DIAGEO PLC
Form 6-K
March 14, 2005

Table of Contents

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

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 ___X___ 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 ___X___

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

TABLE OF CONTENTS

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 11 March 2005	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 2005

Information	Required by/when
Public Announcements/Press	The Stock Exchange, London

Announcement
Diageo Capital plc calls for redemption of its 5.30% Diageo Notes due on 14 August 2014 and 21 August 2012 on 15 February 2005 and redemption of its 5.30% Diageo Notes due on 4 September 2012 on 15 March 2005.
(1 February 2005)

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited and Messrs Walsh and Rose inform the Company of their beneficial interests therein
(4 February 2005)

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited and Messrs Walsh and Rose inform the Company of their beneficial interests therein. Lord Blyth and Todd Stitzer inform the Company of their beneficial interests.
(10 February 2005)

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited and Messrs Walsh and Rose inform the Company of their beneficial interests therein.
(11 February 2005)

Announcement
Interim results for the year ended 31 December 2004
(17 February 2005)

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited. Messrs Walsh and Rose inform the Company of their beneficial interests.
(18 February 2005)

Announcement
Company purchases its own securities through Cazenove & Co. Ltd.
(18 February 2005)

Announcement
Company purchases its own securities through Cazenove & Co. Ltd.

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited and Messrs Walsh and Rose inform the Company of their beneficial interests therein
(22 February 2005)

Announcement
Company announces change in its Corporate Broking appointments.
(24 February 2005)

Announcement
Company purchases its own securities through Cazenove & Co. Ltd.
(24 February 2005)

Announcement
Transfer of Shares by Diageo Share Ownership Trustee Limited and Messrs Walsh and Rose inform the Company of their beneficial interests therein
(25 February 2005)

Announcement
Company announces completion of acquisition of Ursus Vodka Holding N.V
(25 February 2005)

Announcement
Company purchases its own securities through Cazenove & Co. Ltd.
(25 February 2005)

Announcement
Company receives notification from Harris Associates L.P of interest in shares in the Company
(28 February 2005)

Announcement
Company purchases its own securities through JPMorgan Cazenove Limited.

(21 February 2005) (28 February 2005)

Table of Contents

Company	Diageo PLC
TIDM	DGE
Headline	REDEMPTION OF DIAGEO NOTES
Released	10:53 01-Feb-05
Number	0423I

1 February 2005
PRESS RELEASE

DIAGEO CAPITAL PLC
REDEMPTION OF DIAGEO NOTES

Diageo Capital plc has called all of its 5.30% Diageo Notes due August 14, 2012 (CUSIP: 25243FAS9) and its 5.30% Diageo Notes due August 21, 2012 (CUSIP: 25243FAT7) for redemption on February 15, 2005. Diageo Capital plc has also called all of its 5.30% Diageo Notes due September 4, 2012 (CUSIP: 25243FAU4) for redemption on March 15, 2005. The Notes will be redeemed for 100% of their unpaid principal amount together with unpaid interest accrued on such principal amount to the date of redemption. Pursuant to the terms of the Notes, the funds for redemption will be deposited with Citibank, N.A. in its capacity as Paying Agent for the Notes.
-ends-

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About Diageo plc:
Diageo is the world s leading premium drinks business. With its global vision, and local marketing focus, Diageo brings to consumers an outstanding collection of beverage alcohol brands across the spirits, wine and beer categories including Smirnoff, Guinness, Johnnie Walker, Baileys, J&B, Cuervo, Captain Morgan and Tanqueray, and Beaulieu Vineyard and Sterling Vineyards wines. Diageo trades in some 180 markets around the world and is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE). For more information about Diageo, its people, brands and performance, visit us at www.diageo.com
END

Table of Contents

Company	Diageo PLC
TIDM	DGE
Headline	Director Shareholding
Released	11:22 04-Feb-05
Number	PRNUK-0402

TO: Regulatory Information Service
PR Newswire
RE: CHAPTER 16 PARAGRAPH 13 OF
THE LISTING RULES

Diageo plc (the Company) announces that it received notification on 4 February 2005 for the purposes of Section 329 of the Companies Act 1985 from Diageo Share Ownership Trustees Limited (the Trustee), as trustee of the Diageo Share Incentive Plan (the Plan) that the Trustee sold 191 ordinary shares of 28 101/108 pence in the Company (Ordinary Shares) in respect of participants leaving the Plan. The Ordinary Shares were sold on 3 February 2005 at a price per Ordinary Share of £7.321 by the Trustee.

The total holding of the Trust now amounts to 4,494,495 Ordinary Shares.

