

CELEBRATING LIFE, EVERY DAY, EVERYWHERE

DIAGEO

Diageo is the world's leading premium drinks business with an outstanding collection of beverage alcohol brands across spirits, beer and wine. These brands include Johnnie Walker, Crown Royal, J&B, Windsor, Buchanan's and Bushmills whiskies, Smirnoff, Ciroc and Ketel One vodkas, Baileys, Captain Morgan, Jose Cuervo, Tanqueray and Guinness.

Diageo is a global company, with its products sold in approximately 180 countries around the world. The company is listed on both the New York Stock Exchange (DEO) and the London Stock Exchange (DGE).

We employ over 20,000 talented people worldwide with offices in around 80 countries. Our manufacturing facilities are located across the globe including Great Britain, Ireland, United States, Canada, Italy, Africa, Australia and Latin America and the Caribbean.

Diageo was formed in 1997, following the merger of GrandMet and Guinness, and is headquartered in London. The word Diageo comes from the Latin for day (dia) and the Greek for world (geo). We take this to mean every day, everywhere, people celebrate with our brands.



DR FRANZ HUMER



PAUL WALSH



DEIRDRE MAHLAN

CHAIRMAN

Dr Franz Humer was appointed chairman of Diageo plc in July 2008, having been a non-executive director since April 2005. He is also chairman of F. Hoffmann -La Roche Ltd. in Switzerland and chairman of INSEAD's board of directors. He was formerly chief operating director of Glaxo Holdings plc and has held a number of other non-executive directorships.

CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

Paul Walsh was appointed chief executive of Diageo plc in September 2000, having been chief operating officer since January 2000. He has served in a number of management roles since joining GrandMet's brewing division in 1982, including chief executive officer of The Pillsbury Company. He was appointed to the GrandMet board in October 1995 and to the Diageo plc board in December 1997. He is a non-executive director of Unilever PLC and is also chairman of the Scotch Whisky Association and non-executive director of FedEx Corporation in the United States.

CHIEF FINANCIAL OFFICER AND MEMBER OF THE EXECUTIVE COMMITTEE

Deirdre Mahlan was appointed chief financial officer of Diageo plc in October of 2010 having worked for the Seagram Company since 1992. She has held a number of senior finance positions in Diageo including finance director of our biggest region, North America, and as Global Head of Tax, of Treasury and of Shared Services. Most recently, she was deputy chief financial officer of Diageo plc.

Non-executive directors: Peggy Bruzelius, Laurence Danon, Lord Hollick of Notting Hill, Lord Davies of Abersoch, Betsy D. Holden, Philip Scott, H Todd Stitzer and Paul Walker.

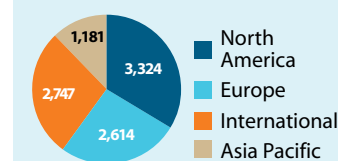
Executive committee: Paul Walsh (Chief executive), Deirdre Mahlan (Chief financial officer), Ron Anderson (Chief customer officer)*, Nick Blazquez (MD, Diageo Africa), Andy Fennell (Chief marketing officer), Stuart Fletcher (President, Diageo International)*, Gilbert Ghostine (President, Diageo Asia Pacific), David Gosnell (MD, Global Supply and Global Procurement), Jim Grover (Global Business Support Director), Ivan Menezes (President, Diageo North America, and chairman Diageo Asia Pacific), Randy Millian (MD Diageo Latin America and Caribbean), Andrew Morgan (President, Diageo Europe), Tim Proctor (General counsel), Larry Schwartz (President, Diageo USA), Gareth Williams (HR director) and Ian Wright (Corporate Relations director).

* Ron Anderson and Stuart Fletcher have decided to leave Diageo. They will remain with Diageo until the transitional process involved in the review of Diageo's operating model has been completed which is likely to be in the middle of the year ending 30 June 2012, as announced on 25 May 2011.

