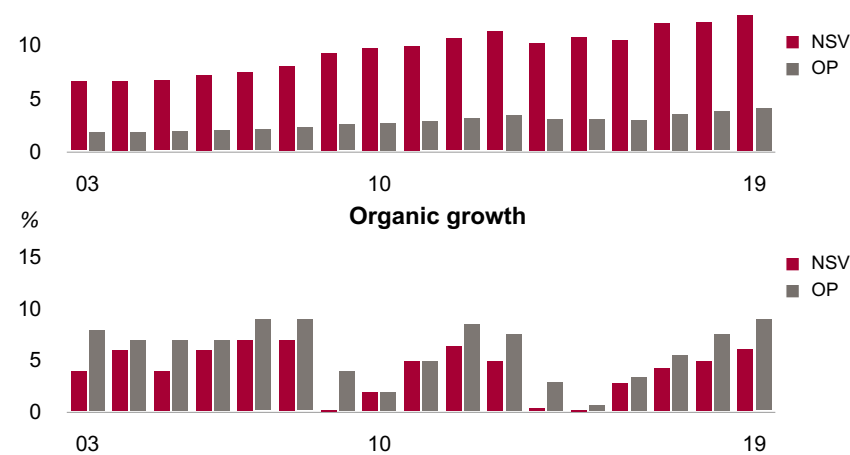


PERFORMANCE AMBITION

"OUR AMBITION IS TO BE ONE OF THE BEST PERFORMING, MOST TRUSTED AND RESPECTED CONSUMER PRODUCTS COMPANIES IN THE WORLD"

Sustained performance

Net sales* increased from £6,636m in F03 to £12,867m in F19
Operating profit increased from £1,902m in F03 to £4,116m in F19



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.

Financial strength

H1 F20 reported figures	Organic movement	
Volume 130.5mEU	—%	Free cash flow £1.0bn
Net sales £7.2bn	4%	
Marketing £1.1bn	6%	Reported operating margin ¹ 34.7%
Operating profit ¹ £2.5bn	5%	
Dividend 27.41 pence	5% ²	Adj. net debt ³ / EBITDA ¹ ratio 2.8x
Eps ¹ 80.2 pence	4% ²	

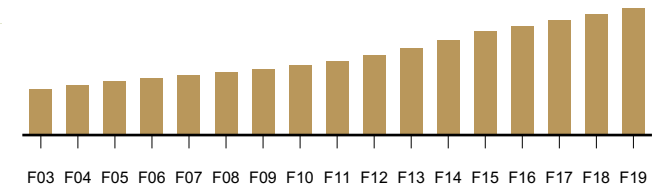
¹ Pre exceptional items; ² Reported movement; ³ Adjusted to include post employment liabilities

Our Sustainability and Responsibility priorities

- #1 Promote Positive Drinking
- #2 Champion Inclusion and Diversity
- #3 Pioneer Grain to Glass Sustainability

Growing dividend per share

F19 dividend: 68.57 pence per share



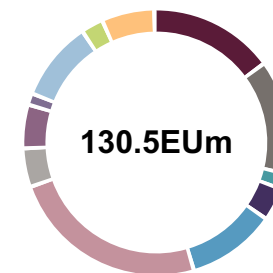
World leading brands¹

Global giants	Local stars	Reserve	
% of net sales	41%	20%	21%



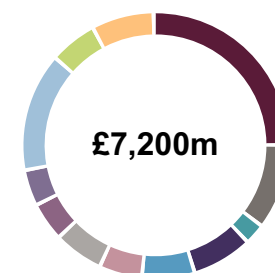
¹ Global giants and Local stars including reserve variants.