Directors who are potential beneficiaries of the Plan are NC Rose and PS Walsh.

4 February 2005
END

Table of Contents

Company	Diageo PLC
TIDM	DGE
Headline	Director Shareholding
Released	15:43 10-Feb-05
Number	PRNUK-1002

TO: Regulatory Information Service
PR Newswire
RE: CHAPTER 16 PARAGRAPH 13 OF
THE LISTING RULES

Diageo plc (the Company) announces that:

1. It received notification on 10 February 2005 for the purposes of Section 329 of the Companies Act 1985 from Diageo Share Ownership Trustees Limited (the Trustee), as trustee of the Diageo Share Incentive Plan (the Plan) that:

2. (i) the Trustee purchased 36,248 ordinary shares of 28 101/108 pence in the Company (Ordinary Shares) in respect of participants in the Plan on 10 February 2005 at a price of £7.395 per share. The Ordinary Shares were purchased by Diageo Share Ownership Trustees Limited, which holds Ordinary Shares as trustee of the Plan;

(ii) the following directors of the Company were allocated Ordinary Shares on 10 February 2005 under the Plan, from those purchased by the Trustee as disclosed in (i) above:

Name of Director	Number of Ordinary Shares
N C Rose	26
P S Walsh	26

The number of Ordinary Shares allocated comprises those purchased by the Trustee 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 £7.395.

The Ordinary Shares are held by 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.

Table of Contents

As a result of purchases, awards and transfers made by the Trustee on behalf of the Company on 10 February 2005 in respect of all participants in the Plan, the total holding of the Trustee now amounts to 4,530,743 Ordinary Shares.

As a result of the above, these directors interests in the Company s Ordinary Shares (excluding options, awards under the Company s LTIPs and also interests as potential beneficiaries of the Grand Metropolitan No 2 Employee Share Trust and the Diageo Employee Benefit Trust) are as follows:

Name of Director	Number of Ordinary Shares
N C Rose	180,347
P S Walsh	637,580

3. It received notification on 10 February 2005 from Lord Blyth, a director of the Company, that he has purchased 992 Ordinary Shares on 10 February 2005 under an arrangement with the Company, whereby he has agreed to use an amount of £7,375 per 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.

4. The Ordinary Shares were purchased at a price per share of £7.395.

As a result of this purchase, Lord Blyth s interest in Ordinary Shares has increased to 103,078.

5. It received notification on 10 February 2005 from Todd Stitzer, a director of the Company, that he has purchased 135 Ordinary Shares on 10 February 2005 under an arrangement with the Company, whereby he has agreed to use an amount of £1,000 per month, net of tax, from his director s fees to purchase Ordinary Shares.

The Ordinary Shares were purchased at a price per share of £7.395

As a result of this purchase, Mr Stitzer s interest in Ordinary Shares has increased to 1,089.

10 February 2005

END

Table of Contents

Company	Diageo PLC
TIDM	DGE
Headline	Director Shareholding
Released	11:11 11-Feb-05
Number	PRNUK-1102

TO: Regulatory Information Service
PR Newswire
RE: CHAPTER 16 PARAGRAPH 13 OF
THE LISTING RULES

Diageo plc (the Company) announces that it received notification on 11 February 2005 for the purposes of Section 329 of the Companies Act 1985 from Diageo Share Ownership Trustees Limited (the Trustee), as trustee of the Diageo Share Incentive Plan (the Plan) that the Trustee sold 828 ordinary shares of 28 101/108 pence in the Company (Ordinary Shares) in respect of participants leaving the Plan and transferred 5,301 Ordinary Shares to participants leaving the Plan. The Ordinary Shares were sold on 7 February 2005 and 8 February 2005 at prices per Ordinary Share of £7.4206 and £7.4956 respectively, by the Trustee.

Date of Transaction	No of Ordinary Shares Sold	Price Per Share
07.02.05	787	£ 7.4206
08.02.05	41	£ 7.4956

Date of Transaction	No of Ordinary Shares Transferred
07.02.05	5,187
08.02.05	114

The total holding of the Trust now amounts to 4,524,614 Ordinary Shares.

Directors who are potential beneficiaries of the Plan are NC Rose and PS Walsh.

11 February 2005

END

17 February 2005

Diageo Interim results for the six months ended 31 December 2004

Continued growth across all key measures with organic growth of 3% volume, 5% net sales (after deducting excise duties) and 8% operating profit before exceptional items in the first half of fiscal 05.

Results at a glance

This is the first time that results have been presented under Diageo s realigned geographic organisation.

