

Guinness 0.0 alcohol-free stout to finally make delayed UK return by early September, Diageo's UK boss reveals

Alcohol-free [Guinness](#) is to finally make a delayed relaunch in the [UK](#) by early September, [Diageo's UK managing director](#) has revealed to the Standard.

The [FTSE 100](#) drinks giant owns the [Irish](#) stout brand. After four years of [development](#), and after being described as Guinness' "biggest innovation in decades", the zero percent brew was released onto supermarket shelves last October.

But the [drink](#) made [headlines](#) when it was pulled just weeks later, with The Food Standards Agency saying the "product may contain mould".

Diageo voluntarily recalled all cans and offered refunds, saying there had been "a microbiological contamination which may make some cans unsafe to consume". There were no reports of anyone getting sick as a result of drinking the brew.

After months of work tightening the production process the drink relaunched in Ireland this month, and will now shortly return to the UK.

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Diageo's UK MD, Dayalan Nayager, told the Standard: "It's one of those well-anticipated launches. The good news is we just launched in Ireland last week, so it is live. It will be coming to the UK by late August / early September.

"We always said that the quality of Guinness is really important, we built the brand on its quality credentials, and we made the call to take it back based on us not being happy with the quality initially. We wanted to make sure that when we relaunch it is at the quality we expect.

"The demand from customers from the time we recalled has been massive. It seems to be an open door with consumers waiting for it."

As the Standard previously reported, Nayager had earlier said he was looking at relaunching Guinness 0.0 in spring 2021. But a spokesperson for the drinks firm said today that the spring relaunch plans were pushed back "as it took longer than expected to make sure the quality was back" to requirements.

The drinks giant is currently installing thousands of its "micro draught system" around the UK, to allow smaller venues to sell a "keg quality pint" of either Guinness or the no-alcohol version.

It comes amid a growing trend among assorted drinks giants towards creating new low-bev products.

Heineken and Carlsberg have both created alcohol-free versions of their flagship beer labels and Belgian AB InBev recently pledged that low and no-alcohol products will make up 20% of its drinks portfolio by 2025.

As well as Guinness 0.0, this year Diageo has launched zero-alcohol versions of both its Gordon's and Tanqueray gins.

Nayager said the brands are performing "exceptionally well" – with Gordon's 0.0 achieving 17% of scale of London Dry through

the six months to July. The gin has only 24 calories per serving, which Nayager believes has contributed to its popularity,

It came as Diageo reported soaring annual sales on Thursday, despite lockdowns closing bars and in the face of cost inflation.

The FTSE 100 drinks giant said it saw net sales up 8% to £12.7 billion in the year to end June “driven by growth in all regions”.

The firm was helped by strong retail sales growth. North American organic net sales were up 20%, boosted by nearly 85% of bars and restaurants now having reopened.

The UK, where bars remained shuttered for much of the year, saw 7% sales growth. Beer was particularly badly hit, down 16% in the period. “We see this coming back as places reopen,” Nayager said.

Diageo, which is also behind brands from Johnnie Walker to Smirnoff, said reported operating profit was up 75% to £3.7 billion and upped its final dividend by 5% to 44.59p a share.

Notably, tequila grew 79% on top of 25% growth last year. Diageo owns high-end Casamigos brand, which it bought for a reported \$700 million from George Clooney in 2017.

Like consumer giants Unilever and Reckitt, Diageo is facing soaring costs for some raw materials, and ongoing logistics cost inflation.

Finance chief, Lavanya Chandrashekar, said inflation is now “a couple of points higher” than the historical level of around 2% in corn and aluminium.

But Chandrashekar said the firm has managed to offset the inflation through productivity, volume growth and a mix on pricing.

“Pricing is a tool well within the Diageo arsenal,” she said. “These results show the resilience and agility with which we have dealt with pretty much every circumstance thrown up this year.”

The firm cautioned that it expects “near-term volatility in some markets”, including India and Indonesia, and said sales are still being hit by international travel restrictions, however.

Hargreaves Lansdown’s Sophie Lund-Yates said the group “has come out of the pandemic in remarkably resilient shape”.