OUTLINE OF THE FULL YEAR RESULTS BRIEFING

• F14 Full Year Review  |  Peter Ndegwa
• Financial Performance  |  Stephen Nirenstein
• Summary  |  Peter Ndegwa
• Q&A  |  Moderator
GUINNESS GHANA BREWERIES LIMITED

F14 Full Year Review

Peter Ndegwa
Managing Director
GGBL has a stretching vision...

To be the **most vibrant and iconic business** in Ghana

- Market leadership in beer and adult premium non-alcoholic drinks
- Transform spirits
- Innovation
- Breakthrough value initiatives
We are the only Total Beverage Alcohol company in Ghana

- Current market leader in both Beer/RTD and Adult Premium Non Alcoholic Drinks category
- Building our International Premium and Reserve brands
- Participating in Mainstream spirits opportunity
- Raising our game on Route to Consumer

Demonstrated our ability to identify new consumption categories/ occasions

- Successful launch of RUUT lager, 1st Cassava beer in Ghana
- Introduction of new formats

Delivered breakthrough value initiatives

- Led the local raw material agenda
- Invested in capacity expansion
GDP growth slowed to about 5% in a deteriorating consumer environment. We have seen most market segments decline.

> Rising inflation

> Rising interest rates

> Depreciation of the Ghana Cedi and lack of liquidity in the market

> Availability and cost of utilities

> Despite these challenges consensus is that the medium to long term economic prospects for Ghana are good
We achieved Net Sales growth of 3%...

<table>
<thead>
<tr>
<th>Category</th>
<th>GHS ‘000</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>330,645</td>
<td>+3%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td></td>
<td>+13%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>5,667</td>
<td>-23%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td></td>
<td>-82%</td>
</tr>
</tbody>
</table>
Mixed NSV performance across our brands...

- **Premium Beer**
  - Guinness
  - Beineken

- **RTDs**
  - Smirnoff Ice
  - Smirnoff

- **Mainstream Beer**
  - Star
  - Gulder

- **Value Beer**
  - Kruit Extra

- **Reserve Spirits**
  - Various premium spirits

- **Premium Spirits**
  - Johnnie Walker

- **Mainstream Spirits**
  - Gilbeys

- **APNADs**
  - Malta

The Most Vibrant and Iconic Business in Ghana

 Drink Responsibly
We continue to invest in the business...

- Actions taken to continue to strengthen Guinness FES, Star and accelerate Premium spirits
- Solid Innovation programme
- Route to Consumer and Perfect Plant Management System
- Capacity investment
- Invest in people and communities
Actions taken to continue to strengthen Guinness FES, Star and accelerate Premium spirits...

- **Guinness FES**
  - Pack renovation
  - Driving accessible pricing at retail
  - Big association with football (English Premier League and Black Stars)

- **Star**
  - Pack renovation
  - ‘No added sugar’ campaign launched end Q3 to drive brand quality credentials
  - Driving accessibility on price

- **Premium spirits**
  - Significant focus on execution at point of purchase
Solid Innovation agenda...

• Sustained the launch of RUUT beer

• Launched Smirnoff Black Ice

• Introduced new formats

• Accessing the Mainstream opportunity with Gilbey’s Gin
We are optimising our Route to Consumer...

- Increased size of sales force
- Expanded outlet coverage
- Adopting a hybrid model to reach the final customer, including wholesale and direct delivery
- Mini key distributor network set-up
- Started the journey on our Key distributor capability and capacity transformation
- Focus on execution at the point of purchase
Continued investment in Capacity and embedding a Cost focused culture ...

**Capacity and Supply Chain**

- Mainstream spirits production capability/capacity commissioned
- Kumasi capacity expansion increased capacity by 33%
  - Process
  - Packaging
  - Utilities
- Continue to develop our local raw material value chain

**Driving out Costs**

- Perfect Plant Management System implemented - improve efficiency and reduce waste
- Optimisation of supply footprint - leveraging investment in capacity
- Maximising usage of local raw materials - in 3 years moved from 10% to 40%
- In the past 2 years, we have reduced headcount by about 120 across both Demand and Supply
Our investment in people and communities underpins our business objectives...