		First half 2005	First half 2004	Reported movement	Organic* movement
Volume	equivalent units m	69.2	66.9	3%	3%
Turnover	£million	4,984	5,060	(2)%	5%
Net sales (after deducting excise duties)	£million	3,705	3,795	(2)%	5%
Marketing investment	£million	575	612	(6)%	2%
Operating profit before exceptional items	£million	1,192	1,181	1%	8%
Operating margin before exceptional items	%	23.9	23.3	0.6 ppts	0.6 ppts

* *Organic movement before exceptional items. See page 29 for an explanation of organic movement and a reconciliation to GAAP measures.*

Other financial highlights

		First half 2005	First half 2004
Operating profit	£million	1,172	1,162
Basic eps before exceptional items	Pence	30.0	30.3
Free cash flow	£million	636	620
Profit for the period	£million	869	891
Basic eps	Pence	29.0	29.3
Interim dividend per share	Pence	11.35	10.60
Return on invested capital	%	17.9	17.6

Chief Executive s comments

Diageo s aim is to consistently deliver across key performance measures and in this half we have again delivered top line organic growth and margin improvement and increased return on capital. This is the tenth consecutive set of results in which we have delivered these improvements.

Our main engines for growth during the half year have been our global priority brands, where volume increased by a further 4%, and our North American business, where organic operating profit is up 12%. Even in Europe, where the consumer environment is far more challenging, we have delivered 4% organic operating profit growth. The performance of our International business, where organic operating profit was also up 4%, reflected improving trading conditions in Latin America, partially offset by difficult trading conditions in Korea, Taiwan and Nigeria, and a 13% increase in marketing investment.

Table of Contents

We have made a good start to the year and we can maintain our full year guidance of 6% organic operating profit growth despite absorbing an increase in the cost of executing additional productivity initiatives in the second half.

Paul S Walsh, Chief Executive
17 February 2005

Table of Contents

DIAGEO INTERIM RESULTS
For the six months ended 31 December 2004

Key features of the half year

North America
Diageo s volume in North America grew 5%, significantly ahead of the market which grew about 2%. Diageo has gained share in the United States across all three categories spirits, wine and beer. This strong top line growth together with mix improvement and cost reduction means that Diageo s business in North America delivered organic operating profit growth of 12%

Europe
Trading conditions in Europe are tough and the ready to drink market continues to contract but these results show that focus on leading brands with strong consumer appeal, Smirnoff, Guinness, Baileys, and a focus on cost does deliver operating profit growth

International
The strength of Diageo s International business is in its broad geographic reach and brand range. This has allowed us to deliver organic operating profit growth despite facing difficult trading conditions in Nigeria, Taiwan and Korea. Strong volume growth in Latin America and innovation-led growth in Australia drove net sales (after deducting excise duties) up 9%. Investment was increased in the new growth markets such as China and marketing behind all the global priority brands was up over 20%

The global priority brands remain our fastest growth brands with volume up 4%

Marketing investment has been focused on the core spirits brands and spend excluding ready to drink brands grew 7%

Diageo s decision to dispose of most of its shares in General Mills improved return on invested capital and freed up cash for debt reduction and share buybacks. It did however negatively impact eps. Excluding the impact of the sale of General Mills shares and adverse currency movements, Diageo delivered eps growth of 12%

Financial highlights

Net sales after deducting excise duties	Δ	5%*
Operating profit	Δ	8%*
Operating margin	Δ	0.6ppts*
Free cash flow at £636 million	Δ	£16 million
Return on invested capital	Δ	0.3 ppts

* *Organic movement before exceptional items. See page 29 for an explanation of organic movement and a reconciliation to GAAP measures.*

Table of Contents

OPERATING AND FINANCIAL REVIEW
For the six months ended 31 December 2004

OPERATING REVIEW

See explanatory notes on page 29 for definitions.

Analysis by brand

	Equivalent units million	Volume movement %	Net sales* movement %
Global priority brands			
Smirnoff	13.5	5	2
Johnnie Walker	7.1	4	9
Guinness	5.9		7
Baileys	4.5	3	2
J B	3.5	(1)	1
Captain Morgan	3.5	11	11
Jose Cuervo	2.2	11	10
Tanqueray	1.0	(4)	
Total global priority brands	41.2	4	5
Local priority brands	12.9	1	1
Category brands	15.1	4	7
Total	69.2	3	5

**after deducting excise duties*

Smirnoff s overall performance was driven by the core brand s strong performance across all three regions. Smirnoff ready to drink performance was mixed with growth in North America and International offset by a volume decline in Europe. Volume and net sales (after deducting excise duties) of Smirnoff excluding ready to drink increased by 6%.

