

Defining Growth in the Rum Category



3 December 2010

DIAGEO

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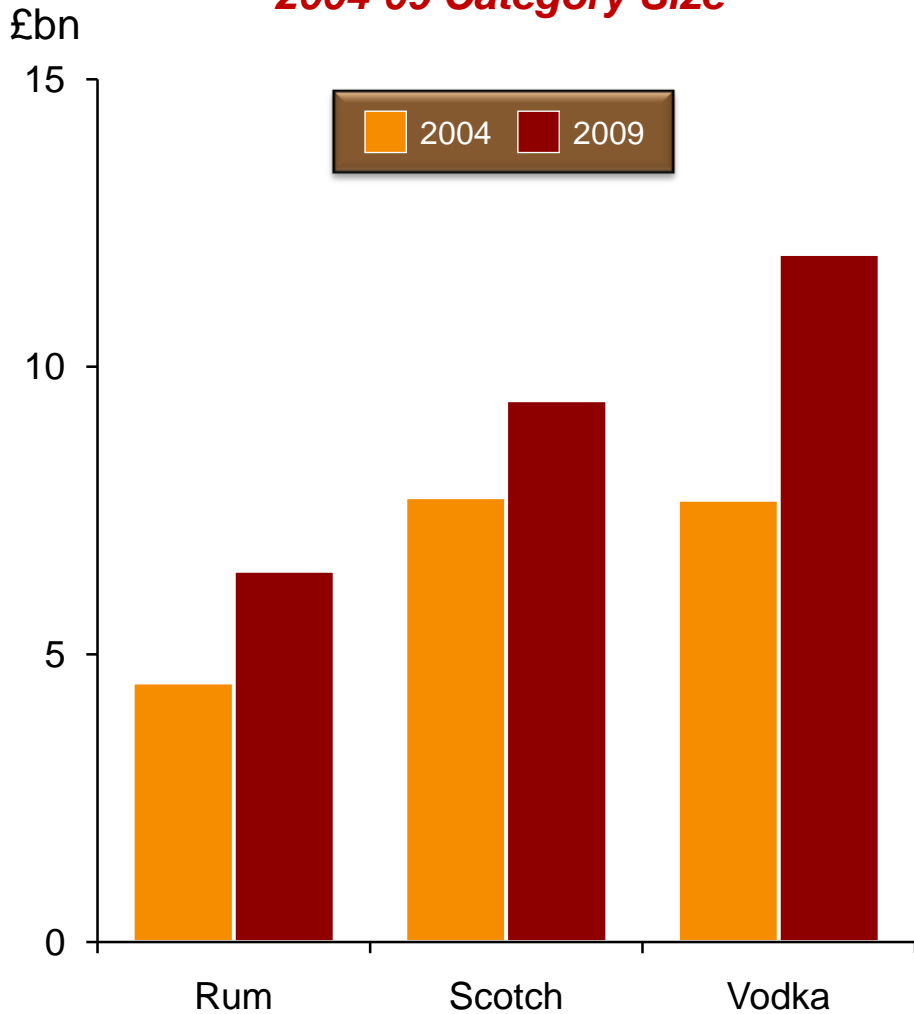
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Rum, colourful past - exciting future

