

DIAGEO PLC  
Form 6-K  
March 15, 2007

**Table of Contents**

**SECURITIES AND EXCHANGE COMMISSION**

**FORM 6-K**

**Report of Foreign Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**Diageo plc**

(Translation of registrant's name into English)

8 Henrietta Place, London W1G 0NB

(Address of principal executive offices)

indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F

Form 40-F

indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82

**TABLE OF CONTENTS**

SIGNATURES

---

**Table of Contents**

**SIGNATURES**

**Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.**

Diageo plc

(Registrant)

Date 13 March 2007

By /s/ J Nicholls

Name: J Nicholls

Title: Deputy Company Secretary

---

**Table of Contents**

**List identifying information required to be furnished  
by Diageo plc pursuant to Rule 13a-16 or 15d-16 of  
The Securities Exchange Act 1934**

**1 28 February 2007**

<b>Information</b>	<b>Required by/when</b>
Public Announcements/Press	The Stock Exchange, London
<b>Announcement</b> Company releases shares from treasury to satisfy grants made under employee share plans. (01 February 2007)	<b>Announcement</b> Legal & General Group PLC notifies the Company of its interest. (15 February 2007)
<b>Announcement</b> Company announces its total voting rights. (01 February 2007)	<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (15 February 2007)
<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (01 February 2007)	<b>Announcement</b> Company releases shares from treasury to satisfy grants made under employee share plans. (16 February 2007)
<b>Announcement</b> Company releases shares from treasury to satisfy grants made under employee share plans. (02 February 2007)	<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (16 February 2007)
<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (02 February 2007)	<b>Announcement</b> Company announces release of shares under Total Shareholder Return Plan to participants of the Plan. Messrs Walsh, Rose and those persons discharging managerial responsibility inform the Company of their beneficial interests therein. Mr Walsh notifies the Company of sale of shares. Company notified of transactions in respect of the Employee Benefit Trust. (19 February 2007)
<b>Announcement</b> Company releases shares from treasury to satisfy grants made under employee share plans. (05 February 2007)	<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (19 February 2007)
<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (05 February 2007)	<b>Announcement</b> Mr Walsh notifies the Company of his beneficial interest. Company notified of transactions in respect of the Diageo Employee Benefit Trust. (20 February 2007)
<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (06 February 2007)	<b>Announcement</b> Company purchases its own securities through Goldman Sachs International. (20 February 2007)

**Table of Contents**

**Announcement**

Company purchases its own securities through Goldman Sachs International. (07 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (08 February 2007)

**Announcement**

Company releases shares from treasury to satisfy grants made under employee share plans. (09 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (09 February 2007)

**Announcement**

Company notified of transactions in respect of the Diageo Share Incentive Plan and Messrs Walsh, Rose and those persons discharging managerial responsibility inform the Company of their interests therein. Lord Blyth and Mr Stitzer inform the Company of their beneficial interests. (12 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (12 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (13 February 2007)

**Announcement**

Company releases shares from treasury to satisfy grants made under employee share plans. (14 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (14 February 2007)

**Announcement**

Company announces its interim results. (15 February 2007)

**Announcement**

Company releases shares from treasury to satisfy grants made under employee share plans. (21 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (21 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (22 February 2007)

**Announcement**

Company releases shares from treasury to satisfy grants made under employee share plans. (23 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (23 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (26 February 2007)

**Announcement**

Publication of Prospectus. (27 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (27 February 2007)

**Announcement**

Company announces its total voting rights. (28 February 2007)

**Announcement**

Company purchases its own securities through Goldman Sachs International. (28 February 2007)

**Table of Contents**

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 12:19 01-Feb-07

**Number** PRNUK-0102

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 12.6.4 OF THE LISTING RULES

Diageo plc Transaction in Own Shares

Diageo plc (the Company ) announces that yesterday, it released from treasury 11,982 ordinary shares of 28 101/108 pence each in the Company ( Ordinary Shares ), to satisfy grants made under employee share plans. The average price at which these Ordinary Shares were released from treasury was 939.63 pence per share.

Following this release, the Company holds 280,365,426 Ordinary Shares as treasury shares and the total number of Ordinary Shares in issue (excluding shares held as treasury shares) is 2,709,111,927.

