



RC 771

GUINNESS
NIGERIA

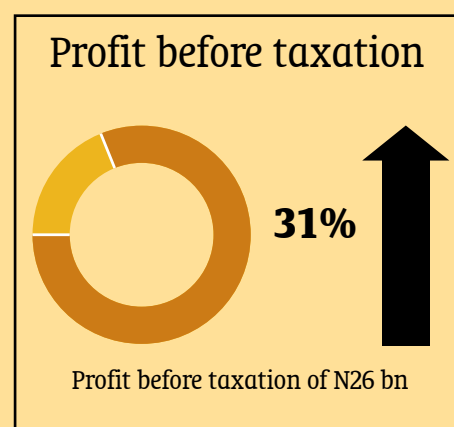
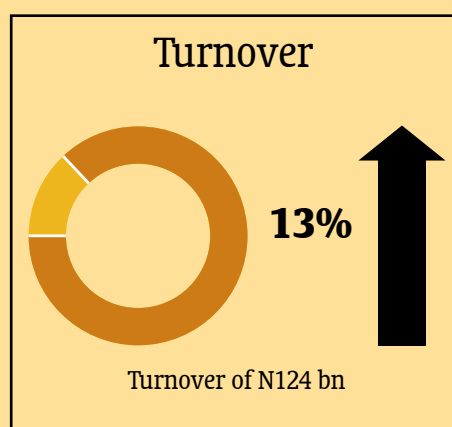
ANNUAL REPORT & FINANCIAL STATEMENTS 2011



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Performance Indicators

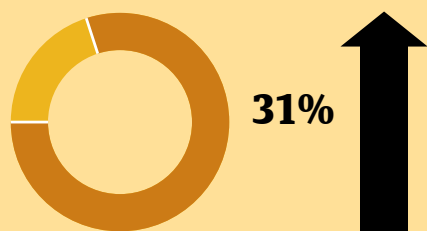


Financial Highlights

Results	2011 N'000	2010 N'000	% Change
Turnover	123,663,125	109,366,975	13
Operating profit	26,538,501	20,786,191	28
Profit before taxation	26,176,966	19,988,735	31
Taxation	8,249,032	6,252,376	32
Profit after taxation	17,927,934	13,736,359	31
Declared dividend	12,168,136	11,061,941	10
Proposed dividend	14,749,255	12,168,136	21
Capital expenditure (fixed assets and intangible assets)	12,215,027	6,491,203	88
Shareholders' funds	40,283,492	34,199,119	18
Data per 50 kobo share (in kobo)			
Earnings	1,216k	931k	31
Declared dividend	825k	750k	10
Proposed dividend	1,000k	825k	21
Net assets	2,731k	2,319k	18
Stock exchange quotation at financial year end	24,500k	15,851k	55

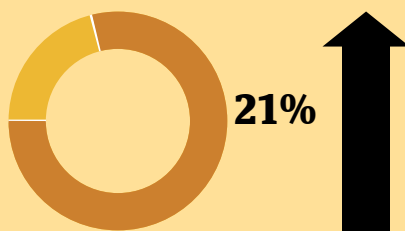
The Directors recommend the payment of a final dividend of N14.7 billion (2010: N12.2 billion), which is based on the number of ordinary shares in issue on 30 June 2011 and represents a dividend of 1,000 kobo per ordinary share (2010: 825k).

Profit after taxation



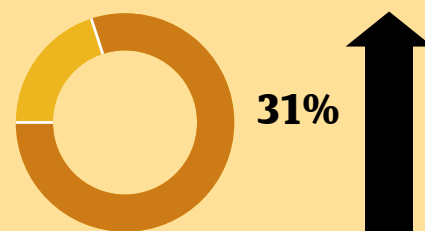
Profit after taxation of N18 bn

Dividend proposed



Dividend declared of N14.7 bn

Earnings per share



Earnings per share of 1,216k

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting of the members of Guinness Nigeria Plc will be held at the Shell Nigeria Hall of the MUSON Centre, 8/9, Marina, Lagos on Friday, 4th November 2011 at 10.00 o'clock in the forenoon to transact the following businesses:

Agenda

Ordinary Business

1. To receive the Report of the Directors, the Financial Statements for the year ended 30 June 2011 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 elect members of the Audit Committee.

Special Business

6. To fix 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 and deposited at the office of the Registrar, Zenith Registrars Limited, Plot 89A, Ajose Adeogun Street, Victoria Island, 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 Monday, 03 October 2011 to Friday, 07 October 2011 (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, 07 November 2011 to holders of shares whose names appear in the Register of Members on Friday, 30 September 2011.

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: 09 September 2011.

By Order of the Board.



SESAN SOBOWALE
Company Secretary

REGISTERED OFFICE

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

Board of Directors & Corporate Information

Directors

B. A. Savage	-	Chairman
N. B. Blazquez (British)	-	Vice Chairman
D. M. Hainsworth (British)	-	Managing Director
J. O. Irukwu (SAN)		
B. E. Gwadah		
B. J. Rewane		
F. O. Agbonlahor		
I. C. Mafeni (Mrs.)		
S. A. Baraz (British)		
M. A. Taylor (British) (Appointed with effect from 09 May 2011)		
L. G. Nichols (Ms.) (British) (Appointed with effect from 09 September 2011)		
K. R. Allan (British) (Resigned with effect from 03 February 2011)		
T. A. Olagunju (Resigned with effect from 03 February 2011)		
J. J. van Lierop (Dutch) (Resigned with effect from 31 July 2011)		

Company Secretary

Sesan Sobowale

Independent Auditors

KPMG Professional Services
(Chartered Accountants)
22A, Gerrard Road
Ikoyi, Lagos.

Solicitor

T. O. Shobowale Benson & Co.
119, Broad Street
Lagos.

Registrars and Transfer Office

Zenith Registrars Limited
Plot 89A, Ajose Adeogun Street
Victoria Island, Lagos.

Bankers

Citibank Nigeria Limited
First City Monument Bank Plc
Guaranty Trust Bank Plc
Stanbic-IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Zenith Bank Plc

Registered Office

The Ikeja Brewery
Oba Akran Avenue
P.M.B. 21071
Ikeja, Lagos

Registration No.

RC 771

Head Office

24, Oba Akran Avenue
P.M.B. 21071 Ikeja
Tel: (01) 2709100
Fax: (01) 2709338

Breweries

Ogba Brewery	Benin Brewery	Aba Brewery
Acme Road, Industrial Estate, Ogba, Lagos. Tel: (01) 2709100 Fax: (01) 2709338	Benin-Asaba Road Oregbeni Industrial Estate Ikpoba Hill, Benin City. Tel: (01) 2709100 Fax: (01) 2709338	Osisioma Industrial Layout Aba, Abia State. Tel: (01) 2709100 Fax: (01) 2709338

GUINNESS® ESTD 1759 THE MATCH



**SUPER EAGLES
VS
ARGENTINA
01.06.11
NATIONAL STADIUM, ABUJA.**

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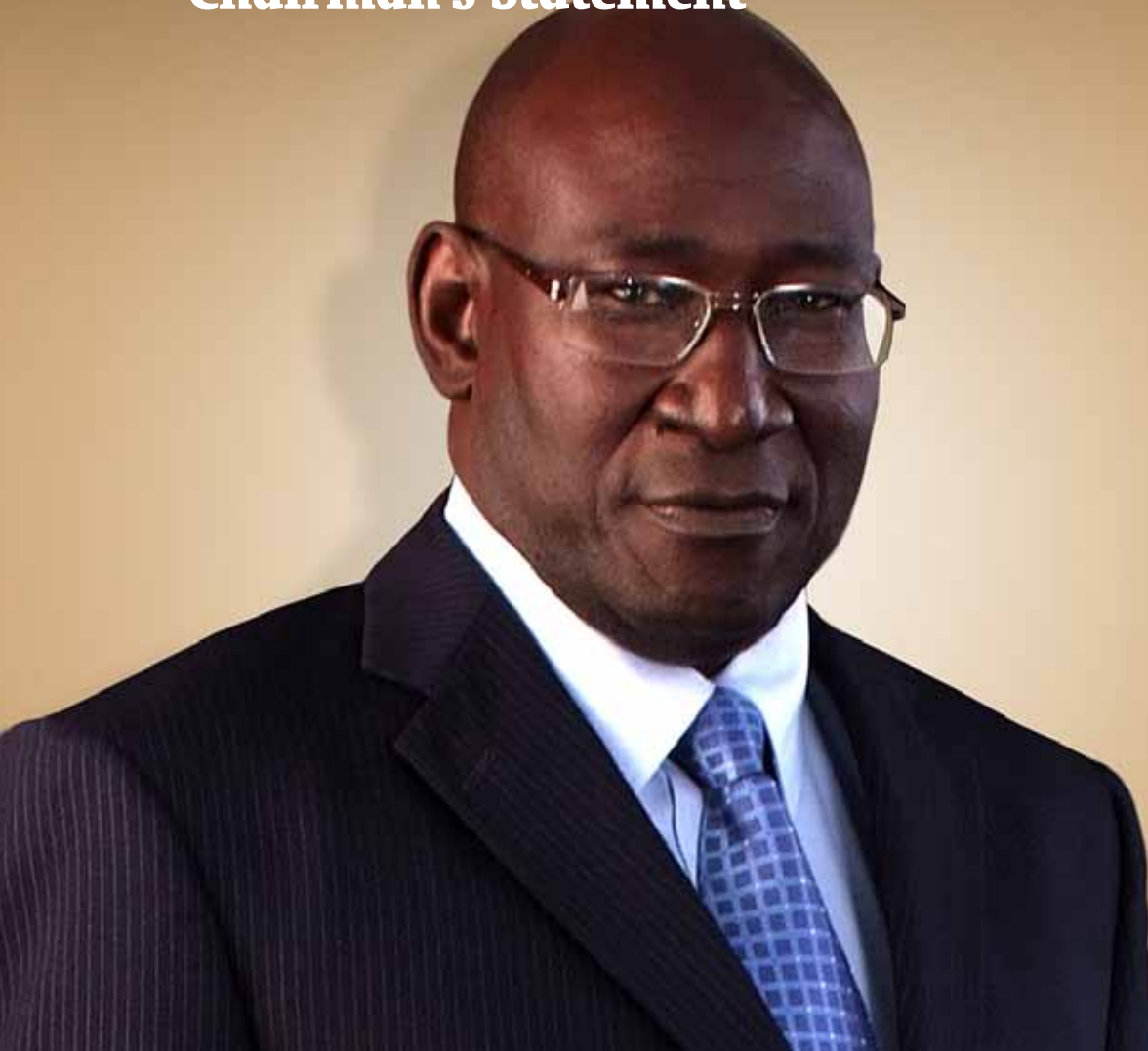
DRINK RESPONSIBLY **18+**

BEST ENJOYED
WITH FRIENDS



DRINK RESPONSIBLY 18

Chairman's Statement



Introduction

Chiefs, distinguished shareholders, directors, ladies and gentlemen, on behalf of the Board of Directors of Guinness Nigeria Plc, I welcome you all to the 61st Annual General Meeting of our Company. I thank you all for the tremendous support and encouragement you have given to the Company over the years.

Having concluded the 61st year of our corporate existence in Nigeria, it gives me great pleasure to report that Guinness Nigeria is making giant strides in operational excellence. The over 1,200 employees and the Leadership Team have worked steadily to deliver another set of amazing outcomes in our peculiar challenging business environment and have set the Company on a path of steady growth.

Business Scenario

The gradual recovery of the Nigerian economy following the global economic crisis has set the stage for economic growth. The surge of economic activities that followed the global economic recovery has made great impact on the Nigerian economy, our industry and in effect, our Company.

Nigerian external reserves have grown steadily and GDP now stands at 6.9%. The Central Bank of Nigeria continues to support and sustain the Naira against foreign currencies and has projected an increased GDP growth by the end of this year. Bank recapitalisation and monetary policies are ongoing to stabilise the business environment. Foreign investment and partnerships with emerging economies have contributed to growth in manufacturing and agriculture.

While some areas which require government's focus still remain - foreign exchange and interest rate stability, acceleration of the reform in the power sector, insecurity and high inflationary rate - the economy is steadily making a good recovery. This is attributed mainly to

the accumulation of external reserves and investor-friendly policies of the governments.

