



GUINNESS®

NIGERIA

ANNUAL REPORT &
FINANCIAL STATEMENTS

'08



GUINNESS.

NIGERIA

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Financial Highlights

	2008 ₦'000	2007 ₦'000
Turnover	69,172,852	62,265,413
Profit before taxation	17,092,950	14,884,450
Taxation	(5,232,070)	(4,193,390)
Profit after taxation	11,860,880	10,691,060
Declared Dividend	(6,637,165)	(4,719,762)
Profit Retained in the Business	5,223,715	5,971,298
Proposed Dividend	(8,849,553)	(6,637,165)
Capital Expenditure	11,482,653	3,428,453
Shareholders' funds	36,862,557	31,638,842
Earnings per share	804k	784k
Adjusted earnings per share	804k	725k
Declared dividend per share	450k	346k
Net worth per share	2,499k	2,321k
Adjusted net worth per share	2,499k	2,145k
Share Price at Year End	12,400k	12,655k

The Directors recommend the payment of a total dividend amounting to ₦8.85 billion, which based on the number of ordinary shares in issue on 30 June 2008 represents a dividend of 600 kobo per ordinary share. A special dividend of ₦10 billion representing 680 kobo per share was recommended on 30 May 2008 and approved for payment at an extraordinary general meeting on 10 July 2008.

Declared dividend during the year represents dividend proposed for the preceeding year but declared during the year. The basic earnings per share figures above are based on the average number of shares in issue and ranking for dividend during the year.

FINANCIAL CALENDAR

- 58th Annual General Meeting to receive the audited results for the year ended 30 June 2008
- Payment of Dividend

DATE

28 November 2008

01 December 2008

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 58th Annual General Meeting of the Members of Guinness Nigeria Plc will be held at the Banquet Hall of Excalibur Benin Hotel, 23B, Etete Road, G. R. A. (Beside NNPC), Benin City, on Friday, 28 November 2008 at 10.00 o'clock in the forenoon for the following purposes:

AGENDA

ORDINARY BUSINESS

1. To receive the Report of the Directors, the Financial Statements for the year ended 30 June 2008 and the Report of the Auditors thereon.
2. To declare a dividend.
3. To re-elect Directors.
4. To authorise Directors to fix the remuneration of the Auditors.
5. To appoint members of the Audit Committee.

SPECIAL BUSINESS

- 6 To approve the remuneration of the Directors.

Notes:

PROXY

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a member. A form of proxy is enclosed and if it is to be valid for the purposes of the meeting, it must be completed, duly stamped and deposited at the office of the Registrars, Union Registrars Limited, 2 Burma Road, Apapa, Lagos not less than 48 hours before the time for holding the meeting.

CLOSURE OF REGISTER

The Register of Members and Transfer Book will be closed from Friday, 31 October 2008 to Friday, 14 November 2008, both days inclusive for the purpose of updating the Register of Members.

DIVIDEND WARRANTS

If the payment of the dividend is approved, it is intended that the warrants will be posted on Monday, 01 December 2008 to holders of shares whose names appear in the Register of Members on Friday, 31 October 2008.

AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act [cap C20, Laws of the Federation of Nigeria, 2004], a nomination (in writing) by any member or a shareholder for appointment to the Audit Committee should reach the Company Secretary at least 21 days before the date of the Annual General Meeting.

Dated: 11 September 2008

By Order of the Board



SESAN SOBOWALE

Company Secretary/Legal Adviser

REGISTERED OFFICE

The Ikeja Brewery, Oba Akran Avenue Private Mail Bag 21071, Ikeja.

I CHOOSE GREATNESS™



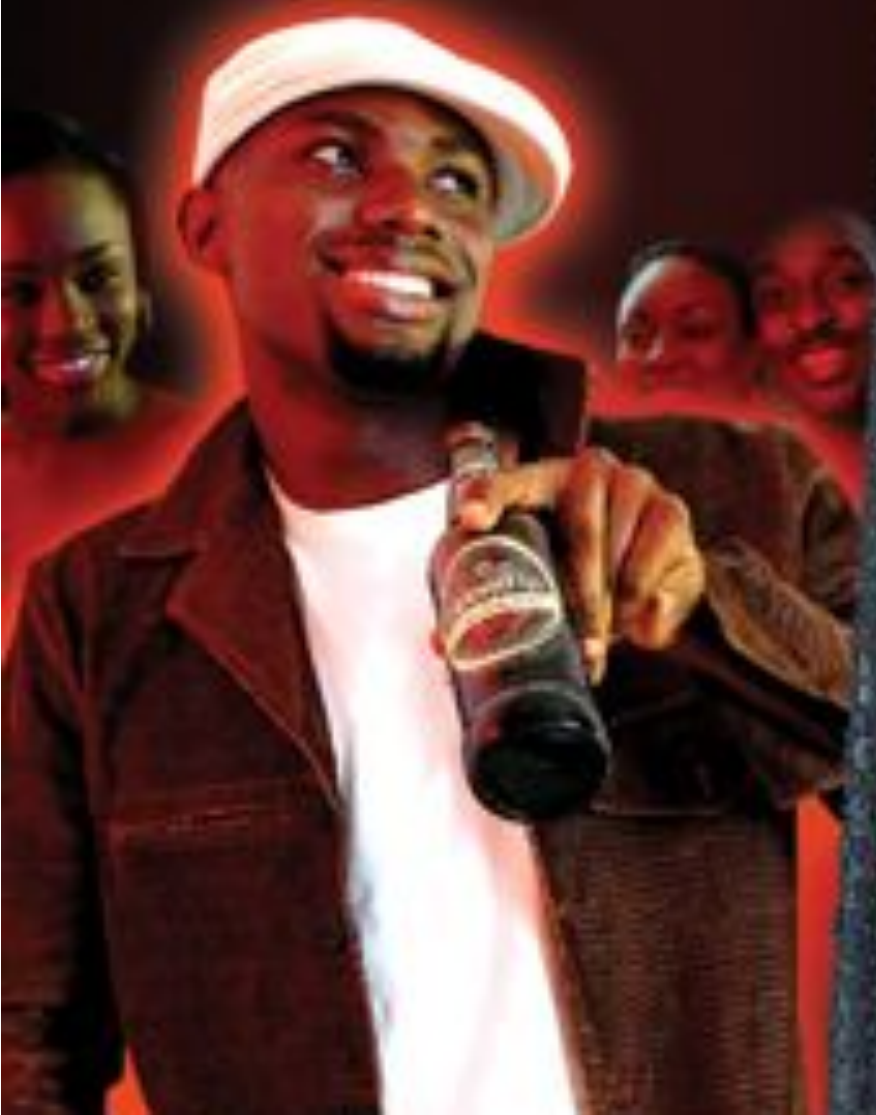
DRINK RESPONSIBLY 18+.

REACH FOR GREATNESS

GUINNESS



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DAT!





Board of Directors and Corporate Information

Chairman

R. A. Alabi (FNSE, F.IoD, OON)

Vice Chairman

N. B. Blazquez (British)

Managing Director

D. M. Hainsworth (British)

Deputy Managing Director

B. A. Savage

Directors

F. A. Ogunbamowo

J. O. Irukwu (SAN)

B. E. Gwadah

R. C. Plumridge (British)

L. Turnbull (British)

B. J. Rewane

F. O. Agbonlahor

I. C. Mafeni

Company Secretary/Legal Adviser

Sesan Sobowale

Auditors

KPMG Professional Services

(Chartered Accountants)

22A Gerrard Road

Ikoyi, Lagos.

Solicitors

T. O. Shobowale Benson & Co.

1, Karimu Giwa Close,

South West Ikoyi,

Lagos.

Registrars and Transfer Office

Union Registrars Limited

2, Burma Road

Apapa, Lagos.

Registered Office

The Ikeja Brewery

Oba Akran Avenue

P.M.B. 21071

Ikeja, Lagos.

RC 771

Bankers

Diamond Bank Plc

First Bank of Nigeria Plc

First City Monument Bank Plc

Guaranty Trust Bank Plc

Citibank Nigeria Limited

Standard Chartered Bank Nigeria Limited

Union Bank of Nigeria Plc

United Bank for Africa Plc

Zenith Bank Plc

Head Office

Oba Akran Avenue

P.M.B. 21071 Ikeja.

Tel: (01) 497 1560-9, 497 6420-9

497 0560-9, 2709100

Fax: (01) 4970560, 2709338

Breweries:

Ogba Brewery

Acme Road, Industrial Estate, Ogba.

Tel: (01) 497 1560-9, 497 6420-9

Fax: (01) 497 0560

Ikeja Brewery

Oba Akran Avenue

Industrial Estate, Ikeja.

Tel: (01) 497 1560-9, 497 6420-9

Fax: (01) 497 0560

Benin Brewery

Benin-Asaba Road

Oregbeni Industrial Estate

Ikpoba Hill, Benin City.

Tel: (052) 255608-9, 600629-31

Fax: (052) 252129

Aba Brewery

Osisioma Industrial Layout

Aba, Abia State.

Tel: (082) 350921, 351123

Quality, our Badge of Honour

Quality is the word that best describes the Guinness Nigeria story for the 2008 financial year. It is the year in which we strengthened our profit, recorded growth in volumes and across other targeted parameters and returned unparalleled dividends to our shareholders.

For us at Guinness Nigeria, quality is not just the finished product that our consumers enjoy so much. Quality is also evident in the process that deliver the drinks to the consumers, the people who brew and package the drinks, our contributions to the society through our impactful corporate social responsibility activities and the excellent dividend we return to our shareholders year on year.

Uncompromising quality programme

Guinness Nigeria's total quality programme plays a vital role in helping the Company maintain its growth trajectory and is supported by a deeply rooted corporate culture and strong values. Our focus is on providing quality in all aspects of our relationships with all key stakeholders including consumers, customers, suppliers, shareholders and employees. Our processes today now truly reflect the strong values, which form the basis of our uniquely successful approach.



Providing quality products is our main objective and keeping our quality promises remains at the top of our growth agenda. Our products compete primarily on quality, brand, price, recognition and availability. Our ability to compete and deliver such a strong set of results as those of the 2008 financial year depends on our ability to produce quality brands and to make them available in the right places and at the right prices.

All our products are manufactured according to strict safety and quality requirements. The Diageo Quality Policy mandates the implementation of a Quality Management Systems across all operations where our brands are produced. The policy states “We are passionately committed to enhancing and protecting our brands through the rigorous application of the highest quality standards and a principle of ‘Right First Time’ in order to provide our customers and consumers with leading quality, service and value”. At Guinness Nigeria, complying with these mandatory requirements is uncompromisable.

Guinness Nigeria’s entire quality approach is anchored in ISO certification, which provides the Company with internationally recognised standards and management processes. The Company was the first in Nigeria to receive NIS ISO 22000:2005 certification for Food Safety Management Standard. In the previous year, the Company had also secured NIS ISO 14001:2004 certification for Environmental Management System.

Our certified quality approach forms the basis of a continuous improvement process, which is embedded into all our management processes. This approach is supported by a rigorous assessment process allowing us to evaluate the satisfaction level of our target stakeholder groups. We use this information constantly to enhance the quality of our products and processes.

From an operational standpoint, ISO certification has allowed us to make significant progress and ensured that operations are managed in the most cost-effective manner, with margins that far exceed industry average.

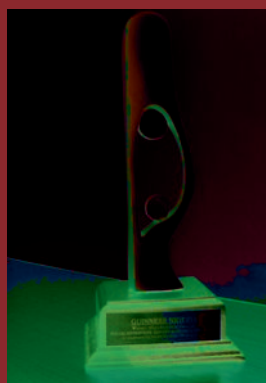
Diverse operations, consistent quality

Compliance with our quality requirements is verified periodically by the Company and through third parties in accordance with NAFDAC requirements and the Quality Management System. This ensures that even though our brands are produced at different sites, the same taste and quality is guaranteed.