1 February 2007

END

**Company** Diageo PLC

---

**Table of Contents**

**TIDM** DGE

**Headline** Total Voting Rights

**Released** 16:17 01-Feb-07

**Number** PRNUK-0102

TO: Regulatory Information Service

PR Newswire

RE: Transparency Directive s transitional provision 6

Diageo plc Voting Rights and Capital

In conformity with the Transparency Directive s transitional provision 6 Diageo plc (the Company ) would like to notify the market of the following:

The Company s issued capital consists of 2,989,477,353 ordinary shares of 28 101/108 pence each ( Ordinary Shares ) with voting rights, which includes 280,365,426 Ordinary Shares held in Treasury.

Therefore, the total number of voting rights in the Company is 2,709,111,927 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FSA s Disclosure and Transparency Rules.

1 February 2007

**Company** Diageo PLC

---



**Table of Contents**

**TIDM** DGE  
**Headline** Transaction in Own Shares  
**Released** 17:56 01-Feb-07  
**Number** 5978Q

Diageo plc

01 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 450,000 ordinary shares at a price of 1001.16 pence per share.

END

**Company** Diageo PLC  
**TIDM** DGE  
**Headline** Transaction in Own Shares  
**Released** 15:07 02-Feb-07  
**Number** PRNUK-0202

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 12.6.4 OF THE LISTING RULES

Diageo plc Transaction in Own Shares

Diageo plc (the Company ) announces that today, it released from treasury 3,718 ordinary shares of 28 101/108 pence each in the Company ( Ordinary Shares ), to satisfy grants made under employee share plans. The average price at which these Ordinary Shares were released from treasury was 939.63 pence per share.

Following this release, the Company holds 280,361,708 Ordinary Shares as treasury shares and the total number of Ordinary Shares in issue (excluding shares held as treasury shares) is 2,708,665,645.

**Table of Contents**

2 February 2007  
END

**Company** Diageo PLC  
**TIDM** DGE  
**Headline** Transaction in Own Shares  
**Released** 17:35 02-Feb-07  
**Number** 6795Q

Diageo plc

02 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 450,000 ordinary shares at a price of 1000.50 pence per share.

END

**Company** Diageo PLC  
**TIDM** DGE  
**Headline** Transaction in Own Shares  
**Released** 16:01 05-Feb-07  
**Number** PRNUK-0502

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 12.6.4 OF THE LISTING RULES

Diageo plc Transaction in Own Shares

Diageo plc (the Company ) announces that today, it released from treasury 3,756 ordinary shares of 28 101/108 pence each in the Company ( Ordinary Shares ), to satisfy grants made under employee share plans. The average price at which these Ordinary Shares were released from treasury was 939.63 pence per

**Table of Contents**

share.

Following this release, the Company holds 280,357,952 Ordinary Shares as treasury shares and the total number of Ordinary Shares in issue (excluding shares held as treasury shares) is 2,708,219,401.

5 February 2007

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:26 05-Feb-07

**Number** 7520Q

Diageo plc

05 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 450,000 ordinary shares at a price of 999.93 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:36 06-Feb-07

**Table of Contents**

**Number** 8334Q

Diageo plc

06 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 450,000 ordinary shares at a price of 1003.99 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:23 07-Feb-07

**Number** 9054Q

Diageo plc

07 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 600,000 ordinary shares at a price of 1001.20 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 18:03 08-Feb-07

**Number** 9876Q

Diageo plc

08 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 450,000 ordinary shares at a price of 1009.12 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 13:29 09-Feb-07

**Number** PRNUK-0902

**Table of Contents**

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 12.6.4 OF THE LISTING RULES

Diageo plc Transaction in Own Shares

Diageo plc (the Company) announces that today, it released from treasury 1,543 ordinary shares of 28 101/108 pence each in the Company ( Ordinary Shares ), to satisfy grants made under employee share plans. The average price at which these Ordinary Shares were released from treasury was 939.63 pence per share.

Following this release, the Company holds 280,356,409 Ordinary Shares as treasury shares and the total number of Ordinary Shares in issue (excluding shares held as treasury shares) is 2,706,270,944.

9 February 2007

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:19 09-Feb-07

**Number** 0574R

---

**Table of Contents**

Diageo plc

09 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 500,000 ordinary shares at a price of 1008.62 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Director/PDMR Shareholding

**Released** 15:37 12-Feb-07

**Number** PRNUK-1202

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 3.1.4 OF THE DISCLOSURE RULES

The notifications listed below are each in respect of a single transaction of which notification was received under Paragraph 3.1.2 of the Disclosure Rules and, in respect of directors of Diageo plc only, Section 324 of the Companies Act 1985.

