

FINANCIAL RESULTS – F16 H1

1.8% organic net sales growth, on 1.0% organic volume growth

2.4% organic operating profit growth

Adverse exchange and the impact of the disposal of non core assets, reduced net sales by £400 million and operating profit (before exceptional items) by £156 million to £5,606 million and £1,717 million, respectively

Free cash flow £0.8 billion up £140 million on comparable period

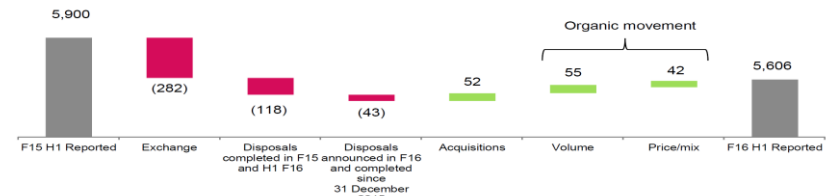
Interim dividend up 5% to 22.6 pence per share

eps of 56.1 pence, up 7%. Pre-exceptional eps 51.3 pence, down 4%

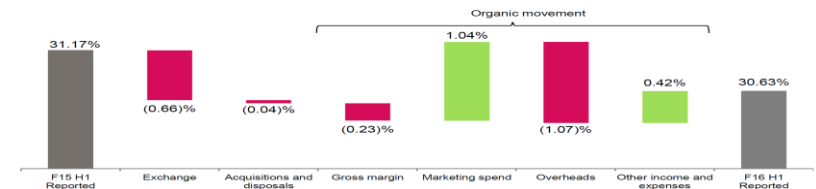
KEY FINANCIAL INFORMATION

	2016 H1	2015 H1	Organic growth %	Reported growth %	2015 FY	2014 FY	Organic growth %	Reported growth %
Volume	EUm 130.3	134.1	1	(3)	246.2	156.1	(1)	58
Net sales	£m 5,606	5,900	2	(5)	10,813	10,258	-	5
Marketing spend	£m 822	896	(5)	(8)	1,629	1,620	(1)	1
Operating profit before exc. items	£m 1,717	1,839	2	(7)	3,066	3,134	1	(2)
Operating margin expansion*	bps 16	28			24	77		
Operating profit	£m 1,613	1,668		(3)	2,797	2,707		3
Profit attributable to parent company's shareholders	£m 1,406	1,311		7	2,381	2,248		6
Basic eps	pence 56.1	52.3		7	95.0	89.7		6
Eps pre exceptional	pence 51.3	53.7		(4)	88.8	95.5		(7)
Reported tax rate	% 16.6	16.8		(1)	15.9	16.5		(4)
Tax rate before exceptional items	% 19.0	18.3		4	18.3	18.2		
Free cash flow	£m 839	699			1,963	1,235		
ROIC	% 13.9	14.6			12.3	14.1		
Net debt	£m				(9,527)	(8,850)		(8)

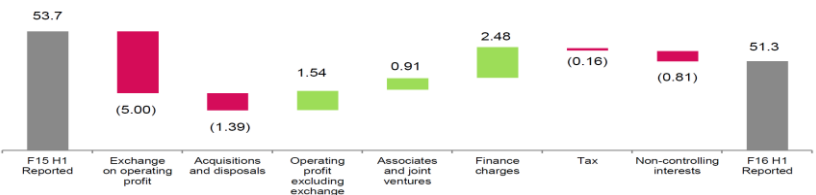
Net sales growth (£ million)



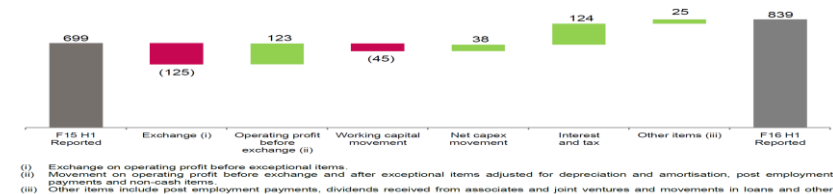
Operating margin improvement (%)



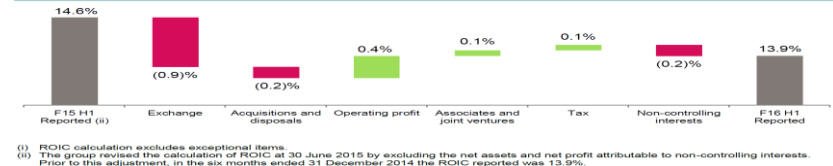
Earnings per share before exceptional items (pence)



Free cash flow (£ million)



Return on average invested capital (ROIC) (%)



BUSINESS REVIEW

	H1 F16		H1 F15		H1 F16		H1 F15		F16 Quarterly growth %*	
	%*	£m	%*	£m	%*	£m	%*	£m	Q1	Q2
VOLUME										
NORTH AMERICA	(2)	24.9	(2)	25.6	(2)	1,867	-	1,867	(10)	5
EUROPE, RUSSIA & TURKEY	2	24.1	(1)	24.0	3	1,361	-	1,459	3	4
AFRICA	7	16.3	9	13.9	3	716	5	746	5	1
LATIN AMERICA & CARIBBEAN	4	11.7	(10)	11.2	9	522	(1)	619	16	5
ASIA PACIFIC	-	53.3	(7)	59.4	2	1,123	(5)	1,166	(1)	5
CORPORATE	-	-	-	-	6	17	8	43	11	0
DIAGEO	1	130.3	(2)	134.1	2	5,606	-	5,900	(1)	4
NET SALES										
NORTH AMERICA	12	275	3	304	(2)	809	(1)	819		
EUROPE, RUSSIA & TURKEY	-	218	3	225	5	450	1	480		
AFRICA	4	74	12	85	-	138	4	175		
LATIN AMERICA & CARIBBEAN	(4)	96	3	110	5	154	7	207		
ASIA PACIFIC	2	157	(15)	168	18	234	(7)	214		
CORPORATE	0	2	(0)	4	(8)	(68)	16	(56)		
DIAGEO	5	822	-	896	2	1,717	1	1,839		
OPERATING PROFIT										
NORTH AMERICA										
EUROPE, RUSSIA & TURKEY										
AFRICA										
LATIN AMERICA & CARIBBEAN										
ASIA PACIFIC										
CORPORATE										
DIAGEO	2	1,717	1	1,839						