Leveraging Guinness Nigeria’s strong values

Guinness Nigeria has built a solid foundation for sustained high performance by instilling strong values, which guide all our employees’ actions. High performance fulfills the Company’s responsibility to our major stakeholders.

Our values have been in use since the Company’s inception. The Company has refined these values over time but they have never changed fundamentally. As part of the Guinness Nigeria values, quality is reflected in all that the Company does. We go beyond providing quality products and our employees are constantly seeking ways of improving themselves and enhancing the value of the service they provide.





Becoming Nigeria's most valuable employer

We are committed to hiring people with the right skills and values. We also ensure that our employees receive relevant training on an on-going basis to ensure that they do their work to the best standards and deliver high quality outcomes.

Guinness Nigeria strives to be recognized as the most valuable employer in the country. To achieve this goal, the Company has place a series of initiatives to ensure that the Company attracts and retains the best available talents in Nigeria and beyond.

Basic to the working environment are the Company's solidly rooted values, which emphasise integrity, dedication and professionalism in all endeavours. These values are the reference points for how Guinness Nigeria carries out its business on a day-to-day basis. Guinness Nigeria selects employees to whom these values are important, and retains them through a corporate culture, which reinforces these values.

Quality brands and qualitative lives

We have continued to invest in our environment not only in the traditional areas of water, health and education but in the course of the 2008 financial year, we have raised the bar of our contributions by venturing into the area of provision of infrastructure such as roads and drainages in our host community in Benin City. And we are set to do more!

Part of our enhanced social investments is the assistance we provide to grain farmers through the provision of improved seedling in collaboration with the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and the Institute for Agricultural Research (IAR), Ahmadu Bello University, Zaria.





This has yielded dividends in more ways than one. First, our farmers and their businesses have benefited from these investments in terms of higher returns for their efforts. Second, this project has, in turn led to the cultivation of high quality grains which form part of the key ingredients that go into the production of the award winning brands from the stable of Guinness Nigeria.

Recognition for quality

In October 2007, Guinness Nigeria became the first Company in Nigeria to achieve Certification to Food Safety Management Standard NIS ISO 22000:2005 having fulfilled the requirements of the Standard. Certificate No. 000001 was presented to the management of the Company by the Director General of the Standards Organisation of Nigeria in recognition of this feat. This Certification together with the Certification to Quality and Environmental Management Systems demonstrate our commitment to excellent service, consumer/customer/employee/plant safety, environmental protection and sustainable business practice.

In 2007, Guinness Nigeria voluntarily participated in the Monde Selection Awards, organised by the International Institute for Quality Selection in Bruxelles. These awards are global endorsements for good product quality. Four of our brands were presented, with all 4 winning awards. In 2008, in our strive for excellence and continued improvement, 7 brands were entered into the international competition. *Guinness Extra Smooth*, *Guinness Malta*, *Harp Lager* and *Satzenbrau Pilsner* all received Grand Gold Awards, while *Guinness FES*, *Gordon's Spark* and *Smirnoff-Ice* got Silver Awards – an endorsement of our continued journey to ensure we always deliver excellent quality to our consumers! The awards have been hailed as a true testament to the incredible capability of our people to produce world-beating products.

In April 2008, Ogba Brewery was declared winner of the *Guinness League of Excellence*, Africa Region and Benin Brewery was declared the most improved site in the world. The League of Excellence is an assessment of Guinness quality produced around the world to ensure perfect Guinness for every consumer, everywhere. 27 sites participated from Africa.

We are confident that our quality programmes driven by our strong values will enable us to continue to successfully manage growth over the long term.



A portrait of a man wearing a white traditional cap and glasses, set against a background of Guinness beer bottles. The text 'Chairman's Statement' is overlaid in the top left.

Chairman's Statement

Introduction

Fellow Shareholders, my colleagues on the Board, distinguished ladies and gentlemen, it is with great pleasure that I welcome you to this 58th Annual General Meeting of our great Company. Once again, we are back in the ancient city of Benin and I am honoured to present to you the Annual Report and Financial Statements for the year ended 30 June 2008.

Engr. (Dr.) R. A. Alabi, FNSE, FIoD, OON
Chairman

Chairman's Statement

The 2008 Financial Year has been one of significant change and one, which laid the foundations for strong, sustainable growth in the years ahead for our Company. Before going into the details of our financial and operating performance for the year under review, I consider it most appropriate to review some of the key environmental factors under which we operated in the year under review.

The Business Environment

The economy remained strong in spite of the decline in oil revenue as a result of disruption to the operations of the oil companies in the Niger Delta. However, the sustained increase in the international spot prices of crude oil ameliorated the impact of the situation on the economy. The prospect of continued dwindling oil output in the face of measures by the advanced economies to ensure that oil prices return to moderate levels may likely affect the performance of the budget for the current year and beyond. It is hoped that the grand plan by the President to comprehensively address the Niger Delta issue will help in averting this spectre. The non-oil sector grew appreciably in the period under review with the main source of the growth being the strong contribution from the scale-up in agricultural production, increase in commodity export due to the price boom on the international commodities market, telecommunications as well as trade and other services.

According to official data, GDP grew by over 6% in 2007. Nigeria's external reserves have been growing steadily from the \$51.33 billion recorded at the end of December 2007 driven by high price of crude oil in the international market. This has significantly enhanced the ability of the Central Bank of Nigeria to continue to support the Naira which has reflected in the relative stability that the official currency has enjoyed in recent times. The growth in foreign reserves has continued into the first half of 2008 on the back of continued high oil prices caused by strong demand in China, India and other emerging economies and the crisis in the Niger Delta and now stand at over \$60 billion.

Official data confirms inflationary rate at about 14%. The growth in inflation is ascribed to higher food prices. Food price pressure is a global phenomenon since the strong demand for bio-fuel (as a supplement to transportation fuels, particularly in the advanced economies) has propelled increases in the prices of some commodities especially wheat, sugar and corn used in the production of ethanol. This is not surprising given that food and non-alcoholic beverages account for about 64.4% of Nigeria's CPI basket. To compound the issue, the post election agreement reached with labour unions in June 2007 restricting any rise in domestic fuel prices for a year is coming to an end very soon with statements from key functionaries of government suggesting that fuel prices will be increased once this moratorium period comes to an end. As a result of this development, the inflationary pressures are likely to continue through the end of this year into 2009.

The Brewing Industry

The brewing industry experienced appreciable growth in the Financial Year under consideration. However, this year was not without its own challenges as the supply of electric power, so crucial to any manufacturing concern, dwindled to almost nil. The continued increase in the international spot price of crude oil also meant that the domestic prices of the unregulated products like diesel also increased astronomically, thereby putting considerable pressure on operating costs and margins.

The *Guinness Greatness* campaign was successfully extended into its next phase with new materials emphasising the heritage of Guinness Stout and the scale of its consumer loyalty with the pay-off line "Millions of Nigerians choose Greatness". Guinness also leveraged on football as a key connecting platform with the acquisition of main sponsor rights for the English Premier League on all satellite and terrestrial channels. In addition, a unique, football themed National Consumer Promotion was launched shortly before the Christmas period and benefited heavily from the soccer-fever generated by the African Cup of Nations in Accra, Ghana in February and our exclusive sponsorship of the Nigerian Football Association.

Chairman's Statement

Malta Guinness launched a new contemporary 33cl bottle in February 2008 with the theme "Goodness Inside and out". The idea behind the bottle change was to provide consumers with a new bottle that is aligned to trends and also provides them with extra volume at the same price. The new bottle launch has geared up consumer acceptance for the brand and increased demand tremendously. In March 2008, *Malta Guinness* launched for the first time in Africa, a truly Pan African Dance Championship tagged "Malta Guinness Street Dance Africa" thereby giving Nigerian consumers the opportunity to compete with the best street dancers locally, continentally and worldwide.

Harp lager launched a highly engaging thematic campaign with a major consumer launch that was tagged "REALNESS" with the pay-off line of "The Real Beer for Real People". This campaign created a clear cut differentiation in the minds of consumers.

A new television commercial was introduced for *Gordon's Spark* complemented by the 'Thank Gordon's Spark Its Friday' series of parties across the country. There were also sustained efforts to ensure ready availability of *Smirnoff Ice* throughout Nigeria, which led to a significant growth in the acceptance rate of the relatively new brand.

Financial Results

Fellow shareholders, you would have noticed the sterling performance of your Company in the last three years with significant increase in turnover being recorded year-on-year. In spite of a very competitive industry and the challenging operating environment, I am happy to report that this growth trend was sustained in the year under review. Turnover grew from ₦62.3 billion to ₦69.2 billion, an increase of 11% over the prior year figure. Profit before tax increased by 15% to ₦17.1 billion, up from ₦14.9 billion recorded in the preceding year.

Dividend

On the back of the Board's confidence in our long term future and consistent with our commitment to deliver value, the Board will be proposing for your approval at the Annual General Meeting, a dividend of 600 kobo per 50 kobo share representing an increase of 33% over the dividend declared in the last Financial Year. As you are already aware, a Special Dividend of ₦10.03 billion amounting to 680 kobo per share was approved for payment at an extraordinary general meeting on 10 July 2008.

Growth and Expansion

Several projects aimed at increasing the capacities of our Lagos and Benin Breweries have commenced. In addition, work is advanced on the project to connect our Benin operations to gas supply. All our brands are set to benefit from the growth in the can-packaged segment, which we pioneered in this industry in 2005.

Finally, our business has switched over to System, Application and Products (SAP) software, an enterprise resource planning tool already in use in the major markets of our parent company, Diageo Plc and in some of the biggest businesses in the world. The advantages of this significant change in our business model are speed, cost, greater efficiency and transparency. With the cutover into this new application, the business is poised to experience a new impetus, which will no doubt reflect on our financial performance.

The evidence of these investments in capacity and process will, I am certain, become more apparent in the immediate future.

Corporate Social Responsibility

Guinness Nigeria Plc is committed to Corporate Social Responsibility (CSR) as we believe that our focus on CSR not only serves the interest of society but also makes us more competitive and helps to create and manage a more sustainable business.

Chairman's Statement

We have therefore continued our social investments in the area of water, health and education. We continued to support financially the three Guinness Eye Hospitals in Lagos, Onitsha and Kaduna. We also provided improved water to 400,000 people in the course of the Financial Year in Ajegunle, Lagos; Ogba-Ikeja, Lagos; Oshodi, Lagos; Onitsha; Abeokuta and Mararaba, near Abuja.

During the year, the Company instituted a scholarship scheme for young school leavers from Guinness Nigeria's host communities to acquire technical skills and entrepreneurship training at the Institute for Industrial Technology (IIT) as part of our efforts to build amazing relationships with the communities. Several young school leavers from these communities have since commenced their training at this institution. Similarly, as part of efforts to ensure a conducive environment for our business in Edo State, the Company has embarked on a project to tar some roads and provide drainage facilities in Oregbeni, the host community of the Benin Brewery.

In the course of the year, the Corporate Citizenship Report was published and distributed to all our key stakeholders. The publication is a compendium of the impact that our Corporate Social Responsibility initiatives have on all our key stakeholders. I recommend the publication to all our esteemed shareholders and copies can be accessed on our newly launched website (<http://www.guinness-nigeria.com>).