Johnnie Walker also achieved strong performance with broad based growth across all three regions. Johnnie Walker Red Label and Johnnie Walker Black Label both grew volume and net sales (after deducting excise duties), while even faster growth of the Johnnie Walker super deluxe variants delivered mix improvement.

Guinness volume was flat, impacted by difficult trading conditions in Africa, particularly Nigeria, offset by improved performance in Europe. Price increases were successfully implemented in many markets including Great Britain, Ireland and Africa.

Baileys overall performance was held back by a decline in volume and net sales (after deducting excise duties) in North America. This decline was the result of lower sales of Baileys Minis which were launched in the prior period. In other markets, Baileys achieved good growth with volume up 6%.

J B s performance continues to reflect the decline of the scotch category in Spain, which is J B s single biggest market, and represents nearly 50% of total J B volume.

Captain Morgan, Jose Cuervo and Tanqueray are predominantly North American brands. The performance of Captain Morgan remained strong, boosted by innovation. Jose Cuervo rebounded, delivering double digit volume and net sales (after deducting excise duties) growth. Tanqueray continues to underperform the North America imported gin segment due in part to a price increase implemented in certain regions of the United States in the six months ended 31 December 2004.

Overall ready to drink volume increased 2% although performance and the general health of the segment varies globally. Successful innovation initiatives drove strong growth in North America and International, particularly in Australia and South Africa. Volume declined in Europe due to the contraction of the segment and increased regulations and duties.

Analysis by market

North America

Summary:

Global priority brands account for 60% of total volume, while local priority brands represent 25% and category brands account for the remaining 15%

Share gains in the spirits, wine and beer categories

Volume growth of 5%, supported by innovation initiatives, together with price increases and mix improvement delivered 8% net sales (after deducting excise duties) growth

Operating profit before exceptional items grew 12% and operating margin was up 1.1 percentage points driven by strong brand performance, lower marketing and incremental Seagram synergy of £20 million

Consolidation phase of distribution strategy essentially completed

Key measures:

	First half 2005 £ million	First half 2004 £ million	**Reported movement %**	**Organic movement %**
Volume			5	5
Turnover	**1,384**	1,457	(5)	8
Net sales (after deducting excise duties)	**1,167**	1,228	(5)	8
Marketing	**187**	202	(7)	2
Operating profit before exceptional items	**454**	453		12

Reported performance:

Turnover was £1,384 million in the six months ended 31 December 2004 down by £73 million from £1,457 million in the comparable prior period. Operating profit before exceptional items increased by £1 million to £454 million in the six months ended 31 December 2004.

Organic performance:

The weighted average exchange rate used to translate US dollar turnover moved from £1 = $1.65 in the six months ended 31 December 2003 to £1 = $1.85 in the six months ended 31 December 2004. The weakening of the US dollar resulted in a £171 million reduction in turnover that was partly offset by organic growth of £100 million. Operating profit before exceptional items increased by £1 million, this increase reflecting organic growth of £47 million offset by £46 million of adverse exchange rate movement effects.

Table of Contents

Organic brand performance:

	Volume movement	Net sales* movement
	%	%
Smirnoff	6	10
Johnnie Walker	6	14
Jose Cuervo	10	8
Baileys	(5)	(6)
Captain Morgan	12	12
Tanqueray	(6)	(2)
Guinness	2	4
Total global priority brands	**6**	**7**
Local priority brands	**4**	**7**
Category brands	**3**	**14**
Total	**5**	**8**

**after deducting excise duties*

Smirnoff excluding ready to drink grew volume 5% while maintaining the price increase of a year ago. That price increase together with the strong growth of the flavoured vodka variant Smirnoff Twist drove net sales (after deducting excise duties) up 7%. Smirnoff Twist grew nearly 30% and now constitutes about 20% of Smirnoff volume, excluding ready to drink. The growth in Smirnoff has been due in part to an improvement in the brand s appeal amongst legal drinking age to 29-year-old consumers.

Smirnoff ready to drink volume grew 10% driven by the strong performance of Smirnoff Twisted V, launched in the fourth quarter of calendar 2003. The performance of Smirnoff ready to drink resulted in favourable mix and net sales (after deducting excise duties) growth of 10% for total Smirnoff. In the United States, Smirnoff grew share of both the vodka category and the ready to drink segment.

Smirnoff marketing investment decreased 3%. Smirnoff Red marketing was lower period on period as the prior period included one time investments related to the Icon package launch and image campaign. This was partially offset by an increase in Smirnoff ready to drink marketing to support increased media and programmes focused on introducing target consumers to Smirnoff Twisted V.