The Brewing Industry

The brewing industry has continued to experience growth year on year. International companies have continued to make investments in Nigeria creating increased competition in the markets.

Our understanding and insight of the business landscape and brilliant execution of our key initiatives has kept us at the forefront of the industry. Our new investment in capacity expansion projects has positively impacted our business.

Leveraging on football, *Guinness The Match* successfully took place creating more consumer loyalty to the brand.

Harp launched a new consumer campaign with the pay-off line "Best enjoyed with friends" which has made the product a winner amongst consumers.

Malta Guinness Street Dance Season 4 has successfully completed its pan-African championship in Ghana. This has heightened

awareness for the brand and created increased demand.

Financial Results

I am very pleased to report to you that the Company has recorded another sterling operational performance during the financial year. Turnover improved by 13% to N124 billion naira while operating profit increased by 28% to N27 billion. Profit after tax for the year is N18 billion representing a 31% growth over the prior year's performance. As a result of the strong profit delivery and in line with our priority of returning superior value to our shareholders, the directors have recommended a dividend of 1,000 kobo per 50 kobo share. We will be asking you to approve this recommendation at the Annual General Meeting.

Growth and Expansion

The ongoing capacity expansion projects in our Ogba and Benin factories are fast nearing completion. We have taken delivery and installed the brewing tanks. The gas plant and extended storage facility projects in Benin are in the final stages of installation.

The commissioning of the first phase of the new production line is set for first quarter of the 2012 financial year.



On your behalf, I would like to acknowledge the work of several of our employees who gave their time and resources to provide support to the less privileged among us through the 'Friends of the Community' programme, our employee-driven charitable initiative.

Chairman's Statement

Guinness Nigeria is a committed, responsible and caring corporate citizen. Our social investments in the areas of health, education and water are relevant to the infrastructural development of our communities. New Water of Life projects were completed in Ekiti and Kwara States bringing potable water to a total of 1.5 million people across 13 states in Nigeria.

Corporate Social Responsibility

Guinness Nigeria is a committed, responsible and caring corporate citizen. Our social investments in the areas of health, education and water are relevant to the infrastructural development of our communities. New Water of Life projects were completed in Ekiti and Kwara States bringing potable water to a total of 1.5 million people across 13 states in Nigeria.

During the year, 12 students from Guinness Nigeria's host communities were awarded engineering and technical scholarships, whilst equipment worth N3.8 million was donated to the Guinness Eye Centre at the Lagos University Teaching Hospital (LUTH).

As an alcohol beverage brewing company, we recognise a special responsibility to promote the responsible consumption of alcohol. This is important as the irresponsible consumption of alcohol can have adverse effects. Our responsible drinking initiatives which include training barmen and partnering with the Federal Road Safety Corps (FRSC), help to educate consumers on the proper consumption of alcohol.

On your behalf, I would like to acknowledge the work of several of our employees who gave their time and resources to provide support to the less privileged amongst us through the 'Friends of the Community' programme, our employee-driven charitable initiative.

Our People

One of our core objectives is to nurture and retain our talents. To achieve this, Guinness Nigeria has launched several new initiatives to develop talents and leadership skills at all levels by blending company goals with the growth aspirations of each individual employee.

Our continued success is the result of the ongoing hard work of management and our employees to which the Board remains deeply indebted.

The Future

We have continued to invest significantly in the long-term success and growth of our business. Our capacity expansion projects



We have continued to invest significantly in the long-term success and growth of our business. Our capacity expansion projects will facilitate the extension of our product offering and improve efficiency.

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In spite of the current economic conditions, our faith in the Nigerian economy remains unshaken. We hope that the end of Calendar year 2011 will mark the turning point in the recovery of the global economy. We expect the Nigerian economy to continue to grow and we are focused on ensuring that our Company benefits from that development.

Conclusion

Distinguished ladies and gentlemen, while it is pleasing that we are making progress on issues that are fundamental to our long-term success, I would like to stress that the

Board of Directors understand quite clearly that we cannot afford to be complacent. Our challenge is to ensure that we continue to earn the trust of our esteemed shareholders, our employees, consumers of our products and our communities.

I would like to express my sincere appreciation to our parent company, Diageo Plc, for its continued co-operation and support for Guinness Nigeria Plc. I would also like to acknowledge the efforts, support and guidance of my colleagues on the Board.

Finally, I would like to express our deep sense of gratitude to all of you, our shareholders, for your continued support and patience

as we strive to create the most celebrated business in Nigeria. I look forward to your continued commitment and support.

I thank you all once again for attending this Annual General Meeting and for showing great interest in our Company.

Thank you and God bless you all.

MR. BABATUNDE SAVAGE
Chairman

Directors' Report

for the year ended 30 June 2011



The Board of Directors have the pleasure of presenting to Members its Report together with the Financial Statements of the Company for the year ended 30 June 2011.

Legal form and principal activities

Guinness Nigeria Plc, a public company currently quoted on the Nigerian Stock Exchange, was incorporated on 29 April 1950 as a trading Company importing Guinness Stout from Dublin under the name Guinness Nigeria Ltd. The Company has since transformed itself into a manufacturing operation and its principal activities continue to be brewing, packaging, marketing and selling of Guinness Foreign Extra Stout, Guinness Extra Smooth, Malta Guinness, Harp Lager Beer, Gordon's Spark, Smirnoff Ice, Satzenbrau Pilsner Lager, Top Malt and Armstrong Dark Ale.

Results

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

	2011 N'000	2010 N'000
Turnover	123,663,125	109,366,975
Operating profit	26,538,501	20,786,191
Net interest expense	(361,535)	(797,456)
Profit before taxation	26,176,966	19,988,735
Taxation	(8,249,032)	(6,252,376)
Profit after taxation	17,927,934	13,736,359
Declared dividend	(12,168,136)	(11,061,941)



Dividend

The Directors recommend to the shareholders the declaration of a dividend of N14.7 billion that is 1,000k per share at the next Annual General Meeting. This dividend is subject to deduction of withholding tax.

Board Changes

Since the last Annual General Meeting, Messrs. K. R. Allan, T. A. Olagunju and J. J. Van Lierop have resigned from the Board. On your behalf, we wish to thank them for their invaluable contributions to the Company during their tenures. To fill the vacancies created by these resignations Mr. M. A. Taylor and L. G. Nichols (Ms.) were appointed to the Board. In accordance with the Articles and the provisions of the Companies and Allied Matters Act, Mr. Taylor and Ms. Nichols will retire at the forthcoming Annual General Meeting and, being eligible, hereby offer themselves for re-election.

The other Directors to retire by rotation are Messrs. B. A. Savage, J. O. Irukwu and B. E. Gwadah and, being eligible, hereby offer themselves for re-election.

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 09 August 2011 No. of shares	As at 30 June 2011 No. of shares	As at 30 June 2010 No. of shares
B. A. Savage	601,263	601,263	601,263
N. B. Blazquez	Nil	Nil	Nil
D. M. Hainsworth	Nil	Nil	Nil
J. O. Irukwu	607,866	607,866	607,866
B. E. Gwadah	2,082	2,082	2,082
B. J. Rewane	16,944	16,944	16,944
F. O. Agbonlahor	7,665	7,665	7,665
I. C. Mafeni (Mrs.)	10,350	10,350	10,350
S. A. Baraz	Nil	Nil	Nil
M. A. Taylor (Appointed with effect from 09 May 2011)	Nil	Nil	Nil
L. G. Nichols (Ms.) (Appointed with effect from 09 September 2011)	Nil	Nil	Nil
K. R. Allan (Resigned with effect from 03 February 2011)	Nil	Nil	Nil
T. A. Olagunju (Resigned with effect from 03 February 2011)	Nil	Nil	Nil
J. J. van Lierop (Resigned with effect from 31 July 2011)	Nil	Nil	Nil

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 in which the Company is involved.

Shareholding and Substantial Shareholder

The issued and fully paid-up Share Capital of the Company is 1,474,925,519 Ordinary Shares of 50 kobo each. The Register of Members shows that only one company, Guinness Overseas Limited (a subsidiary of Diageo Plc.) with 678,958,195 shares (2010: 678,958,195 shares) and 46% shareholding (2010: 46% shareholding) held more than 10% interest in the Company. Diageo Plc also owns another shareholder of the Company, Atalantaf Limited, with 114,613,969 shares (2010: 114,613,969 shares) and a shareholding of 8% (2010: 8%). Total shareholding of Diageo Plc. was 54% at the year end (2010: 54%).

Directors' Report

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

Corporate Governance

Guinness Nigeria Plc is guided by a Corporate Governance Guidelines in line with best practice and the requirements of the Nigerian Stock Exchange and in compliance with the Code of Corporate Governance in Nigeria, 2011.

The Company complied with these corporate governance requirements during the year under review as set out below.

Board of Directors

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

The Board consists of the Chairman, 6 non-executive directors 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 commercial director. In addition to having one or more of these core competencies, candidates for appointment as directors are identified and considered on the basis of 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 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 has in place, the following Board Committees:

1. General Purpose Committee

This is a Committee comprising all the executive directors of the Company with delegated responsibility for all businesses, which should be dealt with expeditiously and is not of such a nature as to necessitate consideration by a full meeting of the Directors. In particular, the Committee exercises the approval powers vested in the Board of Directors in the Company's Schedule of Limits and Authorities in between meetings of the Board of Directors.

2. Finance and Risk Committee

The Finance and Risk Committee is responsible for monitoring integrity of the Company's financial statements and reviewing the effectiveness of the Company's internal control and risk management systems, among others. The Committee comprises four non-executive directors selected on the basis of their having a wide range of financial, commercial and international experience.

Members of the Committee who served during the year are:

J. O. Irukwu, SAN - Chairman
B. E. Gwadah
B. J. Rewane
S. A. Baraz

The Committee met four times during the year with the Company's external auditors, KPMG in attendance. Each of the Committee's meetings was attended by the Commercial Director, the Financial Controller, the Business Audit Manager, the Controls and Governance Manager, the Legal Adviser and the Head of Security. The engagement partner of the external auditors, KPMG, was also present with other key members of the audit team. Other senior managers were invited to attend and brief the Committee on agenda items related to their areas of responsibilities.

The Committee receives information and reports directly from accountable functional managers and relevant external sources. As part of the Board's annual evaluation process, members were asked whether they have received sufficient and timely information to enable the Committee discharge its responsibilities effectively. The conclusion was that the process surrounding the reliability and timeliness of information was adequate.

During the year, the Committee received briefings on various financial reporting developments including aspects of the new Code of Corporate Governance in Nigeria issued by the

Securities Exchange Commission (SEC) earlier in the year. The Committee reviewed the Company's quarterly financial reports, the annual reports and financial statements, the auditor's recommendation on internal controls and the draft management representation letter before recommending their approval to the Board. The Committee also reviewed the critical accounting policies, judgements and estimates applied in the preparation of the financial statements. Reports on key risks affecting the Company's operations, related controls and assurance processes designed to manage and mitigate such risks were also reviewed by the Committee.

The Committee reviewed the plans of both the internal and external auditors and approved the plans at the beginning of the financial year. The Committee has considered the proposed audit fee structure for the 2011 financial year and has made recommendation to the Board in this regard.

The Board was kept updated and informed at its regular quarterly meetings of the activities of the Finance and Risk Committee through minutes of the Committee's meetings and verbal updates provided to the Board by the Chairman of the Committee, which is included as a regular item on the agenda of Board meetings.

The Committee participates in the annual review of the performance and effectiveness of the Board, which is facilitated by an external consultant. Part of the evaluation included questionnaires by members and one-on-one interviews with key members of the Committee including the Chairman. This year's evaluation concluded that the Committee was effective in carrying out its duties.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is charged with instituting a transparent procedure for the

appointment of new directors to the Board of Directors and making recommendations to the Board regarding the tenures and the re-appointment of non-executive directors to the Board. The Committee is also tasked with determining and agreeing with the Board, the broad framework and policy for the remuneration of executive and non-executive directors. The Committee's effectiveness has been validated by the yearly Board performance evaluation. The Committee comprised of the following members as at the end of the financial year:

N. B. Blazquez - Chairman
D. M. Hainsworth
I. C. Mafeni (Mrs.)

Code of Corporate Governance 2011

The Board has reviewed the Code of Corporate Governance ("the Code") issued by the Securities and Exchange Commission (SEC) and which became effective in April 2011. The Board has considered how the Code might impact its current practices and what changes might be required to bring the Company in line with the requirements of the Code. The Board has determined that some changes are required to current processes and that these would be implemented in the 2012 financial year.