Corporate Governance

Corporate Governance remained a subject of great interest to the general public as well as regulators, shareholders and corporate entities. In the 2008 Financial Year, the Board commenced several initiatives to ensure that our Company's practices remain exemplary in this area. The Board approved during the year a Corporate Governance Guidelines, which has guided a number of Board activities.

A rigorous and formal evaluation of the performance and effectiveness of the Board, its Committees and individual directors was also conducted. The summary of the evaluation report is that "the Board is showing significant interest in ensuring that it plays its oversight role as effectively as possible, taking into account its legal responsibilities and contemporary governance and board best practices". Areas for further improvement were also highlighted.

Our People

We firmly believe that having an excellent 'people agenda' at the heart of our business has a real and tangible effect on business performance. We are committed to growing, developing and retaining our talent as we recognize that this is fundamental to our long-term success. We are increasing emphasis in the following key areas, and investing accordingly to make Guinness Nigeria the best place to be:

- Our Leadership Team is clearly recognised as inspirational;
- Amazing relationships between employees and managers bring out the best;
- Each employee is encouraged and supported to realise their aspirations and grow- each year;
- Our Sales Force is in the top 3 in the consumer packaged goods Industry;
- The quality and diversity of our people meets our current and future needs;
- We have the organisation structure, capabilities and culture in place to deliver our medium term goals.

I cannot conclude this statement without expressing on your behalf, the appreciation of the shareholders and the Board to all our valued employees and our colleagues around the business who are instrumental in delivering this year's laudable results through their drive and commitment.

Outlook

In spite of the challenges of the business environment, our business remains resilient with good margins and impressive cash flows, which will continue to support our capacity to return value to our shareholders.

Chairman's Statement

We expect the business environment to remain challenging in the immediate and medium term and the Board will work with the executive management to ensure that our Company continues to adapt as necessary, taking advantage of opportunities and investing for sustainable growth.

We intend to continue to meet the needs of our consumers and other stakeholders, while investing for their benefit in future. By doing this successfully and responsibly, we are optimistic that we will deliver the greatest rewards to our shareholders and all our other stakeholders.

Conclusion

I would like to thank my fellow board members for their support and contribution to another successful year. In particular, seeing such large projects as SAP, through to a successful commercial conclusion will be a high priority.

I would also like to pay tribute to the commitment and excellence of our management and workforce at a time of considerable challenge for the business.

I thank our customers, suppliers and other business partners, including our trade unions, for their support. We hold them and their contributions in high esteem.

I also thank our parent Company, Diageo Plc, for its unwavering commitment to Guinness Nigeria Plc and its support over the years. I look forward to continued partnership as we work together to grow this business and make Guinness Nigeria the most respected company in Nigeria.

Above all, I thank the Almighty God for seeing us through another milestone in the history of our Company.

Thank you and God bless.

Engr. (Dr.) R. A. Alabi, FNSE, F.IoD, OON

Chairman

CRISP TASTE



enjoy the refreshing taste
of Hendrick's Ice with a
crisp bite of lemon.



Clearly Hendrick's

www.hendricks.com



1: The Chairman, Engr. (Dr.) Alabi, addressing shareholders during the 57th Annual General Meeting.

2: The doyen of shareholders' rights activism, the late Asiwaju Asalu, making a contribution at the 2007 Annual General Meeting at the MUSON Centre, Lagos.

3 & 4: Shareholders paying rapt attention at the Company's 57th Annual General Meeting in Lagos.

5: A cross section of shareholders with the Commercial Director, Laurence Turnbull at the Company's 57th Annual General Meeting.

6: Guinness Foreign Extra Stout Can Launch with Basorge, Marketing Manager, Guinness, Cherry Eromosele, Joke Silva and Director of Marketing, Tunde Falase.

7: Employees at the Guinness Foreign Extra Stout can launch.

8: The Launch of the new Harp bottle with Commercial Director, Laurence Turnbull, Marketing Manager, Guinness, Cherry Eromosele, and Marketing Manager, Lager & RTDs, Tunji Afolayan.

9: Former Communications Manager Adrienne Nwagwu, Tunji Afolayan and Brand Manager, Gordon's Spark, Toruka Osadunkwu at the Gordon's Spark's new TV Commercial launch with.

10 & 11: Former Managing Director, Mr. Keith Taylor presenting awards to outstanding distributors during the 2008 during IMD Awards.

12, 13 & 14: The Chief Executive Officer of Diageo Plc, Paul Walsh with Stuart Fletcher, President, Diageo International Region, former MD, Keith Taylor and Chiefs and dignitaries during Paul Walsh's visit

to Ajegunle, Lagos to commission the Water of Life Project

15: Zenith Bank Plc's Mr. Jim Ovia, President, Diageo International region, Mr. Stuart Fletcher and Guinness Nigeria's Deputy Managing Director, Mr. Tunde Savage at the dinner hosted for Mr. Paul Walsh by the British High Commission.

16: Mr. Paul Walsh, the British Deputy High Commissioner, Mr. Richard Powell, Mr. Keith Taylor and the Chairman of Guinness Nigeria, Engr. (Dr.) Ralph Alabi during the dinner for Mr. Paul Walsh.

17: Former Head of State, His Excellency, Chief E. O. Shonekan GCFR, Mr. Paul Walsh, and the Chairman Guinness Nigeria Engr. (Dr.) Ralph Alabi during the dinner.

18 & 19: Participants during the Malta Guinness Street Dance Championship.

20: Music artistes, Brick and Lace, during the Kennis Music Easter Fiesta sponsored by Gordon's Spark

21: Guests having fun during the Malta Guinness "Bounce" TV Commercial launch.

22 & 23: The Supply Director, Francis Agbonlahor, presenting scholarship awards to students from Guinness Nigeria's Benin Plant host community.

24: Guinness Nigeria's employees at the annual HIV/AIDS Awareness Walk/Rally.



A portrait of a middle-aged man with dark hair, wearing a dark suit, white shirt, and dark tie. He is looking slightly to the right of the camera with a neutral expression. The background is a warm-toned, slightly blurred advertisement for Guinness, featuring the brand's harp logo and the word 'GUINNESS' in a stylized font. The lighting is soft, highlighting his face.

Directors' Report

The Directors have the pleasure in submitting to members their Report together with the Financial Statements of the Company for the year ended 30 June 2008.

Mr. D. M. Hainsworth
Managing Director

Directors' Report

Directors' Responsibilities

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, the Company's Directors are responsible for the preparation of Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year and comply with the Companies and Allied Matters Act. These responsibilities include ensuring that:

- (a) adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities;
- (b) proper accounting records are maintained;
- (c) applicable accounting standards are followed;
- (d) suitable accounting policies are used and consistently applied; and
- (e) it is appropriate for the financial statements to be prepared on a going concern basis unless it is presumed that the Company will not continue in business.

Principal Activities

The principal activities of the Company continued to be brewing, packaging and marketing of Guinness Foreign Extra Stout, Guinness Extra Smooth, Malta Guinness, Harp Lager Beer, Gordon's Spark, Smirnoff Ice and Satzenbrau Pilsner Lager.

Results

The following is a summary of the Company's operating results:

	2008 ₦'000	2007 ₦'000
Turnover	69,172,852	62,265,413
Trading Profit	15,799,575	14,227,302
Net Interest Income	1,293,375	657,148
Profit before Taxation	17,092,950	14,884,450
Taxation	(5,232,070)	(4,193,390)
Profit after Taxation	11,860,880	10,691,060
Declared Dividend	(6,637,165)	(4,719,762)
Profit Retained in the Business	5,223,715	5,971,298

The Profit before tax has been arrived at after charging an exceptional item of ₦1,242,838,000 relating to costs associated with the launch of new Malta Guinness bottles and crates.

Dividend

A special dividend of 680 kobo per share was recommended on 30 May 2008 and approved for payment at an extraordinary general meeting on 10 July 2008.

In addition, the Directors recommend to the shareholders the declaration of a dividend at the Annual General Meeting of ₦8,850 million that is 600k per 50 kobo share. This dividend is subject to the deduction of withholding tax.

Board Changes

Since the last Annual General Meeting, Messrs. G. M. Mahinda, O. J. Osinowo, O. Falase, D. J. C. Nicholls and K. R. M. Taylor resigned from the Board. On your behalf, we thank them for their contributions to the Company during their tenures. To fill the vacancies left by these resignations, Mr. B. J. Rewane, Mr. D. M. Hainsworth, Mr. F. O. Agbonlahor and Mrs. I. C. Mafeni have been appointed to the Board. In accordance with the Articles and the provisions of the Companies and Allied Matters Act, Mr. Rewane, Mr. Hainsworth, Mr. Agbonlahor and Mrs. Mafeni will retire at the forthcoming Annual General Meeting and, being eligible, hereby offer themselves for re-election. The Directors to retire by rotation are Messrs F. A. Ogunbamowo, J. O. Irukwu and B. E. Gwadah and, being eligible, also offer themselves for re-election.

Directors' Report

Record of Directors' Attendance

The register showing Directors' attendance at Board Meetings will be made available for inspection at the Annual General Meeting as required by Section 258(2) of the Companies and Allied Matters Act.

Directors and their interests

The interests of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 275 of the Companies and Allied Matters Act and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

	As at 30 June 2008 No. of shares	As at 11 August 2008 No of shares
Engr. (Chief) R.A Alabi	309,865	309,865
Dr. N. B. Blazquez	Nil	Nil
Mr. D. M. Hainsworth <i>(Appointed with effect from 11/09/08)</i>	Nil	Nil
Mr. K. R. M. Taylor <i>(Resigned with effect from 11/09/08)</i>	-	-
Otunba F. A. Ogunbamowo	49,351	49,351
Mr. B. A. Savage	601,263	601,263
Prof. J. O. Irukwu	607,866	607,866
Mr. B. E. Gwadah	2,082	2,082
Mr. R. C. Plumridge	Nil	Nil
Mr. L. Turnbull	Nil	Nil
Mr. B. J. Rewane <i>(Appointed with effect from 06/05/08)</i>	16,944	16,944
Mr. F. O. Agbonlahor <i>(Appointed with effect from 11/09/08)</i>	7,665	7,665
Mrs. I. C. Mafeni <i>(Appointed with effect from 16/10/08)</i>	Nil	Nil
Mr. E. Emafo <i>(Resigned with effect from 20/09/07)</i>	-	-
Mr. O. J. Osinowo <i>(Resigned with effect from 15/11/07)</i>	-	-
Mr. G. K. Mahinda <i>(Resigned with effect from 21/02/08)</i>	-	-
Mr. O. Falase <i>(Resigned with effect from 14/04/08)</i>	-	-
Mr. D. J. C. Nicholls <i>(Resigned with effect from 11/09/08)</i>	-	-

Directors Interest in Contracts

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act of any declarable interest in contracts with the Company.

Corporate Governance

Guinness Nigeria Plc recognises that good corporate governance can become a powerful force for business growth and sustainability. In recognition of this, the Board of Directors approved on 15 November 2007, the Corporate Governance Guidelines which is in line with international best practice and the requirements of the Nigerian Stock Exchange and in compliance with the Code of Corporate Governance in Nigeria, 2003 ("the Peterside Code"). The Company complied with these corporate governance requirements during the year under review.

Board of Directors

The Board is responsible for the Company's long-term strategy and objectives, and the oversight of the Company's risks while evaluating and directing the implementation of the Company's controls and procedures including, in particular, maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets.