*Organic



STRATEGIC MARKETS PERFORMANCE (growth %)

	VOLUME*		NET SALES*		NET SALES**	
	F16 H1	F15 FY	F16 H1	F15 FY	F16 H1	F15 FY
NORTH AMERICA	(2)	(3)	(2)	(1)	-	-
US Spirits and wines	(2)	(3)	(3)	(2)	-	1
DGUSA	-	(3)	2	(1)	7	3
Canada	4	3	5	2	(7)	(4)
EUROPE, RUSSIA AND TURKEY	2	-	3	-	(7)	(7)
Europe	3	(1)	2	-	(5)	(5)
Russia	(12)	(12)	20	(14)	(28)	(42)
Turkey	3	-	9	3	(11)	(5)
AFRICA	7	7	3	6	(4)	(1)
Nigeria	(8)	13	(9)	6	(18)	(3)
East Africa	21	7	13	9	-	6
Africa Regional Markets	12	14	6	15	17	1
South Africa	(5)	(2)	2	(7)	(12)	(12)
LATIN AMERICA AND CARIBBEAN	4	(7)	9	(1)	(16)	(10)
PUB	1	(8)	9	(2)	(21)	(12)
Venezuela	7	(38)	39	41	(94)	(60)
Colombia	5	10	24	10	(11)	(2)
Mexico	26	14	20	13	20	19
West LAC	5	(5)	4	(9)	(7)	(12)
ASIA PACIFIC	-	(3)	2	(2)	(4)	64
South East Asia	(2)	(24)	6	(28)	2	(28)
Greater China	-	3	4	15	6	17
India	-	5	6	3	(3)	1,732
Global Travel Asia & Middle East	(6)	5	(12)	4	(12)	3
Australia	2	1	2	2	(11)	(5)
North Asia	10	1	(2)	1	(6)	(1)
DIAGEO	1	(1)	2	-	(5)	5

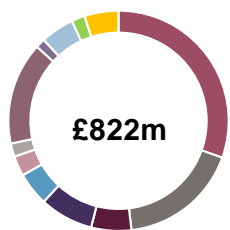
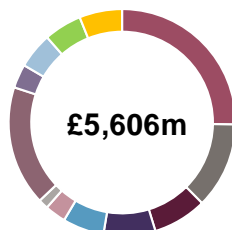
CATEGORY AND BRAND PERFORMANCE (growth %)

	VOLUME*		NET SALES*		NET SALES**	
	F16 H1	F15 FY	F16 H1	F15 FY	F16 H1	F15 FY
SPIRITS	-	(2)	1	(1)	(4)	10
SCOTCH	(2)	(4)	1	(5)	(8)	(9)
NORTH AMERICAN WHISKEY	7	10	10	12	15	15
VODKA	(1)	-	(8)	1	(9)	1
RUM	7	(3)	4	(3)	-	(6)
LIQUEURS	6	(1)	7	(4)	2	(8)
TEQUILA	7	10	6	14	45	38
GIN	2	4	6	5	3	3
BEER	15	3	7	4	1	(2)
WINE	(2)	(1)	-	(1)	(18)	(1)
READY TO DRINK	(14)	(11)	(13)	(4)	(20)	(13)
DIAGEO	1	(1)	2	-	(5)	5
GLOBAL GIANTS***						
Johnnie Walker	(1)	(6)	1	(9)	(5)	(12)
Smirnoff	2	(1)	2	(2)	(1)	(3)
Captain Morgan	5	(4)	3	(6)	3	(7)
Baileys	4	(4)	6	(4)	2	(8)
Tanqueray	8	6	8	5	9	5
Guinness	8	(2)	9	-	2	(5)
LOCAL STARS***						
Crown Royal	7	13	8	12	13	15
Yeni Raki	5	(4)	5	4	(14)	(6)
JeB	(6)	(2)	(9)	(4)	(16)	(9)
Buchanan's	(5)	(9)	7	(3)	(13)	(12)
Windsor	1	(10)	(7)	(10)	(10)	(8)
Old Parr	(10)	(13)	-	(14)	(22)	(24)
Bundaberg	(5)	(5)	(4)	(7)	(17)	(13)
Bell's	(2)	(3)	(3)	(5)	(15)	(14)
White Horse	(6)	(5)	10	(7)	(18)	(26)
Ypioca	(6)	(5)	4	(3)	(28)	(14)
Cacique	53	(37)	9	3	(56)	(32)
Shui Jing Fang	154	268	68	235	72	241
RESERVE***						
Scotch Malts	8	11	10	16	5	12
Ciroc	(36)	6	(37)	6	(34)	9
Ketel One Vodka	-	(3)	(1)	(2)	4	1
Don Julio	24	8	27	12	75	43
Bulleit	27	34	29	38	36	42

VOLUME

NET SALES

MARKETING SPEND



- Scotch
- Vodka
- North American whiskey
- Rum
- Liqueurs
- Tequila
- Gin
- Beer
- Wine
- Ready to drink
- IMFL whiskey
- Other



*Organic, **Reported, ***Spirits brands excluding ready to drink