VOLUME



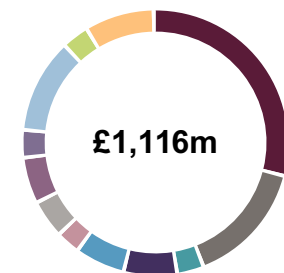
- Scotch
- Vodka
- US whiskey
- Canadian whiskey

NET SALES



- Rum
- IMFL whisky
- Liqueurs
- Gin

MARKETING



- Tequila
- Beer
- Ready to drink
- Other

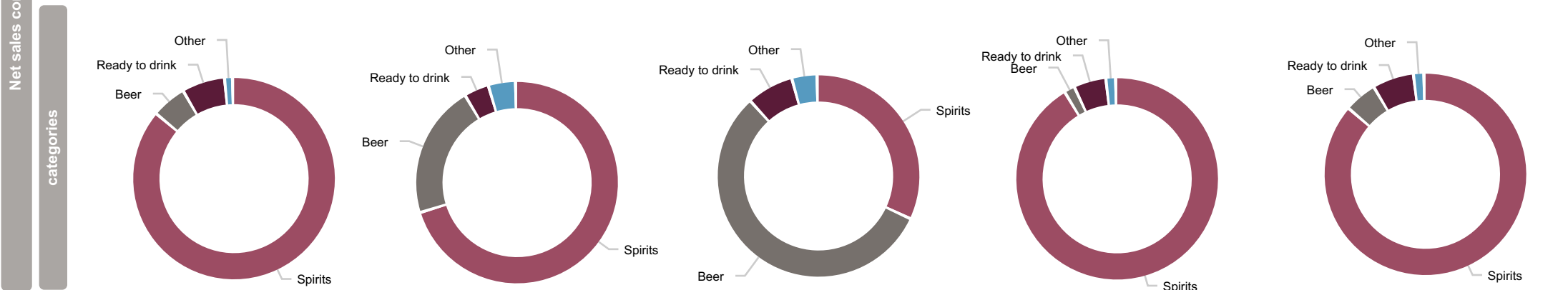
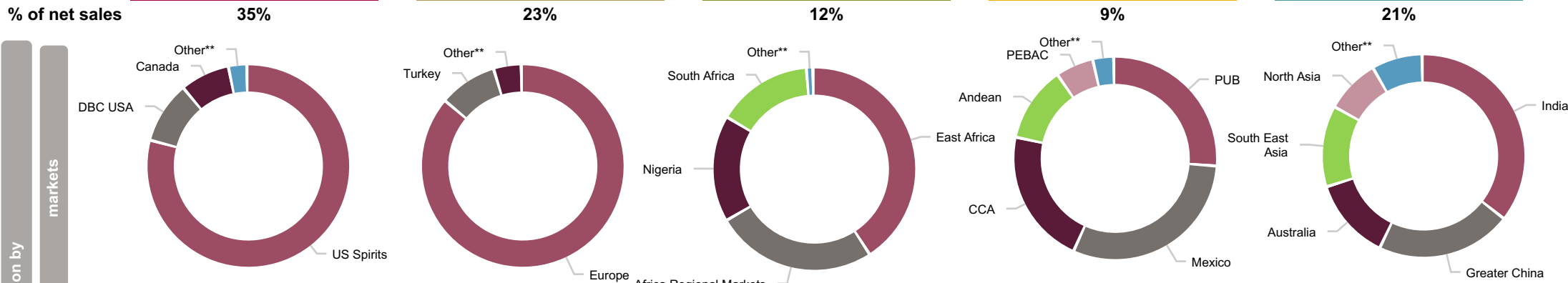
North America

Europe and Turkey

Africa

Latin America and Caribbean

Asia Pacific



	North America	Europe and Turkey	Africa	Latin America and Caribbean	Asia Pacific
Net sales movement*	6%	3%	5%	2%	4%
Operating profit movement*	5%	2%	13%	3%	6%

Highlights

North America delivered net sales growth of 6% with growth across all three key markets.

In US Spirits, net sales increased 6%.

Net sales in Canada increased 7% driven by continued growth in spirits and ready to drink.

