

## press release

10 February 2011

### EMERGING MARKETS BOLSTER DIAGEO PERFORMANCE

- Diageo reports 15% increase in half year pre tax profits
- The Share Centre upgrades it from a 'hold' to a 'buy'
  - China proves partial to Johnnie Walker
  - While Guinness drinking slows in Ireland

**Nick Raynor, investment adviser at The Share Centre explains why today's half year results from Diageo could make it a good time to invest in the company.**

"Drinks brand Diageo today reported half year pre tax profits of £1.61 billion – up £200 million on the same period last year, with overall sales rising from £6.92 billion to £7.13 billion. Despite these strong results the market saw a slight dip in early trading with some analysts expecting more, but this has improved as investors digest on the figures.

"Crucial to Diageo's strong performance has been emerging markets, with strong sales in Africa, Asia, Latin America and the Caribbean. Scotch has proved to be one of Diageo's best performers in these areas, with the Chinese proving partial to Johnnie Walker in particular.

"However the news is not all good, with much weaker sales in Europe – traditionally an area of strong performance for Diageo. The biggest falls are to be seen in countries such as Portugal, Spain, Greece and Ireland, across the regions a 13% drop was recorded.

"Given Diageo's strong performance in emerging markets and also a resurgence in its key market of North America we are upgrading the company to a 'buy' as we believe that even despite the strong share price it presents a good case for future growth."

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**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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