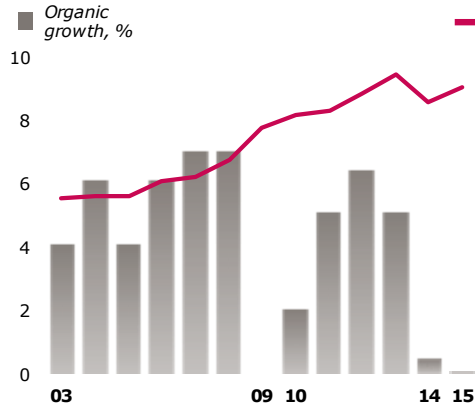


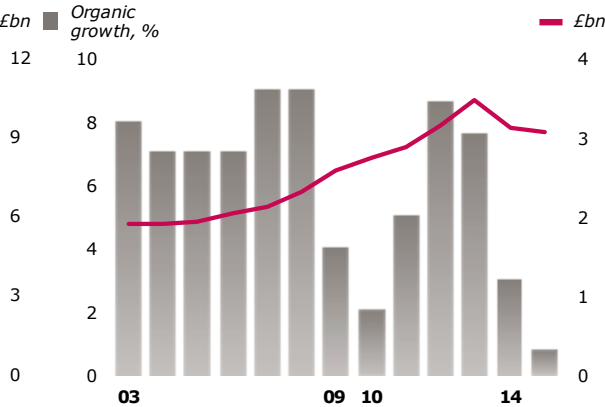
"I WANT TO CREATE ONE OF THE BEST PERFORMING, MOST TRUSTED AND RESPECTED CONSUMER PRODUCTS COMPANIES IN THE WORLD"
IVAN MENEZES, CEO

Sustained performance

Net sales* increased from £6,636m in F03 to £10,813m in F15



Operating profit increased from £1,902m in F03 to £3,066m in F15



Financial strength

F16 H1 reported figures	Organic movement	
Volume 130mEU	1%	Free cash flow £0.8bn
Net sales £5.6bn	2%	
Marketing spend £0.8bn	5%	Reported operating margin* 30.6%
Operating profit* £1.7bn	2%	
Dividend per share 22.6 pence	5%	Net debt / EBITDA* ratio 2.8x
Eps* 51.3 pence	(4)%	

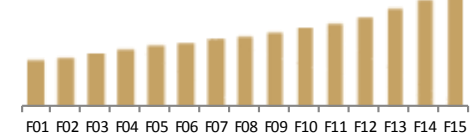
Diageo and Responsible drinking

We focus on three areas where we believe our contribution has the most impact:

- #1 Set high company and industry standards in responsible marketing and provide consumer information about our brands.
- #2 Implement initiatives designed to raise awareness and work with others to seek to change attitudes and behaviour to minimise alcohol misuse.
- #3 Promote effective and targeted alcohol policies and foster balanced debate and stakeholder dialogue at the global, regional and country levels.

Growing dividend per share

F15 dividend: 56.4 pence per share



World leading brands

Global giants

Local stars

Reserve

Johnnie Walker is the **No.1** Scotch whisky in the world¹

Tanqueray is the **No.1** Imported gin in the United States⁴

Crown Royal is the **No.1** Canadian whisky in the world²

Ypióca is the **No.1** premium cachaça brand in Brazil⁷

Cacique is the **No.1** rum in Venezuela¹

Ciroc is the **No.2** Ultra premium vodka in the United States³

Smirnoff is the **No.1** Premium vodka in the world²

Baileys is the **No.1** Liqueur in the world²

Windsor is the **No.2** Super premium Scotch whisky in Asia Pacific¹

Yeni Raki is the **No.1** aniseed based spirit in the world²

Bundaberg is the **No.1** rum in Australia⁸

Don Julio is the **No.1** Super premium Tequila in the world¹

Captain Morgan is the **No.2** Brand in the rum category in the world²

Guinness is the **No.1** Stout in the world⁵

Buchanan's is the **No.2** Premium Scotch whisky in the United States⁶

Old Parr is the **No.1** premium whisky in Colombia⁷

White Horse is the **No.1** scotch whisky in Russia by volume¹

Johnnie Walker is the **No.1** super and ultra premium Scotch whisky in the world¹