Diageo plc (the Company) announces that:

1. it received notification on 12 February 2007 of the following allocations of ordinary shares of 28 101/108 pence in the Company ( Ordinary Shares ) under the Diageo Share Incentive Plan (the Plan ), namely:

(i) the following directors of the Company were allocated Ordinary Shares on 12 February 2007 under the Plan, by Diageo Share Ownership Trustees Limited (the Trustee ):

Name of Director	Number of Ordinary Shares
------------------	---------------------------

---

**Table of Contents**

N C Rose 20

P S Walsh 20

(ii) the following Persons Discharging Managerial Responsibilities ( PDMR ) were allocated Ordinary Shares on 12 February 2007 under the Plan, by the Trustee:

Name of PDMR	Number of Ordinary Shares
S Fletcher	20
J Grover	20
A Morgan	20
G Williams	20

The number of Ordinary Shares allocated comprises those purchased on behalf of the employee using an amount which the employee has chosen to have deducted from salary ( Sharepurchase ) and those awarded to the employee by the Company ( Sharematch ) on the basis of one Sharematch Ordinary Share for every two Sharepurchase Ordinary Shares.

The Sharepurchase Ordinary Shares were purchased and the Sharematch Ordinary Shares were awarded at a price per share of £10.055.

The Ordinary Shares are held by the Trustee and in the name of the Trustee. Sharepurchase Ordinary Shares can normally be sold at any time. Sharematch Ordinary Shares cannot normally be disposed of for a period of three years after the award date.

As a result of the above transactions, interests of directors and PDMRs in the Company s Ordinary Shares (excluding options, awards under the Company s LTIPs and interests as potential beneficiaries of the Company s Employee Benefit Trusts) are as follows:

Name of Director	Number of Ordinary Shares
------------------	---------------------------

---

**Table of Contents**

N C Rose	310,886
P S Walsh	576,011

Name of PDMR	Number of Ordinary Shares
S Fletcher	111,415
J Grover	152,492
A Morgan	106,983
G Williams	189,172 (of which 5,559 are held in the form of ADS*)

2. it received notification on 12 February 2007 from Lord Blyth, a director of the Company, that he has purchased 989 Ordinary Shares on 12 February 2007 under an arrangement with the Company, whereby he has agreed to use an amount of £10,000 each month, net of tax, from his director's fees to purchase Ordinary Shares. Lord Blyth has agreed to retain the Ordinary Shares while he remains a director of the Company.

The Ordinary Shares were purchased at a price per share of £10.055.

As a result of this purchase, Lord Blyth's interest in Ordinary Shares has increased to 138,809.

3. it received notification on 12 February 2007 from Todd Stitzer, a director of the Company, that he has purchased 98 Ordinary Shares on 12 February 2007 under an arrangement with the Company, whereby he has agreed to use an amount of £1,000 each month, net of tax, from his director's fees to purchase Ordinary Shares.

The Ordinary Shares were purchased at a price per share of £10.055.

As a result of this purchase, Mr Stitzer's interest in Ordinary Shares has increased to 3,827.

12 February 2007

---



**Table of Contents**

\* 1 ADS is the  
equivalent of 4  
Ordinary  
Shares.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:33 12-Feb-07

**Number** 1361R

Diageo plc

12 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 600,000 ordinary shares at a price of 1006.50 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:39 13-Feb-07

**Number** 2136R

**Table of Contents**

Diageo plc

13 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 600,000 ordinary shares at a price of 1015.95 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 13:06 14-Feb-07

**Number** PRNUK-1402

TO: Regulatory Information Service

PR Newswire

RE: PARAGRAPH 12.6.4 OF THE LISTING RULES

Diageo plc Transaction in Own Shares

Diageo plc (the Company ) announces that today, it released from treasury 13,519 ordinary shares of 28 101/108 pence each in the Company ( Ordinary Shares ), to satisfy grants made under employee share plans. The average price at which these Ordinary Shares were released from treasury was 939.63 pence per share.

Following this release, the Company holds 280,342,890 Ordinary Shares as treasury shares and the total number of Ordinary Shares in issue (excluding shares held as treasury shares) is 2,704,584,463.

