

FINANCIAL RESULTS – F15 H1

Organic net sales in the half broadly flat (-0.1%) with volume down 1.9%. Performance improved in Q2

Continued strong performance of reserve brands, up 10%, was a key driver of positive overall price/mix

Interim dividend increased 9% to 21.5 pence per share

Free cash flow was £699 million up £373 million on the first half last year

Restructuring benefits drove operating margin improvement of 28bps with organic operating profit up 0.7%

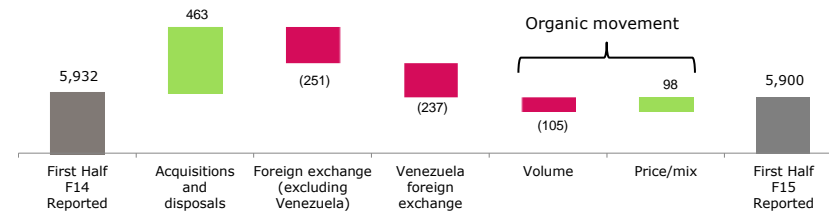
Eps before exceptional was 53.7 pence per share, down 8.9 pence per share driven mainly by negative exchange impacts

Marketing spend was in line with net sales, as effective spend benefitted from procurement efficiencies worth 3% of total marketing investment

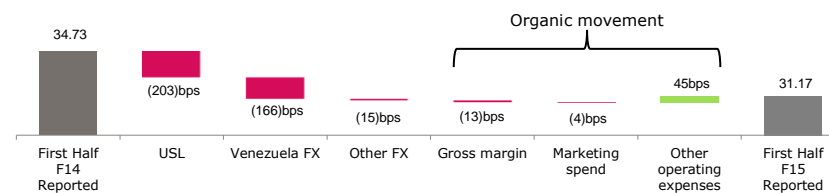
KEY FINANCIAL INFORMATION

	2015 H1	2014 H1	Organic growth %	Reported growth %	2014 FY	2013 FY	Organic growth %	Reported growth %
Volume	EUM 134.1	84.3	(2)	59	156.1	164.2	(2)	(5)
Net sales	£m 5,900	5,932	-	1	10,258	11,303	-	(9)
Marketing spend	£m 896	903	-	(1)	1,620	1,769	(1)	(8)
Operating profit before exc. items	£m 1,839	2,060	1	(11)	3,134	3,479	3	(10)
Operating margin expansion	bps 28	37			77	78		
Operating profit	£m 1,668	2,040		(18)	2,707	3,380		(20)
Profit attributable to parent company's shareholders	£m 1,311	1,599		(18)	2,248	2,452		(8)
Basic eps	pence 52.3	63.8		(18)	89.7	98.0		(8)
Eps pre exceptionals	pence 53.7	62.6		(14.2)	95.5	103.1		(7)
Reported tax rate	% 16.8	18.2			16.5	16.6		(1)
Tax rate before exceptional items	% 18.3	19.4			18.2	17.4		
Free cash flow	£m 699	326			1,235	1,452		
ROIC	% 13.9	17.8			13.7	16.0		
Net debt	£m				(8,850)	(8,403)		5

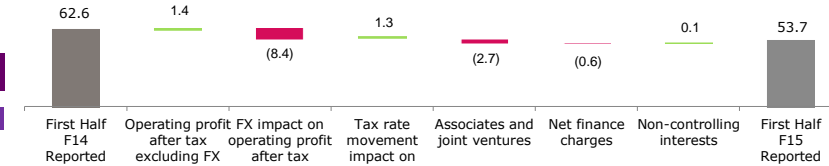
Organic net sales growth (£ million)