JeB is the **No.5** Scotch whisky in the world¹

Bells is the **No.2** blended scotch in the United Kingdom⁷

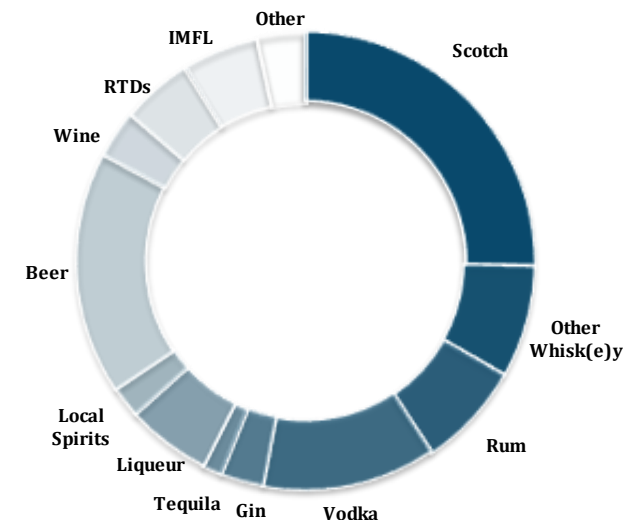
Shui Jing Fang has 600 years heritage and distributed in 26 countries

Ketel One is the **No.2** Super premium vodka in the United States³

Bulleit is the **No.1** Rye whiskey in the world⁶

Category depth

Net sales by categories*



¹IWSR; ²Impact Databank; ³IRI; ⁴Beverage Information Group; ⁵Plato Logic; ⁶Internal estimation; ⁷Nielsen; ⁸Aztec

*Six months ended 31 December 2015



	North America	Europe, Russia and Turkey	Africa	Latin America and Caribbean	Asia Pacific
% of net sales	33%	24%	13%	9%	21%
markets					
categories					
price segments					
Net sales movement*	(2)%	3%	3%	9%	2%
Operating profit movement*	(2)%	5%	0%	5%	18%
Highlights	<p>Diageo's largest and most profitable region with positive demographic and spirits market premiumisation trends.</p> <p><u>Market leader in spirits</u></p> <p><u>Depletion growth ahead of shipment growth as the US implement changes to the management of innovation launches</u></p> <p><u>Continued success on innovation with increasing emphasis on sustainability</u></p>	<p>Continued momentum in Europe with net sales up 2% and Diageo gained share</p> <p><u>Turkey net sales up 9% driven by strong growth in Raki and international spirits</u></p> <p><u>In Russia price increases to offset devaluation led to volume decline of 12% however net sales grew 20%</u></p> <p><u>Reserve brands delivered another strong performance with net sales up 17%</u></p>	<p>Strong beer growth across the region led by Senator in Kenya, and Guinness and Malta Guinness in Nigeria</p> <p><u>Orijin Bitters and RTDs significant decline in Nigeria, but successful launch in Ghana</u></p> <p><u>Good performance in the growing value beer segment</u></p> <p><u>Spirits brands performance led by rum, vodka and Orijin Bitters in Ghana, with Smirnoff 1 818 in South Africa continuing growth</u></p>	<p>Strong scotch performance, including primary to counter currency issues and lower consumer disposable income</p> <p><u>Don Julio's successful integration, growing share in a growing category in Mexico</u></p> <p><u>Disposed of non-core assets – Argentina wine and beer in Jamaica</u></p> <p><u>Building on our strength in scotch to broaden the portfolio</u></p>	<p>Successful renovation of Royal Challenge drove top line growth in India</p> <p><u>Smirnoff, Captain Morgan and Baileys performed strongly in Australia and all gained share</u></p> <p><u>Strong performance of Shui Jing Fang drove growth in China</u></p> <p><u>Innovation helping drive growth in South East Asia</u></p>

* Organic growth six months ended 31 December 2015

