

Final Terms dated 16 November 2017

DIAGEO FINANCE plc

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

EUR 775,000,000 0.000 per cent. Instruments due 17 November 2020

Series No: 2017/1

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 August 2017 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 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: | 2017/1 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro (" EUR ") |
| 4. | | Aggregate Nominal Amount of Instruments: | |
| | (i) | Series: | EUR 775,000,000 |
| | (ii) | Tranche: | EUR 775,000,000 |
| 5. | | Issue Price: | 99.979 per cent. of the Aggregate Nominal Amount |

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| 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: | 17 November 2017 |
| | (ii) | Interest Commencement Date: | 17 November 2017 |
| 8. | | Maturity Date: | 17 November 2020 |
| 9. | | Interest Basis: | 0.000 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: | <p>Issuer: 6 November 2017</p> <p>Guarantor: 26 July 2017 (Board meeting), 10 July 2017 and 6 November 2017 (Finance Committee)</p> |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 14. | Fixed Rate Instrument Provisions | | Applicable |
| | (i) | Rate of Interest: | 0.000 per cent. per annum payable annually on each Interest Payment Date |
| | (ii) | Interest Payment Date(s): | 17 November in each year commencing on 17 November 2018 |
| | (iii) | Fixed Coupon Amount: | EUR 0.00 per Calculation Amount |
| | (iv) | Broken Amount(s): | Not Applicable |
| | (v) | Day Count Fraction: | Actual/Actual (ICMA) |
| | (vi) | Determination Dates: | 17 November in each year |
| | (vii) | Relevant Currency: | EUR |
| 15. | Floating Rate Instrument Provisions | | Not Applicable |
| 16. | Zero Coupon Instrument Provisions | | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. | Call Option | Applicable |
| (i) | Optional Redemption Date(s): | On or after 17 October 2020 |
| (ii) | Optional Redemption Amount(s) of each Instrument and method, if any, of calculation of such amount(s): | EUR 1,000 per Calculation Amount |
| (iii) | If redeemable in part: | Not Applicable |
| (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

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| 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, in addition to TARGET Settlement Day |
| 24. | Calculation Agent: | Not Applicable |
| 25. | Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature): | No |
| 26. | Exchange Date: | Not Applicable |

DISTRIBUTION

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| 27. U.S. Selling Restrictions: | Reg.S Compliance Category 2; TEFRA D |
| 28. Prohibition of Sales to EEA Retail Investors: | Not Applicable |

THIRD PARTY INFORMATION

Not Applicable



Signed on behalf of Diageo Finance plc:

By: J NICHOLLS, DIRECTOR

Duly authorised



Signed on behalf of Diageo plc:

By: J NICHOLLS, DEPUTY COMPANY SECRETARY

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 the Issue Date) |
| (iii) | Estimate of total expenses related to admission to trading: | £3,650 |

2. RATINGS

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| Ratings: | The Instruments to be issued are expected to be rated: |
| | Fitch Ratings Ltd: A- |
| | Moody's Investors Service Ltd: A3 |
| | Standard & Poor's Credit Market Services Europe Limited: A- |

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

Save for any fees payable to Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, Nomura International plc, Credit Suisse Securities (Europe) Limited and The Royal Bank of Scotland plc (trading as NatWest Markets) as joint lead managers (the "**Joint Lead 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 Joint Lead 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. YIELD

Indication of yield: 0.007 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Not Applicable

7. OPERATIONAL INFORMATION

ISIN Code: XS1719154657

Common Code: 171915465

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. 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