

Anyslam Investments

Financial statements 30 June 2010

Registered number 4108708

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Directors' report

The directors have pleasure in submitting their annual report, together with the audited financial statements for the year ended 30 June 2010

Activities

The company acts as a holding company within the Diageo US sub-group. The share capital and the principal transactions undertaken by the company are denominated in US Dollars and accordingly the company has a Dollar functional currency. The company's operations are based in the United Kingdom.

Financial

The results for the year ended 30 June 2010 are shown on page 5. The profit for the year transferred to reserves is \$3,920,000 (2009 – loss of \$19,523,000).

Going concern

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Diageo group to continue as a going concern. On the basis of their assessment, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future with the support from the group undertakings. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who held office during the year were as follows:

A A Abigail (resigned 01 October 2009)
C D Coase
D A Mahlan
A O M Manz
M Pais
A M Smith
P D Tunnaclyffe

A O M Manz resigned as a director of the company on 1 September 2010. G Geiszl and D Heginbottom were appointed as directors of the company on 9 September 2010.

Directors' remuneration

None of the directors received any remuneration during the year in respect of their services as directors of the company (2009 - \$nil).

Directors' report (continued)

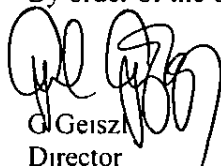
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor, KPMG Audit Plc, is willing to continue in office and will be deemed to be reappointed on the expiry of its term in office in respect of the year ended 30 June 2010

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

By order of the board

A handwritten signature in black ink, appearing to read 'G. Geisz', is written over the printed name.

G Geisz
Director
Lakeside Drive
Park Royal
London
NW10 7HQ

16 March, 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Anyslam Investments

We have audited the financial statements of Anyslam Investments for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of the profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Lee Edwards (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

KPMG Audit Plc
15 Canada Square
London
E14 5GL

16 March 2011

Profit and loss account

	<i>Notes</i>	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Income from shares in associated undertakings	4	105,816	-
Interest income	5	-	7
Interest expense	6	(101,896)	(27,122)
Profit / (Loss) on ordinary activities before taxation	1,2,3	3,920	(27,115)
Taxation on loss on ordinary activities	7	-	7,592
Profit / (Loss) for the financial year		3,920	(19,523)

There are no recognised gains and losses other than the result for the year and consequently a statement of total recognised gains and losses has not been presented as part of the financial statements

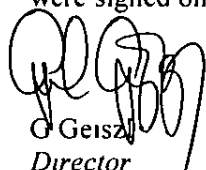
There is no difference between the results for the years shown in the profit and loss account and the results for the relevant years restated on an historical cost basis

All results arise from continuing operations

Balance sheet

		30 June 2010		30 June 2009	
	<i>Notes</i>	\$'000	\$'000	\$'000	\$'000
Fixed assets					
Investments	8		2,772,413		2,772,413
Current assets					
Cash at bank and in hand		4		5	
Debtors due within one year	9	9,807		7,592	
Creditors: due within one year	10	(25,403)		(27,109)	
Net current liabilities			(15,592)		(19,512)
Creditors due after one year	10		(1,000,000)		(1,000,000)
Net assets			1,756,821		1,752,901
Capital and reserves					
Called up share capital	11		886,217		886,217
Share premium account	12		886,207		886,207
Profit and loss account	12		(15,603)		(19,523)
Shareholders' funds	13		1,756,821		1,752,901

These financial statements on pages 5 to 11 were approved by the board of directors on 16 March 2011 and were signed on its behalf by


G Geisz
Director

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable UK accounting standards

The company is a wholly owned subsidiary of Diageo plc and is included in the consolidated financial statements of Diageo plc which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996)

The company is exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Diageo group ("group undertakings") or investees of the Diageo plc group. The consolidated financial statements of Diageo plc, within which this Company is included, can be obtained from the address given in note 15

Going concern

The financial statements have been prepared on a going concern basis as a fellow group undertaking has agreed to provide financial support for the foreseeable future. The only liabilities at the balance sheet date are in respect of balances due to fellow group undertakings

Fixed asset investments

Income from fixed asset investments is credited to the profit and loss account when it is approved by the paying company. Investments are stated individually at cost less, where appropriate, provision for impairment in value where such impairment is expected by the directors to be permanent

Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date. Any interest or penalties on tax liabilities are provided in the tax charge

Notes to the financial statements

1. Operating costs

The auditor's remuneration was paid on behalf of the company by a fellow group undertaking. Fees in respect of services provided by the auditor were: Statutory audit - \$7,680 (2009 - \$7,680)

2. Staff costs

The company did not employ any staff during either the current or prior year.