Johnnie Walker volume grew 6% while net sales (after deducting excise duties) was up 14%. A price increase in selected regions of the United States coupled with growth in Black Label and the super deluxe variants drove this mix improvement. Johnnie Walker Black Label volume increased 6% and grew share in the United States on higher pricing. Strong consumer demand for super premium brands benefited the super deluxe variants, including Johnnie Walker Green Label launched in October 2004. Johnnie Walker Red Label volume growth slowed to 1% and Red Label lost share as competitive pressures increased in the premium scotch segment.

Jose Cuervo grew volume and share of the United States tequila category and the brand s first television advertising campaign was launched. Net sales (after deducting excise duties) grew 8% with some adverse impact from flat volume in the higher value Jose Cuervo Margarita Mix variants. Excluding these variants, Jose Cuervo volume grew 10% while net sales (after deducting excise duties) was up 13%.

Baileys volume decreased 5% and share declined as the prior period included the pipeline fill related to the Minis launch but competitive pressures have also increased. Marketing investment declined 7% as advertising in the comparable period had been increased to support the Minis launch.

Table of Contents

Captain Morgan continued to deliver strong performance with volume and net sales (after deducting excise duties) both up 12% driven by Original Spiced Rum and the launch of new Parrot Bay Flavors. Strong volume growth drove share gains of over 2 percentage points.

Tanqueray volume decreased 6%, although net sales (after deducting excise duties) fell only 2% due to a price increase taken in the first quarter. Tanqueray continued to lead the imported gin segment.

Guinness volume increased 2% and grew share driven by growth in Guinness Draught in Bottles and Guinness Extra Stout. Net sales (after deducting excise duties) increased by 4%.

Local priority brand performance accelerated with volume up 4% and net sales (after deducting excise duties) up 7%. Crown Royal, with volume up 7%, grew share of the North American whiskey category. Net sales (after deducting excise duties) growth also benefited from higher pricing in certain regions of the United States. Beaulieu Vineyard and Sterling Vineyards continued to perform strongly with combined volume up 27%, while net sales (after deducting excise duties) growth of 14% was negatively impacted by a mix shift to lower value variants. Growth of Crown Royal, Beaulieu Vineyard and Sterling Vineyards which constitute about 30% of Diageo s local priority brand net sales (after deducting excise duties), offset mixed performance across the remaining North America local priority brands and delivered mix improvement.

Volume of the category brands grew 3% with Popov up 8% and Gordon s vodka up 3%, along with growth in beer led by Red Stripe and Smithwick s.

Performance in Canada, which constitutes 10% of North America volume, was negatively impacted by ongoing external labour issues. This included a strike in the province of Quèbec resulting in the closure of most beverage alcohol retailers from November 2004 and the dispute in the National Hockey League which has negatively impacted the on-trade channel.

In the prior period marketing was increased to support the Smirnoff Icon package launch and image campaign as well as the launch of Baileys Minis. In the current period marketing expenditure increased 2% as investment was focused to maximise the impact of other large scale fully integrated marketing programmes and innovation initiatives in the half. Johnnie Walker marketing increased to support increased advertising, successful consumer relationship marketing programmes and holiday gift packaging. Marketing investment was also increased to support the launch of Johnnie Walker Green Label and Captain Morgan Parrot Bay Flavors.

In the half year, Diageo essentially completed the consolidation phase of its distribution strategy with Moët Hennessy in the United States which commenced in February 2002. Over the last two and a half years, Diageo has created 39 dedicated distributor sales teams and staffed them with over 2,100 sales persons selling Diageo s brands.

On 1 July 2004, Diageo moved the distribution of its brands formerly managed by Schieffelin & Somerset into its existing United States Spirits operation, simplifying the management of the brands and reducing costs.

On 8 February 2005, Diageo completed the acquisition of The Chalone Wine Group Ltd. for US$275 million (£143 million). The acquisition increases the range of premium brands in Diageo s North American wine business and is expected to yield significant synergy for that business.

Europe

Summary:

Great Britain, Ireland and Spain account for 65% of Europe s volume and 70% of net sales (after deducting excise duties)

Table of Contents

Global priority brands account for 65% of total volume; while local priority brands represent 16% and category brands account for the remaining 19%

Increased regulations and duties on ready to drink beverages, health-related legislation, such as the on-trade smoking ban in Ireland, and weak economic conditions, form the backdrop of Diageo s performance in Europe

Total volume was up 1%, while net sales (after deducting excise duties) declined 1%. Performance, excluding ready to drink, was stronger, with both volume and net sales (after deducting excise duties) growing 2% during the period

Marketing was down 3%. Investment behind ready to drink declined 49% in response to the decline in the segment. Excluding ready to drink, marketing was up 5%

Operating profit was up 4% due to stronger pricing in Spain, Great Britain and Greece as well as lower overall marketing

Key measures:

	First half 2005 £ million	First half 2004 £ million	**Reported movement %**	**Organic movement %**
Volume			1	1
Turnover	**2,240**	2,247		1
Net sales (after deducting excise duties)	**1,448**	1,481	(2)	(1)
Marketing	**241**	268	(10)	(3)
Operating profit before exceptional items	**459**	432	6	4

Reported performance:

Turnover in Europe was down in the six months ended 31 December 2004 at £2,240 million. Operating profit before exceptional items increased by 6% from £432 million to £459 million.