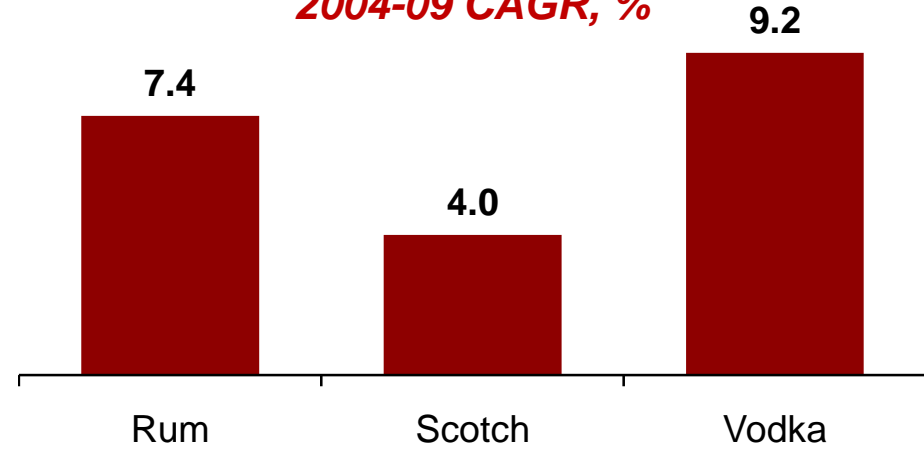


Rum is a fast growing category +7% sales*

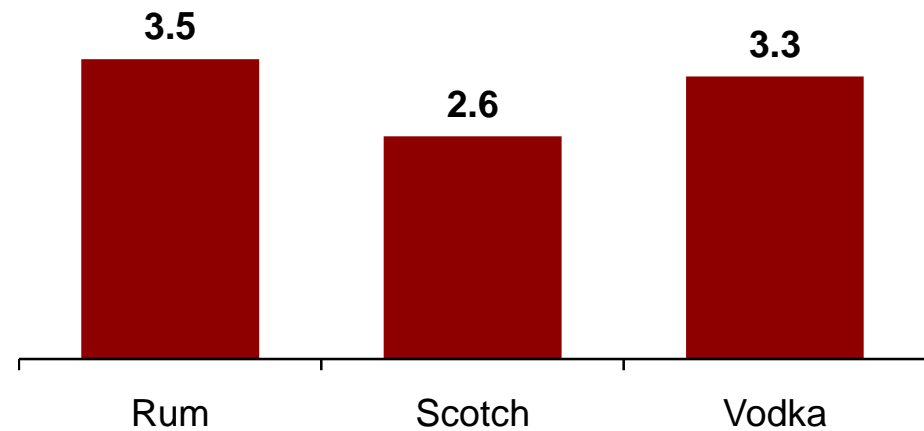
2004-09 Category Size



2004-09 CAGR, %



2010-14 Forecast CAGR, %



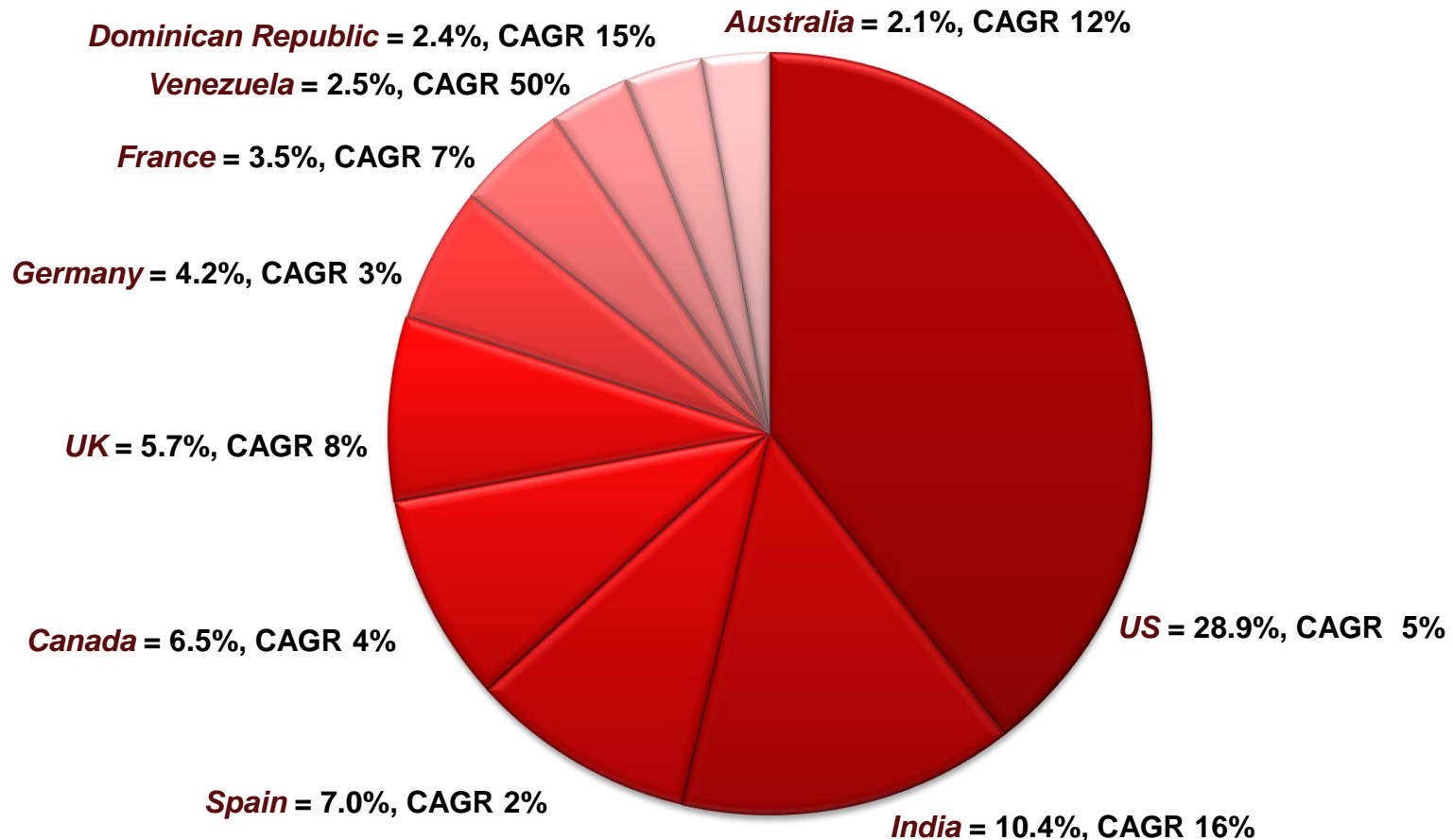
* Source: 2009 IWSR, Euromonitor forecast retail sales.