DBC USA net sales grew 11% driven by ready to drink growth of 21%. In beer, net sales were up 4%, with Guinness growing 5%.

Europe and Turkey delivered net sales growth of 3%. In Europe, growth was driven by Continental Europe and Great Britain.

Gin grew 1% driven by Tanqueray in Continental Europe, partially offset by a decline in Gordon's in Great Britain due to lapping strong prior period innovation performance.

In Europe, beer net sales growth was flat with growth in Guinness offset by a decline in other lager brands in Ireland.

In Turkey, net sales were up 13% due to inflation and excise duty led price increases.

Africa delivered 5% net sales growth, with growth across East Africa and Africa Regional Markets, Nigeria returning to growth and a decline in South Africa. In East Africa and Africa Regional Markets net sales grew 10% and 5%, respectively, driven by strong growth in spirits in both markets and double digit growth in beer in East Africa.

Across Africa, beer net sales were up 5% driven by strong growth in Senator Keg, Serengeti Lite and Malta, partially offset by declines in Meta and Satzenbrau.

Spirits delivered good net sales growth driven by scotch in Africa Regional Markets and East Africa as well as strong growth of Tanqueray, offset by a decline in vodka in South Africa.

Latin America and Caribbean delivered 2% growth in net sales with strong performance in Colombia, Brazil and CCA partially offset by declines in Mexico and PEBAC.

Scotch performance was soft, declining 3%, driven largely by Johnnie Walker in PEBAC and Mexico. This was partially offset by continued momentum in Buchanan's, up 9%, and Old Parr which grew 6% both driven by CCA and Colombia.

Tequila was up 18% across the region, largely driven by Don Julio performance in Mexico.

Gin grew double digit driven by the strong growth of Tanqueray in Brazil.

Asia Pacific delivered 4% growth in net sales with strong growth in Greater China and Australia, partially offset by declines in North Asia and Travel Retail Asia and Middle East and a slowdown in growth in India.

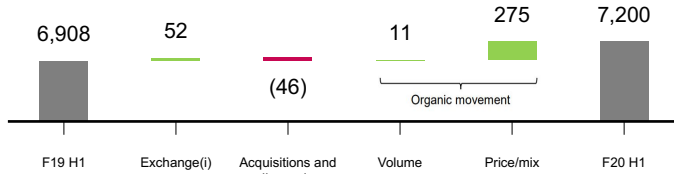
Scotch net sales were up 1% across the region led by strong performance in Johnnie Walker and scotch malts in China, Australia and South East Asia offset the net sales decline of Windsor in Korea and Johnnie Walker in Travel Retail and Middle East.

Greater China grew 24% driven by strong performance in both Chinese white spirits and scotch.

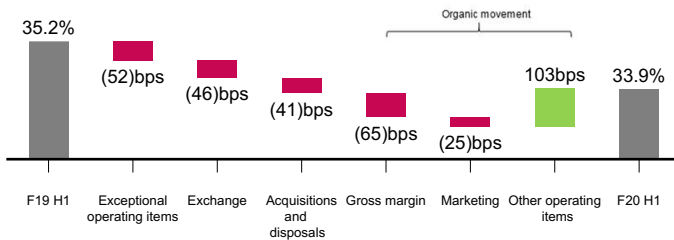
Net sales in India grew 2% reflecting the economic downturn, with growth in IMFL whisky and scotch.