	YEAR ENDED 30 JUNE 2011	YEAR ENDED 30 JUNE 2010	REPORTED %	ORGANIC %
Volume (9-L equivalent cases)	147.5m	143.4m	3	3
Net sales (sales after excise duty)	£9,936m	£9,780m	2	5
Marketing spend	£1,538m	£1,419m	8	8
Operating profit (pre-exceptionals)	£2,884m	£2,751m	5	5
Profit attributable equity shareholders*	£1,900m	£1,629m	17	
Basic EPS*	76.2	65.5	16	
Free cash flow	£1,720m	£2,024m	(15)	
Recommended full year dividend per share	40.4	38.1	6	

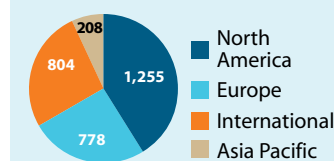
* For full year ended 30 June 2011, reported tax rate of 14.5% and full year ended 30 June 2010, reported tax rate of 21.3%. Includes exceptional items.

NET SALES BY REGION (£ MILLION)*



* Sales after excise duties
(excluding Corporate)

OPERATING PROFIT BY REGION (£ MILLION)**



** Excluding exceptional items
(excluding Corporate)

STOCK EXCHANGE DATA AS AT 30 JUNE 2011

	London Stock Exchange	New York Stock Exchange
Listing		
Ticker	DGE.L / DGE LN	DEO (ADR - 1:4)
Sector	Beverages	Beverages
Market cap	£31,874.08m	US\$51,243.87m
Shares in issue	2,503,855,055m	n/a

TOP SHAREHOLDERS AS AT 30 JUNE 2011

Legal & General Investment Management Ltd	3.85%
MFS Investment Management	3.52%
Capital Research & Management (Americas)	2.80%
Harris Associates LP	2.68%
BlackRock Investment Management (UK) Ltd	2.64%

FINANCIAL CALENDAR

Interim Statement	9 February 2012
Full Year Results	23 August 2012
AGM	17 October 2012
Financial Year	1 July to 30 June

ADVISORS

Corporate Brokers	Credit Suisse and UBS
Auditors	KPMG

FOURTEEN STRATEGIC BRANDS*

(Year ended 30 June 2011)

	BRAND	VOLUME (9-LITRE EQUIVALENT CASES)	TOP MARKET (NET SALES)
	JOHNNIE WALKER	No. 1 Scotch whisky in the world** 17.8 million	Global Travel and Middle East US Brazil Thailand Mexico
	CROWN ROYAL	No. 1 Canadian whisky in the world** 5.1 million	US Canada Global Travel and Middle East
	J&B	No. 4 in the global scotch whisky category** 4.6 million	Spain France South Africa US Portugal
	BUCHANAN'S	Scotch whisky 1.5 million	Mexico Venezuela US Colombia Global Travel and Middle East
	WINDSOR	Scotch whisky 1 million	Korea China
	BUSHMILLS	Irish whiskey 0.6 million	US Ireland Global Travel and Middle East Great Britain France
	SMIRNOFF	No. 1 premium spirit brand in the world** 24.5 million	US Great Britain Canada Brazil South Africa
	KETEL ONE VODKA	Super premium vodka 2.1 million	US Canada
	CÍROC	Ultra premium vodka 1.3 million	US Brazil Global Travel and Middle East
	BAILEYS	No. 1 in the global liqueur category** 6.8 million	US Great Britain Germany Global Travel and Middle East Canada
	CAPTAIN MORGAN	No. 2 brand in the rum category in the world** 9.1 million	US Canada Great Britain South Africa Germany
	JOSE CUERVO	No. 1 in the global tequila category** 4.6 million	US Canada Greece Spain Australia
	TANQUERAY	No. 1 in the US imported gin segment** 2 million	US Spain Canada Global Travel and Middle East Greece
	GUINNESS	No. 1 in the global stout segment*** 11 million	Ireland Nigeria Great Britain US Cameroon

*Spirits, excluding RTDs, ** Impact databank February 2011, *** Impact databank September/December 2009

REGIONS

(Year ended 30 June 2011)

NORTH AMERICA

North America accounts for over a third of our total business including both the United States and Canada.