Directors' Report

At the end of the financial year, the Board consisted of 11 Directors (including the Chairman). There are 7 non-executive Directors (of which 5 are independent) and 4 executive Directors. The non-executive Directors are independent of management and are free from any constraints, which may materially affect the exercise of their judgement as Directors of the Company. All Directors are selected on the basis of certain core competencies including experience in marketing, general operations, strategy, human resources, technology, media or public relations, finance or accounting, retail, consumer products, international business/markets, logistics, product design, merchandising or experience as a Chief Executive Officer or Chief Financial Officer. In addition to having one or more of these core competencies, candidates for appointment as Directors are identified and considered on the basis of their knowledge, experience, integrity, diversity, leadership, reputation and ability to understand the Company's business.

The positions of the Managing Director and that of the Chairman of the Board are occupied by different persons and the Managing Director is responsible for the implementation of the Company's business strategy and the day-to-day management of the business.

There are currently four (4) regularly scheduled Board meetings during each fiscal year.

Board Committees

As at the date of this report, the Company had in place, the following Board Committees:

(a) General Purposes Committee

This Committee comprises of all the executive Directors of the Company with delegated responsibility for all businesses, which require expeditious attention, in between meetings of the Board.

(b) Finance and Risk Committee

The Finance and Risk Committee is responsible for monitoring the integrity of the financial statements of the Company and reviewing the effectiveness of the Company's internal control and risk management system, among others. Members of the Committee are:

Professor J. O. Irukwu, SAN - Chairman
Otunba F. A. Ogunbamowo
Mr. R. C. Plumridge
Mr. B. E. Gwadah

(c) Nomination Committee

The Nomination Committee is charged with instituting a transparent procedure for the appointment of new Directors to the Board. In addition, the Committee is responsible for making recommendations to the Board regarding the tenures and the re-appointment of non-executive Directors on the Board. The Committee comprises the following members:

Dr. N. B. Blazquez - Chairman
Otunba F. A. Ogunbamowo
Mr. D. M. Hainsworth
Mr. B. A. Savage

Code of Business Conduct

The Company has adopted a Code of Business Conduct subscribed to by all members of the Board of Directors and all employees of the Company. The Code is available to all Directors and employees and the Company mandates strict adherence to the Code in its day-to-day operations.

Dealings in Securities Code

The Board has approved a Dealings in Securities Code, which prescribes rules and guidelines required to be followed by Directors and senior employees, as well as those in possession of market sensitive information. Affected persons are prohibited from dealing in the Company's securities during closed periods and required to obtain 'clearance to deal' in securities from appropriate senior executives of the Company.

Directors' Report

Acquisition of Own Shares

The Company did not purchase any of its own shares during the year.

Fixed Assets

Information relating to changes in fixed assets is disclosed in Note 8 to the financial statements.

Implementation of SAP/SBM and Global Shared Services (GSS)

Guinness Nigeria Plc has embarked on an ambitious programme to enhance its efficiency and planning capability by updating its technology, using the Systems, Applications and Products (SAP) software which is being rolled out across the Diageo world.

This software enables companies to analyse information recorded in day-to-day operations (real time on-line), plus structured and unstructured information from across the enterprise, which means that businesses are able to respond faster to market dynamics. The software is also able to integrate all the operational functions of an enterprise, making the flow of information simpler and faster.

The implementation will improve efficiencies and reduce operation costs incurred where various software programmes are utilised in different sections of the business and is part of a global drive towards common systems and processes across the Diageo Group.

With effect from September 2008, Guinness Nigeria switched over to the use of SAP software applications within the Diageo Simple Business Model (SBM) framework to harmonise every aspect of its operations from end to end; from manufacturing right through to product dispatch. The project also covers the transition to the Global Shared Services (GSS) platform.

The GSS journey means that Guinness Nigeria will be migrating some of its routine finance processes from its back offices in Nigeria to the Diageo Global Shared Services Centre. This is being done as part of a global move across the Diageo world to sharpen the business commercial focus and to handle the same processes for all Diageo markets across the world more efficiently by leveraging economies of scale. GSS represents a new era for the business, as Guinness Nigeria will be able to operate faster and more efficiently to beat the competition and drive the achievement of the Diageo Destination 2011 programme.

Post Balance Sheet Events

There were no post balance sheet events that could have a material effect on the state of affairs of the Company or the profit for the year as at the balance sheet date, which have not been adequately provided for.

Employment and Employees

(a) Training and Development

It is our policy to equip all employees with the skills and knowledge required for the successful performance of their jobs. This entails identifying the training needs of our employees and prioritising implementation plans to address such needs consistent with the requirements of the business.

(b) Dissemination of Information

In order to maintain shared perception of our goals, we are committed to communicating information to employees in as fast and effective a manner as possible. We consider this critical to the maintenance of team spirit and high employee morale.

Circulars and newsletters are published on significant corporate issues. Information is exchanged by different groups of employees at Joint Consultative Committee meetings. A good communications link with the workforce is also maintained through regular meetings between Union Representatives and Management. In order to further facilitate the exchange of information, an in-house journal, 'Guinness News' is published quarterly featuring contributions from, and about employees of the Company.

Directors' Report

(c) Employment of Disabled Persons

We do not discriminate against disabled persons in the Company.

(d) Health and Safety

All efforts are geared towards providing a safe and conducive working environment for employees. To this end, there is a written health and safety policy supported by systems and procedures for ensuring that safe working practices are followed in the performance of all Company functions. The Company has a Corporate Safety Manager who monitors and guides compliance with safety regulations. In the event of accidents or ailments occurring at the work place, there are adequate provisions for medical care in our clinics which are well stocked and competently managed by qualified staff. Furthermore, all employees of the Company are provided free medical care in designated hospitals.

Donations

	₦
Water of Life - Ajegunle, Lagos State	30,450,000
Water of Life - Ogba, Lagos State	26,775,000
Water of Life - Oshodi, Lagos State	29,190,000
Water of Life - Abeokuta, Ogun State	22,575,000
Water of Life - Onitsha, Anambra State	32,025,000
Nigeria Employers Consultative Association	5,000,000
Nigeria Police-Community Relations Committee	100,000
Total	146,115,000

In accordance with Section 38(2) of the Companies and Allied Matters Act, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year.

Royalty and Technical Services Agreement

It has been the practice for the Company to maintain a close relationship with Diageo Plc as technical partner and adviser. In this capacity, we receive technical and commercial support under a Trademark and Quality Control Agreement and a Technical Services Agreement for the production of Guinness Foreign Extra Stout, Guinness Extra Smooth, Harp Lager, Malta Guinness, Gordon's Spark, Smirnoff Ice and Satzenbrau Pilsner Lager.

Audit Committee

In accordance with Section 359(3) of the Companies and Allied Matters Act, members of the Audit Committee of the Company were elected at the Annual General Meeting held in Lagos on 15 November 2007, comprising three Directors and three shareholders namely Otunba F. A. Ogunbamowo, Mr. B. A. Savage, Mr. B. E. Gwadah, Mr. A. Shonubi, Mr. A. Ojomaikre and Mr. D. O. Odebiyi.

Auditors

KPMG Professional Services have indicated their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act.

BY ORDER OF THE BOARD



Mr. D. M. Hainsworth

Managing Director



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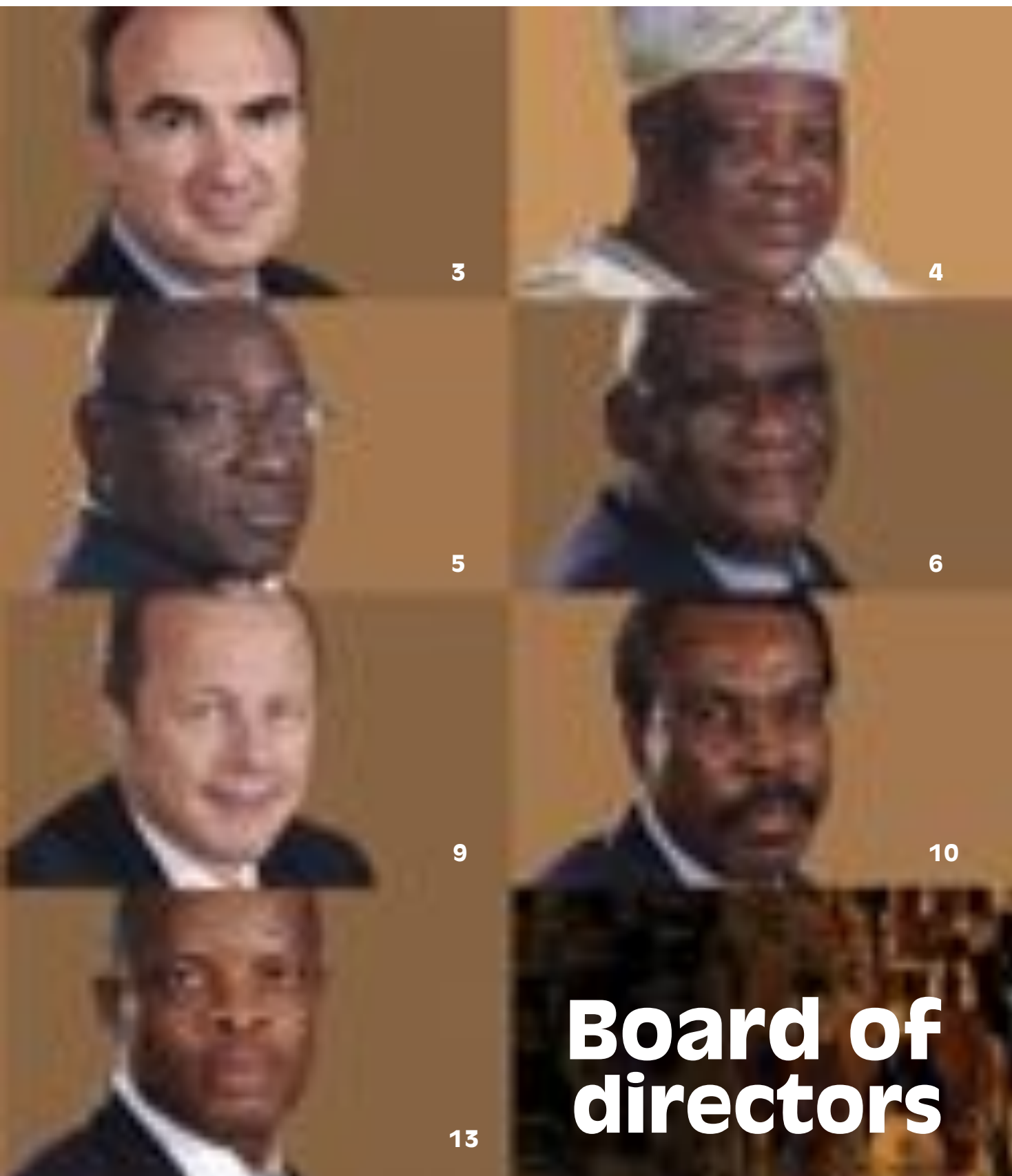


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|----|--|---|--------------------------|
| 1. | Engr. (Dr.) R. A. Alabi, FNSE, FloD, OON | - | Chairman |
| 2. | Mr. D. M. Hainsworth | - | Managing Director |
| 3. | Dr. N. B. Blazquez | - | Vice Chairman |
| 4. | Otunba F. A. Ogunbamowo | - | Non-Executive Director |
| 5. | Mr. B. A. Savage | - | Deputy Managing Director |
| 6. | Prof. J. O. Irukwu (SAN) | - | Non-Executive Director |



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Board of directors

7. Mr. B. E. Gwadah
8. Mr. R. C. Plumridge
9. Mr. L. Turnbull
10. Mr. B. J. Rewane
11. Mr. F. A. Agbonlahor
12. Mrs. I. C. Mafeni
13. Mr. Sesan Sobowale

- Non-Executive Director
- Non-Executive Director
- Commercial Director
- Non-Executive Director
- Supply Director
- Human Resources Director
- Company Secretary/Legal Adviser



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Satzenbrau
PREMIUM PILSENER LAGER



BOTTLED BY THE BREWERY



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Report of the Audit Committee

In compliance with Section 359(6) of the Companies and Allied Matters Act, Cap C20 LFN 2004, we have carried out the following statutory functions under the Act: -

- (a) Reviewed the scope and planning of the audit requirements of the external auditors:
- (b) Reviewed the external Auditors' Memorandum of Recommendations on Accounting Procedures and Internal Controls together with Management Responses thereon; and
- (c) Ascertained that the accounting and reporting policies of the Company for the year ended 30 June 2008 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 30 June 2008 were adequate and the Management Responses to the Auditors' findings were satisfactory.