* Organic growth six month ended 31 December 2019 ** Other principally Travel Retail

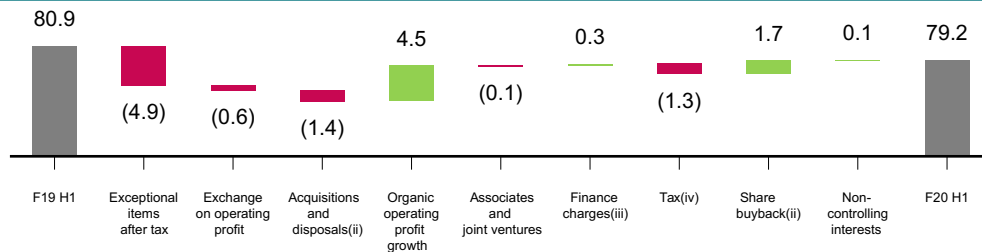
Net sales (£ million)



Operating margin (%)



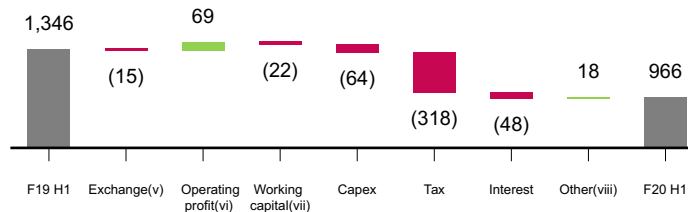
Basic earnings per share (pence)



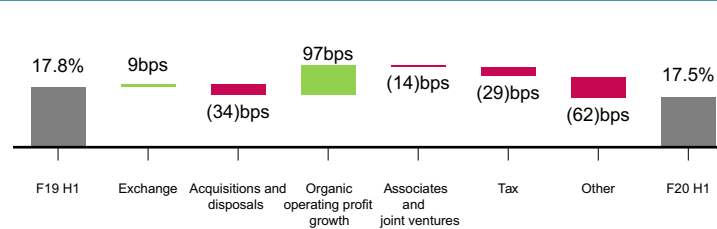
KEY FINANCIAL INFORMATION

	F20 H1	F19 H1	Organic		F19 H1		F18 H1	
			growth%	Reported growth%	Organic growth%	Reported growth%		
Volume	130.5	130.5	—	—	130.5	126.4	4	3
Net sales	£m 7,200	£m 6,908	4	4	6,908	6,530	7	6
Marketing	£m 1,116	£m 1,054	6	6	1,054	968	9	9
Operating profit before exceptional items	£m 2,501	£m 2,451	5	2	2,451	2,190	12	12
Operating margin expansion*	bps 13	bps 152			152	81		
Operating profit	£m 2,442	£m 2,430			2,430	2,190		11
Profit attributable to parent company's shareholders	£m 1,865	£m 1,976		(6)	1,976	2,058		(4)
Basic earnings per share	pence 79.2	pence 80.9		(2)	80.9	82.2		(2)
Earnings per share before exceptional items	pence 80.2	pence 77.0		4	77.0	67.8		14
Tax rate including exceptional items	% 21.5	% 21.3		1	21.3	3.5		509
Tax rate before exceptional items	% 21.6	% 21.2		2	21.2	19.8		7
Free cash flow	£m 966	£m 1,346			1,346	1,029		
ROIC	% 17.5	% 17.8			17.8	16.5		
Average net debt	£m (12,311)	£m (10,183)			(10,183)	(8,819)		

Free cash flow (£ million)



Return on average invested capital (%)^(ix)



- (i) Exchange rate movements reflect the adjustment to recalculate the reported results as if they had been generated at the prior period weighted average exchange rates.
- (ii) Includes finance charges net of tax.
- (iii) Excludes finance charges related to acquisitions, disposals and share buyback.
- (iv) Excludes tax related to acquisitions, disposals and share buyback.
- (v) Exchange on operating profit before exceptional items.
- (vi) Operating profit excluding exchange, depreciation and amortisation, post employment charges and non-cash items.
- (vii) Working capital movement includes maturing inventory.
- (viii) Other items include post employment payments, dividends received from associates and joint ventures, and movements in loans and other investments.
- (ix) ROIC calculation excludes exceptional income statement items.