Code of Business Conduct

The Company has in place a Code of Business Conduct (CoBC) which provides guidance to all its users on the importance of high ethical values in sustainable business growth. The CoBC is subscribed to by all members of the Board of Directors, suppliers and all employees of the Company. The Company mandates strict adherence to the Code in the Company's day-to-day operation.

Dealings in Securities Code

The Board has approved a Dealing in Securities Code, which prescribes a code of behaviour 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 mandated to obtain consent to deal from appropriate senior executives of the

Company. The Company Secretary has been designated the Code Manager in order to ensure adherence to the provisions of the Code.

Acquisition of Own Shares

The Company did not purchase any of its own shares during the year (2010: Nil).

Fixed Assets

Information relating to changes in fixed assets is given in Note 10 to the financial statements.

Distribution

The Company's products are distributed through numerous distributors who are spread across the country. The Company also has a distributor located in the United Kingdom.

Post Balance Sheet Events

There are no post balance sheet events, which could have had a material effect on the financial position of the Company as at the balance sheet date or the financial results for the year then ended on that date, which has 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 successful performance of their jobs. This entails identifying the training needs of our employees and prioritising implementation of plans to address such needs consistent with the requirements of the business.

(b) Dissemination of Information

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

Circulars and newsletters are published in respect of 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

Directors' Report

order to further facilitate the exchange of information, the Company maintains an electronic intranet facility which provides information to employees on the Company's strategic objectives and performance throughout the financial year as well as other relevant information.

(c) Employment of Physically Challenged Persons

Guinness Nigeria Plc is an equal opportunity employer and does not discriminate on any grounds. Thus, we provide employment opportunities to physically-challenged persons. However, this actually goes beyond the need to ensure that there is no discrimination against such persons, but driven by a deep conviction that even in disability, there could be immense ability. At year end, we have three (3) (2010: three (3)) physically-challenged persons in our employment.

(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 in place to monitor and guide 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

The Company made donations amounting to N50.8 million (2010: N77.9 million) as follows:

	N
Water of Life, Jebba, Kwara State	22,440,000
Water of Life, Ise-Ekiti, Ekiti State	18,630,000
Laser Eye Machine, Guinness Eye Hospital, LUTH, Lagos State	3,831,188
Scholarship to Students from Egbeoluowo Community, Aba, Abia State	75,000
Scholarship to Students from Odeukwu Community, Aba, Abia State	100,000
Scholarship to Students from Ogba Community, Ogba, Ikeja, Lagos State	160,000
Scholarship to Students from Oregbeni Community, Benin, Edo State	475,000
Maintenance of Water of Life projects	5,063,552
	50,774,740

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 under review.

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 from certain members of the Diageo group under a Technical Services Agreement and Trademark and Quality Control Agreement in respect of Guinness Foreign Extra Stout, Guinness Extra Smooth, Malta Guinness, Harp Lager, Gordon's Spark, Smirnoff Ice and Satzenbrau Pilsner Lager.

Audit Committee

In accordance with Section 359(3) of the Companies and Allied Matters Act, an Audit Committee of the Company was elected at the Annual General Meeting held in Lagos on 12 November 2010 comprising three Directors and three shareholders namely B. E. Gwadah, F. O. Agbonlahor, T. A. Olagunju, G. O. Ibade, M. O. Ojinka and N. Ezechukwu. A member of the Committee, T. A. Olagunju, resigned his membership of the Board of Directors on 03 February 2011 and discontinued his participation in the proceedings of the Committee as a result.

Independent Auditors

Messrs. KPMG Professional Services were the Company's Independent Auditors during the year under review. The Independent Auditors' report was signed by Mrs. Oluwatoyin Atinuke Gbagi, a partner in the firm, with Institute of Chartered Accountants of Nigeria (ICAN) membership number '17186'.

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

09 September 2011
By Order of the Board



DEVLIN HAINSWORTH
Managing Director

Statement of Directors' Responsibilities

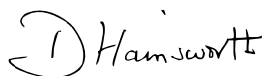
for the year ended 30 June 2011

The directors accept responsibility for the preparation of the annual financial statements set out on pages 36 to 55 that give a true and fair view in accordance with Statements of Accounting Standards applicable in Nigeria and in the manner required by the Companies and Allied Matters Act of Nigeria.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



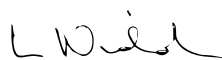
Signature

DEVLIN HAINSWORTH

Name

09 September 2011

Date



Signature

LISA NICHOLS

Name

09 September 2011

Date

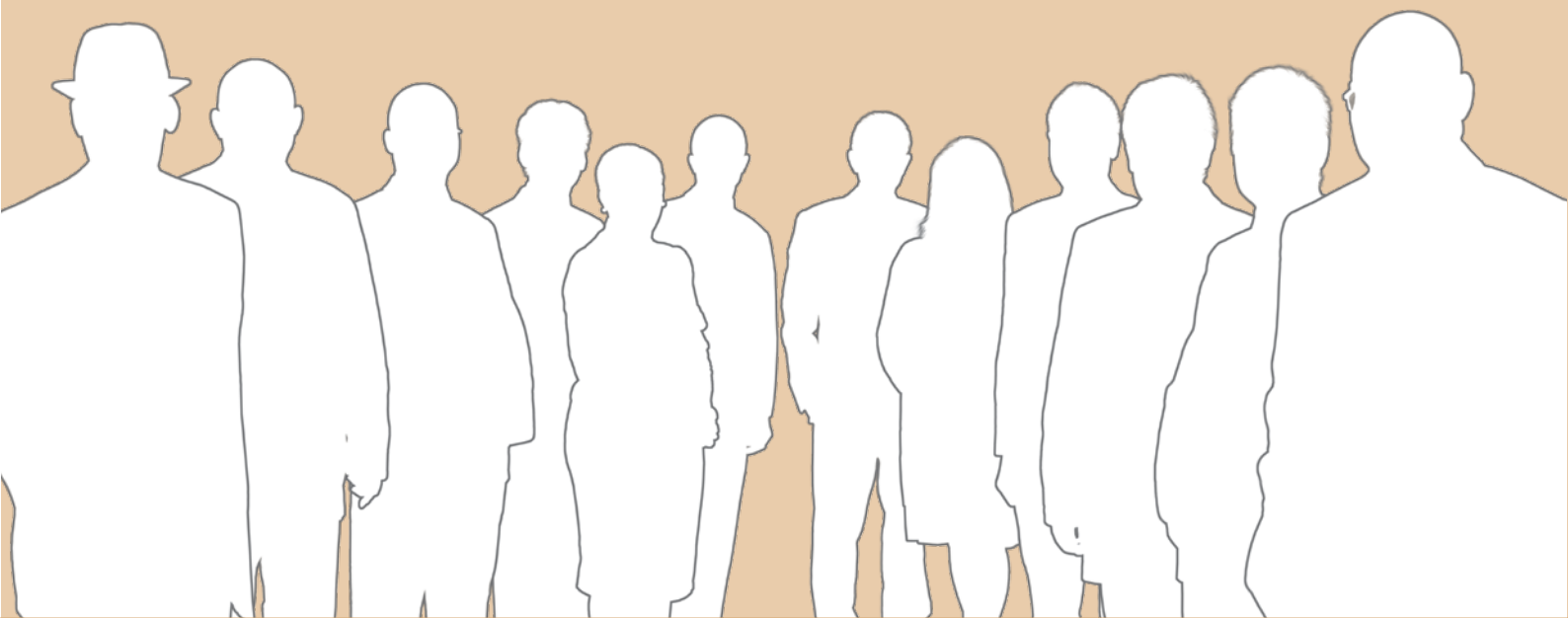




Board of Directors



Board of Directors



Mr. Babatunde Savage

holds a Bachelor of Science degree from the University of Ibadan. He had his accountancy training with Coopers & Lybrand (now PricewaterhouseCoopers) from 1978 to 1983. Mr. Savage has attended various overseas management training including a stint at the Cranfield School of Management and the Harvard Business School. He is a Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN).

Mr. Savage joined the Board of Guinness Nigeria Plc in 1996. He was the company's Director of Finance and later Corporate Planning Director. He was appointed the Corporate Affairs Director in 1998 and the Deputy Managing Director in 2005.

Upon his retirement from the Company in June 2009, Mr. Savage was appointed Chairman of the Board of Directors of the Company with effect from 1st July 2009.

He is the Chairman of the Council of the International Chamber of Commerce (ICCN) and a member of council of the Manufacturers Association of Nigeria (MAN).

Dr. Nick Blazquez

was appointed as a Director of the company in September 2004 and Vice-Chairman in February 2004. He is the President of Diageo Africa and a member of the Diageo Executive Committee. He has worked with Diageo for 20 years in a number of senior roles in Asia and Europe. He is also the Chairman of Private Investors in Africa and a non-executive Director of Mercy Corps.

He holds a Bachelor of Science degree from the University of Aberdeen and a Ph.D. from the University of Bristol. Dr. Blazquez is the Chair of the Board Nomination and Remuneration Committee.

Mr. Devlin Hainsworth,

holds a BA honours degree in History from the prestigious Cambridge University.

Upon leaving the University, he joined the IDV Graduate Training programme and progressed to become Brand Manager for the Jack Daniel's Brand. Prior to joining Diageo he spent 9 years in the UK in marketing roles for 3 FMCG companies – Smithkline Beecham, HJ Heinz and Dalgety Spillers, gaining experience in Drinks, Food and Pet Food. He has been in employment with Diageo since 1999 when he was appointed Managing Director of Guinness Ghana Limited, a position which he held for 7 years before moving on to be the African Business Systems Transformations Director with responsibility for the implementation of SAP/SBM in East Africa and later in Ghana and Nigeria.

Until his appointment as the Managing Director of Guinness Nigeria Plc, he was the Commercial Projects Director with focus on key sales and marketing activities for Guinness Nigeria Plc.

Professor J. O. Irukwu, SAN

holds MBA and Ph.D. degrees as well as several honorary doctorate degrees. He is a Fellow of the Corporation of Insurance Brokers, a past president of the West African Insurance Companies Association and the Founding President of the Professional Reinsurers

Association of Nigeria. He is a Professor of Law and Insurance

A Senior Advocate of Nigeria, Professor Irukwu is also a past President of *Ohaneze Ndigbo*, a socio-cultural group representing the third largest ethnic group in Nigeria. Professor Irukwu joined the Board of the Company as a non-executive director in December 1996.

Professor Irukwu is the current Chair of the Finance and Risk Committee of the Board.

Mr. Bitrus Gwadah

has a honours degree in Law and has been admitted to the Nigerian Bar as a Barrister and Solicitor.

He was Managing Director/CEO, NIDB Trustees Limited, a subsidiary of Nigerian Industrial Development Bank Limited.

In addition to being a Director of Guinness Nigeria, he is also engaged in private legal practice and consultancy. He joined the Board of Guinness Nigeria in 2000 as a Non-Executive Director.

Mr. Gwadah represents the Board on the Audit Committee. He is also a member of the Finance and Risk Committee of the Board.

Mr. Bismarck Rewane

graduated from the University of Ibadan with a Bachelors degree in Economics (1972). He worked at several blue-chip financial institutions within Nigeria and abroad holding various senior management positions.

Between 1981 and 1989, he was with International Merchant Bank Nigeria Limited, where he held such positions as General Manager, Assistant General Manager, Head of Development Finance & Divisional Credit Manager. He has also worked with the First National Bank of Chicago, Barclays Bank of Nigeria and Barclays Bank International Plc, United Kingdom.

An Associate of the Institute of Bankers, (England & Wales), Rewane has served on the board of several organisations, including Navgas (a Vitol Group subsidiary), NLNG Prize Award Foundation, UNIC Insurance Plc, Nigeria Economic Summit Group, UBA Custodian Limited, Virgin Nigeria Airways Limited, Fidelity Bank Plc, First City Monument Bank Plc and Top Feeds Nigeria Limited.

Bismarck Rewane joined the Board of Guinness Nigeria as a Non-Executive Director in 2008. He is a member of the Board Finance and Risk Committee.