14 February 2007

END

**Company** Diageo PLC

---

**Table of Contents**

**TIDM** DGE

**Headline** Transaction in Own Shares

**Released** 17:06 14-Feb-07

**Number** 2869R

Diageo plc

14 February 2007

Diageo plc announces that it has today purchased for cancellation through Goldman Sachs International 600,000 ordinary shares at a price of 1018.05 pence per share.

END

**Company** Diageo PLC

**TIDM** DGE

**Headline** Interim Results

**Released** 07:00 15-Feb-07

**Number** 2968R

**Table of Contents*****Interim results for the six months ended 31 December 2006*****Diageo reports strong first half performance and increases guidance for full year organic operating profit growth to 8%**

Paul Walsh, Chief Executive of Diageo, commenting on the six months ended 31 December 2006 said:

Diageo has made a strong start to the year. Excellent performances in North America and International and unchanged profits in Europe delivered double digit underlying earnings growth. Our spirits brands, especially Scotch where net sales grew 11%, did particularly well, benefiting from increased investment in marketing. As a result of this strong start we are increasing our guidance for organic operating profit growth to 8% for the full year. We still expect to return a total of £1.4 billion to shareholders through share buybacks this year and to continue our progressive dividend policy.

In North America our continued outperformance in the US spirits market was the key driver of the 11% organic operating profit growth we delivered. Operating leverage from price and mix improvements in beer, wine and ready to drink also contributed to the margin expansion we achieved.

In International, we again grew marketing spend faster than net sales. This investment delivered stronger top line growth, share gains in markets from China to Mexico, organic operating margin expansion and organic operating profit grew 17%.

In Europe, growth in our Continental Europe hub and in Russia was offset by weaker top line performance in Great Britain, Ireland and Spain and total net sales declined. However, as in North America, price and mix improvement led to organic operating margin expansion and on an organic basis operating profit was maintained.

We believe that a capital structure broadly consistent with a single A credit rating gives Diageo the appropriate level of flexibility and given our strong free cash flow this capital structure would allow us to fund a £1 billion share buyback programme in fiscal 2008.

**Key highlights of the six months ended 31 December 2006**

8% net sales growth in spirits is the key driver of overall performance

Marketing spend increased by a further 6% with spend focused on growth brands and markets

Operating margin improved by 90 basis points

Using an effective tax rate of 25% eps before exceptional items rose from 31.1 pence in first half F 06 to 34.4 pence in first half F 07, which adjusted for exchange is a 14% increase

Return on invested capital increased 90 basis points to 17.7%

Strong free cash flow of £672 million

High payout ratio maintained as interim dividend per share is increased by 5% to 12.55 pence

£1.22 billion returned to shareholders through £524 million in dividends and £700 million of share buybacks

**Results at a glance**

		First half F 07	First half F 06	Reported movement	Organic movement
Volume in millions of equivalent units		75.7	72.6	4%	4%
Net sales	£ million	4,022	3,960	2%	6%
Operating profit	£ million	1,306	1,261	4%	8%

Edgar Filing: DIAGEO PLC - Form 6-K

Profit attributable to parent company s	£				
equity shareholders	million	895	1,166	(23)%	
Basic eps	Pence	32.8*	40.4*	(19)%	14%

\* For six months ended 31 December 2006 tax rate 28.3%.  
 For six months ended 31 December 2005 tax rate 14.0%.

Net sales in this document are sales after deducting excise duties. Percentage movements in this document are organic movements unless otherwise stated. Commentary, unless otherwise stated, refers to organic movements. Share, unless otherwise stated, refers to volume share. See page 27 for additional information for shareholders and an explanation of non-GAAP measures including the reconciliation of basic eps as reported to underlying basic eps.

---

**Table of Contents**

**Regional Summary**

**North America focus on priority brands delivered share gains in spirits**

Volume up 3%

Net sales up 7%

Marketing spend up 6%

Operating profit up 11%

In North America, net sales grew 8% for spirits, 9% for wine and 5% for beer, while ready to drink declined 1%. The outperformance of Diageo's spirits brands was the key driver of overall top line growth and operating margin expansion. Spirits grew volume by 4%, ahead of overall market growth of approximately 2%, as Diageo continued to gain both value and volume share, up 0.7 percentage points and 1.2 percentage points respectively. The priority brands drove volume growth and mix improvement with strong consumer demand for Johnnie Walker, Smirnoff vodka, Baileys, Captain Morgan and Jose Cuervo.