We acknowledge the co-operation of the Auditors, Messrs KPMG Professional Services (Chartered Accountants), management and staff of the Company in the performance of our statutory duties.

Mr. A. Shonubi

Chairman, Audit Committee

Dated: 08 September 2008

Members of the Audit Committee

Mr. A. Shonubi	-	Shareholder/Chairman
Mr. A. Ojomaikre	-	Shareholder
Mr. D. O. Odebiyi	-	Shareholder
Otunba F. A. Ogunbamowo	-	Director
Mr. B. A. Savage	-	Director
Mr. B. E. Gwadah	-	Director

The Company Secretary/Legal Adviser, Mr Sesan Sobowale, served as the Secretary to the Committee.

Statement of Accounting Policies

A summary of the principal accounting policies, all of which have been consistently applied throughout the current and preceding years, (except as described in paragraph o) is set out below:

(a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain properties, plant and machinery at depreciated replacement cost.

(b) Turnover

Turnover represents the value of beer, ready-to-drink and malt beverages despatched to third parties inclusive of excise duty thereon but exclusive of VAT and net of trade discounts and volume rebates.

(c) Fixed Assets

- i. Fixed assets are stated at cost or valuation less accumulated depreciation.
- ii. On disposal of previously revalued fixed assets, an amount equal to the revaluation surplus attributable to that asset is transferred from revaluation reserve to revenue reserve.
- iii. Fixed assets being constructed or developed for future use are disclosed as assets in progress.
- iv. Gains or losses on the disposal of fixed assets are determined by reference to their carrying values and are included in the profit and loss account.

(d) Depreciation of Fixed Assets

Depreciation is calculated to write off the cost or valuation of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purposes are:

Leasehold land and buildings	-	2%
Heavy - Plant and machinery	-	5%
Light - Plant and machinery	-	10%
Furniture and equipment	-	20%
Motor vehicles-Others	-	25%
Motor vehicles-Sales	-	33.33%
Chillers and Generators-Sales	-	33.33%

Depreciation is not calculated on fixed assets until they are put into use.

Assets in progress are not depreciated. Upon completion, the attributable cost of asset is transferred to the relevant asset category and depreciated accordingly.

(e) Stocks

Stocks are valued at the lower of cost and net realisable value and are stated net of allowances for obsolete, slow moving or defective items, where appropriate. Cost incurred in bringing each stock item to its present location and condition is derived as follows:

- i. Raw materials and engineering spares - Purchase Costs on a weighted average basis, including transportation and applicable handling charges.
- ii. Bottled products and products in process - Average cost of direct materials and labour plus the appropriate amount attributable to production overheads based on normal production capacity.

The net realisable value of bottles and containers is deemed to be their prevailing deposit value. Gains or losses arising from a change in the valuation of bottles and containers (principally as a result of changes in the deposit value which are below cost) are taken to the profit and loss account. Bottles and containers of a design/product yet to be introduced into the market are valued at cost. After introduction into the market, all bottles and containers are carried at their deposit value.

(f) Debtors

Debtors are stated after deduction of adequate allowances for any debts considered bad or doubtful of recovery.

Statement of Accounting Policies

(g) Provisions

A provision is recognized only if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated, and it is probable that a transfer of economic benefits will be required to settle the obligation.

(h) Foreign Currencies

Transactions denominated in foreign currencies are translated into Naira and recorded at the exchange rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Naira at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates, subsequent to the dates of transactions, is included as an exchange gain or loss in the profit and loss account.

(i) Employees Benefits

i. Gratuity Scheme:

Lump-sum benefits payable upon retirement or resignation of employment are fully accrued over the service lives of management and non management staff of the company. Independent actuarial valuations are performed periodically on a projected benefit obligation basis. Actuarial gains or losses arising from valuations are charged in full to the profit and loss account. The scheme is not funded.

ii. Pension Scheme:

In line with the provision of the Pension Reform Act 2004, the Company has instituted a defined contribution Pension Scheme for its management and non management staff. Staff contributions to the schemes are funded through payroll deductions while the Company's contribution is charged to the profit and loss account.

iii. Other Long Term Employee Benefits:

These are Long Service Awards payable upon completion of certain years in service and accrued over the service lives of the employees. In previous years, the accrual for Long Service Awards was derived based on current emoluments of the employees. In the current year, the provision has been based on independent actuarial valuation performed on the projected unit credit basis. The effect of this change in basis of measurement is shown in Note 15.

Actuarial gains or losses arising from the valuation are charged in full to the profit and loss account.

(j) Income Tax

Income tax expense is the aggregate charge to profit and loss account in respect of company income tax, education levy, capital gains tax and deferred income tax.

Current income tax is the expected amount of income tax payable on taxable profits determined in accordance with the Companies Income Tax Act (CITA) using the statutory tax rate at the balance sheet date.

Education levy is assessed at 2% of the chargeable profit while capital gains tax is assessed at 10% of the capital gain.

(k) Deferred Taxation

Deferred taxation, which arises from differences in the timing of the recognition of items in the accounts and by tax authorities, is calculated using the liability method. Deferred tax is provided on all timing differences at the rates of tax likely to be in force at the time of reversal.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged to the profit and loss account except to the extent that it relates to a transaction that is recognised directly in equity.

Statement of Accounting Policies

(l) Leases

- i. Operating leases:
Lease rental income/expense is recognised in the profit and loss account on a systematic basis in line with the time pattern of the benefit provided/received by the Company.
- ii. Finance leases:
Where the Company is the lessor, the Company recognises in its books simultaneously the gross investments in the lease and the unearned finance income from the lease at their fair value at the inception of the lease. Where it is not possible to determine the fair value, they are carried at the present value of minimum lease payments at the inception of the lease. Unearned finance income is deferred and allocated to the profit and loss account over the lease term based on a pattern reflecting a constant periodic rate of return on the outstanding net investment.

(m) Impairment

The carrying values of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

(n) Revaluation Reserve

Surpluses/(deficits) arising on the revaluation of individual fixed assets are (credited)/debited to a non-distributable reserve known as the fixed assets revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same assets are charged to the profit and loss account.

On disposal of a previously revalued fixed asset, an amount equal to the revaluation surplus attributable to that asset is transferred from the fixed assets revaluation reserve to revenue reserve.

(o) Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is required to be presented in respect of the Company's business and geographical segments, where applicable.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

This is a new accounting policy adopted in 2007 based on Statement of Accounting Standards Board No 24 (SAS 24) issued by the Nigerian Accounting Standards Board in November 2006. The effect of the adoption of this standard is shown in Note 24 to the financial statements.

(p) Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash in hand, cash balances and short-term deposits with banks.

Profit and Loss Account

for the year ended 30 June 2008

	Notes	2008		2007	
		₦'000	₦'000	₦'000	₦'000
TURNOVER	1		69,172,852		62,265,413
Cost of sales			(35,611,016)		(34,144,021)
GROSS PROFIT			33,561,836		28,121,392
Advertising and Promotion Expenses		(6,163,742)		(5,349,226)	
Distribution Expenses		(5,066,087)		(4,406,694)	
Administrative Expenses		(5,289,594)		(4,138,170)	
Exceptional Item	2	(1,242,838)		-	
			(17,762,261)		(13,894,090)
Trading Profit			15,799,575		14,227,302
Interest Received	3(b)		1,730,080		2,196,894
Interest Paid	3(c)		(436,705)		(1,539,746)
Profit Before Taxation	3		17,092,950		14,884,450
Taxation	5(a)		(5,232,070)		(4,193,390)
Profit After Taxation			11,860,880		10,691,060
Declared dividend	6(a)		(6,637,165)		(4,719,762)
Retained profit for the year transferred to Revenue Reserves	19		5,223,715		5,971,298
Earnings per share (kobo)	7		804		784
Adjusted earnings per share (kobo)	7		804		725
Declared Dividend per share (kobo)	7		450		346

The accounting policies on pages 32 to 34 and the notes on pages 38 to 47 form an integral part of these financial statements.

Balance Sheet

As at 30 June 2008

	Notes	2008		2007	
		₦'000	₦'000	₦'000	₦'000
Fixed Assets	8		38,044,776		30,124,847
Long Term Debtors and Prepayments	9		211,148		268,260
Current Assets (amounts falling due within one year):					
Stocks	10	12,867,442		12,720,898	
Debtors and Prepayments	11	8,316,065		6,662,196	
Deposits for Imports		108,256		26,075	
Cash and Bank Balances	12	15,107,980		22,007,151	
		36,399,743		41,416,320	
Current Liabilities (amounts falling due within one year):					
Creditors and Accruals	13	(17,155,816)		(15,745,338)	
Current portion of term loan	16	-		(5,000,000)	
Taxation	5(b)	(3,981,048)		(5,020,513)	
Dividend payable	6(b)	(798,338)		(802,465)	
Bank Overdraft	16(a)	(3,705,076)		-	
		(25,640,278)		(26,568,316)	
Net Current Assets			10,759,465		14,848,004
Total Assets less current liabilities			49,015,389		45,241,111
Deferred Tax Liability	14		(7,886,464)		(6,646,775)
Provision for gratuity and other long term employee benefits	15		(4,266,368)		(3,455,494)
Term Loan	16(b)		-		(3,500,000)
Net Assets			36,862,557		31,638,842
Capital and Reserves					
Called up Share Capital	17		737,463		737,463
Share Premium Account			1,545,787		1,545,787
Revaluation Reserve	18		3,737,615		3,751,089
Revenue Reserve	19		30,841,692		25,604,503
Shareholders' Funds			36,862,557		31,638,842

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



MR. D. M. HAINSWORTH



MR. L. TURNBULL

Approved by the Board of Directors on 11 September 2008.

