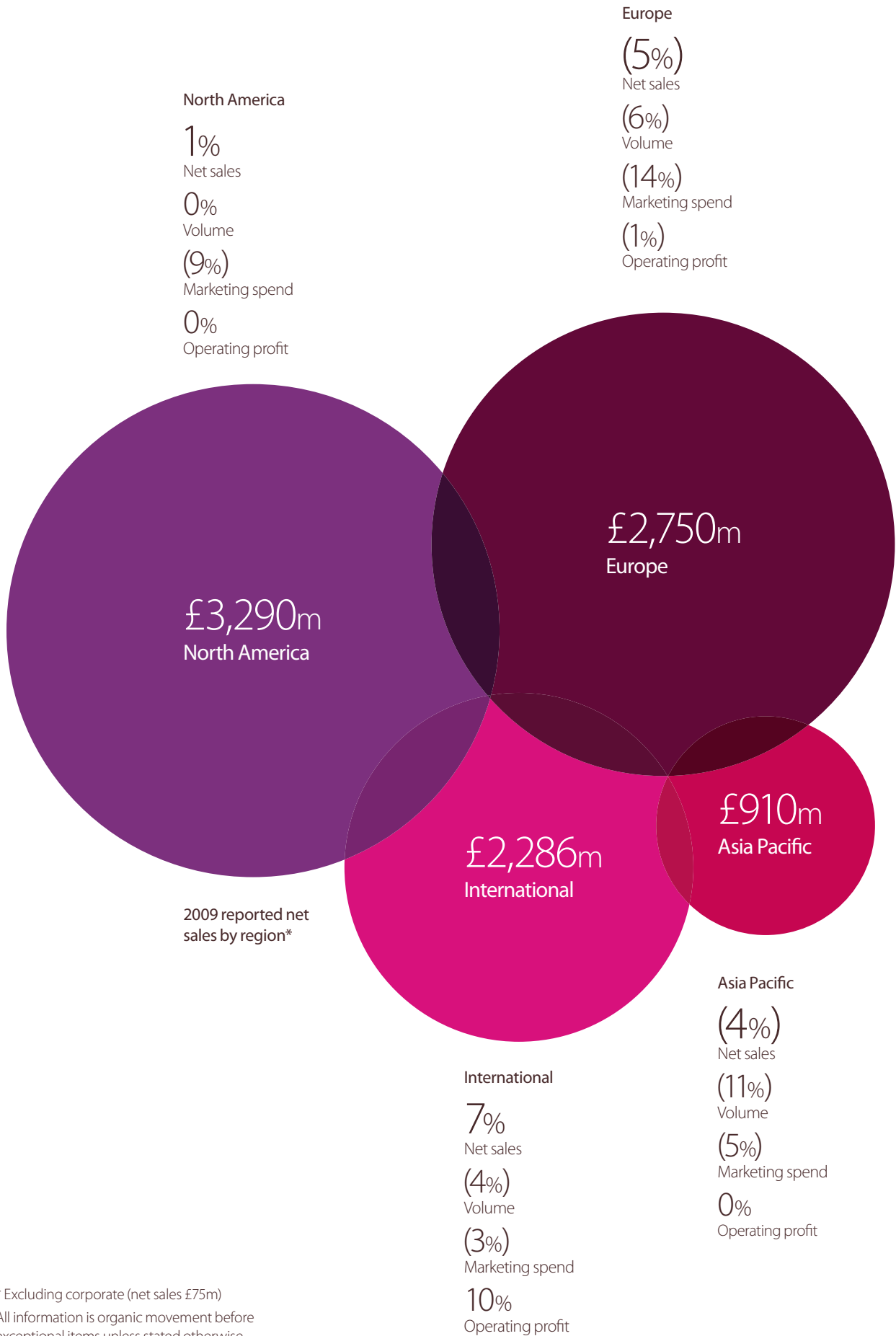


Regional overview



* Excluding corporate (net sales £75m)
 All information is organic movement before exceptional items unless stated otherwise.

North America



Top 3 brands by net sales

- 1 Crown Royal
- 2 Smirnoff
- 3 Captain Morgan

- Despite the difficult economic environment, North America delivered net sales growth.
- Total spirits volume grew 1% with 3 percentage points of price/mix. Smirnoff vodka, Captain Morgan and José Cuervo positioned in the more resilient premium segment contributed most to net sales growth.
- Vodka remained the largest and most resilient of the major categories in the United States. Diageo out-performed the category as a whole, growing net sales 16% led by Smirnoff in the premium segment and Ciroc and Ketel One vodka at higher price points.
- Stock levels of beer and malt based ready to drink brands were reduced adversely impacting mix.
- Stock levels of spirits have reduced across the supply chain.
- Innovation launches contributed significantly to overall performance as the focus on premium spirits line extensions and pre-mixed cocktails capitalised on consumer shifts.
- Ketel One vodka performed ahead of expectations.
- Marketing spend decreased as a result of media efficiencies and a refocus away from beer and ready to drink, however Diageo share of voice in spirits improved.
- Net sales growth of 7% in Canada was led by strong performances of Captain Morgan rum of 19% and Smirnoff vodka of 10%.

Regional brands include:
Ketel One vodka, Bulleit
Bourbon, Sterling Vineyards

International



Top 3 brands by net sales

- 1 Johnnie Walker
- 2 Guinness
- 3 Buchanan's

- Volume growth in Africa and price increases in both Africa and Latin America drove net sales growth of 7%.
- Volume and net sales growth in Venezuela, Mexico and Brazil, the three largest markets in Latin America offset declines in the duty free channel in Latin America and in the Caribbean.
- Strong growth in beer with volume up 5% and net sales up 17%.
- Pressure on the Global Travel business due to declining passenger numbers and customer de-stocking.
- Marketing spend efficiencies in Latin America and the transition of spend on ready to drink, cider and beer brands into the new South Africa joint venture offset increases on beer and ready to drink elsewhere in Africa.

Regional brands include:
Pampero, Red Stripe,
Malta Guinness

Europe



Top 3 brands by net sales

- 1 Guinness
- 2 Johnnie Walker
- 3 Smirnoff

- The region was severely impacted by the economic downturn, with conditions in Spain and Ireland deteriorating significantly.
- Great Britain out-performed a declining total beverage alcohol market, growing net sales despite the difficult trading environment.
- Russia net sales grew 1% following a strong first half although the worsening economic conditions in the second half led to consumers trading down driving negative mix. In response to this trend, smaller bottle sizes at lower price points were introduced.
- In a declining beer category, Guinness performed well with flat net sales across the region and grew share in the on-trade in Great Britain and Ireland supported by the 250th Anniversary and 'Alive Inside' campaigns.

Regional brands include:
Pimm's, Cacique, Gordon's Gin,
Classic Malts

Asia Pacific



Top 3 brands by net sales

- 1 Johnnie Walker
- 2 Windsor Premier
- 3 Guinness

- Net sales declines were primarily driven by the impact of the excise duty increase on ready to drink products in Australia.
- Declining consumer confidence and supply chain inventory reductions have impacted performance particularly in China and South East Asia.
- Top and bottom line growth in Korea and share gains for Windsor following the return to in-market company distribution.
- Price/mix benefit of 7 percentage points came from the return to in-market distribution in Korea and strong price increases on scotch brands offset by negative product mix from lower volume in the higher net sales per case ready to drink segment.
- Marketing spend decreased 5% although investment behind spirits grew 7% reflecting the importance of this category to future growth of the region.

Regional brands include:
Bundaberg, Sharktooth,
Benmore