

It's 'no-one for Pimm's' as owner Diageo scraps sale

Diageo, the FTSE 100 alcoholic beverages giant, has scrapped the sale of its Pimm's brand after failing to reach a deal with potential buyers.

Sky News has learnt that Diageo, which has been under mounting pressure from investors after a slowdown in sales, has abandoned an auction process which kicked off earlier this year.

The quintessentially English drink brand Pimm's was one of several, alongside Safari, a fruit liqueur, and Pampero, a rum brand, that it was examining a sale of.

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Rothschild, the investment bank, was hired to sound out the appetite of potential bidders for a deal.

The precise reasons underpinning the failure to agree a transaction were unclear on Thursday.

Pimm's was acquired in 1997 as part of the tie-up between Grand Metropolitan and Guinness plc which led to the formation of Diageo.

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Long-known for its slogan 'Anyone for Pimm's', buoyed by the brand's association with the Wimbledon tennis championships, the product is predominantly made for domestic consumption.

Pimm's was created in London in 1840 by James Pimm who, according to Diageo, "blended his famous No.1 Cup – a secret recipe of gin, herbs, and liqueur – as an aid for digesting oysters in his London Oyster bar".

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Run by Debra Crew, Diageo has a portfolio of over 200 products and is one of the world's largest drinks companies.

Diageo, which has a market capitalisation of £58bn, has experienced a torrid 12 months in the wake of a profit warning last November which blamed weak sales of Scotch whiskey in Latin America and the Caribbean.

Its shares have fallen by about 13% over the last year.

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Ms Crew, who only took over in June following the untimely death of predecessor Sir Ivan Menezes, pledged to get the business performing again, declaring herself “restless” to improve its fortunes.

Diageo’s portfolio includes some of the world’s best-known drinks brands, including Smirnoff vodka, the cream liqueur Baileys and gin brand Tanqueray.

The company declined to comment.