

21 February 2022

Diageo announces next phase of return of capital programme

Diageo plc (Diageo) today announces that it is commencing the third phase of its previously announced return of capital (ROC) programme of up to £4.5 billion to shareholders to be completed during fiscal 23.

Under the first two phases of the ROC programme, which were completed on 31 January 2020 and 11 February 2022 respectively, Diageo repurchased shares with an aggregate value of £2.25 billion.

Diageo is announcing today that it has entered into a non-discretionary agreement with UBS AG London Branch (UBS) to enable the company to buy back shares with an aggregate value of up to £1.7 billion, of which the repurchase of shares with an aggregate value of up to £1.4 billion will be completed by 30 June 2022. In each case the aggregate value of shares repurchased will be net of any fees payable to or by UBS under the terms of the agreement. This agreement will commence on 21 February 2022 and will end no later than 5 October 2022. The purpose of the repurchases is to reduce the share capital of Diageo and all shares repurchased under this agreement will be cancelled.

Further execution phases of the ROC programme, utilising the most appropriate mechanic of either share buybacks or special dividends depending on market conditions, will be subject to future announcements.

Further details of the return of capital programme

UBS will make its trading decisions in relation to Diageo's securities independently of and uninfluenced by Diageo. Any repurchase of shares by Diageo contemplated by this announcement will be carried out on the London Stock Exchange and/or other recognised investment exchange(s).

The share buybacks will be effected within certain pre-set parameters and in accordance with Diageo's general authority to repurchase shares and will be conducted within the parameters prescribed by the Market Abuse Regulation 596/2014, the Commission Delegated Regulation (EU) 2016/1052 (both as incorporated into UK domestic law by the European Union (Withdrawal) Act 2018) and, in the case of Diageo, Chapter 12 of the Listing Rules.

This phase of the ROC programme, under which up to £1.7 billion of shares will be repurchased, will occur within the limitations of Diageo's existing general authority to repurchase up to 233,611,282 shares granted at its 2021 Annual General Meeting. After taking account of the number of shares bought back under the second phase of the ROC programme, the maximum number of shares that can be bought back under this authority under the third phase of the ROC programme is 217,037,150.

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About Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com for information, initiatives, and ways to share best practice.

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Diageo plc LEI: 213800ZVIELEA55JMJ32