Diageo's range of brands

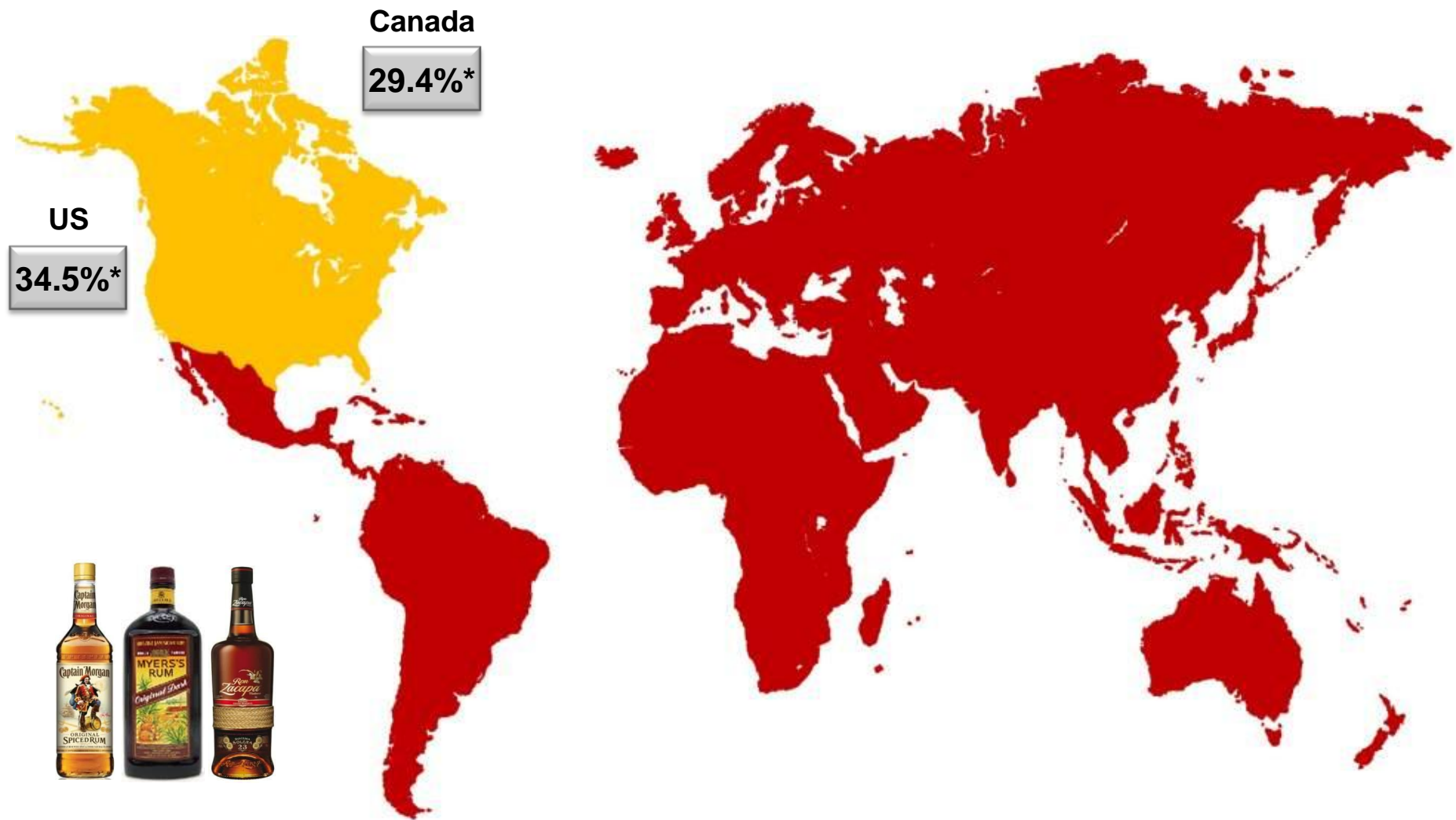


Growth opportunities in key rum markets

Top Markets - 73% Total Rum