3. Directors' remuneration

None of the directors received any remuneration during the financial year in respect of their services as directors of the company (2009 - \$nil)

4. Income from shares in associated undertakings

	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Dividend from shares in associated undertakings	105,816	-
	<hr/>	<hr/>

On the 30th September 2009 and the 31st March 2010 the company received an interim dividend of \$55,007,580 and \$50,808,333 respectively from Diageo North America Inc.

5. Interest income

	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Interest income on loans to fellow group undertakings	-	7
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6. Interest expense

	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Interest expense on loans from fellow group undertakings	101,896	27,121
Other interest	-	1
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	101,896	27,122
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Notes to the financial statements (continued)

7. Taxation

	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Factors affecting current tax credit for the year		
Profit / (Loss) on ordinary activities before taxation	3,920	(27,115)
Taxation on profit / (loss) on ordinary activities at UK corporation tax rate of 28% (2009 – 28%)	(1,097)	7,592
Income not subject to tax	29,628	-
Group relief surrendered for nil consideration	(28,531)	-
Current ordinary tax credit for the year	-	7,592

8. Fixed assets – investments

	Year ended 30 June 2010 \$'000	Year ended 30 June 2009 \$'000
Cost and net book value	2,772,413	2,772,413

The associated undertaking of the company and the percentage of share capital owned are as follows

	Country of Incorporation	Principal activity	Class and percentage of shares held
Direct holdings:			
Associated undertaking			
Diageo North America, Inc	USA	Production, importing and marketing of premium drinks	21% of Class B ordinary shares

The investments in associated undertakings are held at cost less, where appropriate, provision for impairment in value

In the opinion of the directors, the investment in the company's subsidiary undertakings is worth at least the amounts at which they are stated in the financial statements

Notes to the financial statements (continued)

9. Debtors: due within one year

	30 June 2010 \$'000	30 June 2009 \$'000
Amounts owed by fellow group undertakings		
Diageo Scotland Limited	7,592	7,592
Diageo Finance Plc	2,215	-
	<u>9,807</u>	<u>7,592</u>

The amounts owed by fellow group undertakings include the sums of \$7,592,000 which is interest free and \$2,215,000 at a floating rate of interest

10. Creditors

	30 June 2010		30 June 2009	
	Due within one year \$'000	Due after one year \$'000	Due within one year \$'000	Due after one year \$'000
Amounts owed to fellow group undertakings	25,403	1,000,000	27,109	1,000,000

All amounts are at a fixed rate of interest

11. Share capital

	30 June 2010 \$'000	30 June 2009 \$'000
<i>Allotted, called up and fully paid:</i>		
886,216,729 ordinary shares of \$1 each	<u>886,217</u>	<u>886,217</u>

Notes to the financial statements (continued)

12. Reserves

	Share Premium account \$'000	Profit and loss account \$'000	Total \$'000
At 30 June 2009	886,207	(19,523)	866,684
Profit for the year	-	3,920	3,920
At 30 June 2010	886,207	(15,603)	870,604

13. Reconciliation of movement in shareholders' funds

	30 June 2010 \$'000	30 June 2009 \$'000
Profit/(loss) on ordinary activities after taxation	3,920	(19,523)
Ordinary shares issuance	-	1,772,424
Net addition to shareholders' funds	3,920	1,752,901
Shareholders' funds at the beginning of the year	1,752,901	-
Shareholders' funds at the end of the year	1,756,821	1,752,901

14. Post balance sheet events

The company received a total dividend of \$50,087,500 from an associated undertaking, Diageo North America, Inc on 30 September 2010. The company used these proceeds to settle its interest payable of \$51,087,500, which was due that day. The remaining balance of \$1,000,000 was funded from the company's deposit with Diageo Finance plc.

On 15 November 2010 the company entered into a share purchase agreement to acquire an additional 9.12% shareholding in Diageo North America, Inc from Diageo Incorporation in consideration for a payment of \$300,000,000 and the allotment and issue of 265,863,504 ordinary shares of \$1 each in the capital of the company.

As a result of this purchase the company's shareholding increased in Diageo North America, Inc from 21% to 30%.

15. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Diageo Incorporation, a company incorporated and registered in the United States of America.

The ultimate parent undertaking of the company is Diageo plc, a company incorporated and registered in England. The consolidated financial statements of Diageo plc can be obtained from the registered office at Lakeside Drive, Park Royal, London NW10 7HQ.