

News Release

**DIAGEO USVI SIGNS LAND LEASE AGREEMENT WITH  
ST CROIX RENAISSANCE GROUP LLLP FOR CAPTAIN MORGAN RUM DISTILLERY**

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CHRISTIANSTED, ST. CROIX, January 9, 2009 – Diageo, the world’s leading spirits, wine and beer company, announced that its local operating company in the US Virgin Islands, Diageo USVI, has selected a parcel of land, approximately 26 acres, in St. Croix to build a modern, environmentally sound, 20 million proof gallon\* rum distillery.

Diageo has signed a long-term lease agreement for an 11-year term with five 10-year renewal options with the St. Croix Renaissance Group LLLP (SCRG). The land parcel is an undeveloped section of property located east of the Henry E. Rohlsen Airport on a portion of the industrially zoned 1,244 acres of Renaissance Park.

“The construction and operation of this Diageo rum distillery will continue the Diageo tradition of Captain Morgan sourcing from the best rum stocks in the Caribbean,” said Dan Kirby, Vice President Supply, Diageo USVI. “We are excited about the prospect of creating jobs for the residents of the Virgin Islands and helping to advance St. Croix’s economic diversification, while preserving its ecosystem.”

“The Diageo project is moving forward, and we could not be more pleased with the commitments that Diageo has made to our community,” commented Virgin Islands Governor John P. deJongh, Jr. “They are moving ahead on schedule, and have submitted to the Coastal Zone Management Commission plans that reflect the highest environmental standards. The litigation issue has no bearing on this project, or our collective commitment to the project.”

The new facility will begin to produce rum in 2011. Beginning in 2012, the distillery will supply all rum used to make Captain Morgan branded products for the United States. Captain Morgan is a global leader among premium spirits and is the second leading rum in the world, with steady growth expected in the coming years.

The distillery will be constructed with Leadership in Energy and Environmental Design (LEED) certification principles. Some of the 21<sup>st</sup> century ecological and environmental controls incorporated in the design include a closed-loop water system, organic solids reclamation and storm water best management practices.

The lease agreement follows Governor John P. deJongh, Jr. and Diageo USVI’s joint announcement last June and subsequent legislative ratification of a public-private initiative for the construction and operation of a high capacity distillery on St. Croix.

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\* According to the Treasury Department’s Alcohol and Tobacco Tax and Trade Bureau (TTB), a proof gallon is one liquid gallon of spirits that is 50% alcohol at 60 degrees F. Distilled Spirits bottled at 80 proof (40% alcohol) would be 0.8 proof gallons per gallon of liquid.

**About St. Croix Renaissance Group**

Renaissance Park is an industrial park located on 1244 contiguous acres along the southern coast of St. Croix in the USVI. From 1962 until 2000, the site was used exclusively for alumina production. St. Croix Renaissance Group LLLP purchased the property in June 2002 from Alcoa World Alumina, and laid out a master plan for the property that includes full refurbishment and utilization of the on-site 60 MW coal-fired power plant, desalination plants, well equipped machine shop and port facilities in order to attract top-notch industrial and commercial tenants.

In addition to Diageo, Geonet Ethanol opened its \$100 million ethanol dehydration plant at Renaissance Park in 2007. This facility has the capacity to produce more than 100 million gallons per year of fuel grade ethanol for use as a gasoline additive in the U.S. market. With the Geonet and Diageo operations in place, and other power, port and infrastructure activities underway, Renaissance Park is poised to be the premier location for industrial and commercial businesses looking to operate in the USVI.

**About Diageo**

Diageo (Dee-AH-Gee-O) is the world's leading premium drinks business with an outstanding collection of beverage alcohol brands across spirits, wines and beer categories. These brands include Johnnie Walker, Guinness, Smirnoff, J&B, Baileys, Cuervo, Tanqueray, Captain Morgan, Crown Royal, Beaulieu Vineyard and Sterling Vineyards wines.

Diageo is a global company, trading in more than 180 countries around the world. The company 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 [Diageo.com](http://Diageo.com). For our global resource that promotes responsible drinking through the sharing of best practice tools, information and initiatives, visit [DRINKiQ.com](http://DRINKiQ.com).

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