Mr. Francis Agbonlahor

has a Bachelor of Science degree in Industrial Chemistry from the University of Benin Nigeria, a foundation certificate from the Institute of Chartered Accountants of Nigeria (ICAN) and qualified as Master Brewer from the Institute of Brewing and Distilling in the United Kingdom.

Mr Agbonlahor has a wealth of experience spanning over 20 years in areas such as Brewing, Packaging, Inventory Management, Research and Development, Integrated Demand and Supply Planning, Project Management, Business Strategy, Customer Services and Logistics and Brewery Management.

He joined Guinness Nigeria in 1990 as a Graduate Trainee and has served in several roles over the last 20 years. Until his appointment as Supply Chain Director on 1 September 2008, he was the Plant Manager of Guinness Nigeria Benin Brewery.

Mrs. Ifeoma Mafeni

holds a law degree from the University of Nigeria, Nsukka. She began her HR career with Glaxo SmithKline in 1994 (then called SmithKline Beecham) as a Graduate Management Trainee in Human Resources and held diverse roles in Human Resources and Legal, before she resigned in 2002 as Company Secretary/ Head of Legal.

She joined Accenture where she worked as Human Resources Lead before joining Guinness Nigeria. Until her current appointment to the Board as Human Resources Director, she was the Director of Human Resources. Prior to that, she was the Talent Manager, Guinness Nigeria Plc.

Mr. Selim Baraz

holds a Bachelor's degree in Economics and Politics from the University of Kent at Canterbury and an MBA in Finance and Strategic Management from the Carlson School of Management, Minneapolis, United States. He joined Pillsbury/Grand Metropolitan in 1993 in the Finance Department and has held several senior leadership positions in Diageo Plc spanning several key markets including Great Britain, Northern Europe and Russia and Eastern Europe. He was appointed the Finance Director of Diageo Africa in August 2010 and joined the Board of Guinness Nigeria Plc as a non-executive director in September 2010. He serves on the Board Finance and Risk Committee.

Mr. Mark A. Taylor

graduated from the University College of Birmingham and began his early career at De Vere Hotels in 1990 as a Graduate Trainee. He proceeded to Carlsberg – Tetley Brewing Ltd (1993) and IDV Morgan Furze (1994) as Trade Market Executive and Trade Market Manager respectively before joining Diageo Plc as Commercial Development Director in 1998. Mark has attended various international management training institutions including Glendenning Management Consultancy and London Business School.

Mr. Taylor has over 20 years of international experience which spans developing, implementing and embedding both commercial and sales strategy, change management, delivery of business plan, inspirational leadership, building positive relationship, political understanding and influencing etc. Mr. Taylor was appointed Commercial Director, Diageo Africa in April 2011 and to the Board of the Company as a Non-Executive Director on 09 May 2011.

Ms. Lisa Nichols

joined Diageo in September 1992 as Financial Analyst, IDV, Asia Pacific based in London. From there, she subsequently worked in Dubai, Beirut, Kingston Jamaica, Chicago, Budapest and London in several positions of increasing

leadership responsibilities in finance, audit and general management spanning market finance director, financial control, treasury, financial planning and reporting and global audit and risk.

Ms. Nichols has been the Global Business Support Director Africa and a member of the Diageo Africa executive team for the last one year and, in this role, was responsible for strategy, decision support, business development and new business ventures. In her time with Diageo Africa, she has focused on getting broad alignment to Diageo's growth strategy for Africa, improving focus on value creation and the capabilities to support this and in building/developing a great team.

Ms. Lisa Nichols holds a BA (Hons.) degree in Mathematics from the Oxford University and is an associate member of the Chartered Institute of Management Accountants (ACMA). She has lived and operated successfully across many parts of the world and speaks French, basic German and basic Hungarian in addition to English. She joined Guinness Nigeria Plc as the Commercial Director with effect from 1st August 2011 and was appointed to the Board as an Executive Director on 9th September 2011.

Mr. Sesan Sobowale

qualified as a Solicitor and advocate of the Supreme Court of Nigeria and was admitted to the Bar in December 1990. He has over 20 years of commercial legal experience in Nigeria's leading commercial law firms including G. M. Ibru & Co., Udo-Udoma & Bello-Osagie and The Law Union. He is an Associate member of the Chartered Institute of Taxation of Nigeria (CITN) and the Institute of Chartered Secretaries and Administrators (Nigeria and UK). Mr. Sobowale is a member of Council of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN).

He was appointed Regulatory Advisor at Nigeria's MTN Nigeria Communications Limited in August 2004 from where he was appointed as Legal Adviser in Guinness Nigeria Plc on 18th April 2005.

Mr. Sobowale was appointed by the Board as Company Secretary in September 2006.



Sesun Sobowale
Director, Corporate Relations/
Company Secretary



Mr. Dan Brusier
Sales Director



Lisa Nichols
Commercial Director



Devlin Hainsworth
Managing Director



Francis Agbonlahor
Supply Chain Director



Rory Mcmillan
GM spirits



Ifoma Mafeni
Human Resources Director



Mr. Ruairi Twomey
Marketing & Innovation Director

Guinness Nigeria Leadership Team



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JOINED YET?**

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OR log on to www.guinnessvip.com

Expanding for You

Guinness Nigeria Commissions New Brew-House at Ogba Brewery, Lagos

On Wednesday 16th February 2011, in a prestigious gathering of top diplomats, members of the Board of Directors, executives and employees of Guinness Nigeria Plc, government officials and traditional rulers witnessed the commissioning of a brand new brew house at the Lagos brewery of Guinness Nigeria by the UK Minister to Africa, Henry Bellingham MP.

The expansion of the Brew House has increased the company's brewing capacity to further boost supply and cater for the increasing demands by consumers for our iconic brands.



From left - front row, UK Minister for Africa, Henry Bellingham MP; MD, Guinness Nigeria, Devlin Hainsworth; Chairman, Guinness Nigeria Plc, Babatunde Savage and Professor J.O. Iruku
From left-back row, British High Commissioner to Nigeria, Andrew Lloyd; President Global Supply and Procurement Diageo Plc, Mr. David Gosnell



Left to right: British High Commissioner to Nigeria, His Excellency Mr. Andrew Lloyd, The Right Honourable Henry Bellingham MP, Her Britannic Majesty's Minister for Africa; Mr. David Gosnell, President Global Supply and Procurement and member of the Executive Committee of Diageo Plc; Mr. Babatunde, Savage, the Chairman of Guinness Nigeria Plc and Mr. Devlin Hainsworth, Managing Director Guinness Nigeria Plc share a Guinness at the commissioning of the Ogba New Brew house in Lagos.

Guinness Nigeria and Diageo Reaffirm Commitment to Nigeria with £225million investment in expansion of capacity

The expansion project became imperative to meet the growing demands of our consumers for Guinness Foreign Extra Stout, Harp Lager Beer and other iconic brands enjoyed nationwide. The investment will include the upgrading of existing facilities as well as increasing the brewing capacity of both Benin and Ogba Breweries.



5 Brand new vessels recently installed at the Ogba Brewery in Lagos

Celebrating and Rewarding Our Customers

Sales Distributors' Conference

Our Sales Distributors' Conference is an annual celebration of top performing customers across all our sales divisions, which took place Friday, 5th November 2010 at The Eko Hotel & Suites, Victoria Island.

Our Customers and top performers are partners in our success and are duly recognized with amazing awards and rewards.



Devlin Hainsworth and the No 1 customer in the Lagos Division Alhaji Taofeek Shodiya MD, Tasho Nigeria Limited and his wife.



From the left is Maurice Diekem; Devlin Hainsworth, MD Guinness Nigeria Plc; The no 1 distributor in Nigeria Chief (Dr.) Edmund Okafor of Eddinho Nigeria Limited.

Cryslad Group receives award in London



Mark Taylor, Commercial Director, Diageo Africa; Dayo Aderonmu and Banjo Onanubi, Group MD & CEO Cryslad Group (Ikeja Distributor), recorded one million cases and 30% growth this financial year, being presented with a certificate and a bottle of Johnnie Walker Blue Label at Diageo Plc's headquarters in London.

Promoting Responsible Drinking

DrinkIQ now a part of Lagos State driving lessons curriculum

On Friday, 17th June 2011, Guinness Nigeria commissioned a classroom at the Federal Road Safety Commission (FRSC) where DrinkIQ [a lecture resource designed by Diageo to help combat alcohol misuse and promote responsible drinking] will now form a part of the driving lecture series that will qualify prospective drivers to obtain their national drivers license. Guinness Nigeria partnered with the Lagos State Sector Command of the Federal Road Safety Commission to refurbish its lecture hall by repainting the hall and installing air-conditioning and multimedia systems to ensure that the populace receive their lectures in a conducive environment.



Lagos Sector Commander (FRSC), Mr. Jonas Agwu; Devlin Hainsworth, MD Guinness Nigeria Plc and Adrienne Nwagwu, Corporate Social Responsibility Manager at the commissioning of the refurbished FRSC classrooms and the inclusion of Drink IQ on the FRSC Lagos sector command curriculum.

Drink IQ training workshop held for our suppliers and distributors



Guinness Nigeria has successfully launched various initiatives under the Responsible Drinking agenda. At the Guinness the Match event in Abuja, where the national football team, the Super Eagles played against the Argentina national team, there was an extensive awareness programme which involved free bus rides, free bottled water and communication materials on responsible drinking, to encourage adult consumers to drink responsibly. Various dignitaries and celebrities including Tuface Idibia supported our 'Don't Drink and Drive' campaign by signing on the pledge board.

Enriching Our Communities

Super Eagles Support Guinness Nigeria Water of Life Project at Mararaba, Nasarawa State

Ahead of the epic match between Nigeria and Argentina, titled 'Guinness The Match', which took place at the National Stadium, Abuja on Wednesday 1st June, players from the Super Eagles (Nigeria's National Football Team), senior management from Guinness Nigeria Plc and local community leaders visited a Water of Life project in Mararaba- Nasarawa State.



L - R: Super Eagles Player, Ahmed Musa; representative of the Esu of Karu, Alhaji Ayuba Dogo, Sesan Sobowale, Director Corporate Relations and Super Eagles Player, Peter Utaka cutting the ceremonial tape at the Water of Life project at Mararaba ahead of Guinness the Match in Abuja.



Employees of Guinness Nigeria and Friends of the Community Champions manning the stands at 'Project Shop4 Free'.



Friends of the community painting a block of classrooms at Anwar-ul-Islam Primary School in Ogba.

Friends of the Community

Guinness Nigeria employees, under the arm of Friends of the Community, an employee driven charitable initiative brought laughter and cheer to over 60 children from three Lagos based orphanage homes namely: "Saint Monica Orphanage home", "Heritage orphanage home" and "Light of Hope Orphanage" by treating them to fun and games, refreshments and an opportunity to shop for items of clothing, toys, books and lots more for free in what was code named Project "Shop For Free".

Friends of the Community also painted a block of classrooms at the primary school opposite their Headquarters-Anwaar-ul-Islam Primary School.

Guinness Nigeria Marks World AIDS Day-A Celebration of Life!

Guinness Nigeria supported World AIDS Day by providing a rapid 20-minute HIV testing at Oba Ogunji Park, Pen Cinema. In addition to testing, there was free condom distribution and nutrition information for all attendees.



Guinness Nigeria employees supporting World AIDS Day

Guinness Nigeria Donates Eye Laser Equipment To Guinness Eye Center, LUTH

Guinness Nigeria recently reinforced its commitment to improving healthcare in Nigeria by partnering with the Lagos State University Teaching Hospital, LUTH, by providing a multimillion naira eye laser equipment for the Guinness Eye Centre. The Centre established by Guinness about 49 years ago continues to receive support from the company to assist the hospital provide good healthcare for the people of Lagos state.



Members of the Guinness Eye Center LUTH, Sesan Sobowale, Director Corporate Relations, Mrs. Adrienne Nwagwu, Corporate Social Responsibility Manager at the donation of a state-of-the-art laser equipment at the Guinness Eye Centre LUTH.



Paving the way in our communities - Guinness fixes Cocoa Industries Road

As part of her Corporate Social Responsibility focus, in January 2011, work commenced on reconstructing the Cocoa Industrial Road, Ikeja and providing world class facilities.

