DIAGEO

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Diageo to acquire control of United National Breweries

Diageo to acquire control of United National Breweries' traditional sorghum beer business in South Africa by acquiring the remaining 50% interest which it did not already own.

On 28 January 2013, Diageo announced it had entered into an agreement to acquire a 50% interest in the company which owns United National Breweries' traditional sorghum beer business in South Africa with the remaining 50% being held by Pestello Investments Inc., a company affiliated to Dr Vijay Mallya.

Diageo today announced that it has entered into an agreement to acquire the remaining 50% interest in the company, thereby making it a wholly owned subsidiary of Diageo. Diageo will acquire this further interest from Pestello Investments Inc. for an initial payment of $22 million (approximately £14.8 million) and a potential earn-out payment of up to $14 million (approximately £9.4 million). The transaction is conditional on (among other things) consent from the South African competition authority and is expected to complete in this fiscal year.

Once completed, this transaction will give Diageo control of the leading traditional sorghum beer business in South Africa, including the ability to make investment decisions to support the continued growth of United National Breweries' brands in the sorghum beer category.

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About Diageo
Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits, beer and wine categories. These brands include Johnnie Walker, Crown Royal, JεB, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.
Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com, for information, initiatives, and ways to share best practice.
Celebrating life, every day, everywhere.

Cautionary Note Regarding Forward-Looking Statements
This announcement contains certain forward-looking statements relating to the plans and objectives of Diageo. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate",

"target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Diageo in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and circumstances could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Diageo assumes no obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.