

DIAGEO AND SCOTCH WHISKY

Diageo strategic scotch whisky brands

Johnnie Walker

- 17.8 million cases*
- 8% volume growth, 15% net sales growth
- World's number one scotch whisky by volume and value**

J&B

- 4.6 million cases*
- 3% volume growth, 2% net sales growth
- Number five scotch whisky in the world**

Buchanan's

- 1.5 million cases*
- 16% volume growth, 27% net sales growth

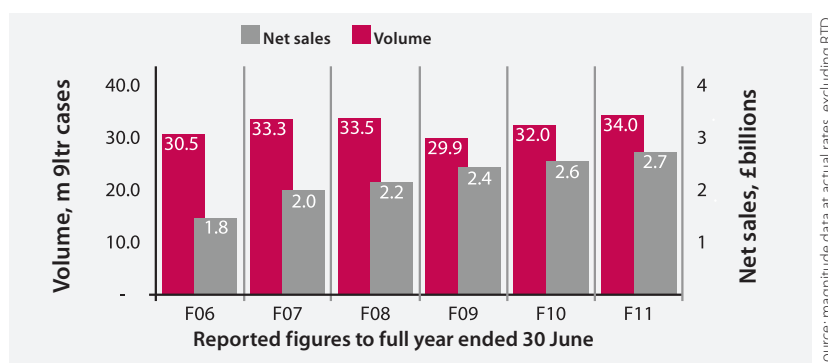
Windsor

- 1 million cases*
- (1)% volume movement, 1% net sales growth
- The leading scotch in Korea

Scotch is the principle growth category for Diageo

- Scotch represented 23% of Diageo's volume, 27% of net sales value and a third of gross profit in the financial year 2011*.
- Over the last five years we have reported 50% net sales growth for our scotch brands***.
- In the first half of financial year 2012, Diageo's scotch category saw 8% volume growth and 14% net sales growth.

Diageo scotch category growth: volume and net sales value



Key drivers of scotch category growth

- Increased demand for scotch in recent years has been principally driven by high growth markets. In the first half of financial year 2012, Diageo saw strong category growth in Asia, Africa, Latin America and Eastern Europe:
 - A focus on scotch and luxury brands in Asia saw Johnnie Walker grow net sales by 19%.
 - In Latin America, Johnnie Walker net sales grew 13%, while Buchanan's grew net sales 26%.
 - In Russia and Eastern Europe Johnnie Walker net sales were up 22% and White Horse net sales were up 15%.
 - Across Africa, scotch drove overall spirits performance, where Johnnie Walker posted volume growth of 35% and net sales growth of 32%.
- There is clear headroom for growth in emerging markets; scotch consumption in Brazil is just four servings per capita compared to 44 servings per capita of a mature market like France.
- We are still seeing opportunities to grow in developed markets; in the first half of financial year 2012, our two key scotch brands in North America - Johnnie Walker and Buchanan's - grew both net sales and volume by double digits while we continue to see opportunity for share gains in Western Europe.

Growth of scotch category across key emerging markets