The accounting policies on pages 32 to 34 and the notes on pages 38 to 47 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2008

	Notes	2008 ₦'000	2007 ₦'000
Cash Flows from Operating Activities			
Trading Profit		15,799,575	14,227,302
Adjusted for:			
Depreciation of fixed assets	8	3,125,954	2,763,545
Write-off of fixed assets		377,574	-
Gain on disposal of fixed assets		(201,424)	(111,294)
Provision for gratuity	15(a)	796,229	822,441
Provision for long service awards	15(b)	206,310	17,273
Increase in long term prepayments		(10,789)	(35,559)
Stock related exceptional items not involving movement of cash	10(a)	1,090,066	-
Trading Profit before Working Capital Changes		21,183,495	17,683,708
Working capital changes:			
(Increase)/decrease in stocks	10(a)	(1,236,610)	212,144
Increase in debtors and prepayment		(1,460,028)	(3,410,850)
(Increase)/decrease in deposits for imports		(82,181)	24,779
Increase in creditors and accruals		1,410,478	2,988,779
		19,815,154	17,498,560
Gratuity paid	15(a)	(154,214)	(130,827)
Long Service Awards paid	15(b)	(37,451)	(17,273)
Tax paid	5(b)	(5,031,846)	(2,074,757)
Net cash provided by operating activities		14,591,643	15,275,703
Cash Flows from Investing Activities			
Interest received		1,565,599	2,105,825
Purchase of fixed assets	8	(11,482,653)	(3,428,453)
Proceeds from sale of fixed assets		260,620	183,324
Proceeds from finance lease receivable		38,541	20,091
Net cash used in investing activities		(9,617,893)	(1,119,213)
Cash Flows from Financing Activities			
Interest paid	3(c)	(436,705)	(1,539,746)
Dividend paid	13(b)	(6,641,292)	(4,530,848)
Term Loan paid		(8,500,000)	-
Bank Overdraft		3,705,076	-
Net cash used in financing activities		(11,872,921)	(6,070,594)
Net (decrease)/increase in cash and cash equivalents		(6,899,171)	8,085,896
Cash and cash equivalents, beginning of year		22,007,151	13,921,255
Cash and cash equivalents, end of year		15,107,980	22,007,151
Cash and Cash Equivalents			
This comprises:			
Cash and Bank Balances		762,211	2,402,938
Short-term deposits with Banks		14,345,769	19,604,213
		15,107,980	22,007,151

The accounting policies on pages 32 to 34 and the notes on pages 38 to 47 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2008

1. Analysis of Turnover

The analysis of turnover and profit by geographical area is as follows:

	Turnover		Trading Profit	
	2008 ₦'000	2007 ₦'000	2008 ₦'000	2007 ₦'000
Nigeria	68,208,158	61,516,291	15,529,653	14,099,811
Export	964,694	749,122	269,922	127,491
	69,172,852	62,265,413	15,799,575	14,227,302

2. Exceptional Item

This represents costs associated with the launch of new Malta Guinness bottles and crates. It principally comprises of the cost of writing off old bottles and crates, writing down new bottles and crates issued to production to their deposit values and income from the disposal of the old bottles and crates. Included in the balance is an amount of ₦1,090 million relating to stock items not involving the movement of cash.

3. Profit before Taxation

(a) This is arrived at after charging/(crediting):

Staff costs (Note 4(a))	5,470,571	4,840,650
Directors' emoluments (Note 4(d))	65,972	82,655
Auditor's remuneration	19,100	14,375
Depreciation of fixed assets	3,125,954	2,763,545
Write-off of fixed assets	377,574	-
Actuarial loss for the year	36,791	44,497
Gain on disposal of fixed assets	(201,424)	(111,294)
Gain on foreign exchange transactions	(48,757)	(34,506)
Operating lease income	(149,832)	(118,518)
Finance lease income	(4,590)	(3,116)
	1,668,309	2,116,108

(b) Interest received comprises:

- Interest from short-term deposits	1,668,309	2,116,108
- Interest from finance lease	4,590	3,116
- Interest from letters of credit	300	5,333
- Other interest received	56,881	72,337
	1,730,080	2,196,894

(c) Interest paid comprises:

- Interest on term loans	(304,025)	(1,275,000)
- Other interest charges	(132,680)	(264,746)
	(436,705)	(1,539,746)

Notes to the Financial Statements

For the year ended 30 June 2008

		2008 ₦'000	2007 ₦'000
4. Particulars of Staff and Directors			
(a)	Staff cost		
-	Salaries, wages and allowances	4,231,888	3,800,710
-	Pension Contribution	236,144	200,226
-	Gratuity	796,229	822,441
-	Long Service Awards	206,310	17,273
		5,470,571	4,840,650
(b)	Average number of employees		
		2008 Number	2007 Number
	Average number employed	1,166	1,078
	Operations and Technical	710	612
	Sales and Distribution	293	306
	Commercial	78	62
	Corporate Affairs and Human Resources	64	76
	Marketing	21	22
		1,166	1,078
(c)	The table below shows the number of employees of the Company who earned over ₦350,000 (excluding pension costs and certain benefits) in the period and which fell within the bands stated below:		
		2008 Number	2007 Number
₦350,000	- ₦450,000	83	95
₦450,001	- ₦550,000	126	210
₦550,001	- ₦650,000	167	130
₦650,001	- ₦750,000	117	141
₦750,001	- ₦850,000	162	119
₦850,001	- ₦950,000	91	64
₦950,001	- ₦1,050,000	60	35
₦1,050,001	- ₦1,150,000	40	29
₦1,150,001	- ₦1,250,000	45	55
₦1,250,001	- ₦1,350,000	25	31
₦1,350,001	- ₦1,450,000	35	21
₦1,450,001	- ₦1,550,000	18	16
₦1,550,001	- ₦1,650,000	17	18
₦1,650,001	- ₦1,750,000	13	12
₦1,750,001	- ₦2,000,000	27	30
₦2,000,001	- ₦2,250,000	26	20
₦2,250,001	- ₦3,000,000	48	39
₦3,000,001 and above		83	65

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 ₦'000	2007 ₦'000
(d) Emoluments of directors of the Company who discharged their duties wholly or mainly in Nigeria		
Fees paid to Non-Executive Directors	3,623	3,000
Fees and emoluments paid to the Chairman	3,287	2,963
Emoluments paid to Executive Directors	63,062	76,692
	69,972	82,655
The emoluments (excluding pension contributions) of the highest paid Director amounted to	30,492	29,040

The table below shows the number of Directors of the Company (excluding the Chairman) whose remuneration excluding pension contributions (in respect of services to the Company) fell within the bands shown below:

	2008 Number	2007 Number
1 - 100,000	1	-
100,001 - 600,000	7	9
600,001 - 2,000,000	-	-
2,000,001 - 3,000,000	-	-
3,000,001 - 4,000,000	-	1
4,000,001 - 5,000,000	2	1
5,000,001 - 6,000,000	1	-
6,000,001 - 7,000,000	-	-
7,000,001 - 9,000,000	-	1
9,000,001 - 10,000,000	-	-
10,000,001 - 30,000,000	2	2
	13	14

5. Taxation

	2008 ₦'000	2007 ₦'000
(a) Tax charge (per profit and loss account)		
Current income tax	3,405,129	3,885,836
Education tax	424,052	355,801
Deferred tax (Note 14)	1,239,689	(321,746)
Prior year under-provision (Note (c))	163,200	273,499
	5,232,070	4,193,390

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 ₦'000	2008 ₦'000	2007 ₦'000	2007 ₦'000
(b) Tax liability (per balance sheet)				
Balance, beginning of year:				
Income tax		4,664,712		2,297,625
Education tax		355,801		282,509
		<u>5,020,513</u>		<u>2,580,134</u>
Charge for the year:				
- Income tax		3,405,129		3,885,836
- Education tax		424,052		355,801
Payment during the year:				
- Income tax	(4,667,261)		(1,792,248)	
- Education tax	(357,593)		(282,509)	
- Capital gains tax	(6,992)		-	
		<u>(5,031,846)</u>		<u>(2,074,757)</u>
Under-provision for prior year (Note (c))		163,200		273,499
Balance, end of year		<u>3,981,048</u>		<u>5,020,513</u>

- (c) Included in the prior year under-provisions are under-provisions for income tax of ₦154.4 million (2007: ₦272.9 million), education tax of ₦1.7 million (2007: ₦0.6 million) and capital gains tax of ₦6.9 million (2007: Nil).

6. Dividend

- (a) Declared dividend represents dividend proposed for the preceding year but declared during the current year.
- (b) The movement in dividend payable account was as follows:

	2008 ₦'000	2007 ₦'000
Balance, beginning of year	802,465	613,551
Declared dividend (Note (b))	6,637,165	4,719,762
Payments during the year	<u>(6,641,292)</u>	<u>(4,530,848)</u>
Balance, end of year	<u>798,338</u>	<u>802,465</u>

Dividend payable of ₦798 million (2007: Nil) was included in the reported cash and bank balances (Note 12(a)). Unclaimed dividends (numbers 73 to 77) amounting to ₦1,574 million (2007: ₦726 million) was also held by the Registrars at the year end.

7. Earnings and Declared Dividend Per Share

- (a) Earnings and declared dividend per share are based on the Company's profit after taxation of ₦11,860,880,000 (2007: ₦10,691,060,000) and declared dividends on ordinary shares of ₦6,637,165,000 (2007: ₦4,719,762,000) respectively and on 1,474,925,519 (2007: 1,363,396,904) ordinary shares of 50 kobo each, being the average number of ordinary shares in issue and ranking for dividend during the year.
- (b) Adjusted earnings per share and adjusted dividend per share have been computed on the basis of shares in issue as at 30 June 2008.

Notes to the Financial Statements

For the year ended 30 June 2008

8. Fixed Assets

	Leasehold Land and Buildings ₦'000	Plant and Machinery ₦'000	Furniture & Equipment ₦'000	Motor Vehicles ₦'000	Assets in Progress ₦'000	Total ₦'000
Cost or Valuation:						
At 1st July 2007	6,685,422	30,125,805	2,212,839	3,079,299	1,316,226	43,419,591
Additions	15,839	227,886	1,056,228	336,499	9,846,201	11,482,653
Disposals	(20,777)	-	(20,462)	(265,491)	-	(306,730)
Transfers	219,501	1,418,396	63,132	265,492	(1,966,521)	-
Write-off	-	(635,486)	-	-	-	(635,486)
At 30 June 2008	6,899,985	31,136,601	3,311,737	3,415,799	9,195,906	53,960,028
Depreciation:						
At 1st July 2007	828,351	9,108,446	1,716,444	1,641,503	-	13,294,744
Charge for the year	140,600	1,965,430	334,600	685,324	-	3,125,954
Disposals	(4,502)	-	(3,237)	(239,795)	-	(247,534)
Write-off	-	(257,912)	-	-	-	(257,912)
At 30 June 2008	964,449	10,815,964	2,047,807	2,087,032	-	15,915,252
Net Book Value						
At 30 June 2008	5,935,536	20,320,637	1,263,930	1,328,767	9,195,906	38,044,776
At 30 June 2007	5,857,071	21,017,359	496,395	1,437,796	1,316,226	30,124,847

Certain leasehold land and buildings, plant and machinery were revalued on 2 January 1997 by Messrs Knight Frank on the basis of depreciated replacement cost. The Net Book Value of revalued assets included in the above was as follows:

	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 30 June 2008	1,254,616	1,319,991	-	-	-	2,574,607
At 30 June 2007	1,303,840	1,470,144	-	-	-	2,773,984

Included in motor vehicles are assets under operating leases with third parties. The cost of these assets was ₦1,342 million (2007: ₦513 million) with corresponding accumulated depreciation charges at the balance sheet date of ₦667 million (2007: ₦138 Million).

9. Long-Term Debtors and Prepayments

	2008 ₦'000	2007 ₦'000
Long-term debtors (Note (a))	33,951	101,852
Long-term prepayments	177,197	166,408
	211,148	268,260

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 ₦'000	2007 ₦'000
(a) This represents an investment in a finance lease and is analysed as follows:		
Finance lease receivable	101,852	135,803
Less: current portion included in current debtors (Note 11)	(67,901)	(33,951)
Long-term portion	33,951	101,852

The unguaranteed residual value in respect of the leased asset at year end was Nil (2007: Nil).

10. Stocks

Bottled products	961,297	3,739,477
Products in process	202,244	228,246
Raw materials	3,577,306	3,419,045
Empty bottles and containers	4,630,191	3,826,029
Engineering spares	3,496,404	1,508,101
	12,867,442	12,720,898

Included in the above are raw materials and engineering spares in transit of ₦400 million (2007: ₦550 million).