Organic performance:

Turnover decreased by £7 million compared with the six months ended 31 December 2003. This decrease primarily arose from a £29 million reduction due to exchange rate impacts offset by organic growth of £26 million. The exchange impact results primarily from a weakening of the euro compared to the comparable period in 2003. Operating profit before exceptional items increased by £27 million as a result of £19 million of organic growth and a beneficial exchange rate movement effect of £8 million.

Organic brand performance

	Volume movement %	**Net sales* movement %**
Smirnoff		(12)
Johnnie Walker	3	5
Guinness	1	6
Baileys	6	6

J B	(1)	
Total global priority brands	2	
Local priority brands	(5)	(5)
Category brands	6	
Total	1	(1)

**after deducting excise duties*

8

Table of Contents

Smirnoff volume was flat as 4% growth in the Smirnoff brand, excluding ready to drink, offset losses in ready to drink volume, down 21%. Net sales (after deducting excise duties) declined 12%, as a 26% decline in ready to drink net sales (after deducting excise duties) was only partially compensated by 4% growth in the Smirnoff brand, excluding ready to drink.

Johnnie Walker volume grew 3% driven by strong performances in the smaller markets. Both Johnnie Walker Red Label and Johnnie Walker Black Label performed well in Russia, Poland and Portugal while Johnnie Walker Super Deluxe grew in Greece, Portugal and Spain. Net sales (after deducting excise duties) grew 5% due to stronger pricing in Johnnie Walker s two largest markets, Greece and Spain.

Guinness volume was up 1% as the brand returned to growth in Great Britain and slowed its decline in Ireland. Both markets had solid performances in the on-trade with growth in the off-trade due to new packaging.

Baileys continued to grow, with volume up 6% due to strong performances in several markets. Volume in Great Britain, Baileys biggest European market, grew 6%. Spain grew volume 5% on the back of a new advertising campaign and growth in the on-trade. The launch of Baileys Minis and a successful coffee house campaign drove 10% volume growth in Germany.

J B volume declined 1%. Volume in Spain, J B s largest market, was down 4% as a result of a declining whisky category and stronger pricing. This was partially offset by strong performances in Portugal up 9% and Turkey up 10%. Net sales (after deducting excise duties) were flat despite declining volume as a result of stronger pricing throughout Europe.

Local priority brand volume declined 5% with a corresponding decline in net sales (after deducting excise duties). In Great Britain, Gordon s Gin grew in a declining category. However, in Ireland, lagers deteriorated as a result of the competitive environment and a cold summer in 2004 compared to the unusually hot summer of 2003. In Spain, Cacique continued to grow with volume up 3%.

Category brands grew volume 6%. Blossom Hill continued on a strong trajectory growing 15% in Great Britain. Pampero performed well in Spain and Italy while standard scotch was particularly strong in Greece with Haig up 31%.

Great Britain

Volume growth was 2% and net sales (after deducing excise duties) grew 1%. Excluding ready to drink, performance was stronger with volume up 3% and net sales (after deducing excise duties) up 6% following price increases on Baileys, Smirnoff Red and Guinness.

Smirnoff Red volume grew 4%, with net sales (after deducting excise duties) growing 6% as a result of a price increase in April. Share in the period grew 1 percentage point due to a strong marketing programme, increased distribution and consistent promotional activities. Smirnoff ready to drink volume declined 18%, however, the brand grew share by 1 percentage point and is the leader in the ready to drink segment with a 29% share.

Guinness returned to growth with volume up 2% and net sales (after deducting excise duties) up 6%, benefiting from a price increase put through in April. New packaging for Guinness Draught in cans drove off-trade growth while a solid performance in the on trade enabled Guinness to hold share flat for the period. Marketing investment increased 6% to support a programme of consistent TV presence.

Baileys volume was up 6% while net sales (after deducting excise duties) grew 5%. The brand had another good period with share up 10 percentage points benefiting from major retailers aggressively supporting Baileys as a strategy to drive footfall through the Christmas period.