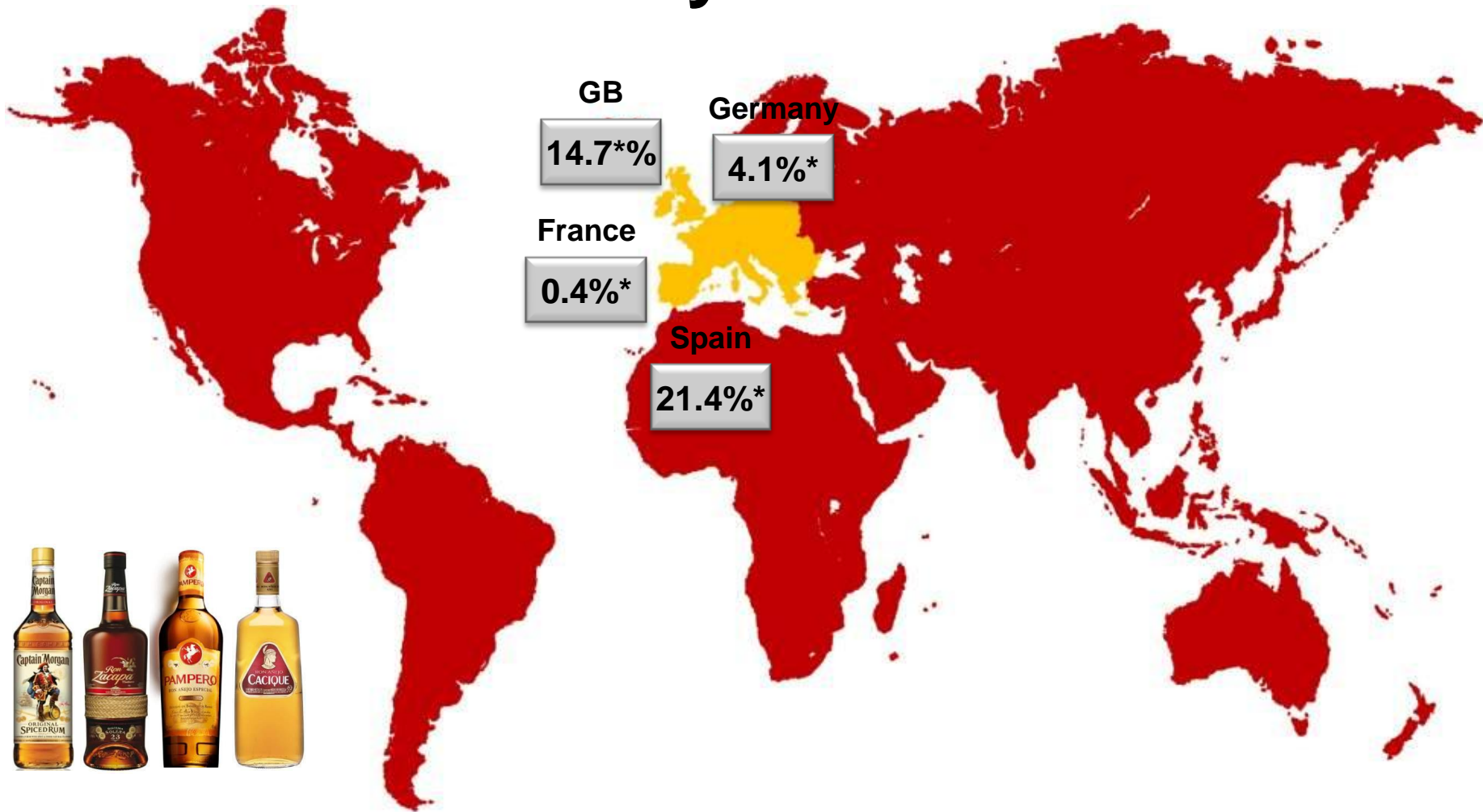


Diageo winning in the biggest market



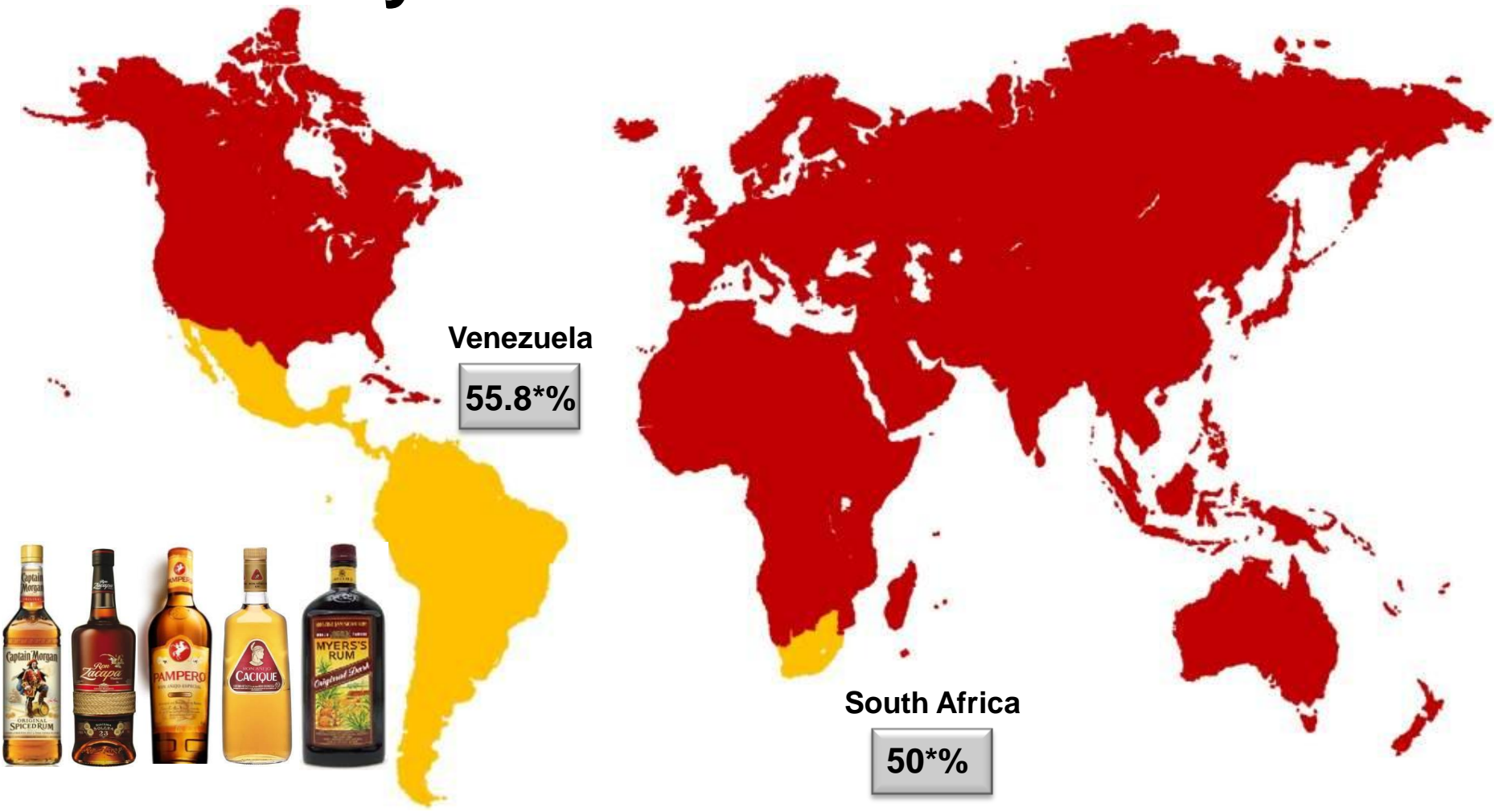
*Value share based on IWSR retail sales price, 2009.