- Overall consumer confidence remained subdued. We did experience some recovery and importantly for our business this recovery has been stronger in the premium, and especially the super premium, segments. Against this background we have focused on value, invested behind our premium brands whilst driving strong growth through innovation.
- Although volume was flat, net sales were up 3% and operating profit was up 8%. Gross margin was also up, led by cost of goods and an improved brand mix. Performance in North America was driven by the growth of spirits in the United States, where net sales were up 4%.
- In Canada net sales grew 3% and Diageo gained share led by the strong performance of Smirnoff and Captain Morgan.
- Marketing spend increased 7% behind strategic brands and campaigns such as Ciroc, Smirnoff, Ketel One Vodka and Jose Cuervo Especial and Tradicional.
- Beer volume and net sales growth was driven by Guinness, which offset declines in Harp and Smithwicks. Price increases on Guinness drove price/mix improvements in beer.

INTERNATIONAL*

International is a diverse and emerging region, rich in potential due in part to its sheer size, geographic spread and demographic trends. This region consists of the following three regional hubs: Latin America and the Caribbean; Africa; and Global Travel and Middle East.

- International saw an increase in volume of 9%, net sales were up 13% and operating profit up 19%. Investment in the region has continued behind infrastructure, sales execution, innovation and acquisitions.
- Scotch and beer made the most significant contribution to net sales growth, whilst vodka, rum and liqueurs also grew net sales double digit. Price increases on beer and faster growth on premium and super premium scotch delivered strong gross margin improvement.
- In Latin America, there was strong performance in both scotch and non-scotch categories. All markets posted double digit net sales growth with the exception of Venezuela and Colombia.
- In Africa continued investment behind marketing and distribution, the strong growth of beer and momentum behind spirits brands, delivered double digit net sales growth.
- Global Travel and Middle East saw 14% net sales growth due to an increase in marketing spend, focusing on super premium brands and the luxury retail experience.

* From 1 July 2011 Diageo will change the configuration of International to have two autonomous regions: Diageo Latin America and the Caribbean and Diageo Africa. The Global Travel business will be divided and each specific duty free operation will be allocated to the market of the geographic region where it is located. The Middle East business will become part of Asia Pacific.

EUROPE

There are six business units in Diageo Europe made up of more than 40 countries. These include developed markets like Great Britain and Ireland as well as the emerging markets of Russia and Eastern Europe.

- While the very challenging trading environment in Spain and Greece led to an overall decline in net sales for Europe, when excluding these two markets, net sales in the region grew as international spirits continued to gain momentum.
- In Great Britain Diageo spirits performed well in the context of difficult conditions and gained share. Reserve brands grew 30% driven by super deluxe scotch.
- In Ireland, overall net sales declined as consumer spending remained restricted. However, net sales of spirits grew 2% in Ireland and gained share led by the continued success of Captain Morgan. Guinness remained the best selling beer but net sales declined due to lower sales in the on trade.
- In Russia and Eastern Europe, Diageo delivered double digit net sales growth and positive price/mix as many Russian consumers began to trade back up in spirits. As well as strong growth on Johnnie Walker, Bell's and White Horse also performed well.
- In Germany, Diageo grew net sales 13% and gained share led by Johnnie Walker and the Captain Morgan roll out.
- The acquisition of Mey İçki in Turkey is expected to increase our exposure to faster growing categories and markets in fiscal 2012.

ASIA PACIFIC

Asia Pacific offers a broad collection of brands across five diverse hubs and offers some unique and exciting opportunities for growth. Within the hubs, the region ranges from the developed markets of Australia, Korea and Japan to the emerging markets of Vietnam, Thailand and the People's Republic of China.