- Water of Life programme - so far provided access to 500,000 Ghanaians
- Local raw material sourcing
  - Impacting 16,300 farmers
  - Creating sustainable value chains
- Well recognised attitudinal change
- Responsible Drinking programmes
  - Twa Kwano Mmom
  - What’s your DrinkiQ
- 40 individuals on Early Career Graduates programme
- Participation in Diageo future leaders programme
- Prioritised commercial capability build
Thank You

Please Hold the questions till the end
GUINNESS GHANA BREWERIES LIMITED

DIAGEO

GUINNESS GHANA BREWERIES LIMITED

Financial Performance

Stephen Nirenstein
Finance Director
GGBL Profit from operations declined by 82%...

<table>
<thead>
<tr>
<th>F13 FY Operating Profit</th>
<th>FX impact</th>
<th>Revenue</th>
<th>Cost of Sales excl. FX impact</th>
<th>A&amp;P</th>
<th>Admin and Other Expenses excl. FX impact</th>
<th>Other Income</th>
<th>F14 FY Operating Profit</th>
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<tr>
<td>31.2</td>
<td>19.7</td>
<td>9.8</td>
<td>16.6</td>
<td>3.7</td>
<td>16.1</td>
<td>20.8</td>
<td>-82%</td>
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Source: GGBL Statutory Accounts F14 vs F13; GHS '000
Innovation and pricing drove growth in Revenue...

Net Sales grew +3%. Key brand highlights are:
- Good performance of our Innovation brands: RUUT, Smirnoff Black Ice and Gilbey’s
- Malta Guinness grew NSV 16%, primarily as a result of price, expanded distribution and formats, despite a decline of 6% in the carbonated soft drink market
- Reserve spirits portfolio NSV grew 13%
- Decline in beer category and intense competition within the beer category led to declines in Guinness FES and Star. However post the introduction of the pack renovation and ‘no added sugar’ campaign in H2 we have seen an improvement in Star performance

Financial Report FY 30th June 2014
GGBL Income Statement

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<th>30.06/2014</th>
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Cost of sales increase driven by the Cedi devaluation, utility price increases and lack of consistent supply of utilities

The devaluation of the Ghana Cedi impacted the cost of importing raw materials and finished goods
- At 1 July 2013: 1 USD = 2.03 GHS
- At 30 June 2014: 1 USD = 3.00 GHS

Significant increases in utility tariffs during the year coupled with erratic supply resulted in utility costs rising 57% year-on-year

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Continued investment in Advertising and Marketing and core strategic programs…

- Advertising and Marketing costs rose by 13% as we continue to invest ahead in our brands
- Administrative and Other expenses increased by 63% as we invested in our Route to Consumer and Perfect Plant Management System. Foreign exchange losses accounts for 13% of the year-on-year increase
- The increase in Other Income is as a result of property sales
Increased finance costs driven by higher borrowings and rising interest rates...

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<td>Net Finance income/ (costs)</td>
<td>(17,146)</td>
<td>(3,295)</td>
<td>420 %</td>
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<td><strong>Profit before taxation</strong></td>
<td><strong>(11,479)</strong></td>
<td><strong>27,868</strong></td>
<td><strong>(141)%</strong></td>
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- Total borrowings increased in FY14 to fund capacity expansion and operations
- Rising interest rates increased the cost of servicing borrowings
Summary

Peter Ndegwa
Managing Director
In summary, it has been a very challenging year for the business…

- GGBL delivered moderate topline growth in a tough environment and a declining operating profit

- Our overall FY performance was impacted by:
  - Deteriorating economic conditions
  - Devaluation of the Ghana Cedi
  - Cost and availability of utilities

- We are confident in the medium- to long-term outlook for Ghana’s economy, and our ability to win share in the beer category

- We have continued to invest for future growth:
  - We increased investment behind our brands by +13%
  - Innovation
  - Increased salesforce and Route to Consumer investment
  - Capital expenditure of GHS 97.2m
  - Real focus on cost management
Q & A Session
- END -
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- changes in the cost or supply of raw materials, labour, energy and/or water;
- changes in political or economic conditions in countries and markets in which GGBL or Diageo operates, including changes in levels of consumer spending, failure of customer, supplier and financial counterparties or imposition of import, investment or currency restrictions;
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- termination of existing distribution or licence manufacturing rights on agency brands;
- disruption to production facilities or business service centres, and systems change programmes, existing or future, and the ability to derive expected benefits from such programmes;
- technological developments that may affect the distribution of products or impede GGBL or Diageo’s ability to protect its intellectual property rights; and
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