Table of Contents

Local priority brand volume declined 4%. Bell s retained its leadership of the blended whisky segment despite lower volume. Gordon s Gin grew volume 7%, and share 3 percentage points, as a result of an effective advertising and promotional campaign and the successful re-launch of Gordon s Sloe Gin.

Ireland

The results for Ireland reflect the ongoing difficulties in the on-trade. The continuing shift from the on-trade to the off-trade was further exacerbated by the smoking ban introduced in March 2004 and as a result, Diageo s volume declined 3%.

Guinness turned in a strong performance driven by a range of successful programmes supporting the brand and benefiting from a cool summer in 2004. Volume decline slowed to 1% and net sales (after deducting excise duties) grew 5% with some benefit from pricing. The on-trade in the Republic of Ireland remains Guinness largest channel, accounting for nearly 80% of volume. In this channel, share was up by 1 percentage point despite the challenging dynamics taking place in the on-trade.

Spirits performed well. Baileys volume grew 6% and Smirnoff volume was up 12%. The Smirnoff relaunch in 2004 was successful and the brand remains the number one vodka brand in Ireland.

Local priority brand volume was down 10% due to weak performance in lagers and Smithwick s. Budweiser, Carlsberg and Harp performance was held back by a cool summer in 2004 and an increasingly competitive environment in the off-trade.

Spain

Volume grew 1% in a spirits market that declined by 2%. While Cacique, Baileys, and Smirnoff drove growth, performance also benefited from trade buy-in ahead of increases in both duty and price. A price rise was put through in April 2004 and a second price increase was made on 1 January 2005 in conjunction with a 2% increase in duty. As a result of stronger pricing, net sales (after deducting excise duties) grew 4%.

J B volume was down 4%. However, stronger pricing meant that net sales (after deducting excise duties) was down only 1%. Despite a 1 percentage point decrease in share, J B remains the leader with a 25% share of the standard whisky segment.

The remaining global priority brands performed well. Baileys volume was up 5% and net sales (after deducting excise duties) increased 9%, in the wake of stronger pricing. Johnnie Walker volume was up 1% thanks to Johnnie Walker Black Label, growth of 18% albeit off a small base which offset a 2% decline in Johnnie Walker Red Label. Johnnie Walker Black Label also grew share 1 percentage point while Johnnie Walker Red Label s share remained flat.

Local priority brand volume was up 3%. The dark rum segment continued to grow albeit at a more moderate rate as consumers continue to shift away from whisky and white rum. Cacique volume grew 3% and net sales (after deducting excise duties) were up 9%. The brand lost share due to numerous new entries, however, it is still the leader of the dark rum segment with a 34% share.

Category brand performance was strong. Volume increased 15% as a result of Gordon s Gin, which grew 14% due to favourable pricing versus the competition and continued momentum behind Pampero, which was up 16%.

Table of Contents

Rest of Europe

The rest of Europe represents 35% of total European volume and 30% of net sales (after deducting excise duties). Total volume was up 3%, with volume excluding ready to drink up 4% offsetting a sharp 24% decline in ready to drink. Net sales (after deducting excise duties) declined 1% as a result of lower ready to drink sales in Germany, Switzerland and the Nordics. Excluding ready to drink, net sales (after deducting excise duties) were up 4% reflecting stronger pricing in Greece and Portugal.

In Greece, volume was up 3% with strong growth in Jose Cuervo and Haig. France s volume was up 4% as a result of growth in Smirnoff Red, Smirnoff ready to drink and J B. Germany s volume fell 4% as growth in Baileys and Smirnoff Red only partially offset a 65% decline in Smirnoff ready to drink volume due to an increase in duties and regulations. In Italy, total volume was up 1% as Pampero growth of 26% was offset by weaker volume for Johnnie Walker and Smirnoff.

Russia delivered a strong performance, albeit from a relatively small base. Volume grew 28%, while net sales (after deducting excise duties) were up 33%. Johnnie Walker and Baileys, with volume up 30% and 26% respectively, drove performance, together with the launch of Smirnoff ready to drink in the summer of 2004. Johnnie Walker Red Label, Johnnie Walker Black Label and Baileys all increased share and are the clear leaders in their respective segments.

On 19 November 2004, Diageo announced that it had reached an agreement to acquire the Ursus vodka and Ursus Roter brands. The total cash investment will be approximately 145 million (£102 million) for the acquisition of the brands and the termination of certain existing production and distribution agreements in respect of the brands. The completion of the transaction is subject to regulatory clearances.