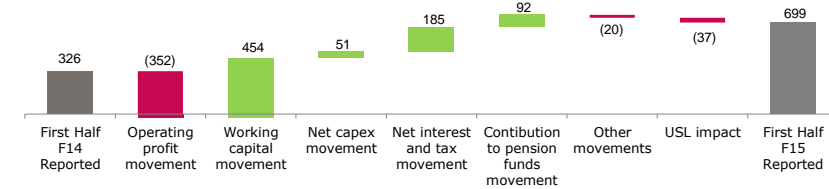
Organic operating margin improvement



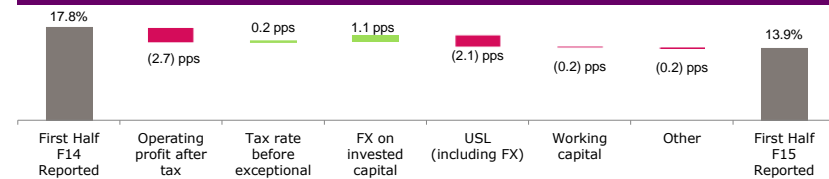
Earnings per share before exceptional items (pence)



Free cash flow (£ million)



Return on average invested capital (ROIC)



BUSINESS REVIEW

	H1 F15		FY F14		Quarterly growth %*					
	%*	£m	%*	£m	Q1	Q2	Q3	Q4		
VOLUME										
NORTH AMERICA	(2)	25,6	(1)	49,3	-	1,867	3	3,444	0.1	(0.2)
EUROPE	(1)	24	(1)	44,6	-	1,459	1	2,814	(1.4)	0.4
AFRICA	9	13,9	(6)	24,4	5	746	-	1,430	-	9.4
LATIN AMERICA & CARIBBEAN	(10)	11,2	(1)	23,0	(1)	619	2	1,144	(1.4)	(0.2)
ASIA PACIFIC	(7)	59,4	(5)	14,8	(5)	1,166	(7)	1,347	(7.4)	(4.0)
CORPORATE	-	-	-	-	8	43	4	79	4	12
DIAGEO	(2)	134.1	(2)	156.1	-	5,900	-	10,258	(1.5)	0.7
NET SALES										
NORTH AMERICA	3	304	2	540	(1)	819	8	1,460		
EUROPE	3	225	(1)	413	1	480	1	853		
AFRICA	12	85	3	152	4	175	(2)	340		
LATIN AMERICA & CARIBBEAN	3	110	1	203	7	207	3	328		
ASIA PACIFIC	(15)	168	(7)	305	(7)	214	(13)	283		
CORPORATE	(20)	4	17	7	16	(56)	13	(130)		
DIAGEO	-	896	(1)	1,620	1	1,839	3	3,134		
OPERATING PROFIT										
NORTH AMERICA										
EUROPE										
AFRICA										
LATIN AMERICA & CARIBBEAN										
ASIA PACIFIC										
CORPORATE										
DIAGEO										

*Organic



STRATEGIC MARKETS PERFORMANCE (growth %)

	VOLUME*		NET SALES*		NET SALES**	
	F15 HY	F14 FY	F15 HY	F14 FY	F15 HY	F14 FY
NORTH AMERICA	(2)	(1)	-	3	(2)	(7)
US Spirits and wines	(3)	(1)	-	5	(1)	(7)
DGUSA	(2)	(5)	-	(7)	(1)	(11)
Canada	-	(2)	1	1	(8)	(17)
EUROPE	(1)		-		(6)	
Western Europe	(1)	-	-	-	(4)	(2)
Russia and Eastern Europe	(8)	(1)	(12)	2	(25)	(7)
Turkey	5	(3)	11	5	(1)	(12)
AFRICA	9	(6)	5	-	(4)	(9)
Nigeria	14	(9)	1	(9)	(6)	(14)
East Africa	7	(12)	11	2	5	(2)
Africa Regional Markets	15	(3)	16	2	(3)	(8)
South Africa	2	4	(6)	12	(16)	(9)
LATIN AMERICA AND CARIBBEAN	(10)	(1)	(1)	2	(31)	(21)
PUB	(9)	9	-	10	(7)	(4)
Venezuela	(44)	(17)	6	78	(79)	(71)
Colombia	10	5	12	8	2	(7)
Mexico	4	(1)	7	(4)	-	(10)
West Lac	(11)	(9)	(11)	(8)	(17)	(15)
ASIA PACIFIC	(8)	(5)	(5)	(7)	55	(14)
South East Asia	(31)	(25)	(31)	(19)	(33)	(25)
Greater China	(20)	(20)	(3)	(31)	(7)	(33)
India	12	22	6	42	1690	8
Global Travel Asia and Middle East	13	18	12	19	11	15
Australia hub	(4)	(2)	(1)	(3)	(6)	(17)
North Asia	1	2	4	4	1	(2)
DIAGEO	(2)	(2)	-	-	(1)	(9)