**Europe strong growth in the Continental Europe hub was offset by weakness in other markets**

Volume down 5%

Net sales down 2%

Marketing spend reduced by 7%

Operating profit unchanged

In Europe, strong growth in the Continental Europe hub, led by Johnnie Walker, Smirnoff and Baileys, was offset by weaker volume performance mainly in Great Britain but also in Ireland and Spain. In Great Britain, promotional activity was reduced in the off trade, and while net sales per case improved and brand equity was maintained, volume declined. A reduction in marketing spend behind ready to drink in Great Britain and France was the main driver of the reduction in total marketing spend. However, investment was increased behind spirits brands in the Continental Europe hub.

**International top and bottom line growth improved**

Volume up 14%

Net sales up 16%

Marketing spend up 22%

Operating profit up 17%

Growth in Diageo's International business was driven by a focus on key brands in growth markets, innovation, additional high levels of marketing spend and improved sales execution with customers. The strong performance of Diageo's Scotch brands was the key driver of top line mix improvement. In the deluxe Scotch segment, brands such as Windsor in Korea and Buchanan's in Latin America continued to gain share. In Africa, beer grew strongly as did spirits and ready to drink in South Africa. Investment in marketing spend again grew ahead of net sales growth particularly in fast growing markets such as India and Mexico. In China marketing spend was up 70% resulting in strong net sales growth and share gains.

**Financial**

The deficit in respect of post employment plans reduced by £42 million from £801 million at 30 June 2006 to £759 million at 31 December 2006

In the six months ended 31 December 2006, exchange rate movements reduced operating profit by £53 million and the interest charge by £7 million

At current exchange rates, exchange rate movements are estimated to reduce operating profit by £90 million and the interest charge by approximately £10 million (excluding the exchange impact of re-translating trading and short term inter-company loans under IAS 21) for the full year ending 30 June 2007

---

**Table of Contents****Brand performance summary**

	Reported volume movement	Organic volume movement	Reported net sales movement	Organic net sales movement
	%	%	%	%
Global priority brands	5	5	1	6
Local priority brands	(1)	(1)	(2)	2
Category brands	7	6	5	10
<b>Total</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>6</b>
Key brands:				
Smirnoff vodka	6	6	2	7
Smirnoff ready to drink	(6)	(6)	(12)	(6)
Johnnie Walker	10	10	8	13
Guinness			(1)	2
Baileys	3	3	3	6
Captain Morgan (excl. ready to drink)	5	5	2	9
J B	(1)	(1)	(4)	(1)
Crown Royal	4	4	(1)	8
Jose Cuervo (excl. ready to drink)	7	7	1	8
Tanqueray	4	4	(1)	6
Buchanan's Venezuela	65	65	88	71
Windsor Korea	13	13	15	13

The global priority brands grew volume by 5% as growth in Johnnie Walker, Smirnoff and Baileys offset a decline in Smirnoff ready to drink and J B. Strong growth of Guinness in International, where volume grew 8%, was offset by the performance in Europe and therefore volume was flat. Net sales of global priority brands grew 6% as a result of price increases in some markets and mix improvement throughout the world.

Local priority brands volume declined 1% as strong growth of Buchanan's and Windsor was offset by declines in Bell's and Gordon's. Mix improved and as a result, net sales were up by 2%.

Category brands grew volume by 6% and net sales were up 10% as mix improved due to the strong growth of Scotch brands such as Old Parr and Black & White.



**Table of Contents****OPERATING AND FINANCIAL REVIEW  
For the six months ended 31 December 2006****OPERATING REVIEW****Analysis by region****North America**

## Summary:

Continued share growth in spirits: value and volume share up 0.7 and 1.2 percentage points respectively

Volume growth of priority brands and price increases drove 7% growth in net sales

*Key measures:*

	<b>First half F 07 £ million</b>	<b>First half F 06 £ million</b>	<b>Reported movement %</b>	<b>Organic movement %</b>
Volume			3	3
Net sales	1,313	1,329	(1)	7
Marketing spend	206	209	(1)	6
Operating profit	486	476	2	11

*Reported performance:*

Net sales were £1,313 million in the six months ended 31 December 2006 down by £16 million from £1,329 million in the comparable period. Operating profit increased by £10 million to £486 million in the period ended 31 December 2006.

*Organic performance:*

The weighted average exchange rate used to translate US dollar sales and profit moved from £1 = \$1.76 in the six months ended 31 December 2005 to £1 = \$1.91 in the six months ended 31 December 2006. Net sales decreased by £99 million as a result of the weakening US dollar. Acquisitions increased net sales by £1 million and there was an organic increase in net sales of £82 million. Operating profit decreased by £38 million as a result of exchange rate movements. Acquisitions had no impact on operating profit. There was an organic increase in operating profit of £48 million.