The project covers the entire 780 metres length of the road, 400 metres of which will be a dual carriage way. The road on completion will boast of a 40 metres long trailer park with concrete hard stand to prevent wearing off. Other features of the road are a pedestrian walkway on both sides of the road, open drains for easy maintenance and streetlights to brighten up the area at night!

Delighting Our Consumers

Guinness Nigeria creates the 'Perfect Match'

On 1 June 2011, Guinness Nigeria fulfilled the dreams and hopes of the entire Nigerian nation by bringing the Argentinean football team to play the Nigerian 'Super-Eagles' national side in Nigeria for the very first time in the 'Guinness the Match'; a match which ended in victory for Nigeria. The Match was played in Abuja in the presence of the Vice-President of Nigeria, Ach. Namadi Sambo.

Guinness Foreign Extra Stout united Nigeria and ignited their passion for football to an unprecedented level.



From left: Mr Samson Siasia, Super Eagles coach; Team Captain Joseph Yobo; Ach. Namadi Sambo, Vice President Federal Republic of Nigeria; Babatunde Savage, Chairman Guinness Nigeria Plc; Devlin Hainsworth, MD Guinness Nigeria Plc and Taiye Taiwo, Super Eagles player with the trophy after beating the Argentinian team 4-1.



Super Eagles celebrating after scoring a goal at the Guinness the Match event at Abuja on 1st June 2011.



Bringing top of the world entertainment!

Four years ago, Malta Guinness blazed the trail and led the dance revolution in Nigeria in a dance competition tagged the 'Malta Guinness Street Dance Africa'. The four seasons were filled with fun, energy and gave the youths the opportunity to showcase their talents and fulfil their street dance potentials while producing street dance champions

Top: Regional auditions for the 'Malta Guinness Street Dance' Africa Season IV competition.
Bottom: X-Fellaz, Pan African champion of the 3rd season of the Malta Guinness Street Dance Africa



Designated cab driver as part of Responsible Drinking Activation at the event.



Dbanj performing at the Smirnoff Night Life Xchange programme.

Miami Nice - Smirnoff Transforms Lagos

March 24, 2011, at the Expo Hall, Smirnoff treated some lucky Lagosians and some even luckier Smirnoff consumers from outside Lagos to the Smirnoff Nightlife Exchange. The concept was unlike anything experienced before. At 7 pm, the Lagos/Miami border doors parted and guests poured in to experience the nightlife of Miami, the home of sun, surf, sand, neon lights and, of course, beautiful people.

Improving Stakeholder Relations

Guinness Nigeria pays courtesy visit to the Director General of NAFDAC

A high profile team of executives from Guinness Nigeria Plc, on Monday 14th February 2011, paid a courtesy visit to the Director General of the National Agency for Food and Drug Administration and Control (NAFDAC), Dr. Paul Orhii.



From left: Head of Security, Guinness Nigeria Plc, Mr. Tony Oghoghorie; Mrs. Hauwa Keri, Director, Establishment Inspection; Director, Corporate Relations, Guinness Nigeria Plc, Mr. Sesan Sobowale; DG of NAFDAC Dr. Orhii; Mr. Devlin Hainsworth, MD Guinness Nigeria Plc; Mrs. S.A. Denloye, Director Laboratory Services; the Head of Public Policy Guinness Nigeria Plc, Mike Onuoha; General Manager, Diageo Brands Nigeria, Mr. Rory Mcmillan; Brand Change Manager, Guinness Nigeria Plc, Mrs. Henrietta Udolisa and Head of Public Policy, Diageo West Africa, Mojisola Akpata.

Diageo Africa Business Reporting Awards

The Diageo Africa Business Reporting Awards (DABRA) was initiated in 2004. The Awards recognise excellence in business journalism about Africa with a view to strengthening and encouraging more coverage within Africa and increase the continent's share of voice in the international media.

Anthony Osae Brown of Business Day Newspaper (one of our indigenous newspapers and recipient of the DABRA Awards for 3 consecutive years) won the 'Best Business News' category at the DABRA awards held on 30 June 2011 in London.



Punke Osae- Brown (on behalf of her husband, Anthony Osae- Brown) receiving the award for 'Best Business News' from Mr. Nick Blazquez, President, Diageo Africa at the DABRA Awards in London.

Consumer Protection Council (CPC) Visit

On the 7th of December 2010, a team from Consumer Protection Council, comprising 5 senior officials visited Ogba brewery to have a tour of the facility.

A key aspect of our anti-counterfeiting strategy is to engage regulatory agencies to seek and get their support in fighting the counterfeiting of our brands.



From left: Plant Manager, Ogba Brewery, Tunde Adegbola; Dr. Nkechi Mba, Chief Scientific Officer (CPC); Ms. R.O Folami, Deputy Director, Surveillance and Enforcement (CPC) and Bayo Alli, Manufacturing Lead, Project Falcon, Ogba Brewery.

President Obama enjoys a glass of greatness during a State Visit

On Monday 23rd May 2011, the US President Barack Obama stepped into his ancestor's local pub, Ollie Hayes' bar in Moneygall, Ireland, where he was welcomed with a perfect pint of Guinness.



SATZ IS ALL GOOD.

GREAT TASTE
GREAT VALUE
GREAT PRICE





AWAKEN YOUR NIGHT LIFE.
IN STYLE.



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FEEL THE GOODNESS

vitamins iron energy

Malta
GUINNESS

ENERGY • VITALITY
ORGANIC MALT DRINK

The advertisement features a large, 3D block-letter title "FEEL THE GOODNESS" in gold and white. Below it, the words "vitamins iron energy" are written in smaller, colorful 3D letters. To the right, a large bottle of Malta Guinness is shown, with its label clearly visible. The label includes the brand name "Malta GUINNESS", a harp logo, and the tagline "ENERGY • VITALITY ORGANIC MALT DRINK". A woman is depicted lying on the lower part of the bottle's label. On the left, a man is shown in a dynamic, dancing pose. Another man is sitting on the "FEEL" part of the 3D text. The background is a bright yellow gradient, and the bottom of the image has a red, textured border.

Top of the world
Goodness!

PRIDE POWER NAIJA



GUINNESS 
THE POWER OF NAIJA

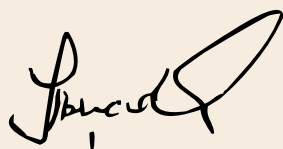
DRINK RESPONSIBLY. **18+**

Report of the Audit Committee

In compliance with Section 359(6) of the Companies and Allied Matters Act, we have -

- (a) reviewed the scope and planning of the audit requirements;
- (b) reviewed the external Auditors' Memorandum of Recommendations on Accounting Policies and Internal Controls together with Management Responses; and
- (c) ascertained that the accounting and reporting policies of the Company for the year ended 30 June 2011 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 2011 were adequate and the Management Responses to the Auditors' findings were satisfactory.



G. O. Ibhide
Chairman, Audit Committee

06 September 2011

Members of the Audit Committee and Company Secretary

G. O. Ibhide	-	Shareholder/Chairman
M. O. Ojinka	-	Shareholder
N. Ezechukwu	-	Shareholder
B. E. Gwadah	-	Director
F. O. Agbonlahor	-	Director
T. A. Olagunju	-	Director (Resigned with effect from 03 February 2011)

Sesan Sobowale	-	Company Secretary
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G. O. Ibhide



M. O. Ojinka



N. Ezechukwu



B. E. Gwadah



F. O. Agbonlahor



T. A. Olagunju



Sesan Sobowale

Independent Auditor's Report

to the Members of Guinness Nigeria Plc

Statement of Accounting Policies

A summary of the principal accounting policies, all of which have been consistently applied throughout the current and preceding years, 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 leasehold land and buildings, plant and machinery.

(b) Turnover

Turnover represents the value of beer, ready-to-drink and malt beverages despatched to third parties, net of Value Added Taxes (VAT) and discounts.

(c) Fixed Assets

Fixed assets are stated at cost or valuation less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition of the fixed asset. When parts of an item of fixed assets have different useful life, they are accounted for as separate items of fixed assets. Costs relating to fixed assets under construction or in the process of installation are disclosed as assets in progress. The cost attributable to each asset is transferred to the relevant category immediately the asset is available for use.

Borrowing costs that are directly attributable to qualifying fixed assets are capitalised. Qualifying fixed assets are those that necessarily take a substantial period of time to build. Capitalisation of borrowing costs continues up to the date that the assets are available for use in production.

(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 purpose are:

Leasehold land and buildings	-	2% or period of lease, (whichever is lower)
Plant and machinery		
- Heavy	-	5%
- Light	-	10%
- Chillers and generators	-	33.33%
Furniture and equipment	-	20%
Motor vehicles	-	25%

Depreciation is not calculated on fixed assets until they are available for use.

Assets in progress are not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Gains or losses on disposal of fixed assets are included in the profit and loss account.

(e) Intangible assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangibles are amortised on a straight line basis over their estimated useful lives from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortisation is recognised in the profit and loss account.

The estimated useful lives for intangible assets are as follows:

- Computer Software – SAP	-	5 ½ years
- Computer Software – Others	-	3 years

(f) 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, Packaging materials (excluding bottles and crates) and Engineering spares -**
Purchase costs on a weighted average basis including transportation and applicable clearing charges.
 - ii. **Finished 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.
 - iii. **Bottles and Crates -**
Deposit value which is deemed to be the net realisable value.
 - iv. **Stock in transit -**
Purchase cost incurred to date.

Weighted average and average cost are reviewed periodically to ensure they consistently approximate historical cost.

Changes in the valuation of bottles and crates (principally as a result of changes in the deposit value which are below cost) are taken to the profit and loss account to the extent that changes do not exceed historical costs.

Net realisable value is based on estimated normal selling price lesss further costs expected to be incurred to completion and disposal.

(g) Debtors

Debtors are stated after deduction of allowances for debts considered bad or doubtful of recovery. Sale of debtor balances to third parties is recorded as a reduction to the debtor balance when there is no recourse to the Company. Loss on the sale of debtor balances is recorded in the profit and loss account as part of interest expense.

(h) Provisions

A provision is recognised 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.

- i. **Restructuring**
A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan and the restructuring has either commenced or been formally communicated.
- ii. **Onerous Contracts**
A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than unavoidable costs of meeting obligations under the contract. The provision is measured at the present value of the lower of expected costs of terminating the contract and the expected net costs of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

(i) 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 or where appropriate, at the contracted rate of exchange if the balance is to be settled at a contracted rate. 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.

(j) Employee Benefits

- i. **Pension**
In line with the provisions of the Pension Reform Act 2004, the Company 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. The Company contributes 10% and 12% for management and non-management staff respectively while employees contribute 7.5% of their insurable earnings (basic, housing and transport allowance).

Statement of Accounting Policies

ii. **Gratuity**

(a). **Defined Benefit Scheme**

Lump-sum benefits payable upon retirement or resignation of employment of employees who had served a minimum of 5 years on or before 31 December 2008 when the scheme was terminated. These benefits are fully accrued over the service lives of management and non-management staff. Independent actuarial valuations are performed periodically on a projected unit credit basis. Actuarial gains or losses and curtailment gain or losses arising from valuations are charged in full to the profit and loss account. The Company ensures that adequate arrangements are in place to meet its obligation under the scheme.

(b). **Defined Contribution Scheme**

The Company has a defined contribution gratuity scheme for management and non-management staff. Under this scheme, a specified amount is contributed by the Company and charged to the profit and loss account over the service life of the employees.

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. The charge to the profit and loss account is based on independent actuarial valuation performed using the projected unit credit method. Actuarial gains or losses arising from the valuation are charged in full to the profit and loss account.

(k) **Income Tax**

Income tax expenses/credits are recognised in the profit and loss account.

Current income tax is the expected amount of income tax payable on taxable profits for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Education tax is assessed at 2% of assessable profits while capital gains tax is assessed at 10%, where applicable, of the capital gain.

(l) **Deferred Taxation**

Deferred taxation, which arises from differences in the timing of 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.

(m) **Leases**

i. **Where the Company is the lessee**

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. At the beginning of the lease term, the leased asset is measured at an amount equal to the fair value of the leased asset less the present value of unguaranteed or partially guaranteed residual value which would accrue to the lessor at the end of the term of the lease. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Other leases are classified as operating leases and are not recognised in the Company's balance sheet. Payments made under operating leases are recognised in the profit and loss on a straight line basis over the term of the lease.

ii. **Where the Company is the lessor**

When assets are held subject to a finance lease, the transactions are recognised in the books of the Company at the net investments in the lease. Net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment is the sum of the minimum lease payments plus any residual value payable on the lease. The discount on lease is defined as the difference between the gross investment and the present value of the asset under the lease. The discount is recognised as unearned in the books of the Company and amortised to income as they are earned over the life of the lease at a basis that reflects a constant rate of return on the Company's net investment in the lease.