Delivering our strategy through consistent performance

Reported net sales (£7.2 billion) increased 4.2% driven by organic growth. Reported operating profit (£2.4 billion) increased 0.5%, driven by organic growth offset by unfavourable exchange, exceptional operating items and acquisitions and disposals

All regions contributed to broad based organic growth, with organic net sales up 4.2% with organic volume up 0.2%

Organic operating profit grew 4.6%, ahead of organic net sales, driven by productivity benefits from everyday cost efficiencies and strong price/mix, partially offset by cost inflation and upweighted marketing investment

We continue to deliver consistently solid cash flow with net cash from operating activities at £1.3 billion, £0.3 billion lower than prior period and free cash flow at £1.0 billion, £0.4 billion lower than prior period largely due to one-off tax impacts and timing of tax payments

Basic eps of 79.2 pence decreased by 2.1% due to prior year exceptional gains. Pre-exceptional eps grew 4.2% to 80.2 pence, driven by higher operating profit and the capital return programme

Interim dividend increased 5% to 27.41 pence per share

BUSINESS REVIEW

	F20 H1		F19 H1		F20 H1		F19 H1		
	%*	£m	%*	£m	%*	£m	%*	£m	
NORTH AMERICA EUROPE AND TURKEY AFRICA LATIN AMERICA AND CARIBBEAN ASIA PACIFIC CORPORATE DIAGEO	VOLUME	3	26.1	3	25.6	6	2,502	6	2,356
		(1)	25.4	1	25.7	3	1,666	5	1,633
		2	17.9	1	17.6	5	848	6	821
		(1)	12.3	(1)	12.4	2	680	9	672
		(1)	48.8	7	49.2	4	1,477	13	1,398
		—	130.5	4	130.5	(4)	27	4	28
DIAGEO	—	130.5	4	130.5	4	7,200	7	6,908	

	F20 H1		F19 H1		F20 H1		F19 H1		F20 H1		F19 H1	
	%*	£m	%*	£m	%*	£m	%*	£m	%*	%*	%*	
NORTH AMERICA EUROPE AND TURKEY AFRICA LATIN AMERICA AND CARIBBEAN ASIA PACIFIC CORPORATE DIAGEO	MARKETING	6	404	10	383	5	1,120	4	1,101	46.2	46.3	
		4	268	9	260	2	615	5	614	36.9	37.6	
		5	97	6	91	13	159	30	153	20.2	18.5	
		2	113	6	110	3	257	21	254	38.1	37.9	
		11	232	13	208	6	432	35	409	29.7	29.3	
		—	2	—	2	(6)	(82)	13	(80)			
DIAGEO	6	1,116	9	1,054	5	2,501	12	2,451	35.4	35.2		

* Organic, ** Pre-exceptional

STRATEGIC MARKETS PERFORMANCE (growth %)

	Organic volume		Organic net sales		Reported net sales	
	F20 H1	F19 H1	F20 H1	F19 H1	F20 H1	F19 H1
NORTH AMERICA	3	3	6	6	6	8
US Spirits	2	1	6	5	5	7
Diageo Beer USA	9	10	11	13	14	15
Canada	4	5	7	5	7	3
EUROPE AND TURKEY	(1)	1	3	5	2	2
Europe	(1)	4	3	5	2	4
Turkey	(5)	(11)	13	10	15	(25)
AFRICA	2	1	5	6	3	6
East Africa	6	13	10	13	11	16
Africa Regional Markets	(4)	(4)	5	6	—	10
Nigeria	12	(13)	1	(4)	5	(3)
South Africa	(8)	—	(4)	4	(11)	(8)
LATIN AMERICA AND CARIBBEAN	(1)	(1)	2	9	1	4
PUB	—	(4)	7	—	5	(13)
Mexico	(1)	4	(2)	9	—	7
CCA	(3)	17	4	22	1	27
Andean	25	(29)	23	20	14	9
PEBAC	(21)	13	(30)	2	(30)	(1)
ASIA PACIFIC	(1)	7	4	13	6	8
India	—	7	2	12	5	3
Greater China	21	7	24	20	24	19
Australia	10	6	13	8	9	2
South East Asia	(4)	16	—	16	3	18
North Asia	(6)	3	(3)	(7)	(3)	(5)
Travel Retail Asia and Middle East	(29)	15	(18)	24	(19)	12
DIAGEO	—	4	4	7	4	6

(i) Organic equals reported volume movement except for vodka (2)%, ready to drink 8% and Canadian whisky 9%, which were impacted by acquisitions and disposals.

