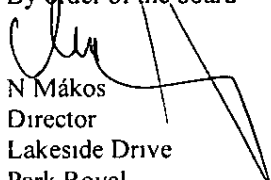
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is willing to continue in office and will be deemed to be reappointed on the expiry of its term in office in respect of the year ended 30 June 2009

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

By order of the board



N Mákos
Director
Lakeside Drive
Park Royal
London
NW10 7HQ

11 March 2010

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Guinness Overseas Limited

We have audited the financial statements of Guinness Overseas Limited for the year ended 30 June 2009, which comprise the profit and loss account the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of company's affairs as at 30 June 2009 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Nicholas Frost (Senior Statutory Auditor)

For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

11 March 2010

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Operating costs	<i>1</i>	(416)	(1,800)
Operating loss		(416)	(1,800)
Dividends from shares in group undertakings		47,624	12,662
Dividends from shares in associated undertakings		623	1,271
Dividends from shares in joint ventures		7,971	5,728
Dividends from other fixed asset investments		1,423	54
Net interest receivable	<i>3</i>	2,523	4,747
Profit on ordinary activities before taxation		59,748	22,662
Taxation on profit on ordinary activities	<i>4</i>	(3,236)	(1,184)
Profit for the financial year		56,512	21,478

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements

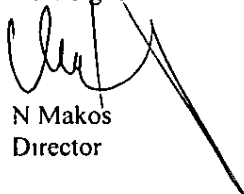
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis

All results arise from continuing operations

Balance sheet

	<i>Notes</i>	30 June 2009		30 June 2008	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	5		3,562		3,604
Investments	6		18,153		18,153
			21,715		21,757
Current assets					
Debtors due within one year	7	114,019		73,816	
Cash at bank	8	540		481	
		114,559		74,297	
Creditors: due within one year	9	(5,876)		(22,168)	
Net current assets			108,683		52,129
Net assets			130,398		73,886
Capital and reserves					
Called up share capital	10		-		-
Profit and loss account	11		130,398		73,886
Shareholders' funds	12		130,398		73,886

These financial statements on pages 5 to 16 were approved by the board of directors on 11 March 2010 and were signed on its behalf by


N Makos
Director

Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996)

The company is exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Diageo plc group ("group undertakings") or investees of the Diageo plc group

The company is exempt from the requirement to prepare group accounts under section 400 of the Companies Act 2006 as its results are included in the published consolidated financial statements of Diageo plc

Tangible fixed assets

Land and buildings are stated at cost less depreciation

Freehold land is not depreciated Leaseholds are depreciated over the unexpired period of the lease Other tangible fixed assets are depreciated on a straight-line basis to estimated residual values over their expected useful lives within the following ranges

Industrial and other buildings	10 to 50 years
Fixtures and fittings	5 to 10 years

Reviews are carried out if there is some indication that impairment may have occurred, to ensure that fixed assets are not carried at above their recoverable amounts

Profit or loss on the sale of a property is the difference between the disposal proceeds and the net book value

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is approved by the paying company Investments are stated individually at cost less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent

Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the financial year end exchange rates.

Exchange gains and losses are taken to the profit and loss account.

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Except as otherwise required by FRS 19, deferred tax is provided in full on timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Any interest or penalties on tax liabilities are provided in the tax charge.

Notes to the financial statements

1. Operating costs

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Other external charges (a)	(374)	(1,364)
Depreciation and other amounts written off fixed assets (b)	(42)	(436)
	<u>(416)</u>	<u>(1,800)</u>

(a) **Other external charges** include losses in respect of foreign exchange of £424,000 (2008 – £1,367,000)

(b) **Depreciation and other amounts written off fixed assets** comprise the depreciation charge for the financial year for buildings of £35,000 (2008 - £40,000), for fixtures and fittings of £7,000 (2008 - £7,000) and loss from impairment of property of £nil (2008 - £389,000)

The auditor's remuneration of £1,531 (2008 - £2,917) was settled on behalf of the company by a fellow group undertaking. There were no fees payable to the auditor in respect of non-audit services (2008 - £nil)

2. Directors and employees

The company did not employ any staff during either the current or prior year

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2008 - £nil)

3. Net interest receivable

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Interest receivable on loans to fellow group undertakings	2,646	4,747
Other interest receivable	39	23
	<u>2,685</u>	<u>4,770</u>
Less		
Interest payable on loans from fellow group undertakings	(162)	(23)
	<u>2,523</u>	<u>4,747</u>

Notes to the financial statements (continued)

4. Taxation

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
(i) Analysis of taxation charge for the year		
Current tax		
UK corporation tax at 28% (2008 – 29.5%)	(14,790)	(4,568)
Double tax relief	14,790	4,568
Foreign tax suffered	(3,236)	(1,184)
	<u>(3,236)</u>	<u>(1,184)</u>
Taxation on profit on ordinary activities	<u>(3,236)</u>	<u>(1,184)</u>
	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
(ii) Factors affecting current tax charge for the year		
Profit on ordinary activities before taxation	59,748	22,662
	<u>59,748</u>	<u>22,662</u>
Taxation on profit on ordinary activities at UK corporation tax rate of 28% (2008 – 29.5%)	(16,729)	(6,685)
Expenses not deductible for tax purposes	(12)	(129)
Group relief received for nil consideration	1,951	3,593
Lower tax rates on overseas earnings	11,554	2,037
	<u>(3,236)</u>	<u>(1,184)</u>
Current ordinary tax charge for the year	<u>(3,236)</u>	<u>(1,184)</u>

Notes to the financial statements (continued)

