

Final Terms dated 19 September 2014

DIAGEO plc

*(Incorporated with limited liability in England and Wales with registered number 23307)
as Issuer and Guarantor*

DIAGEO FINANCE plc

*(Incorporated with limited liability in England and Wales with registered number 213393)
as Issuer*

DIAGEO CAPITAL B.V.

*(Incorporated with limited liability in the Netherlands with registered number 34196822 and having its
corporate seat in Amsterdam) as Issuer*

Programme for the
Issuance of Debt Instruments
Series No: 2014/1

Guaranteed by DIAGEO plc

(to be consolidated, become fungible and form a single series with the EUR 850,000,000 1.125 per cent.
Instruments due 2019 issued on 20 May 2014 (the "**Original Instruments**"))
under the **Programme for Issuance of Debt Instruments**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 9 May 2014 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the Guarantor and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and during normal business hours at Lakeside Drive, Park Royal, London NW10 7HQ.

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| 1. | (i) | Issuer: | DIAGEO FINANCE plc |
| | (ii) | Guarantor | DIAGEO plc |
| 2. | (i) | Series Number: | 2014/1 |
| | (ii) | Tranche Number: | 2 |
| | (iii) | Date on which the Instruments will be consolidated and form a single Series: | The Instruments will be consolidated and form a single Series with the Original Instruments on exchange of the Temporary Global Instrument for interests in the Permanent Global Instrument, as referred to in paragraph 21 below, which is expected to occur on or about 3 November 2014 |
| 3. | | Specified Currency or Currencies | Euro (" EUR ") |
| 4. | | Aggregate Nominal Amount of Instruments | |

	(i)	Series:	EUR 1,350,000,000
	(ii)	Tranche:	EUR 500,000,000
5.		Issue Price:	101.754 per cent. of the Aggregate Nominal Amount plus accrued interest from and including 20 May 2014 to but excluding the Issue Date.
6.	(i)	Specified Denominations:	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No notes in definitive form will be issued with a denomination above EUR 199,000.
	(ii)	Calculation Amount:	EUR 1,000
7.	(i)	Issue Date	23 September 2014
	(ii)	Interest Commencement Date	20 May 2014
8.		Maturity Date:	20 May 2019
9.		Interest Basis	1.125 per cent. Fixed Rate
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest or Redemption Payment Basis:	Not Applicable
12.		Put/Call Options	Issuer Call
13.		Date Board approval for issuance of Instruments and Guarantee obtained:	Issuer: 11 September 2014 Guarantor: 30 July 2014 (Board meeting) and 11 September 2014 (Finance Committee)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.		Fixed Rate Instrument Provisions	Applicable
	(i)	Rate of Interest:	1.125 per cent. per annum payable annually in arrear on each Interest Payment Date up to and including the Maturity Date
	(ii)	Interest Payment Date:	20 May in each year
	(iii)	Fixed Coupon Amount	EUR 11.25 per Calculation Amount
	(iv)	Day Count Fraction:	Actual/Actual - ICMA
	(v)	Determination Dates:	20 May in each year
	(vi)	Relevant Currency	EUR
15.		Floating Rate Instrument Provisions	Not Applicable

16. **Zero Coupon Instrument Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** Applicable
- (i) Optional Redemption Date(s): On the date falling one-month prior to the Maturity Date
- (ii) Optional Redemption Amount(s) of each Instrument and method, if any, of calculation of such amount(s): EUR 1,000 per Calculation Amount plus accrued interest as set out in Condition 7.03
- (iii) Notice period: As set out in Condition 7.04
18. **Put Option** Not Applicable
19. **Final Redemption Amount of each Instrument** EUR 1,000 per Calculation Amount
20. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:** As set out in Conditions 7.02 and 8.02


GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

21. **Form of Instruments** **Bearer Instruments**
- Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument
22. New Global Note: Yes
23. Financial Centre(s) or other special provisions relating to payment dates: London
24. Calculation Agent Not Applicable
25. Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature): No

DISTRIBUTION

26. U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

Signed on behalf of **DIAGEO FINANCE** plc:

By: 
.....
Duly authorised

Signed on behalf of **DIAGEO** plc:

By: 
.....
Duly authorised

PART B - OTHER INFORMATION

1. LISTING

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| (i) | Listing | London |
| (ii) | Admission to trading | Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 23 September 2014. The Original Instruments have been admitted to trading on the London Stock Exchange plc's Regulated Market since 20 May 2014. |
| (iii) | Estimate of total expenses related to admission to trading: | £3,650 |

2. RATINGS

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| Ratings: | The Instruments to be issued have been rated:
S & P: A-
Moody's: A3
Fitch: A- |
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Instruments has an interest material to the offer.

The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Not Applicable

5. Fixed Rate Instruments only - YIELD

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| Indication of yield: | 0.740 per cent.
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
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6. OPERATIONAL INFORMATION

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| ISIN Code: | Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary ISIN XS1112824633. After that, the Instruments will have the same ISIN as the Original Instruments, which is XS1069539374. |
| Common Code: | Until the Instruments are consolidated, become fungible with and form a single Series with the Original Instruments, the Instruments will have the temporary Common Code 111282463. After that, the Instruments will have the same Common Code as the Original |

Instruments, which is 106953937.

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, societe anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes