

Outstanding brands



No1

José Cuervo is the world's leading tequila

4.5m
9-litre cases



No1

Baileys is the world's leading liqueur

6.7m
9-litre cases



No1

Johnnie Walker is the world's leading scotch whisky

14.3m
9-litre cases



No3

J&B is the No3 scotch whisky in the world

5.2m
9-litre cases



No1

Smirnoff is the world's leading premium spirit

24.5m
9-litre cases



No1

Guinness is the world's leading stout

11.1m
9-litre case
equivalent units



No2

Captain Morgan is the No2 rum in the world

8.4m
9-litre cases



No1

Tanqueray is the leading imported gin in the US

1.9m
9-litre cases

Figures are volumes for the year ended 30 June 2009 excluding ready to drink.

Position source: Impact Databank September, December 2008 and February 2009.

About the brands

'The breadth and depth of our range of great brands have enabled us to manage through the difficult trading environment. The heritage and the strong characteristics of our brands along with their positioning will help Diageo to emerge stronger.'

Paul Walsh
Chief executive



» For an interview with the chief marketing officer Andy Fennell go to www.diageoreports.com

Brand performance

The economic downturn affected all of Diageo's markets, and had a varied impact on brand performance.

Despite this difficult trading environment, brands within the vodka category performed well. Strong net sales growth in North America, International and Australia offset weakness in Europe for Smirnoff. The performance of Smirnoff Black in all its markets along with price increases which were taken in the majority of markets delivered 4 percentage points of price/mix. In the United States, Ketel One vodka is exceeding expectations and contributed to reported growth, while Ciroc is now positioning itself as a leading ultra premium vodka brand.

De-stocking at a wholesaler and retailer level has had a major impact on the overall performance of our scotch brands. For Johnnie Walker, the reduction in passenger numbers has led to a decline in sales through travel retail outlets; customer de-stocking of this high value brand and a reduction in business entertaining and consumption in traditional on-trade outlets in Asia Pacific has led to a decline in net sales. The weakness of the Spanish scotch market was the primary driver of the decline in J&B.

Captain Morgan delivered a strong performance mainly driven by share gains in North America which accounts for almost 90% of net sales. The brand's introduction in markets in Europe and International continued successfully. Innovation with Captain Morgan 100 in North America, together with price increases drove overall price/mix improvement.

A decline in net sales in Baileys driven by weakness in Spain and de-stocking was partially offset by growth in Great Britain.

Share gains on José Cuervo Gold plus a successful launch of José Cuervo Silver in North America led to volume and net sales growth of the brand.

Tanqueray's performance was impacted by the weakness in North America although the brand grew in Europe and Asia Pacific.

Growth of Guinness was driven by the continued momentum of the brand in Africa where net sales were up 18%. The brand's performance in Asia Pacific continued to improve and sales stabilised in Ireland. Out-performance in the declining on-trade GB beer market delivered further on-trade share gains in its biggest market.

A year to celebrate

Guinness 250

2009 is the year in which Diageo will celebrate 250 years of Guinness. To mark this special anniversary – 250 years since the signing of the 9,000 year lease on St James's Gate in Dublin – a year long programme of celebrations is planned. Throughout the year Diageo will be giving consumers the chance to enjoy remarkable events and experiences. Continuing the brand's philanthropic tradition, Diageo is launching a new Arthur Guinness Fund, which will focus on supporting entrepreneurialism. The centrepiece of the programme is a unique series of music events taking place on Arthur's Day (24th September), featuring some of the world's biggest artists and acts with celebrations taking place simultaneously in the on-trade in four cities around the world; Dublin, Lagos, Kuala Lumpur and Yaoundé.

Ketel One vodka

In June 2009, Diageo and the Nolet family celebrated the first anniversary of their 50/50 company to promote Ketel One super premium vodka around the world. Combining generations of spirits distilling expertise from within the Nolet family with Diageo's marketing and distribution network, the first year has been focused on integration and expansion – extending the brand equity from predominantly the US brand to one available and recognised around the world. Diageo has worked hard in educating its sales forces and customers about the unique qualities and characteristics of this distinguished brand.

Bushmills Irish Whiskey

During the year Bushmills Irish Whiskey celebrated a significant date in the heritage of the brand – the 400th anniversary of the license to distill, granted to the Bushmills area. The celebrations commenced with the launch of a new special edition, Bushmills 1608. This award winning, limited edition whiskey uses a groundbreaking process of distillation using crystal malt to deliver an exceptionally smooth taste. The anniversary programme also included the brand's first ever-global advertising campaign, 'Welcome', featuring employees from the Old Bushmills Distillery, bringing to life the people, the place and the craft of the distillers. In a fitting tribute to Bushmills and its legacy, the Old Bushmills Distillery also featured on new look £5, £10 and £20 notes – the first time in 18 years that the Bank of Ireland has re-designed its local notes.

» www.diageoreports.com