When assets are held subject to an operating lease, the assets are recognised as fixed assets based on the nature of the asset and the Company's normal depreciation policy for that class of asset applies. Lease income is recognised on a straight line basis over the lease term.

All indirect costs associated with the operating lease are charged as incurred to the profit and loss account.

(n) 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 except where they relate to previously revalued assets, in which case, they are recognised directly against any revaluation surplus to the extent that an amount is included in the revaluation reserve account for the related assets, with any remaining loss recognised in the profit and loss account.

(o) Revaluation Reserve

Surpluses/deficits arising on the revaluation of individual fixed assets are credited/debited to a non-distributable reserve known as the 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 revaluation reserve to general reserve.

(p) Cash and Cash Equivalents

For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, cash balances with banks, and short-term deposits with original maturities of three months or less.

(q) Unclaimed Dividends

Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared, which have remained unclaimed by the shareholder. In compliance with section 385 of the Companies and Allied Matters Act of Nigeria, dividends unclaimed after twelve (12) years are transferred to general reserves.

(r) Government Grant

Export expansion grants, which compensate the Company for expenses incurred in making exports, are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

(s) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset over the period up to the time such an asset is substantially ready for its intended use. All other borrowing costs are amortised over the tenor of each loan.

(t) Short-term Investments

Short term investments are valued at the lower of cost and market value. The carrying amount is determined on an item by item basis. The amount by which cost exceeds market value is charged to the profit and loss account.

Realised gains and losses on disposal of short term investments is recognised in the profit and loss account.

(u) 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 geographical segments. The geographical 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.

Profit and Loss Account

for the year ended 30 June 2011

	Note	2011 N'000	2010 N'000
Turnover	2	123,663,125	109,366,975
Cost of sales		(68,619,520)	(61,672,051)
Gross Profit		55,043,605	47,694,924
Advertising and promotion expenses		(9,790,639)	(8,567,584)
Distribution expenses		(11,327,533)	(8,591,894)
Administrative expenses		(8,196,926)	(10,204,146)
Other income	3	809,994	780,033
Exceptional item		-	(325,142)
Operating Profit		26,538,501	20,786,191
Interest income	4 (a)	203,315	254,047
Interest expense	4 (b)	(564,850)	(1,051,503)
Profit Before Taxation	5	26,176,966	19,988,735
Taxation	7 (a)	(8,249,032)	(6,252,376)
Profit After Taxation		17,927,934	13,736,359
Appropriation:			
Transfer to general reserve	23	17,927,934	13,736,359
Earnings per share (kobo)	9	1,216	931
Declared dividend per share (kobo)	9	825	750

The Directors propose a final dividend of 1,000 kobo per share (2010: 825 kobo per share) on the issued share capital of 1,474,925,519 ordinary shares of 50 kobo each subject to approval by the shareholders at the next Annual General Meeting.



The accounting policies on pages 36 to 39 and accompanying notes on pages 43 to 53 form an integral part of these financial statements

Balance Sheet

as at 30 June 2011

	Note	2011 N'000	2010 N'000
Non Current Assets			
Fixed assets	10 (a)	46,098,557	38,244,541
Intangible assets	11	1,031,280	1,382,080
Long term debtors and prepayments	12	675,476	442,530
Total Non Current Assets		47,805,313	40,069,151
Current Assets			
Stocks	13	17,433,924	16,152,706
Debtors and prepayments	14	18,133,997	13,256,299
Deposits for imports		-	375,534
Short-term investment	15	774,000	-
Cash and cash equivalents	16	8,080,590	12,705,186
Total Current Assets		44,422,511	42,489,725
Current Liabilities			
Creditors and accruals	17	(26,342,948)	(23,628,073)
Taxation	7 (b)	(6,324,044)	(6,229,669)
Dividend payable	8	(3,921,648)	(4,952,635)
Net Current Assets		7,833,871	7,679,348
Total Assets Less Current Liabilities		55,639,184	47,748,499
Non Current Liabilities			
Deferred taxation	18	(10,282,960)	(8,356,106)
Finance lease obligation	20 (a)	(1,332,933)	(1,298,655)
Gratuity and other long term employee benefits	19 (a)	(3,739,799)	(3,894,619)
Net Assets		40,283,492	34,199,119
Capital And Reserves			
Share capital	21	737,463	737,463
Share premium		1,545,787	1,545,787
Revaluation reserve	22	3,524,134	3,296,114
General reserve	23	34,476,108	28,619,755
Shareholders' Funds		40,283,492	34,199,119

Signed on behalf of the board of directors by:

Devlin Hainsworth )
 Lisa Nichols )

Directors

Approved by the Board of Directors on 9 September 2011

The accounting policies on pages 36 to 39 and accompanying notes on pages 43 to 53 form an integral part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2011

	Note	2011 N'000	2010 N'000
Cash Flows from Operating Activities			
Operating Profit before working capital changes	24	31,093,371	26,143,559
Working capital changes:			
(Increase)/decrease in stocks		(1,281,218)	694,993
Increase in debtors and prepayments		(4,684,959)	(1,020,837)
Increase in long-term debtors and prepayments		(232,946)	(43,237)
Decrease in deposits for imports		375,534	3,615,580
Increase in creditors and accruals		4,804,952	8,762,848
		30,074,734	38,152,906
Gratuity paid	19 (b)	(216,822)	(384,303)
Long service awards paid	19 (c)	(70,606)	(76,268)
Tax paid	7 (b)	(6,219,973)	(5,253,341)
VAT paid		(4,036,560)	(4,805,217)
		19,530,773	27,633,777
Net cash provided by operating activities			
Cash Flows from Investing Activities			
Interest received		205,490	250,429
Short term investments		(774,000)	-
Purchase of fixed assets		(9,730,410)	(3,318,448)
Acquisition of intangible assets		-	(35,716)
Proceeds from sale of fixed assets		411,380	459,071
		(9,887,540)	(2,644,664)
Net cash used in investing activities			
Cash Flows from Financing Activities			
Interest paid	4 (b)	(564,850)	(1,051,503)
Dividends paid	8	(13,199,123)	(10,030,600)
Decrease in bank overdraft		-	(6,897,234)
Payment of finance lease obligation	20 (a)	(503,856)	(125,584)
		(14,267,829)	(18,104,921)
Net cash used in financing activities			
Net (decrease)/increase in cash and cash equivalents		(4,624,596)	6,884,192
Cash and cash equivalents, beginning of year		12,705,186	5,820,994
Cash and cash equivalents, end of year		8,080,590	12,705,186
Cash and Cash Equivalents			
This comprises:			
Cash at Bank and in Hand		3,558,019	10,914,551
Short-term deposits with Banks		4,522,571	1,790,635
		8,080,590	12,705,186

The accounting policies on pages 36 to 39 and accompanying notes on pages 43 to 53 form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2011

1. Reporting Entity

Guinness Nigeria Plc, a public company was incorporated on 29 April 1950, as a trading company importing Guinness Stout from Dublin under the name Guinness Nigeria Ltd. The Company has since transformed itself into a manufacturing operation and its principal activities continue to be brewing, packaging, marketing and selling of Guinness Foreign Extra Stout, Guinness Extra Smooth, Malta Guinness, Harp Lager Beer, Gordon's Spark, Smirnoff Ice, Satzenbrau Pilsner Lager, Top Malt and Armstrong Dark Ale.

2. Turnover and Operating Profit

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

	Turnover		Operating profit	
	2011 N'000	2010 N'000	2011 N'000	2010 N'000
Nigeria	123,307,459	108,801,257	26,434,399	20,692,732
Export	355,666	565,718	104,102	93,459
	<u>123,663,125</u>	<u>109,366,975</u>	<u>26,538,501</u>	<u>20,786,191</u>

3. Other Income

Other Income comprises:

	2011 N'000	2010 N'000
Operating lease income (Note 10(d))	450,089	335,144
Gain on disposal of fixed assets	322,938	426,026
Sundry income	36,967	18,863
	<u>809,994</u>	<u>780,033</u>

4. Interest

(a) Interest income comprises:

	2011 N'000	2010 N'000
Interest on short-term deposits	178,384	193,528
Interest on treasury bill	3,669	-
Interest on loan (Note 29)	14,515	6,150
Interest on finance lease	-	7,373
Other interest income	6,747	46,996
	<u>203,315</u>	<u>254,047</u>

(b) Interest expense comprises:

	2011 N'000	2010 N'000
Interest on overdraft	61,923	818,534
Finance costs	237,923	-
Finance lease charges	202,130	77,492
Other interest expense	62,874	155,477
	<u>564,850</u>	<u>1,051,503</u>

Notes to the Financial Statements

for the year ended 30 June 2011

5. Profit before Taxation

Profit before taxation is arrived at after charging/(crediting):

	2011 N'000	2010 N'000
Staff costs (Note 6(a))	7,117,637	7,921,507
Directors' emoluments (Note 6(d))	92,270	94,722
Auditor's remuneration	26,578	24,162
Depreciation of fixed assets (Note 10(a))	4,499,168	4,053,300
Amortisation of intangible asset (Note 11)	350,800	483,030
Write-back of fixed assets (Note 10(f))	(104,768)	-
Actuarial (gain)/loss on gratuity	(628,090)	571,029
Actuarial loss on long service award	393,340	254,385
Royalties, technical service and management fees (Note 29)	3,553,873	2,833,665
Gain on disposal of fixed assets	(322,938)	(426,026)
(Gain)/loss on foreign exchange, net	(345,225)	1,081,018
Provision for restructuring costs	123,646	-
Plant hire costs	177,774	86,363
Operating lease rentals	2,960,738	476,000

6. Staff Costs and Directors' Emoluments

(a) Staff costs		
- Salaries, wages and allowances	6,423,755	6,037,317
- Pension fund contribution	384,487	309,072
- Gratuity (write back)/charge (Note 19 (b))	(377,521)	886,261
- Defined contribution charge	176,787	328,054
- Long service award (Note 19 (c))	510,129	360,803
	7,117,637	7,921,507

(b) Average number of employees

	2011 Number	2010 Number
Average number employed	1,237	1,133
Operations and Technical	687	646
Sales and Distribution	388	346
Commercial	88	63
Corporate Affairs and Human Resources	51	58
Marketing	23	20
	1,237	1,133

(c) The number of employees of the Company who earned over N350,000 (excluding pension costs and certain benefits) in the year fell within the bands stated below:

	2011 Number	2010 Number
N 350,000 - N 450,000	17	2
N 450,001 - N 550,000	24	6
N 550,001 - N 650,000	22	60
N 650,001 - N 750,000	60	112
N 750,001 - N 850,000	106	121
N 850,001 - N 950,000	103	110
N 950,001 - N1,050,000	96	99
N1,050,001 - N1,150,000	117	74
N1,150,001 - N1,250,000	63	91
N1,250,001 - N1,350,000	65	73
N1,350,001 - N1,450,000	72	43
N1,450,001 - N1,550,000	67	33
N1,550,001 - N1,650,000	43	32
N1,650,001 - N1,750,000	35	23
N1,750,001 - N2,000,000	68	51
N2,000,001 - N2,250,000	57	37
N2,250,001 - N3,000,000	88	57
N3,000,001 and above	134	109
	1,237	1,133

- (d) Emoluments of directors of the Company who discharged their duties wholly or mainly in Nigeria (exclusive of gratuity and pension) are as follows:

	2011 N'000	2010 N'000
Fees paid to Non-Executive Directors	8,262	13,617
Fees and emoluments paid to the Chairman	16,379	15,012
Emoluments paid to Executive Directors	67,629	66,093
	<u>92,270</u>	<u>94,722</u>
 The emoluments (excluding pension contributions) of the highest paid Director amounted to	 <u>31,424</u>	 <u>29,232</u>

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

	2011 Number	2010 Number
N		
1,000,001 - 2,000,000	6	8
4,000,001 - 5,000,000	3	1
7,000,001 - 8,000,000	1	1
10,000,001 - 20,000,000	1	1
20,000,001 - 30,000,000	1	1
	<u>12</u>	<u>12</u>

7. Taxation

The tax charge is based on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes and comprises:

	2011 N'000	2010 N'000
(a) Tax charge (per profit and loss account)		
Income tax	5,688,771	5,471,146
Education tax	608,914	519,076
Capital gains tax	24,493	-
	<u>6,322,178</u>	<u>5,990,222</u>
Charge for the year	1,926,854	262,154
Deferred tax charge (Note 18)	<u>8,249,032</u>	<u>6,252,376</u>
 (b) Tax liability (per balance sheet)		
Balance, beginning of year	6,229,669	5,492,788
Charge for the year	6,322,178	5,990,222
Payment during the year	(6,219,973)	(5,253,341)
Withholding tax credit notes utilised	(7,830)	-
	<u>6,324,044</u>	<u>6,229,669</u>

Notes to the Financial Statements

for the year ended 30 June 2011

8. Dividend

	2011 N'000	2010 N'000
(a) Per balance sheet:		
Balance, beginning of year	4,952,635	3,921,294
Declared dividend	12,168,136	11,061,941
Payments during the year	(13,199,123)	(10,030,600)
Balance, end of year	3,921,648	4,952,635

Dividend declared represents ordinary dividend declared at the Annual General Meeting held on 12 November 2010 amounting to N12,168 million in respect of the 2010 financial year (2009 financial year: N11,061 million) (Note 23).

