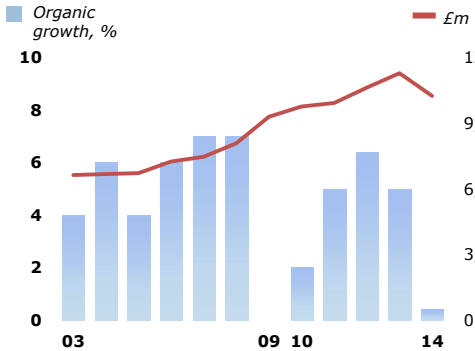


“I WANT TO CREATE ONE OF THE BEST PERFORMING, MOST TRUSTED AND RESPECTED CONSUMER PRODUCTS COMPANIES IN THE WORLD”

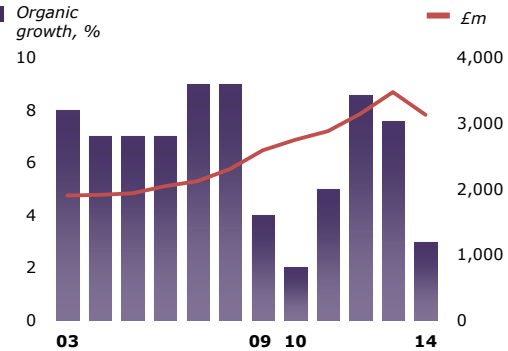
IVAN MENEZES, CEO

Sustained performance

Net sales* increased from £6,636m in F03 to £10,258m in F14



Operating profit increased from £1,902m in F03 to £3,134m in F14



Financial strength

| F15 H1 reported figures | Organic movement | |
|--------------------------------------|------------------|---|
| Volume 134mEU | (2)% | Free cash flow £0.7bn |
| Net sales £5.9bn | 0% | |
| Marketing spend £0.9bn | 0% | Reported operating margin* 31.2% |
| Operating profit* £1.8bn | 1% | |
| Dividend per share 21.5 pence | 9% | Net debt / EBIT* ratio 4.2x |
| Eps* 53.7 pence | (14)% | |

*Pre exceptional items

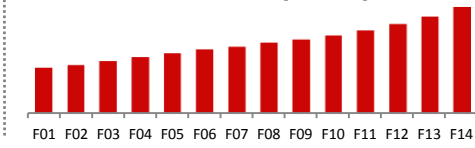
Diageo and Responsible drinking

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

F14 dividend: 51.7 pence per share



Year ended 30 June. Percentage increases are organic growth movements before exceptional items and have not been restated for accounting changes. *Net sales is after deducting excise duties. 2003-2004 as reported under UK GAAP. 2005 restated for IFRS. 2009 restated for IFRS. 2012-2013 restated for IAS19 and IFRS11.

World leading brands

Global giants

- Johnnie Walker** is the **No.1** Scotch whisky in the world¹
- Tanqueray** is the **No.1** Imported gin in the United States⁴
- Smirnoff** is the **No.1** Premium vodka in the world²
- Baileys** is the **No.1** Liqueur in the world²
- Captain Morgan** is the **No.2** Brand in the rum category in the world²
- Guinness** is the **No.1** Stout in the world⁵

Local stars

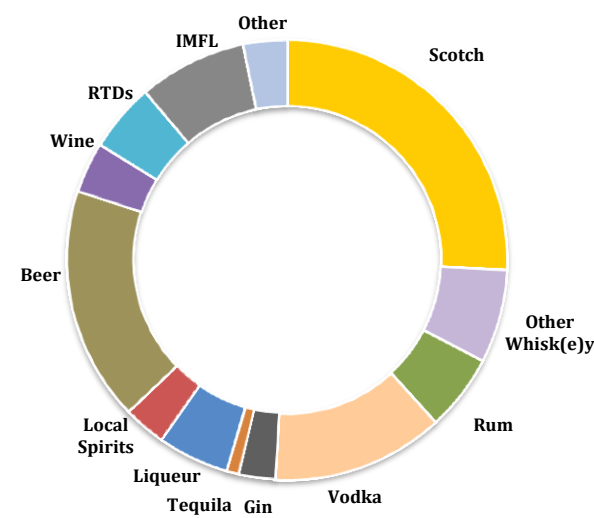
- Crown Royal** is the **No.1** Canadian whisky in the world²
- Windsor** is the **No.2** Super premium Scotch whisky in Asia Pacific¹
- Buchanan's** is the **No.3** Premium Scotch whisky in Latin America and Caribbean¹
- JeB** is the **No.5** Scotch whisky in the world¹
- Ypióca** is the **No.1** premium cachaça brand in Brazil⁷
- Yeni Raki** is the **No.1** aniseed based spirit in the world²
- Old Parr** is the **No.1** premium whisky in Colombia⁷
- Bells** is the **No.2** blended scotch in the United Kingdom⁷
- Cacique** is the **No.1** rum in Venezuela¹
- Bundaberg** is the **No.1** rum in Australia⁸
- White Horse** is the **No.1** scotch whisky in Russia by volume¹
- Shui Jing Fang** has 600 years heritage and distributed in 26 countries

Reserve

- Círoc** is the **No.2** Ultra premium vodka in the United States³
- Don Julio** is the **No.1** Super premium Tequila in the world¹
- Johnnie Walker** is the **No.1** super and ultra premium Scotch whisky in the world¹
- 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*



*Six months ended 31 December 2014



| | North America | Europe | Africa | Latin America and Caribbean | Asia Pacific |
|-----------------------------------|---|--|--|--|--|
| % of net sales | 32% | 25% | 13% | 10% | 20% |
| markets | | | | | |
| categories | | | | | |
| price segments | | | | | |
| Net sales movement* | (0)% | (0)% | 5% | (1)% | (5)% |
| Operating profit movement* | (1)% | 1% | 4% | 7% | (7)% |
| Highlights | <p>Diageo's biggest and most profitable region with positive demographic trends</p> <p>Unique distributor model</p> <p>Top line growth and margin expansion in fiscal 14</p> <p>Double digit growth in reserve and continued growth from innovation</p> <p>Further strengthened route to consumer</p> | <p>Business has stabilised in Western Europe, though challenges remain in some countries</p> <p>Strong growth from reserve, up 18%, and innovation</p> <p>Performance in Russia and Eastern Europe significantly impacted by the economic environment in Russia</p> <p>Strong growth and share gains in Turkey</p> | <p>Unique business platform in Africa with beer and spirits</p> <p>Nigeria volume and net sales back in growth</p> <p>Strong beer and spirits performance in Africa Regional Markets</p> <p>Double digit growth in East Africa despite duty impact on Senator</p> <p>South Africa spirits performance strong</p> | <p>Largest international spirits company in the region, strengthening our route to consumer</p> <p>Top line impacted by currency weakness and stock reductions in border zones</p> <p>Good performance of domestic businesses</p> <p>Scotch is core to the business, but we are expanding into other categories to reach the growing and affluent middle class</p> | <p>Scotch is the largest international spirits category in the region and Diageo leads, extending our leadership this year</p> <p>Growing emerging middle class providing opportunities for growth</p> <p>Top line declined due to destocking and a tough comparison against high shipments in South East Asia last year, and weakness in scotch in China</p> <p>Good growth of reserve brands with reserve scotch malts up 36% and all markets except SEA up double digit</p> |

* Organic growth six months ended 31 December 2014

