

28 July 2015

## Diageo announces restructuring of South African and Namibian operations

Diageo today announces that Diageo, Heineken N.V. (Heineken) and the Ohlthaver & List (O&L) Group of Companies, the majority shareholder of Namibia Breweries Limited (NBL), have agreed to restructure their South African and Namibian joint ventures. When the transaction has completed, Diageo will operate in South Africa and Namibia through wholly-owned subsidiaries. To implement the transaction, Diageo will:

- sell its
  - 42.25% equity stake in DHN Drinks (Proprietary) Limited and transfer the associated shareholder loan to Heineken;
  - 25% equity stake in the Sedibeng brewery in Gauteng, South Africa to NBL and transfer the associated shareholder loan to Heineken; and
  - 15% equity stake in NBL to Heineken
- acquire the remaining shares which it does not already own in brandhouse Beverages (Proprietary) Limited, the beer and spirits sales and marketing joint venture in South Africa, which will become a wholly-owned subsidiary of Diageo.

Diageo will receive a total net cash consideration of ZAR2.5 billion (approximately £128 million), subject to customary adjustments. Completion of the transaction is expected before calendar end 2015, and is subject to regulatory approvals.

Ivan Menezes, Chief Executive, commented:

“We have worked very successfully with Heineken and NBL throughout our partnership, growing the beer business and establishing market leadership in spirits. From this leadership position we now believe that Diageo has the necessary scale to move to the next stage of growth for spirits, RTDs and our beer and cider portfolio in a focused, simplified ownership structure.”

Jean-François van Boxmeer, Heineken CEO and Chairman of the Heineken Executive Board, said:

“For the past 11 years we have benefitted enormously from our close collaboration with Diageo and I would like to thank them for their valued partnership and wish them well for their future in the region. Our new structure allows us to focus solely on the beer category and strengthens our platform for continued growth. We look forward to working with our longstanding partner Namibia Breweries and are excited about our future prospects in this important part of the global beer market.”

**-ENDS-**

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## **Editor notes**

### **About Diageo**

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's, and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at [www.diageo.com](http://www.diageo.com). Visit Diageo's global responsible drinking resource, [www.DRINKiQ.com](http://www.DRINKiQ.com), for information, initiatives, and ways to share best practice.

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## **CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This announcement contains certain forward-looking statements relating to the financial condition, results of operations and business of Diageo and certain plans and objectives of Diageo. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Diageo in light of its experience and its perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and circumstances could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. In particular, no statement regarding earnings per share should be interpreted to mean that earnings per share will necessarily be greater than those for any relevant preceding

financial period. Diageo assumes no obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.