

9 September 2015

Diageo intending to increase equity stake in Guinness Nigeria Plc

Diageo has approached the Board of Directors of Guinness Nigeria plc with an intention to make an offer to increase its equity stake in Guinness Nigeria from 54.3% up to a maximum of 70% and to maintain Guinness Nigeria's listing on the Nigerian Stock Exchange. As announced today, Guinness Nigeria has notified the Nigerian Stock Exchange of Diageo's approach.

Subject to receiving regulatory approval and if Diageo decides to proceed with the proposed transaction, it is intended that Diageo, through its wholly owned subsidiary Guinness Overseas Limited, will launch a partial tender offer at a price not higher than NGN 175 per share in cash, giving all shareholders the opportunity to elect to sell some or all of their shares in Guinness Nigeria.

At the maximum offer price of NGN 175 per share, the proposed offer would represent a premium of 36 per cent to the 30-day volume weighted average share price and 40 per cent to Guinness Nigeria's closing share price on 8 September 2015. Guinness Nigeria currently has 1,505,888,188 ordinary shares in issue.

Guinness Overseas may also seek to acquire shares in the market at a price not higher than the offer price of NGN 175 per share. Diageo would encourage those shareholders that wish to divest their holdings in Guinness Nigeria to make contact with Stanbic IBTC Stockbrokers Limited.

The announcement today of Guinness Overseas' intention to make an offer does not constitute the announcement of an offer and creates no obligation on Guinness Overseas or Diageo to make an offer. Accordingly, shareholders in Guinness Nigeria are advised that there can be no certainty that any offer will be made, nor as to the price or terms of any offer that may be made. Further developments will be communicated to shareholders in due course. Accordingly, Guinness Nigeria shareholders are advised to exercise caution in dealing in Guinness Nigeria shares until further information is provided.

The proposed partial tender offer will be subject to requisite regulatory approvals, including those of the Nigerian Stock Exchange and the Nigerian Securities and Exchange Commission. The formal offer documentation will be posted to shareholders as soon as these approvals are obtained.

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About Guinness Nigeria

Guinness Nigeria was established in 1950, making it one of the oldest companies in Nigeria. Listed on the Nigerian Stock Exchange in 1965, it is also one of the foremost quoted companies in Nigeria. The company is the custodian of household brands like Guinness Foreign Extra Stout, Guinness Extra Smooth, Harp Lager, Malta Guinness and Malta Guinness Low Sugar, amongst others.

About Guinness Overseas

Guinness Overseas is a wholly owned investment holding company of Diageo, the global leader in beverage alcohol with an outstanding collection of brands across spirits, beer and wine. 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.

About Diageo

Diageo is a global company, with its products sold in more than 180 countries around the world. The company is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE). For more information about Diageo, its people, brands, and performance, visit us at www.diageo.com. For our global resource that promotes responsible drinking through the sharing of best practice tools, information and initiatives, visit DRINKiQ.com.

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