---

**Table of Contents***Organic brand performance:*

	<b>Reported volume movement</b>	<b>Organic volume movement</b>	<b>Reported net sales movement</b>	<b>Organic net sales movement</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Global priority brands	6	6		8
Local priority brands	1	1	(5)	3
Category brands	(2)	(2)	1	8
Total	3	3	(1)	7
Key brands:				
Smirnoff vodka	8	8	4	12
Smirnoff ready to drink	(20)	(20)	(22)	(16)
Captain Morgan (excl. ready to drink)	5	5	1	9
Crown Royal	4	4	(1)	8
Jose Cuervo (excl. ready to drink)	5	5	(2)	7
Baileys	22	22	16	25
Johnnie Walker	2	2	(2)	6
Tanqueray	3	3	(4)	4
Guinness	2	2	(3)	5
Beaulieu Vineyard	(8)	(8)	(14)	(6)
Sterling Vineyards	8	8	(9)	(1)

Smirnoff vodka grew volume 8%, outpacing category growth of 3%. A price increase in many states led to 12% growth in net sales. Smirnoff vodka grew value and volume share 0.2 and 0.8 percentage points respectively.

Price increases on Captain Morgan Original Spiced Rum and Parrot Bay flavoured rum in most states drove growth of net sales of 9% on a 5% increase in volume.

Jose Cuervo, excluding ready to drink, grew volume 5%, driven by growth of Jose Cuervo Flavored Tequilas. Strong performance of super premium variants improved mix and net sales grew 7%. The successful launch of Jose Cuervo Black Medallion in February 2006 and the continued growth of Jose Cuervo Tradicional have almost doubled Cuervo's participation in the super premium and ultra premium tequila segments.

Baileys showed particularly strong growth with volume up 22% and net sales up 25% following the national launch of Baileys flavours and the continued strong performance of Baileys Original Irish Cream.

Johnnie Walker outpaced the category and increased share by 1.6 percentage points with growth across all variants.

Volume grew 2% reflecting further reductions in stock levels. Mix improvement toward Johnnie Walker Black Label and the super deluxe variants drove 6% growth in net sales.

Tanqueray grew volume 3%, share increased by 0.9 percentage points and net sales rose 4%.

Guinness Draught in Bottle grew volume 13% while Guinness Draught increased volume by 4%. Changes in shipment phasing benefited the prior period performance and therefore Guinness Extra Stout volume declined. As a result, total Guinness volume grew 2%. A national price increase on Guinness Draught and select market increases on other packs drove mix improvement and as a consequence, net sales were up 5%.

Volume on the local priority brands grew 1%, as strong performances by Crown Royal, Buchanan's and Sterling Vineyards were partly offset by declines in Gordon's gin, Seagram's VO and Beaulieu Vineyard. Net sales of local priority brands rose 3% following the positive mix shift towards Crown Royal and Buchanan's. Crown Royal volume grew 4% and net sales were up 8% following a price increase in selected states and the introduction of the super premium variant Crown Royal Extra Rare. In wines, mix of Beaulieu Vineyard improved due to lower sales of the mid-priced variant Century Cellars, while Sterling Vineyards mix was diluted as a result of lower sales of the Reserve wines following the warehouse fire in October 2005.

Category brands volume declined 2%. Lower value brands such as Popov and Gordon's vodka declined but more premium spirits brands such as Cîroc, Don Julio and Bushmills, premium beer brands like Red Stripe and wine brands such as Chalone Vineyards increased. As a result of this mix improvement, net sales grew 8%.

Ready to drink volume was down 6% as continued growth of Jose Cuervo ready to drink and the launch of Parrot Bay was more than offset by a decline in Smirnoff Ice and Twisted V. However, prices increased, mix improved and as a result, net sales were down only 1%.

---

**Table of Contents**

**Europe**

Summary:

Net sales down 2% due to weakness in Great Britain, Ireland and Spain

Strong growth in Continental Europe hub led by Johnnie Walker, Smirnoff vodka and Baileys

Marketing spend declined 7% due to reduced spend on ready to drink in Great Britain and France, and lower investment in Spain following a significant increase in the prior period

*Key measures:*

**First  
half**

**First  
half**