5. Fixed assets – tangible assets

	Land and buildings £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 30 June 2008 and at 30 June 2009	4,629	50	4,679
Depreciation			
At 30 June 2008	(1,040)	(35)	(1,075)
Provided during the year	(34)	(8)	(42)
At 30 June 2009	(1,074)	(43)	(1,117)
Net book value			
At 30 June 2009	3,555	7	3,562
At 30 June 2008	3,589	15	3,604

	30 June 2009 £'000	30 June 2008 £'000
Freehold land and buildings	3,555	3,589

Included within the net book value of freehold properties is £2.9 million (2008 – £2.9 million) in respect of land on which no depreciation is charged

Notes to the financial statements (continued)

6. Fixed assets – investments

	Subsidiary undertakings £'000	Associated undertakings £'000	Other investments £'000	Total £'000
Cost				
At 30 June 2008	16,013	3,474	117	19,604
Transfer	-	(1,631)	1,631	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	16,013	1,843	1,748	19,604
Provision				
At 30 June 2008 and 30 June 2009	(242)	(1,209)	-	(1,451)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 2009	15,771	634	1,748	18,153
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	15,771	2,265	117	18,153
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

6. Fixed assets – investments (continued)

The principal subsidiary and associated undertakings and joint ventures and the percentage of share capital owned are as follows

	Country of incorporation	Principal activity	Percentage of shares held
<i>Direct holdings:</i>			
Subsidiary undertakings			
Atalantaf Limited	Bermuda	Investment company	100 00%
Guinness South Africa (Pty) Limited	South Africa	Dormant	100 00%
Diageo (Caribbean) Limited	Trinidad & Tobago	Sales and marketing	100 00%
Guinness Canada Limited	Canada	Sales and marketing	51 00%
Guinness France S A R L	France	Marketing advisers	100 00%
Guinness Liberia Inc	Liberia	Marketing	100 00%
Guinness Nigeria Plc	Nigeria	Brewing, marketing and distribution	46 03%
Phenix C I S A R L	Ivory Coast	Marketing	100 00%
Phenix Gabon S A R L	Gabon	Marketing	100 00%
Associated undertakings			
Monrovia Breweries Inc	Liberia	Brewing, marketing and sales	7 50%
Seychelles Breweries Limited	Seychelles	Brewing, marketing and distribution	26 00%
Sierra Leone Brewery Limited	Sierra Leone	Brewing, marketing and distribution	11 60%
Joint ventures			
GAPL Pte Limited	Singapore	Marketing and distribution	49 99%
Other investments			
East African Breweries Limited	Kenya	Brewing, marketing and distribution	2 61%
<i>Indirect holdings:</i>			
Subsidiary undertakings			
Guinness Nigeria Plc	Nigeria	Brewing, marketing and distribution	7 77%
Associated undertakings			
Seychelles Breweries Limited	Seychelles	Brewing, marketing and distribution	4 00%
Joint ventures			
Guinness Anchor Berhad	Malaysia	Brewing, sales and distribution	25 49%

Notes to the financial statements (continued)

6 Fixed assets – investments (continued)

All holdings are of ordinary share capital or its equivalent

The investments in subsidiary, associated companies and joint ventures are held at cost less, where appropriate, provision for impairment in value

In the opinion of the directors, the investment in and amounts due from the company's subsidiary, associated companies and joint ventures are worth at least the amount at which they are stated in the financial statements

Certain undertakings have been omitted from the lists above as they are either dormant or not material. A full list of subsidiary (and associated) undertakings will be annexed to the company's annual return

Included in fixed asset investments are listed investments amounting to £13.1 million (2008 - £13.1 million). At 30 June 2009 the market value of these investments was £383.8 million (2008 - £385.1 million)

7. Debtors: due within one year

	30 June 2009 £'000	30 June 2008 £'000
Trade debtors	660	549
Other prepayments	61	101
Amounts owed by fellow group undertakings		
Diageo Finance plc	113,091	65,821
Guinness Overseas Holdings Limited	-	7,014
Other fellow group undertakings	207	331
	<hr/>	<hr/>
	114,019	73,816
	<hr/>	<hr/>

8. Cash

The company has entered into a joint and several guarantee with certain other Diageo plc UK group undertakings such that any balance on the company's bank accounts within the cashpool may be offset against the bank balances or overdrafts of those companies included in the cashpool

Notes to the financial statements (continued)

9. Creditors: due within one year

	30 June 2009	30 June 2008
	£'000	£'000
Amounts owed to fellow group undertakings		
Diageo Great Britain Limited	3,443	20,000
Diageo Ireland	2,077	774
Other fellow group undertakings	356	1,394
	<u>5,876</u>	<u>22,168</u>

10. Share capital

	30 June 2009	30 June 2008
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. Reserves

	Profit and loss account £'000
At 30 June 2008	73,886
Retained profit for the financial year	56,512
	<u>130,398</u>
At 30 June 2009	<u>130,398</u>

12. Reconciliation of movement in shareholders' funds

	30 June 2009	30 June 2008
	£'000	£'000
Profit for the financial year	56,512	21,478
Dividends paid	-	(21,085)
	<u>56,512</u>	<u>393</u>
Net addition to shareholders' funds	56,512	393
Shareholders' funds at beginning of year	73,886	73,493
	<u>130,398</u>	<u>73,886</u>
Shareholders' funds at end of year	130,398	73,886

Notes to the financial statements (continued)

13. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Guinness Overseas Holdings Limited, a company incorporated and registered in England

The ultimate parent undertaking of the company is Diageo plc, a company incorporated and registered in England. The consolidated financial statements of Diageo plc can be obtained from the registered office at Lakeside Drive, Park Royal, London NW10 7HQ