

Final Terms dated 16 May 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

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: | 1 |
| 3. | | Specified Currency or Currencies: | Euro |
| 4. | | Aggregate Nominal Amount of Instruments: | EUR 850,000,000 |
| 5. | | Issue Price: | 99.802 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No notes in definitive form will be issued with a denomination above EUR199,000. |
| | (ii) | Calculation Amount: | EUR 1,000 |
| 7. | (i) | Issue Date: | 20 May 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: 30 April 2014 Guarantor: 30 July 2013 (Board meeting) and 12 May 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
	(ii) Interest Payment Date:	20 May in each year
	(iii) Fixed Coupon Amount:	EUR 11.25 per Calculation Amount
	(v) Day Count Fraction:	Actual/Actual – ICMA
	(vi) Determination Dates:	20 May in each year
	(vii) Relevant Currency	Euro
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 the Conditions
	(iv) Notice period:	As set out in the Conditions
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 the Conditions

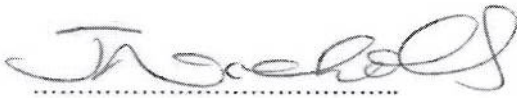
GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- | 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): | Yes |

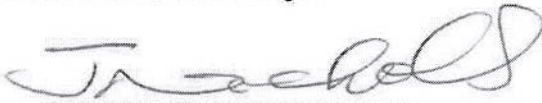
DISTRIBUTION

- | | |
|--------------------------------|---------------------------------------|
| 26. U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |
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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 20 May 2014. |
| (iii) | Estimate of total expenses related to admission to trading: | £3,650 |

2. RATINGS

- | | |
|----------|---|
| Ratings: | The Instruments to be issued have been rated: |
| | S & P: A- |
| | Moody's: A3 |
| | Fitch: A- |

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

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

The Dealers 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

Indication of yield:	1.166 per cent.
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The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

ISIN Code:	XS1069539374
Common Code:	106953937

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société 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