Key growth opportunities in the UK, France and Germany



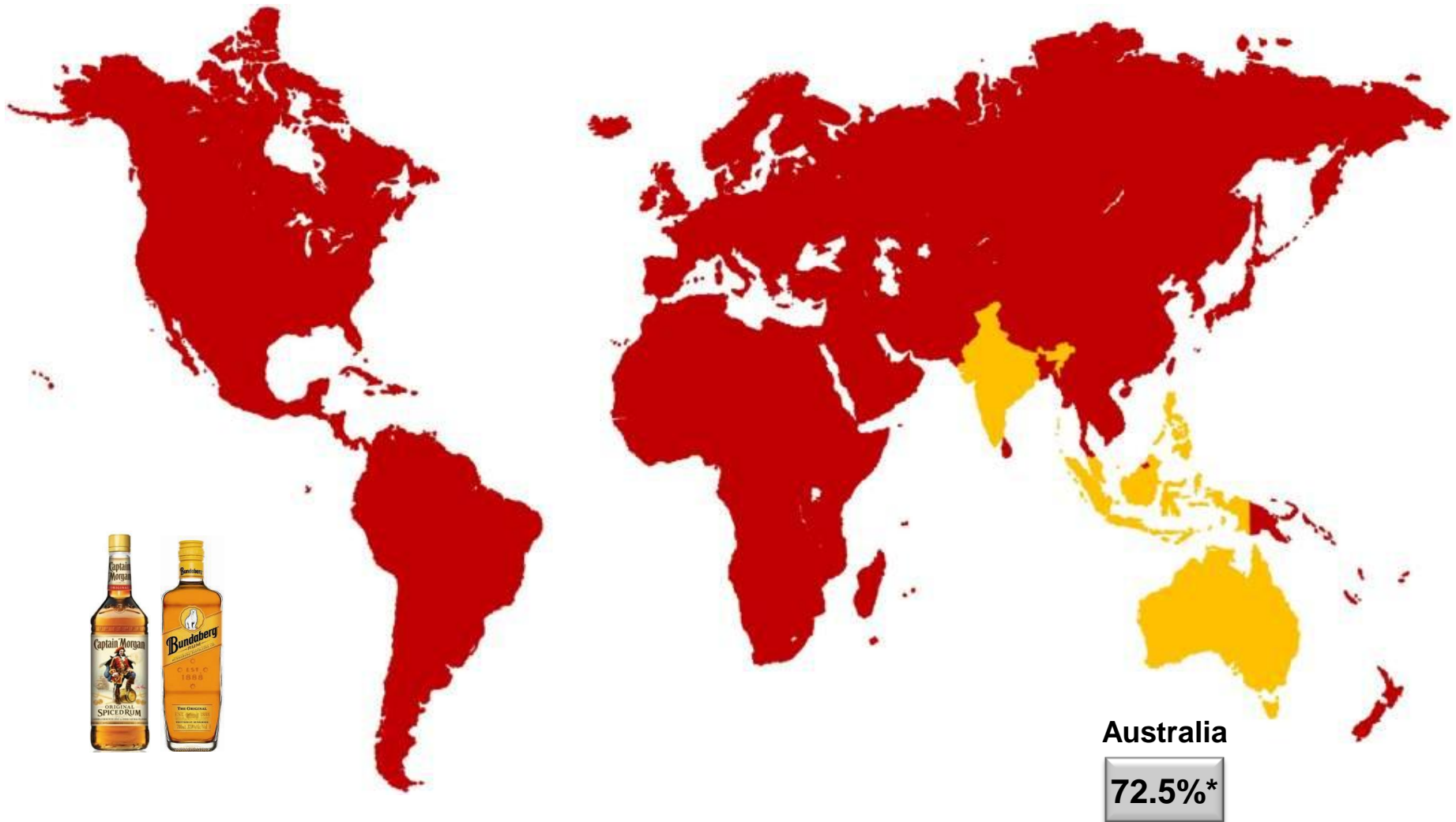
*Value share based on IWSR retail sales price, 2009.

Growth in Latin America, South Africa and Global Duty Free



*Value share based on IWSR retail sales price, 2009.