(ii) Vodka, rum, gin including IMFL brands.

(iii) Organic equals reported volume movement.

(iv) Spirits brands excluding ready to drink.

(v) Organic growth figures represent total Chinese white spirits of which Shui Jing Fang is the predominant brand.

(vi) Vodka and Ketel One includes Ketel One vodka and Ketel One Botanical.

CATEGORY AND BRAND PERFORMANCE (growth %)

	Organic volume		Organic net sales		Reported net sales	
	F20 H1 ⁽ⁱ⁾	F19 H1	F20 H1	F19 H1	F20 H1	F19 H1
SPIRITS^(iv)	—	4	4	7	5	5
SCOTCH	(3)	4	—	7	1	6
US WHISKEY	2	2	6	4	8	6
CANADIAN WHISKY	10	5	11	5	10	6
VODKA ^{(ii)(vi)}	(1)	2	(1)	3	—	2
RUM ⁽ⁱⁱ⁾	(2)	(4)	2	(3)	1	(5)
LIQUEURS	7	—	7	3	6	2
TEQUILA	25	18	31	29	32	36
GIN ⁽ⁱⁱ⁾	(2)	25	7	28	7	29
IMFL WHISKY	1	9	3	11	6	2
BEER	—	2	2	4	2	5
READY TO DRINK	10	9	11	16	8	15
DIAGEO	—	4	4	7	4	6

	Organic volume		Organic net sales		Reported net sales	
	F20 H1 ⁽ⁱⁱⁱ⁾	F19 H1	F20 H1	F19 H1	F20 H1	F19 H1
GLOBAL GIANTS^(iv)						
Johnnie Walker	(5)	5	(4)	10	(3)	9
Smirnoff	(2)	1	1	2	2	2
Captain Morgan	4	(2)	5	(4)	6	(3)
Baileys	8	—	8	3	8	3
Tanqueray	9	20	13	21	13	22
Guinness	—	3	1	4	1	4

	Organic volume		Organic net sales		Reported net sales	
	F20 H1 ⁽ⁱⁱⁱ⁾	F19 H1	F20 H1	F19 H1	F20 H1	F19 H1
LOCAL STARS^(iv)						
Crown Royal	10	5	11	5	13	7
Yeni Raki	(16)	(17)	3	5	5	(29)
JeB	(3)	(11)	(3)	(10)	(4)	(10)
Buchanan's	8	5	9	7	10	6
Windsor	(26)	(8)	(13)	(20)	(16)	(18)
Old Parr	2	5	5	6	2	3
Bundaberg	4	2	4	1	1	(4)
Black & White	4	11	5	16	6	7
Ypióca	(3)	(10)	(1)	1	(2)	(15)
McDowell's	—	8	3	10	6	2
Shui Jing Fang ^(v)	29	13	26	22	26	20

	Organic volume		Organic net sales		Reported net sales	
	F20 H1 ⁽ⁱⁱⁱ⁾	F19 H1	F20 H1	F19 H1	F20 H1	F19 H1
RESERVE^(iv)						
Scotch malts	11	4	17	5	18	8
Cîroc vodka	(10)	(9)	(9)	(12)	(7)	(9)
Ketel One ^(vi)	1	18	(1)	21	2	24
Don Julio	13	13	25	26	24	27
Bulleit	6	8	4	6	7	8