- In Asia Pacific; volume was up 9%, net sales up 9% and there was a 13% growth in operating profit, although gross margins were broadly flat.
- Significant progress was made on two important transactions this year: ShuiJingFang in China and Halico in Vietnam.
- Growth in Asia Pacific was driven by scotch, in particular the super deluxe segment in emerging markets.
- Marketing spend in the region increased 13% driven by increased investments in proven Johnnie Walker growth drivers, delivering 12% net sales growth for the brand.
- Australia grew in a challenging market; spirits net sales were up 6% with positive price/mix and ready to drink net sales grew 4%.
- In Korea, Diageo outperformed a declining scotch market with Windsor 12 extending the brand's leadership position.
- Net sales in China declined 4% due to price pressures from parallel importing. However, Diageo's scotch gained share in the standard, deluxe and especially the super deluxe segment in China, where incremental marketing spend drove 41% net sales growth in the super deluxe scotch segment.
- Route to market changes in India resulted in stronger relationships with customers and strong double digit net sales growth.

BRANDS & MARKETING



Diageo is proud to produce some of the world's leading brands across total beverage alcohol – spirits, beer and wine. Our range includes seven of the top 20 premium spirits brands worldwide and 16 of the top 100 premium spirits brands*. Effective marketing is key to driving growth in both developed and emerging markets.

We are committed to investing behind our strategic brands, and in the year ended 30 June 2011, worldwide marketing spend was up 8% to 15.5% of net sales, mainly in emerging markets and for key spirits brands in the United States. We use a number of platforms to build our brands, ranging from above the line advertising and promotions to consumer participation and digital campaigns.

We are currently focusing our efforts in four strategic areas:

*Source: Impact Databank February 2011

- Investment behind proven growth drivers where we see the greatest opportunities, for example, the Johnnie Walker marketing spend increased 14% with investment in the global 'Walk with Giants' and Grand Prix 'Step Inside the Circuit' campaigns, driving 25% net sales growth in the super deluxe variants.
- Continued focus on innovative marketing relevant to the digital and engagement era, working with technology companies as well as content and entertainment providers around the world.
- Increased marketing investment behind our scotch brands to drive growth in emerging markets and reach the increasing number of middle class consumers. As a result, scotch grew 8% in the year ended 30 June 2011, contributing almost half of Diageo's net sales growth.
- Targeted investment in sales and marketing resources on reserve brands, which drove 25% net sales growth in year ended 30 June 2011, supported by our dedicated sales teams in a number of cities.

INNOVATION

Diageo is a leading innovator, combining commercial strategy with creativity and deep consumer understanding to drive growth for the business. In the year ended 30 June 2011, innovation programs featured strongly in driving growth.

Our entrepreneurial and agile approach has served us well, delivering a steady stream of sustainable growth, keeping our existing brands fresh and in tune with current consumer needs and creating new to world brands where we have additional opportunities to explore.



Bringing new, premium offerings to consumers who continue to desire the quality assurances of our brands but are looking for something new.



Innovating strategically in emerging markets to increase accessibility of our brands, build categories and leverage consumer trends.



Using innovation to drive brand relevance, broaden our offering and maintain consumer interest in developed markets.



Sustaining what we have launched beyond year one.

EXPANDING OUR PRESENCE IN THE FASTEST GROWING MARKETS AND SHARPENING OUR FOCUS

We now operate in a polarised world with different economic growth across markets and a very broad range of consumer confidence across the world. As a global, branded company this opens up exciting opportunities for Diageo.

To target the growing number of middle class consumers in the faster growing markets, we have increased our penetration through:

- Activity in mergers and acquisitions, such as taking a controlling stake in ShuiJingFang and the announced purchase of Mey İçki in Turkey.
- Increasing our investment in our brands; continuing to increase the proportion of our marketing spend in the faster growing markets.

- Expansion of our existing routes to market, increasing our sales teams on the ground to build the presence and visibility of our brands.

Our developed markets and countries represent over 60% of Diageo's profits, and in these markets we have sharpened our focus, positioning us well to deliver growth in the coming year:

- Category growth opportunities
- Superior customer execution
- Sustainable margin expansion and cost efficiency

Before making any investment decision with respect to Diageo's ordinary shares, investors are directed to Diageo's Annual Report for the year ended 30 June 2011, including an explanation of organic measures used in the document and a section on 'Risk Factors' that could impact the business. The Annual Report and additional information about Diageo can be found at www.diageo.com. The reader should consult any additional disclosures Diageo may make in documents it files with the US Securities and Exchange Commission. Diageo does not undertake to update any information herein.