

6 May 2010

Interim management statement for the nine months ended 31 March 2010

Third quarter organic net sales growth of 12%

Diageo maintains guidance for low single digit organic operating profit growth for the year ending 30 June 2010

In the nine months ended 31 March 2010 net sales were up 2% on an organic basis against the comparable period. In the quarter ended 31 March 2010 organic net sales growth was 12%.

On a reported basis net sales grew by 4% in the nine months ended 31 March 2010 and by 9% in the quarter ended 31 March 2010, against the comparable prior period in each case. Growth for the year to date was driven broadly equally by organic growth and the impact of exchange rates movements since the comparable period.

Net assets were £4,418 million at 31 March 2010, having been £4,591 million at 31 December 2009. The only material change in the financial position of the group was the liability in respect of the interim dividend partially offset by foreign exchange movements.

Paul Walsh, Chief Executive of Diageo commented:

‘As we had anticipated we delivered strong organic net sales growth for this third quarter. While we have seen some signs of recovery, albeit fragile in the mature markets and stronger in the emerging markets, our performance in the quarter benefited from comparison against a weak third quarter last year, from the earlier Easter this year and in some markets sales were brought forward in advance of excise duty increases.

‘Consumer trends remain difficult to predict, especially in the mature markets. Our guidance for low single digit organic operating profit growth for the full year is unchanged and reflects our successful management of a tough environment in the first half and our continued ability to build on our strengths and increase marketing investment behind our brands.’

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