(a) The increase in stocks for the purposes of the statement of cash flows comprises:

Balance, beginning of year	12,720,898	12,933,042
Stock related exceptional items not involving movement of cash	(1,090,066)	-
Balance, end of year	(12,867,442)	(12,720,898)
	(1,236,610)	212,144

11. Debtors and Prepayments

Trade debtors	4,959,746	3,908,810
Other debtors (Note (a))	2,604,620	2,227,635
Interest receivable	247,844	87,953
Prepayments	435,954	403,847
Current portion of long-term debtors (Note 9 (a))	67,901	33,951
	8,316,065	6,662,196

(a) Included in other debtors is an amount of ₦461 million (2007: ₦202 million) arising from transactions with Diageo Group Companies.

12. Cash and Bank Balances

Cash at Bank and in hand	762,211	2,402,938
Short-term deposits with banks	14,345,769	19,604,213
	15,107,980	22,007,151

Notes to the Financial Statements

For the year ended 30 June 2008

- (a) Included in cash and bank balances are unclaimed dividends amounting to ₦798 million (Note 13(b)) which in accordance with the Securities and Exchange Commission guidelines should be held in separate bank accounts. This amount is not available for use by the Company.

13. Creditors and Accruals

	2008 ₦'000	2007 ₦'000
Trade Creditors	5,398,206	3,353,730
Other creditors (Note (a))	7,880,373	8,536,901
Accruals	3,877,237	3,854,707
	17,155,816	15,745,338

- (a) Included in other creditors is an amount of ₦1,021 million (2007: ₦2,331 million) due to Diageo Group Companies.

14. Deferred Taxation

The movement on the deferred tax account was as follows:

	2008 ₦'000	2007 ₦'000
Balance, beginning of year	6,646,775	6,968,521
Charge/ (credit) for the year recognised in the profit and loss account (Note 5(a))	1,239,689	(321,746)
Balance, end of year	7,886,464	6,646,775

15. Provision for Gratuity and other Long Term Employee Benefits

Provision for gratuity and other long term employee benefits comprises:

	2008 ₦'000	2007 ₦'000
Provision for gratuity (Note (a))	4,097,509	3,455,494
Provision for long service awards (Note (b))	168,859	-
	4,266,368	3,455,494

The gratuity and other long term employee benefits provisions are based upon independent actuarial valuation by HR Nigeria Limited. These valuations have been carried out as at 30 June 2008. The principal assumptions i.e. discount rates, average pay increases and average rates of inflation used for the purposes of arriving at the actuarial valuation ranged between 10 % and 13 % per annum.

- (a) The movement on the gratuity provision account was as follows:

	2008 ₦'000	2007 ₦'000
Balance, beginning of year	3,455,494	2,763,880
Provision for the year	796,229	822,441
Payment during the year	(154,214)	(130,827)
Balance, end of year	4,097,509	3,455,494

The increase during the year in the discounted gratuity provision amount of ₦4,097 million arising from the passage of time amounted to ₦448 million (2007: ₦436 million). This is included in the charge for the year.

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 ₦'000	2007 ₦'000
(b) The movement on the provision for long service awards was as follows:		
Balance, beginning of year	-	-
Provision for the year	206,310	17,273
Payment during the year	(37,451)	(17,273)
Balance, end of year	168,859	-

In previous years, the accrual for other long term employee benefits was derived based on the current emoluments of employees. In the current year, the provision has been based on independent actuarial valuation performed on the projected unit credit basis. The incremental charge to the profit and loss account in the current year as a result of the change in the basis of measurement was ₦169 million.

16. Bank Overdraft and Term Loan

(a) Bank overdrafts comprise various short-term facilities obtained to finance imports and to meet working capital requirements. Total available lines of credit amount to ₦7.5 billion (2007: ₦7.5 million). The applicable interest rates on the facilities range between 12% and 14% per annum. Some of the facilities were secured by a negative pledge of the Company's assets.

(b) The movement on the term loan balance was as follows:

	2008 ₦'000	2007 ₦'000
Long term balance, beginning of year	3,500,000	8,500,000
Less: Current portion of term loan	-	(5,000,000)
Payment during the year	(3,500,000)	-
Amount due after one year	-	3,500,000

Term loan represents a facility obtained from a consortium of Nigerian banks between 2004 and 2005 to finance Company's capital expansion programme. The loan was drawn in two tranches – ₦5 billion and ₦3.5 billion. The facility had a tenor of four (4) years from the date of initial drawdown including a moratorium period of three (3) years and was priced at the Central Bank of Nigeria (CBN) Monetary Policy Rate (MPR) plus 1%. The loan was secured by a negative pledge on the assets of the Company.

In the current year, the Company opted for early liquidation of the loan and settled the outstanding amount in full. No penalties or termination charges were incurred.

17. Share Capital

Authorized:

2 billion ordinary shares of 50k each

Called up, allotted and fully paid:

1,474,925,519 ordinary shares of 50k each

Balance, beginning of year

Transfer from bonus reserve

Balance, end of year

	2008 ₦'000	2007 ₦'000
Authorized:		
2 billion ordinary shares of 50k each	1,000,000	1,000,000
Called up, allotted and fully paid:		
1,474,925,519 ordinary shares of 50k each		
Balance, beginning of year	737,463	589,970
Transfer from bonus reserve	-	147,493
Balance, end of year	737,463	737,463

Notes to the Financial Statements

For the year ended 30 June 2008

	2008 ₦'000	2007 ₦'000
18. Revaluation Reserve		
This represents the surplus on the revaluation of leasehold properties, plant and machinery. The movement on the account was as follows:		
Balance, beginning of year	3,751,089	3,790,263
Transfer to Revenue Reserve in respect of asset disposal (Note 19)	(13,474)	(39,174)
Balance, end of year	3,737,615	3,751,089
19. Revenue Reserve		
The movement on the account was as follows:		
Balance, beginning of year	25,604,503	19,594,031
Transfer from Revaluation Reserve (Note 18)	13,474	39,174
Retained profit for the year	5,223,715	5,971,298
Balance, end of year	30,841,692	25,604,503
20. Capital Commitments		
Capital expenditure commitments at year end authorised by the Board comprise:		
Contracted	651,000	1,178,000
Not contracted	8,830,000	4,239,000
	9,481,000	5,417,000
21. Contingent Liabilities		
(a) Contingent liabilities at the balance sheet date arising in the ordinary course of business out of guarantees and agreements amounted to ₦261 million (2007: ₦160 million). In the opinion of the Directors, no material loss is expected to arise from these guarantees and agreements.		
(b) No provision has been made in the financial statements for contingent capital gains tax of ₦95 million (2007: ₦100 million) which might arise on disposal of revalued leasehold land and buildings at their present net book values. However, it is not the Directors' present intention to sell these assets.		
(c) The Company is subject to various claims and other liabilities arising in the normal course of business. The contingent liabilities in respect of pending litigation and other liabilities amounted to ₦1,623 million as at 30 June 2008 (2007: ₦1,546 million). In the opinion of the Directors, based on legal advice, no material loss is expected to arise from these claims.		

Notes to the Financial Statements

For the year ended 30 June 2008

22. Transactions with Related Companies

The Company sources certain raw materials, engineering spares and fixed assets from companies related to its ultimate holding Company, Diageo Plc. Additionally, the Company pays Technical Service fees and Royalties to companies within the Diageo Group. At the year end, the total amount due to other companies within the Diageo Group was ₦1,021 million (2007: ₦2,331 million) (Note 13(a)), of which ₦442 million (2007: ₦776 million) was in respect of Technical Service fees and Royalties.

Similarly, the Company incurs certain expenses in connection with staff exchange programmes, workshops and trainings on behalf of companies related to its ultimate holding company, Diageo Plc. At year end, the total amount receivable from other companies within the Diageo Group was ₦461 million (2007: ₦202 million) (Note 11(a)).

Technical Service fees and Royalties incurred for the year include:

	2008 ₦'000	2007 ₦'000
Technical Service Fees	1,106,081	969,224
Royalties	553,041	477,927
	1,659,122	1,447,151

23. Ultimate Holding Company

The ultimate holding Company is Diageo Plc, a company incorporated in the United Kingdom.

24. Segment Reporting

The Company's primary geographical segment is Nigeria. Over 98% of the Company's sales are made in Nigeria. Also, all of the Company's products have identical risks and returns. Therefore, no further business or geographical segments information is reported.

25. Post Balance Sheet Events

Subsequent to year end, the Company passed a special resolution at the extraordinary General Meeting held on 10 July 2008 increasing the authorised share capital to ₦1.25 billion made up of 2.5 billion ordinary shares of 50 kobo each.

At the same meeting, a special dividend of 680 kobo per ordinary share of 50 kobo each, amounting to ₦10.03 billion was declared from previous years' reserves.

There were no significant post balance sheet events, which could have had a material effect on the state of affairs of the Company as at 30 June 2008, which have not been adequately provided for.

26. Comparative Figures

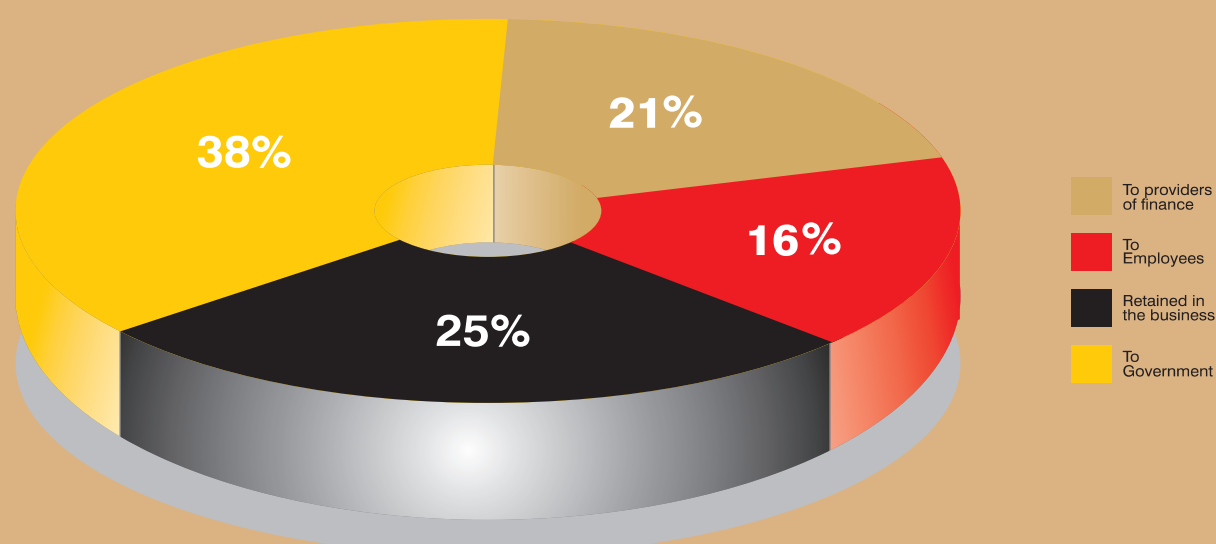
Certain prior year comparatives have been reclassified in line with the current year presentation format.

Value Added Statement

For the year ended 30 June 2008

Value added represents the additional wealth which the company has been able to create by its own employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained for the future creation of more wealth.