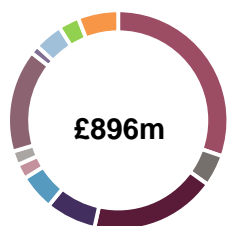
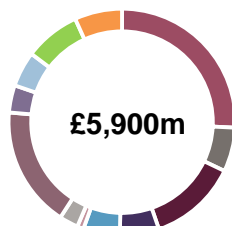
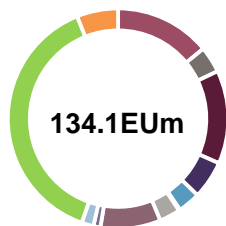
CATEGORY AND BRAND PERFORMANCE (growth %)

	VOLUME*		NET SALES*		NET SALES**	
	F15 HY	F14 FY	F15 HY	F14 FY	F15 HY	F14 FY
SPIRITS	(2)	(1)	(1)	-	1	(10)
SCOTCH	(5)	(5)	(6)	(1)	(19)	(10)
NORTH AMERICAN WHISKEY	1	-	3	5	1	-
VODKA	(1)	(1)	4	-	1	(5)
RUM	(6)	9	(2)	7	(14)	(4)
LIQUEURS	(5)	(2)	(6)	-	(11)	(7)
TEQUILA	32	43	35	34	22	(71)
GIN	7	3	7	3	2	(1)
BEER	-	(11)	2	(3)	(4)	(8)
WINE	1	(4)	-	1	(4)	(6)
READY TO DRINK	(10)	8	(1)	4	(12)	(11)
DIAGEO	(2)	(2)	-	-	(1)	(9)
GLOBAL GIANTS						
Johnnie Walker	(9)	(6)	(12)	(4)	(18)	(9)
Smirnoff	(3)	(1)	(3)	(2)	(7)	(7)
Captain Morgan	(2)	6	(4)	6	(7)	1
Baileys	(4)	(2)	(5)	1	(10)	(3)
Tanqueray	9	4	12	6	9	3
Guinness	(4)	(5)	(4)	(1)	(9)	(5)
LOCAL STARS						
Crown Royal	1	(4)	(1)	1	(2)	(3)
Yeni Raki	(2)	(6)	10	2	(3)	(14)
JeB	(2)	(7)	(5)	(8)	(10)	(11)
Buchanan's	(3)	(13)	5	6	(38)	(24)
Windsor	(4)	(5)	(1)	1	(1)	1
Old Parr	(11)	(12)	(14)	(5)	(47)	(27)
Bundaberg	(21)	(8)	(17)	(7)	(22)	(19)
Bells	(4)	(6)	(4)	(7)	(15)	(16)
White Horse	4	15	(3)	9	(21)	(3)
Ypioca	(6)	12	(3)	21	(11)	4
Cacique	(45)	-	8	16	(63)	(49)
Shui Jing Fang	170	(73)	101	(81)	96	(81)
RESERVE						
Scotch Malts	8	12	10	18	5	16
Croc	27	2	27	2	26	(2)
Ketel One Vodka	(2)	3	(1)	6	(2)	2
Don Julio	16	27	21	27	19	22
Bulleit	44	66	57	69	55	62

VOLUME

NET SALES

MARKETING SPEND



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



*Organic, **Reported