International

Summary:

- Global priority brands account for 53% of total volume, while local priority brands represent 15% and category brands account for the remaining 32%

- International volume growth was achieved through strong growth in Latin America and parts of Asia Pacific. Volume growth together with price increases in Latin America and Africa and overall favourable mix delivered 9% net sales (after deducting excise duties) growth

- Strong volume growth from the global priority brands together with price increases on Smirnoff and Guinness offset the continued decline of the scotch category in Korea and mixed volume performance across Africa and Asia Pacific

- Significant investments were made in the period to position Diageo for long term growth including an increase in marketing of 23% on global priority brands and the launch of a redesigned Guinness bottle in Nigeria holding back operating profit growth

- Emerging markets of Brazil, India and China continue to grow rapidly driven by growth in Johnnie Walker and Smirnoff

Key measures:

	First half	First half	**Reported**	**Organic**

	2005	2004	movement	movement
		£		
	£ million	million	**%**	**%**
Volume			5	4
Turnover	**1,332**	1,327		9
Net sales (after deducting excise duties)	**1,062**	1,057		9
Marketing	**147**	142	4	13
Operating profit before exceptional items	**352**	374	(6)	4

Table of Contents

Reported performance:

Reported turnover in the six months ended 31 December 2004 was £1,332 million, up £5 million on the prior period figure of £1,327 million. Operating profit before exceptional items was down 6% at £352 million for the six months ended 31 December 2004.

Organic performance:

Turnover in International markets was up £5 million compared with the six months ended 31 December 2003. There were unfavourable exchange losses of £103 million, offset by a £106 million improvement in organic performance. A small acquisition effect has also been adjusted in reaching organic turnover growth.

There was a £22 million decrease in reported operating profit before exceptional items. This decrease was due to organic improvements in brand performance of £13 million offset by unfavourable exchange rate movements of £35 million (principally driven by weakness in the US dollar).

Organic brand performance:

	Volume movement %	Net sales* movement %
Johnnie Walker	5	10
Smirnoff	14	22
Guinness	(1)	10
Baileys	5	3
Total global priority brands	**6**	**11**
Local priority brands	**1**	**(1)**
Category brands	**4**	**13**
Total	**4**	**9**

**after deducting excise duties*

Johnnie Walker and Smirnoff led volume growth in global priority brands. Johnnie Walker volume grew 5% driven by strong performance across Latin America and global duty free offset by a volume decline in Taiwan. Smirnoff volume was up 14% with strong growth in both Smirnoff Red, up 11% and Smirnoff ready to drink, up 31%. Smirnoff performance was particularly strong in Latin America, Asia Pacific and India with volume growth of 22%, 20% and 41% respectively. Smirnoff ready to drink volume was up 30% in Latin America driven by strong performance in Brazil, Paraguay and Uruguay as a result of repositioning of the brand and the launch of the Black Ice variant. Smirnoff price increases in Latin America coupled with the growth in the ready to drink segment delivered favourable price / mix benefits.

Guinness volume declined 1% driven by mixed results across Africa. Volume in Nigeria declined 15% while net sales (after deducting excise duties) grew 5% as economic conditions tightened and price increases in excess of inflation were implemented. The decline in Nigeria, which represents 46% of Guinness volume in Africa was due in part to increased competition for disposable income predominantly from mobile phone companies and a significant decrease in liquidity because of banking regulation changes. Price increases were implemented across a number of countries in Africa in the current and previous fiscal years resulting in 11 percentage points of price/mix benefit.

Baileys volume grew 5% driven by growth of 17% in Latin America offset by weakness in Australia where volume declined 14%. The growth in Latin America was led by Chile, where volume doubled to over 60,000 equivalent units as the cream liqueur segment continues to develop.

Table of Contents

Volume of local priority brands grew 1% but performance was mixed. Strong growth from Bundaberg (Australia), Buchanan s (Venezuela), Pilsner (Kenya) and Bell s (South Africa) offset declines in Windsor (Korea) and Malta Guinness (Africa). Bundaberg continued to perform strongly supported by new packaging and increased media investment. Bundaberg ready to drink grew share of the segment and became the number 1 selling ready to drink product in Australia benefiting from the success of recently launched new variants. Trading conditions and pricing above inflation in Nigeria disproportionately impacted Malta Guinness and overall volume declined 8%. Local priority brand net sales (after deducting excise duties) declined 1% driven in part by the negative impact of Windsor s decline on mix.

Category brands grew 4% with mixed volume performance across the scotch, rum, gin and beer brands. Net sales (after deducing excise duties) increased 13% primarily due to the growth of higher value brands such as Buchanan s and Old Parr coupled with significant declines in lower value brands such as Spey Royal and Pilsner.