	2008 ₦'000	%	2007 ₦'000	%
Turnover	69,172,852		62,265,413	
Bought in materials and services				
- Imported	(9,257,194)		(8,671,339)	
- Local	(28,297,689)		(23,697,344)	
	31,617,969		29,896,730	
Interest Income	1,730,080		2,196,894	
Value added	33,348,049	100	32,093,624	100
Distribution of Value Added				
To Government:				
Tax on Company profit	5,232,070	16	4,193,390	13
Excise Duty	7,221,869	22	8,065,233	25
To Employees:				
Salaries, Wages and Fringe Benefits	5,470,571	16	4,840,650	15
To Providers of Finance:				
Dividend to Shareholders	6,637,165	20	4,719,762	15
Interest Paid	436,705	1	1,539,746	5
Retained in the Business:				
To maintain and replace Fixed Assets	3,125,954	9	2,763,545	9
To augment Reserves	5,223,715	16	5,971,298	18
	33,348,049	100	32,093,624	100



Five-Year Financial Summary

	2008 €'000	2007 €'000	2006 €'000	2005 €'000	2004 €'000
Results					
Turnover	69,172,852	62,265,413	53,651,781	46,859,356	47,369,394
Trading Profit	15,799,575	14,227,302	12,223,864	8,053,537	11,907,166
Profit before taxation	17,092,950	14,884,450	11,436,771	6,276,167	11,687,494
Profit after taxation	11,860,880	10,691,060	7,440,102	4,859,019	7,913,503
Dividend declared	(6,637,165)	(4,719,762)	(3,539,821)	(6,194,687)	(5,604,717)
Retained Earnings	5,223,715	5,971,298	3,900,281	(1,335,668)	2,308,786
Employment of Funds					
Fixed assets	38,044,776	30,124,847	29,531,969	29,179,564	24,822,548
Investment	-	-	-	-	18,316
Long term Debtors and Prepayments	211,148	268,260	181,775	379,232	79,198
Net current assets	10,759,465	14,848,004	14,186,201	8,885,787	11,391,576
Deferred Tax Liability	(7,886,464)	(6,646,775)	(6,968,521)	(5,548,363)	(5,456,673)
Provision for Gratuity and Long Term Employee Benefits	(4,266,368)	(3,455,494)	(2,763,880)	(2,628,957)	(2,752,034)
Term loan	-	(3,500,000)	(8,500,000)	(8,500,000)	(5,000,000)
Total Net assets	36,862,557	31,638,842	25,667,544	21,767,263	23,102,931
Funds Employed					
Share capital	737,463	737,463	589,970	589,970	589,970
Bonus issue reserve	-	-	147,493	-	-
Revaluation reserve	3,737,615	3,751,089	3,790,263	3,945,560	3,977,742
Share premium	1,545,787	1,545,787	1,545,787	1,693,280	1,693,280
Revenue reserves	30,841,692	25,604,503	19,594,031	15,538,453	16,841,939
Shareholders' Funds	36,862,557	31,638,842	25,667,544	21,767,263	23,102,931
Statistics					
Share price at period end	12,400k	12,655k	10,890k	8,700k	16,100k
Current Assets: Current liabilities	1.4	1.6	1.9	1.8	1.9
Per 50k share data (unadjusted):					
Earnings per share	804k	784k	631k	412k	794k
Declared dividend per share	450k	346k	300k	525k	563k
Net worth per share	2,499k	2,321k	2,175k	1,845k	2,319k
Per 50k share data (adjusted):					
Earnings per share	804k	725k	504k	329k	537k
Dividend per share	450k	320k	240k	420k	380k
Net worth per share	2,499k	2,145k	1,740k	1,476k	1,566k

Shareholders' Information

Share Capital History

The share capital history of the Company is as shown below. The issued and paid-up share capital of the Company as at 30 June 2008 is ₦737,462,759.

DATE	AUTHORISED SHARE CAPITAL		ISSUED AND FULLY PAID		CONSIDERATION
	VALUE (₦)	SHARES	VALUE(₦)	SHARES	
31-08-72	3,000,000	6,000,000	3,000,000	6,000,000	Conversion to Naira
14-12-72	5,000,000	10,000,000	5,000,000	10,000,000	Scrip Issue (2:3)
30-03-76	8,000,000	16,000,000	8,000,000	16,000,000	Scrip Issue (3:5)
05-11-76	10,000,000	20,000,000	10,000,000	20,000,000	Public Issue
11-03-77	15,000,000	30,000,000	15,000,000	30,000,000	Scrip Issue (1:2)
28-09-78	25,000,000	50,000,000	25,000,000	50,000,000	Scrip Issue (2:3)
21-02-80	37,500,000	75,000,000	37,500,000	75,000,000	Scrip Issue (1:2)
25-02-82	50,000,000	100,000,000	50,000,000	100,000,000	Scrip Issue (1:3)
15-03-84	75,000,000	150,000,000	75,000,000	150,000,000	Scrip Issue (1:2)
13-03-84	100,000,000	200,000,000	100,000,000	200,000,000	Scrip issue (1:3)
26-07-90	150,000,000	300,000,000	150,000,000	300,000,000	Scrip Issue (1:2)
18-07-90	200,000,000	400,000,000	180,000,000	360,000,000	Rights Issue(1:5)
29-09-95	350,000,000	700,000,000	270,000,000	540,000,000	Right Issue (1:2)
02-01-97	350,000,000	700,000,000	339,519,721	679,039,441	Conversion of ICLS to shares
19-06-97	400,000,000	800,000,000	339,519,721	679,039,441	Increase in authorised share capital
16-07-97	400,000,000	800,000,000	350,519,721	701,467,151	Scrip Dividend to Shares
13-07-98	400,000,000	800,000,000	353,982,125	707,964,249	Scrip Dividend to Shares
20-11-02	1,000,000,000	2,000,000,000	353,982,125	707,964,249	Increase in authorised share capital
20-11-03	1,000,000,000	2,000,000,000	589,970,207	1,179,940,415	Bonus issue (2:3)
16-11-06	1,000,000,000	2,000,000,000	737,462,759	1,474,925,519	Bonus issue (1:4)

Substantial Interest in Shares

According to the Register of Members, the following persons held more than 5% of the issued share capital of the Company on 30 June 2008.

Shareholders	Number of Shares	Percentage
Guinness Overseas Limited	678,958,195	46.03%
Atalantaf Limited	114,613,969	7.77%

Statiscal Analysis of Shareholding

- a) The shares of the company are held in the ratio of 46% by Nigerians and 54% by offshore investors.
b) The company's issued shares of 1,474,925,519 as at year end are held by shareholders as follows:

Range	No. of Holders	%	Units	%
1 - 1,000	27,765	36.31	11,788,878	0.80
1,001 - 5,000	33,623	43.97	87,204,520	5.91
5,001 - 10,000	8,240	10.77	59,741,961	4.05
10,001 - 50,000	5,649	7.39	109,033,808	7.39
50,001 - 100,000	565	0.74	39,581,584	2.68
100,001 - 500,000	500	0.65	101,302,729	6.87
500,001 - 1,000,000	76	0.10	53,091,149	3.60
1,000,001 - 999,999,999	51	0.07	1,013,180,890	68.70
Grand Total	76,469	100.00	1,474,925,519	100.0

Ten-Year Dividend History

Dividend paid in the last ten years

Year	Profit After Taxation	Dividend Paid (₦)	Dividend per Share (k)
1998 (Half Year)	906,321,000	424,778,549	60
1999	2,617,548,000	1,274,336,000	180
2000	3,094,570,000	1,699,114,000	240
2001	4,105,879,000	2,123,893,000	300
2002	4,149,536,000	2,654,866,000	375
2003	6,636,335,000	5,604,717,000	475
2004	7,913,503,000	6,194,687,000	525
2005	4,859,019,000	3,539,821,000	300
2006	7,440,102,000	4,719,762,000	400
2007	10,691,060,000	6,637,164,836	450
**2008	11,860,880,000	8,849,553,114	600

** Dividend has not been declared by shareholders

Dividends declared were gross as they were subject to deduction of withholding tax at the appropriate rates.

Members are hereby informed that some dividend warrants and share certificates have been returned to the Registrars' office unclaimed because addresses could not be traced. This notice is to request all affected shareholders to contact:

(a) **In the case of unclaimed dividends:**

The Company Secretary,
Guinness Nigeria Plc,
Oba Akran Avenue,
P.M.B. 21071,
Ikeja,
Lagos.

(b) **In the case of share certificates:**

The Registrars,
Union Registrars Limited,
2, Burma Road,
Apapa,
Lagos.

Those applying to the Company Secretary for payment of unclaimed dividends should also include either the original dividend warrants or photostat copies of their certificates to facilitate identification and payment.

Unclaimed Dividends With Dates

Dividends	Date Declared
67	18/06/98
68	10/12/98
69	18/11/99
70	24/11/00
71	22/11/01
72	20/11/02
73	20/11/03
74	23/11/04
75	24/11/05
76	15/11/06
77	15/11/07
78	10/07/08

**The Company Secretary's office,
Guinness Nigeria PLC,
Oba Akran Avenue,
Ikeja**

Notes

Notes

Proxy Form

Annual General Meeting of the members of Guinness Nigeria Plc to be held at the Banquet Hall of Excalibur Benin Hotel, 23B, Etete Road, G. R. A. (Beside NNPC), Benin City, on Friday, 28 November 2008 at 10.00 o'clock in the forenoon

I/We*
being a member/ members of GUINNESS NIGERIA PLC., hereby appoint

**

or failing him, ENGR. (DR.) R. A. ALABI or failing him, MR. D. M. HAINSWORTH or failing him, DR. N. BLAZQUEZ as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 28 November 2008 and at any adjournment thereof.

Dated thisday of 2008

Shareholder's signature.....

**Delete as necessary*

- (i) A member (Shareholder) entitled to attend and vote at the General Meeting is entitled to appoint a proxy in his stead. All proxies should be deposited at the Registrar's Office not less than 48 hours before the time of holding the Meeting.
- (ii) In the case of joint Shareholders, any of such may complete the form, but names of all joint Shareholders must be stated.
- (iii) If the Shareholder is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorised.
- (v) Provision has been made on this form for some Directors of the company to act as your proxy, but if you wish, you may insert in the blank space on the form (marked **) the name of the person whether a member of the company or not, who will attend the meeting and vote on your behalf instead of any of the Directors.
- (v) The proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the meeting.

NUMBER OF SHARES		
RESOLUTION	FOR	AGAINST
To declare a dividend		
To re-elect as Director Mr. B. J. Rewane		
To re-elect as Director Mr. D. M. Hainsworth		
To re-elect as Director Mr. F. O. Agbonlahor		
To re-elect as Director Mrs. I. C. Mafeni		
To re-elect as Director Otunba F. A. Ogunbamowo		
To re-elect as Director Prof. J. O. Irukwu		
To re-elect as Director Mr. B. E. Gwadah		
To fix the remuneration of the Auditors		
To elect members of the Audit Committee		
To fix the remuneration of the Directors		
Please indicate with an 'X' in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

ADMISSION CARD

PLEASE ADMIT
to the Annual General Meeting of Guinness Nigeria PLC which will be held at the Banquet Hall of Excalibur Benin Hotel, 23B, Etete Road, G. R. A. (Beside NNPC), Benin City, on Friday, 28 November 2008 at 10.00 o'clock in the forenoon.

This admission card must be produced by the Shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Sesan Sobowale
Company Secretary/Legal Adviser

.....
Name of shareholder

.....
Address of Shareholder

.....
Number of Shares Held

Second fold here

please affix postage

The Registrar,
Union Registrars Limited,
2, Burma Road,
Apapa.
P.M.B. 12717,
Lagos.

Third fold here and insert

first fold here



**TRIPLE
FILTERED
FOR THAT
PURE TASTE.**



REAL BEER. FOR REAL PEOPLE.

NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.




GUINNESS
NIGERIA