Subject to approval by shareholders at the next Annual General Meeting, the Directors propose an ordinary dividend of 1,000 kobo per share (2010: 825 kobo per share) on the issued share capital of 1,474,925,519 ordinary shares of 50 kobo each being the number of ordinary shares in issue and ranking for dividend.

(b) Analysis of Dividend Payable is as follows:

	2011 N'000	2010 N'000
Held with Registrar (Note 14)	2,053,648	4,161,635
Held as Treasury bills (Note 15)	774,000	-
Held in a separate bank account (Note 16(a))	1,094,000	791,000
	3,921,648	4,952,635

9. Earnings and Declared Dividend per Share

Earnings and declared dividend per share are based on profit after taxation of N17,927,934,000 (2010: N13,736,359,000) and declared dividends of N12,168,136,000 (2010: N11,061,941,000) respectively and on 1,474,925,519 (2010: 1,474,925,519) ordinary shares of 50 kobo each, being the number of ordinary shares in issue and ranking for dividend.

10. Fixed Assets

(a) The movement on these accounts during the year was as follows:

	Leasehold Land and Buildings N'000	Plant and Machinery N'000	Furniture and Equipment N'000	Motor Vehicles N'000	Assets in Progress N'000	Total N'000
Cost or Valuation:						
At 1 July 2010	8,500,409	38,881,456	2,248,019	5,207,334	5,105,502	59,942,720
Additions	109,566	847,108	29,046	106,771	11,122,536	12,215,027
Transfers	120,605	1,695,424	255,722	115,579	(2,187,330)	-
Reclassifications	94,125	(94,125)	-	-	-	-
Reinstatement of previously impaired assets	-	937,026	3,555	-	-	940,581
Disposals	(28,069)	(158,451)	(129,533)	(450,975)	(202,744)	(969,772)
At 30 June 2011	8,796,636	42,108,438	2,406,809	4,978,709	13,837,964	72,128,556
Depreciation:						
At 1 July 2010	1,241,175	15,465,065	1,901,631	3,090,308	-	21,698,179
Charge for the year	166,589	3,381,822	200,723	750,034	-	4,499,168
Reclassifications	8,611	(8,611)	-	-	-	-
Reinstatement of previously impaired assets	-	507,782	3,456	-	-	511,238
Disposals	(7,485)	(105,525)	(125,346)	(440,230)	-	(678,586)
At 30 June 2011	1,408,890	19,240,533	1,980,464	3,400,112	-	26,029,999
Net Book Value:						
At 30 June 2011	7,387,746	22,867,905	426,345	1,578,597	13,837,964	46,098,557
At 30 June 2010	7,259,234	23,416,391	346,388	2,117,026	5,105,502	38,244,541

- (b) Certain leasehold land and buildings, plant and machinery were revalued on 2 January 1997 by Messrs Knight Frank (Nigeria) – Chartered Surveyors, on the basis of their depreciated replacement cost. The values were incorporated in the books at that date. Surpluses arising on revaluation were credited to the fixed assets revaluation reserve. Additions subsequent to revaluations are stated at cost. Fixed assets are revalued periodically as dictated by prevailing economic conditions. The net book value of revalued assets included in the above was as follows:

	Leasehold Land and Buildings N'000	Plant and Machinery N'000	Total N'000
Net Book Value of revalued assets at 30 June 2011	1,118,085	788,762	1,906,847
Net Book Value of revalued assets at 30 June 2010	1,250,276	838,205	2,088,481

- (c) Included in fixed assets are certain motor vehicles and plant and machinery purchased under finance lease arrangements (Note 20) as follows:

	Motor Vehicles N'000	Plant and Machinery N'000	Total N'000
Cost	1,289,663	1,343,993	2,633,656
Accumulated depreciation	(333,236)	(384,411)	(717,647)
Net book value	956,427	959,582	1,916,009

- (d) Included in fixed assets are motor vehicles, which the Company has let out to third parties, under operating lease arrangements. The cost of these vehicles was N2,609 million (2010: N2,851 million) with corresponding accumulated depreciation charges of N1,612 million (2010: N1,397 million) at the balance sheet date. Income from these operating lease arrangements during the year was N450.1 million (2010: N335.1 million) (Note 3).
- (e) Included in fixed assets are assets purchased during the year amounting to N2,988 million (2010: N1,212 million) that had not been paid for, which are included in creditors and accruals.
- (f) Reinstated assets represent previously impaired assets deemed operational upon the reopening of Aba Brewery during the year. The assets with a net book value of N429 million form part of the assets that were impaired in the 2009 financial year when the Aba brewery was closed. The reopening of Aba brewery was necessitated by the need to increase capacity to meet increased demand for some of the Company's products. The revaluation surplus of N325 million on these assets was also re-instated and a net credit of N105 million arising was recorded in the profit and loss account (Notes 5 and 22).

11. Intangible Asset

	N'000
At Cost:	
At 1 July 2010	2,624,211
Additions	-
At 30 June 2011	2,624,211
Amortisation:	
At 1 July 2010	1,242,131
Charge for the year (Note 5)	350,800
At 30 June 2011	1,592,931
Net carrying amount:	
At 30 June 2011	1,031,280
At 30 June 2010	1,382,080

Notes to the Financial Statements

for the year ended 30 June 2011

12. Long-Term Debtors and Prepayments

	2011 N'000	2010 N'000
Due from employees (Note (a))	332,091	313,874
Long-term prepayments	343,385	128,656
	<u>675,476</u>	<u>442,530</u>

(a) Amount due from employees represents the long term component of loans granted to employees which are secured by their gratuity benefits. No interest is charged on these loans.

13. Stocks

	2011 N'000	2010 N'000
Finished products	1,554,751	66,914
Products in process	815,689	672,584
Raw and Packaging materials	5,236,899	5,110,472
Empty bottles and crates	7,217,562	6,729,215
Engineering spares	2,299,431	2,559,043
Stock in transit	309,592	1,014,478
	<u>17,433,924</u>	<u>16,152,706</u>

14. Debtors and Prepayments

	2011 N'000	2010 N'000
Trade debtors	11,032,758	4,794,685
Receivables from Registrars (Note 8 (b))	2,053,648	4,161,635
Other debtors (Notes (a))	1,640,345	1,128,936
Operating lease receivable	1,009,062	1,396,308
Interest receivable	1,443	3,618
Export expansion grant receivable	345,551	632,053
Prepayments	1,170,225	734,425
Pre-lease interest	44,619	-
Finance lease receivable	-	27,173
Amount due to related companies	836,346	377,466
	<u>18,133,997</u>	<u>13,256,299</u>

(a) Included in other debtors is an amounts of N203 million (2010: Nil) which represents receivables on sales proceeds from disposal of fixed assets.

15. Short term investment

Short term investment represents investment in treasury bills with a tenor of 91 days at an annual interest rate of 8.24%.

16. Cash and cash equivalents

	2011 N'000	2010 N'000
Cash and Bank balances	3,558,019	10,914,551
Short-term deposits	4,522,571	1,790,635
	<u>8,080,590</u>	<u>12,705,186</u>

- (a) Included in cash and cash equivalents are unclaimed dividends amounting to N1,094 million (2010: N791 million) held in a separate bank account in accordance with guidelines issued by the Securities and Exchange Commission. This amount is restricted from use by the Company (Note 8(b)).

17. Creditors and Accruals

	2011 N'000	2010 N'000
Trade Creditors	12,461,032	6,946,570
Other creditors	3,400,215	3,061,827
Accruals	3,451,413	3,536,698
Defined contribution accruals	-	539,407
Amount due to related companies	6,359,005	9,042,771
Finance lease obligations - current portion (Note 20(a))	671,283	500,800
	<u>26,342,948</u>	<u>23,628,073</u>

18. Deferred Taxation

The movement on the deferred tax account was as follows:

	2011 N'000	2010 N'000
Balance, beginning of year	8,356,106	8,093,952
Charge for the year (Note 7(a))	1,926,854	262,154
Balance, end of year	<u>10,282,960</u>	<u>8,356,106</u>

19. Gratuity and Other Long Term Employee Benefits

- (a) Gratuity and other long term employee benefits comprises:

	2011 N'000	2010 N'000
Gratuity (Note (b))	2,674,576	3,268,919
Long service awards (Note (c))	1,065,223	625,700
	<u>3,739,799</u>	<u>3,894,619</u>

Employee gratuities and other long term benefit provisions are based on independent actuarial valuation done by HR Nigeria Limited using the projected unit credit basis. The principal assumptions i.e. discount rates, average pay increases and average rates of inflation used for the purpose ranged between 10% and 13% per annum. The defined benefit gratuity scheme for management and non –management staff was discontinued and frozen on 31 December 2008.

- (b) Actuarial valuation was done for the defined benefit scheme as at 30 June 2011. The movement on the gratuity provision account was as follows:

	2011 N'000	2010 N'000
Balance, beginning of year	3,268,919	2,766,961
Current year (write-back)/charge (Note 6(a))	(377,521)	886,261
Payments during the year	(216,822)	(384,303)
Balance, end of year	<u>2,674,576</u>	<u>3,268,919</u>

The write-back of discounted gratuity provisions for the year is made up of interest charge and actuarial gain of N251 million and N628 million respectively (2010: interest charge of N315 million and N571 million actuarial loss).

Notes to the Financial Statements

for the year ended 30 June 2011

- (c) The movement on the provision for long service awards was as follows:

	2011 N'000	2010 N'000
Balance, beginning of year	625,700	341,165
Provision for the year (Note 6(a))	510,129	360,803
Payment during the year	(70,606)	(76,268)
Balance, end of year	<u>1,065,223</u>	<u>625,700</u>

Included in the long service awards provisions are interest charges and actuarial loss of N48 million and N393 million respectively (2010: N42 million and N254 million) during the year.

20. Finance lease obligation

- (a) The movement in finance lease obligations was as follows:

	2011 N'000	2010 N'000
Balance, beginning of year	1,799,455	-
Finance lease obtained during the year	708,617	1,925,039
Payments made during the year	(503,856)	(125,584)
Balance, end of year	<u>2,004,216</u>	<u>1,799,455</u>
Current portion (Note 17)	<u>(671,283)</u>	<u>(500,800)</u>
Non current portion of finance lease obligation	<u>1,332,933</u>	<u>1,298,655</u>

The leases are secured by legal ownership of the leased assets. The lease agreements stipulates that the Company may exercise the option to own the leased assets after the lease period.