Focus on Australia



Super premium segment undeveloped

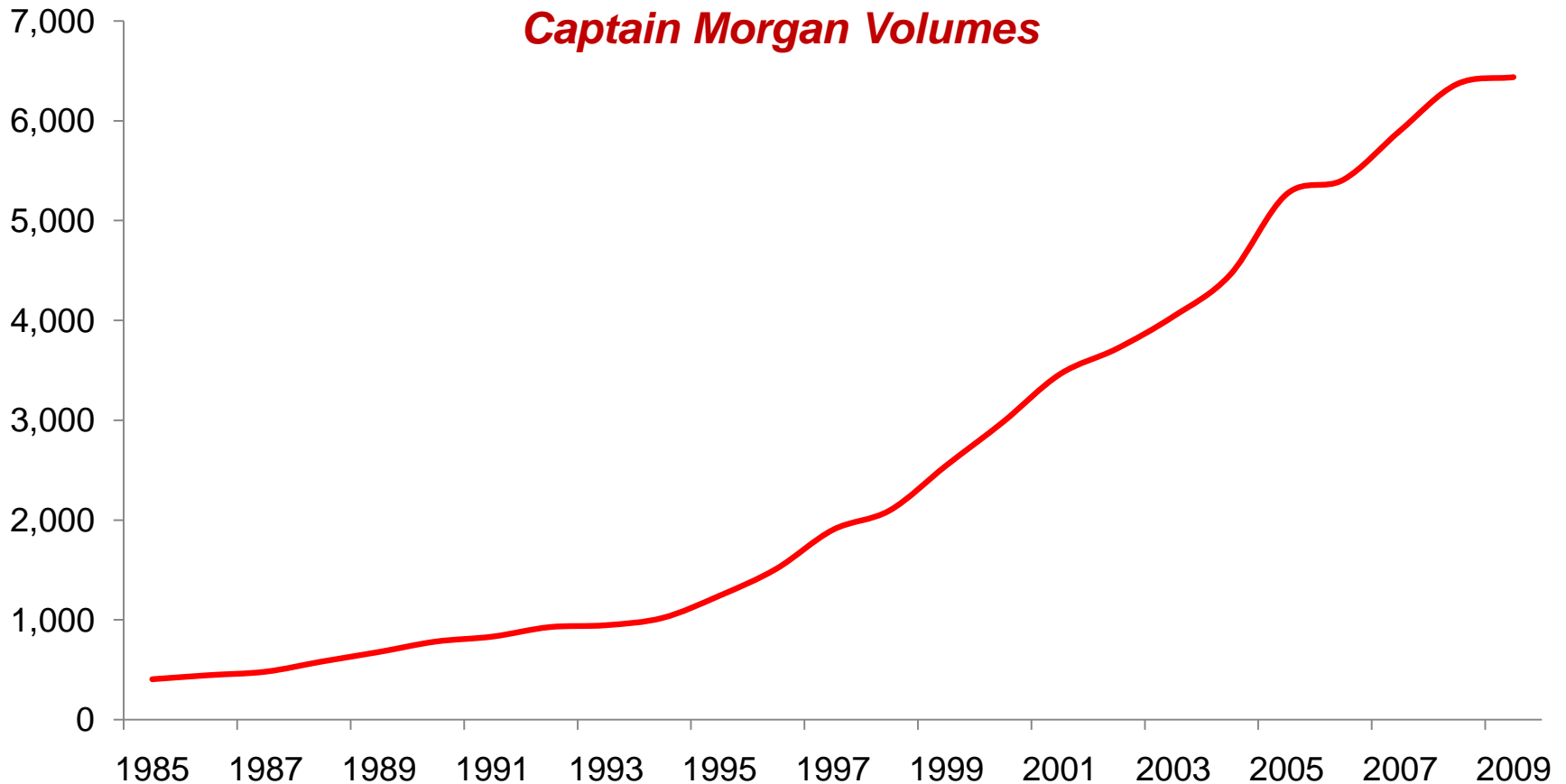


Joey Bergstein

Senior Vice President,
Rums

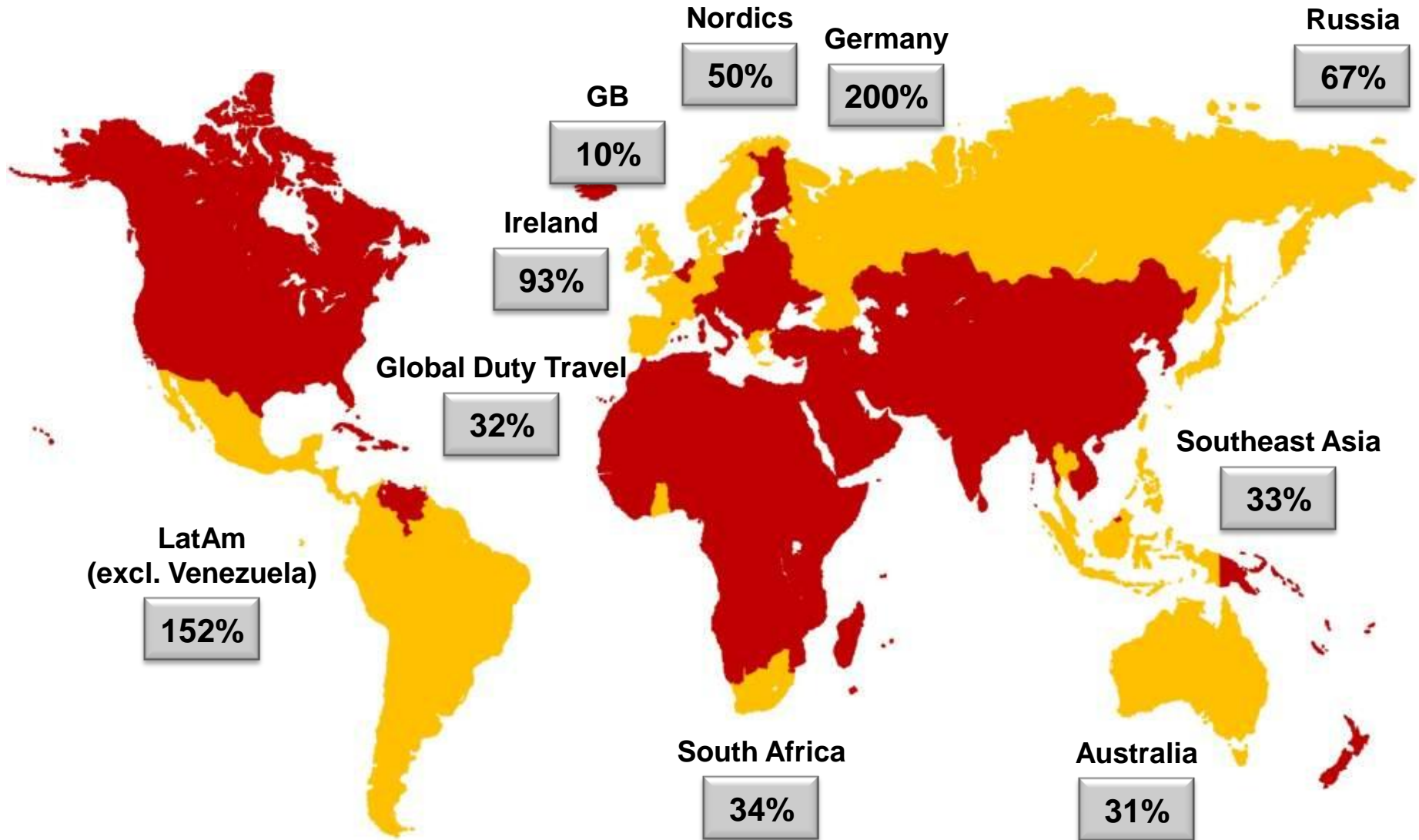
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Captain Morgan: USA - A long term growth story



Captain Morgan is now the #2 brand in the premium segment of the rum category

Captain Morgan is growing rapidly globally



A proven growth code



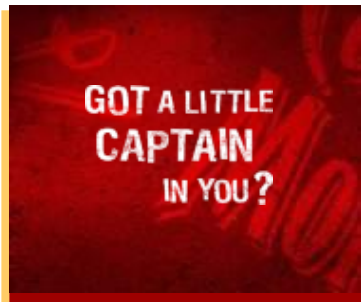
Keys To Adventure



+



& Cola Visibility



Communications



Living Legend

The keys to adventure



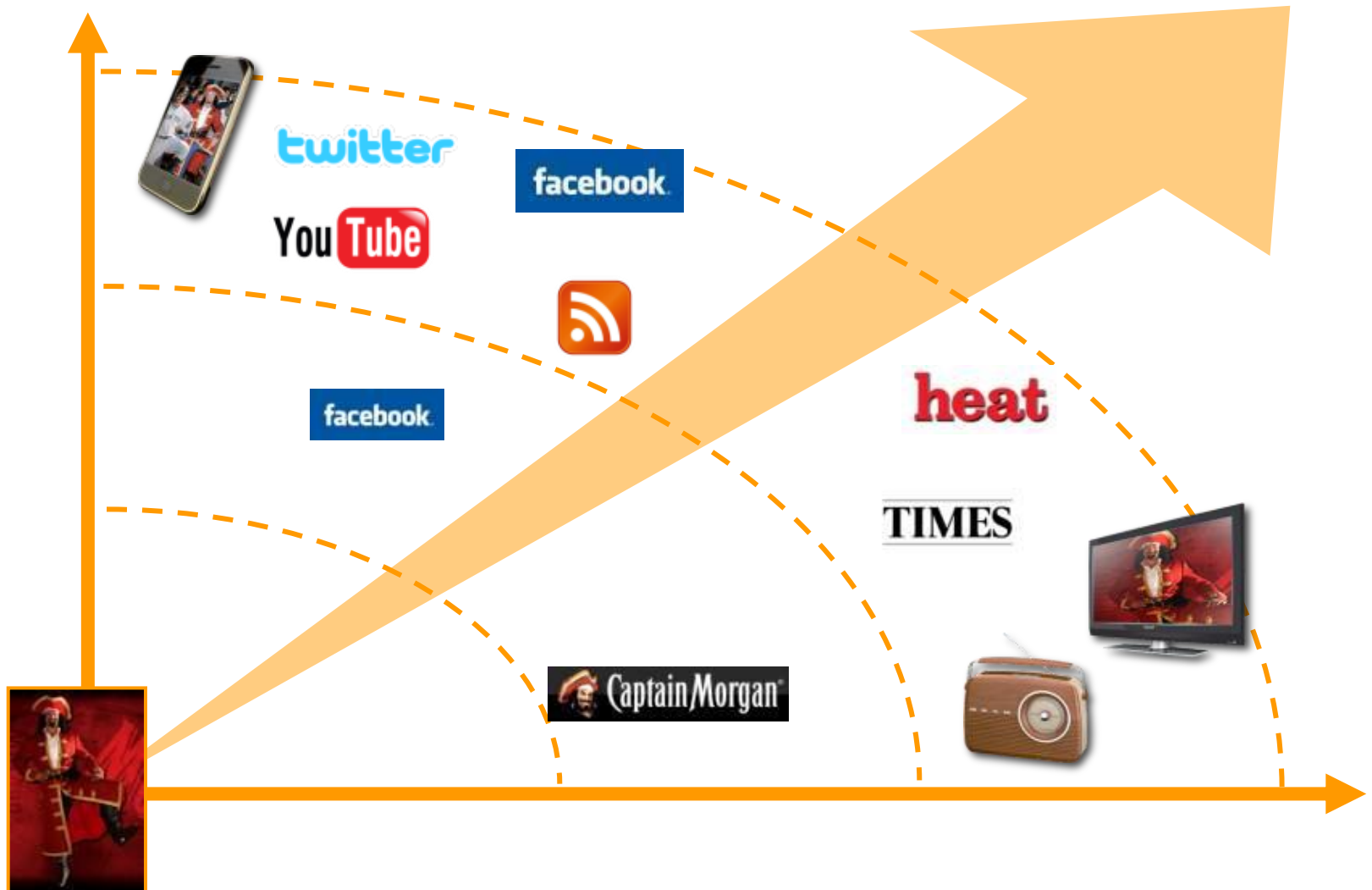
Captain Morgan & cola visibility



Got a Little Captain in You?



The living legend...