- (b) Commitments for future minimum lease payments on finance leases are as follows:

	Future value of minimum lease payments N'000	Interest N'000	Present value of minimum lease payments 2011 N'000
Between 0 - 1 year	827,363	156,080	671,283
Between 1 - 2 years	743,942	95,683	648,259
Between 2 - 3 years	599,440	36,181	563,259
Between 3 - 4 years	126,867	5,452	121,415
	<u>2,297,612</u>	<u>293,396</u>	<u>2,004,216</u>

21. Share Capital

	2011 N'000	2010 N'000
Authorised: 2.5 billion ordinary shares of 50k each	1,250,000	1,250,000
Called up, allotted and fully paid: 1,474,925,519 ordinary shares of 50k each	737,463	737,463

22. Revaluation Reserve

This represents the surplus arising on revaluation of certain leasehold properties, plant and machinery. The movement on the account was as follows:

	2011 N'000	2010 N'000
Balance, beginning of year	3,296,114	3,303,146
Surplus on reinstated assets (Note 10(f))	324,575	-
Transfer to General Reserve - assets disposed (Note 23)	(96,555)	(7,032)
Balance, end of year	3,524,134	3,296,114

23. General Reserve

	2011 N'000	2010 N'000
Balance, beginning of year	28,619,755	25,938,305
Transfer from Revaluation Reserve (Note 22)	96,555	7,032
Declared dividend (Note 8(a))	(12,168,136)	(11,061,941)
Transfer from Profit and Loss Accounts	17,927,934	13,736,359
Balance, end of year	34,476,108	28,619,755

24. Operating profit before working capital changes

	2011 N'000	2010 N'000
Profit after taxation	17,927,934	13,736,359
Adjusted for:		
Taxation	8,249,032	6,252,376
Interest income	(203,315)	(254,047)
Interest expense	564,850	1,051,503
Operating profit	26,538,501	20,786,191
Adjusted for:		
Depreciation of fixed assets	4,499,168	4,053,300
Reinstatement of previously impaired assets	(104,768)	-
Amortisation of intangible assets	350,800	483,030
Gain on disposal of fixed assets	(322,938)	(426,026)
(Write back)/provision for gratuity	(377,521)	886,261
Provision for long service awards	510,129	360,803
	31,093,371	26,143,559

Notes to the Financial Statements

for the year ended 30 June 2011

25. Capital Commitments

Capital expenditure commitments at year end authorised by the Board comprise:

	2011 N'000	2010 N'000
Contracted	2,747,562	1,627,904
Not contracted	7,850,432	5,421,277
	<hr/> 10,597,994	<hr/> 7,049,181
	<hr/>	<hr/>

26. Non cancellable operating lease commitments

Operating lease rentals (where the Company is the lessee) are payable as follows:

	2011 N'000	2010 N'000
Less than one year	2,856,000	2,856,000
Between one year and two years	2,856,000	2,856,000
Between two and three years	2,380,000	2,856,000
Greater than three years	-	2,380,000
	<hr/> 8,092,000	<hr/> 10,948,000
	<hr/>	<hr/>

27. Contingent Liabilities

- Contingent liabilities at the balance sheet date arising in the ordinary course of business from assessment raised by government agencies, which are being contested and guarantees to third parties amounted to N11,325 million (2010: N11,538 million). No material loss is expected to arise from these assessments and guarantees.
- No provision has been made in the financial statements for contingent capital gains tax of N55 million (2010: N63 million) which might arise on disposal of revalued leasehold land and buildings at their present net book values as it is not the Directors' present intention to sell these assets.
- The Company is subject to various claims arising in the normal course of business. Contingent liabilities in respect of pending litigation and other possible claims amounted to N2,794 million as at 30 June 2011 (2010: N2,577 million). In the opinion of the Directors and based on legal advice, no material loss is expected to arise from these claims, thus no provision has been made in these financial statements.

28. Ultimate Holding Company

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

29. Transactions with Related Companies

(i) Diageo Group:

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 N6,359 million (2010: N9,043 million) (Note 17), of which N3,554 million (2010: N 4,053 million) represents unpaid Technical Service, Royalties and Management Fees. The charge for Technical Service, Royalties and Management Fees for the year is disclosed in Note 5.

Similarly, the Company incurs certain expenses on behalf of related companies, such as staff exchange programmes, workshops and training. At the year end, the total amount receivable from other companies within the Diageo Group was N836 million (2010: N377 million) (Note 14).

In addition, the Company has a Management Service Agreement (MSA) with Diageo Brands Nigeria Limited (DBN), a wholly owned subsidiary of Guinness Overseas Limited resident in Nigeria wherein it provides corporate relations, finance and accounting support services, human resources, marketing, legal and regulatory, serviced warehouse rental and logistic support. Total amount charged to DBN amounted to N875 million (2010: N230.5 million).

In addition, the Company entered into an agreement with DBN to advance amounts as loans as may be required subject to availability of funds with a maximum limit of N1 billion. During the year, an amount of N372 million (2010: N224 million) had been drawn down at various times during the year with interest (at 9% per annum) amounting to N14.5 million (2010: N6.2million) (Note 4(a)) earned and recorded in the profit and loss account. This loan and related interest charges have been fully repaid at year end.

Also included as a reduction to staff costs are recharges of costs related to thirty (30) employees (2010: seven (7) employees) seconded to DBN amounting to N119 million (2010: N65 million).

(ii) Others:

The Company leases its head office premises from Odua Investments Ltd., a shareholder on an annual basis. During the year, the Company renewed the lease for a twelve month period effective September 2010 at an amount of N18million.

30. Segment Reporting

The Company's primary geographical segment is Nigeria. Over 99% (2009: 99%) of the Company's sales are made in Nigeria. Also, all of the Company's products have identical risks and returns. No further business or geographical segment information is therefore reported.

31. Post Balance Sheet Events

There are no significant post balance sheet events, which could have had a material effect on the financial position and performance of the Company as at 30 June 2011, which have not been adequately provided for or disclosed in these financial statements.

32. Comparative Figures

To ensure consistency, certain prior year comparatives amounts have been reclassified to conform to the current year's presentation format.

Value Added Statement

for the year ended 30 June 2011

	2011 N'000	%	2010 N'000	%
Turnover	123,663,125		109,366,975	
Bought in materials and services				
- Imported	(24,921,059)		(20,192,521)	
- Local	(50,964,967)		(47,430,987)	
Value added by operating activities	47,777,099		41,743,467	
Interest income	203,315		254,047	
Other income	809,994		780,033	
Value added	48,790,408	100	42,777,547	100
Distribution of Value Added				
To Government as:				
Taxation	8,249,032	17	6,252,376	15
Excise duties	10,080,987	21	9,279,472	22
To Employees:				
Salaries, wages and fringe benefits	7,117,637	15	7,921,507	19
To Providers of Finance:				
Interest expense	564,850	1	1,051,503	2
Retained in the Business:				
To replace fixed assets	4,499,168	9	4,053,300	9
To replace intangible assets	350,800	1	483,030	1
To pay proposed dividend	14,749,255	30	12,168,136	28
To augment Reserve	3,178,679	7	1,568,223	4
	48,790,408	100	42,777,547	100

Value added represents the additional wealth which the company has been able to create by its own employee's efforts. The statement shows the allocation of that wealth between government, employees, providers of finance and that retained in the business.

Five-Year Financial Summary

	2011 N'000	2010 N'000	2009 N'000	2008 N'000	2007 N'000
Results					
Turnover	123,663,125	109,366,975	89,148,207	69,172,852	62,265,413
Operating Profit	26,538,501	20,786,191	19,806,485	15,799,575	14,227,302
Profit after taxation	17,927,934	13,736,359	13,541,189	11,860,880	10,691,060
Dividend declared	(12,168,136)	(11,061,941)	(18,879,045)	(6,637,165)	(4,719,762)
Employment of Funds					
Fixed assets	46,098,557	38,244,541	35,897,959	36,733,310	30,124,847
Intangible assets	1,031,280	1,382,080	1,806,834	1,311,466	-
Long term debtors and prepayments	675,476	442,530	399,293	533,823	268,260
Net current assets	7,833,871	7,679,348	4,622,693	10,759,465	14,848,004
Deferred taxation	(10,282,960)	(8,356,106)	(8,093,952)	(7,886,464)	(6,646,775)
Finance lease creditors	(1,332,933)	(1,298,655)	-	-	-
Gratuity and long term employee benefits	(3,739,799)	(3,894,619)	(3,108,126)	(4,589,043)	(3,455,494)
Term loan	-	-	-	-	(3,500,000)
Total Net Assets	40,283,492	34,199,119	31,524,701	36,862,557	31,638,842
Funds Employed					
Share capital	737,463	737,463	737,463	737,463	737,463
Share premium	1,545,787	1,545,787	1,545,787	1,545,787	1,545,787
Revaluation reserve	3,524,134	3,296,114	3,303,146	3,737,615	3,751,089
General reserve	34,476,108	28,619,755	25,938,305	30,841,692	25,604,503
Shareholders' Funds	40,283,492	34,199,119	31,524,701	36,862,557	31,638,842
Per 50k share data					
Earnings	1,216k	931k	918k	804k	784k
Declared dividend	825k	750k	1,280k	450k	346k
Net assets	2,731k	2,319k	2,137k	2,499k	2,321k

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 2011 is:

Authorised Share Capital			Issued And Fully Paid		Consideration Shares
Date	Value (N)	Shares	Value(N)		
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	350,519,721	679,039,441	
16-07-97	400,000,000	800,000,000	350,733,576	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)
10-07-08	1,250,000,000	2,500,000,000	737,462,759	1,474,925,519	Increase in authorised share capital

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 2011:

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

Statistical 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	29,185	39.98	12,004,598	0.82
1,001 - 5,000	30,990	42.45	79,797,598	5.41
5,001 - 10,000	7,148	9.79	51,759,611	3.51
10,001 - 50,000	4,749	6.50	90,601,353	6.14
50,001 - 100,000	460	0.63	32,562,999	2.21
100,001 - 500,000	365	0.50	77,399,334	5.25
500,001 - 1,000,000	52	0.07	38,712,475	2.62
1,000,001 - 999,999,999	55	0.08	1,092,087,551	74.04
Grand Total	73,004	100.00	1,474,925,519	100.00

Ten – Year Dividend History

Dividend in the last ten years

Year	Profit After Taxation	Dividend Proposed (N)	Dividend Proposed per Share (k)
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	8,849,553,000	600
2009	13,541,189,265	11,061,941,393	750
2010	13,736,359,180	12,168,135,531	825
2011**	17,927,933,821	14,749,255,190	1,000

** Dividend has not been declared by shareholders

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

Unclaimed Dividends and Share Certificates

Members are hereby informed that some dividend warrants and share certificates have been returned to the Registrars' office unclaimed because the 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
24, Oba Akran Avenue
P.M.B. 21071
Ikeja, Lagos
www.guinness-nigeria.com

- (b) In the case of share certificates
Zenith Registrars Limited,
Plot 89A,
Ajose Adeogun Street,
Victoria Island,
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 payment.

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



Proxy Form

61st Annual General Meeting of the Members of Guinness Nigeria Plc
to be held at the Shell Nigeria Hall of the MUSON Centre, 8/9, Marina, Lagos
on Friday, 4 November 2011 at 10.00 o'clock in the forenoon

I/We* being a member/members of GUINNESS
NIGERIA PLC, hereby appoint
or failing him, MR. B. A SAVAGE or failing him, MR. D. M. HAINSWORTH or failing him, DR. N. B. 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 4 November 2011 and at any adjournment thereof.

Dated this day of 2011

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 for holding the Meeting.
- (ii) In the case of joint Shareholders, any of such may complete the form, but the 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.
- (iv) 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 Meeting to obtain entrance to the meeting.

Number Of Shares		
Resolutions	For	Against
To declare a dividend		
To re-elect as Director, Mr. B. A. Savage		
To re-elect as Director, Prof. J. O. Irukwu		
To re-elect as Director, Mr. B. E. Gwadah		
To re-elect as Director, Mr. M. A. Taylor		
To elect as Director, Ms. I. G. Nichols		
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 Shell Nigeria Hall of the MUSON Centre, 8/9, Marina, Lagos on Friday, 4 November 2011 at 10.00 o'clock in the forenoon.

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

Name of Shareholder

Address of Shareholder

Number of Shares held

Sesan Sobowale
Company Secretary/Legal Adviser

Second fold here

Please affix postage

Zenith Registrars Limited,
Plot 89A,
Ajose Adeogun Street,
Victoria Island,
Lagos

First fold here

Third fold here and insert

E-Dividend Payment Mandate & Change Of Address Form



TAKE CHARGE
WITH AN ARMSTRONG

DRINK RESPONSIBLY. 18+