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Simple, proven growth drivers

1. TARGETED DISTRIBUTION Priority 1



- GUIDELINES & ACTIVITES
- Clear Distribution Strategy
 - Clear Execution Standards
 - Clear Pricing Strategy

2. LUXURY SAMPLING Priority 2



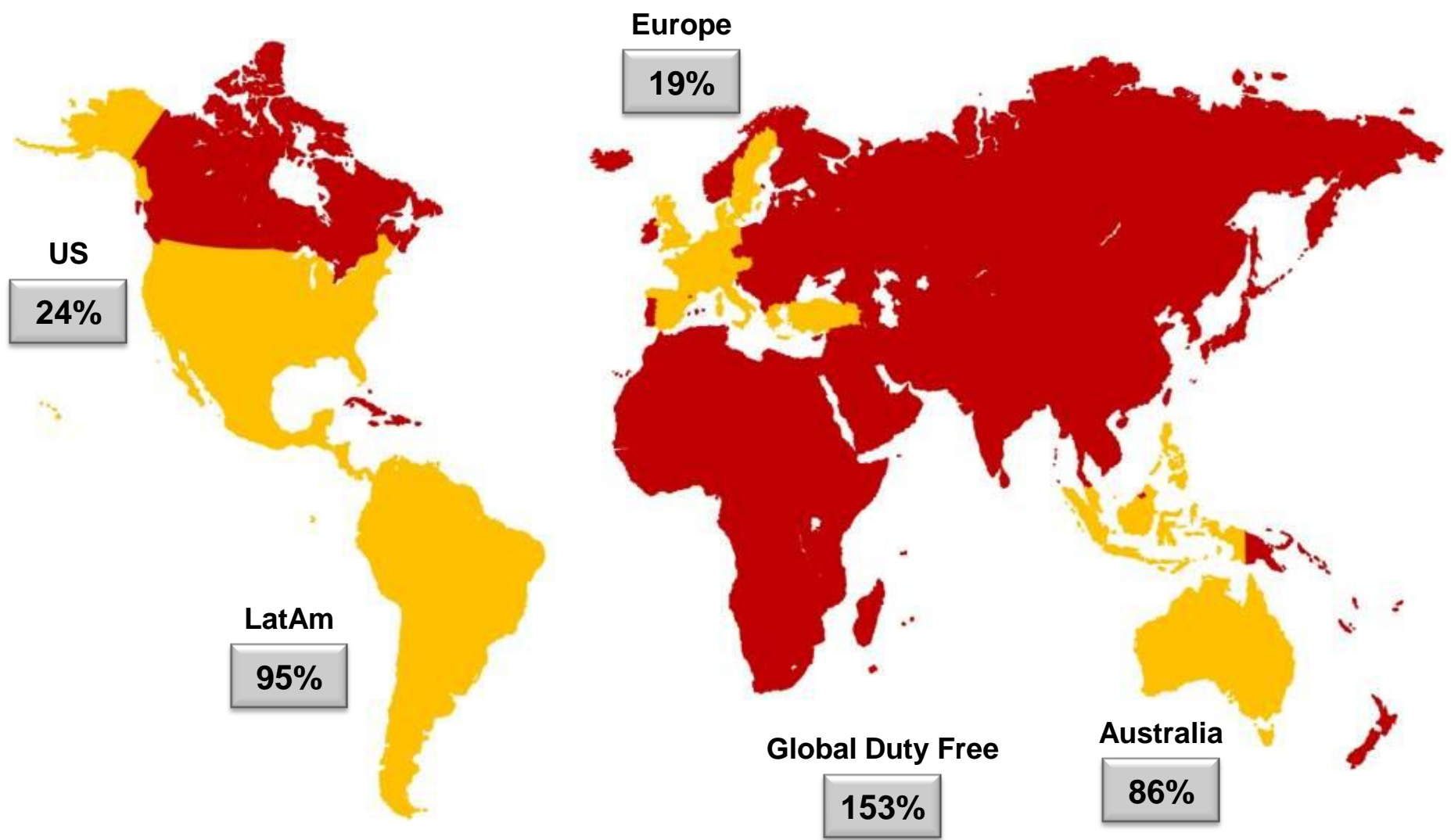
- GUIDELINES & ACTIVITES
- Sampling
 - POS Materials

3. SEEDING THE STORY Priority 3



- GUIDELINES & ACTIVITES
- PR Toolkit
 - FAM Trips to Guatemala
 - Launch Event Guidelines
 - Media Visibility

Zacapa's rapid expansion



Source: Net sales for the year ended 30 June 2010.

Innovation



Summary

- Rum is a growing category with many opportunities
- Unlocking the super premium opportunity
- Right range of brands
- Creating opportunities through innovation
- Strong marketing support
- Strategic positioning

For further information on Diageo, please visit the Investors section of: **diageo.com**

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- Diageo's ability to complete existing or future acquisitions and disposals;
- legal and regulatory developments, including changes in regulations regarding consumption of, or advertising for, beverage alcohol, changes in tax law (including tax rates) or accounting standards, changes in taxation requirements, such as the impact of excise tax increases with respect to the business, and changes in environmental laws, health regulations and the laws governing labour and pensions;
- developments in litigation or any similar proceedings directed at the drinks and spirits industry generally or at Diageo in particular, or the impact of a product recall or product liability claim on Diageo's profitability or reputation;
- developments in the Colombian litigation, Turkish customs litigation, SEC investigation, Korean customs litigation or any similar proceedings;
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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, and systems failure that could lead to business disruption;
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