

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1192 ("**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Instruments or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Each person in a Member State of the EEA who receives any communication, or who acquires any tender, in respect of the offers to the public contemplated in these Final Terms or to whom the Instruments are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Joint Lead Manager the Issuer that it and any person on whose behalf it acquires Instruments is not a "retail investor" (as defined above).

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Instruments are capital markets products other than "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Final Terms dated 25 September 2020

DIAGEO plc

Legal Entity Identifier (LEI): 213800ZVIELEA55JMJ32

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

DIAGEO FINANCE plc

Legal Entity Identifier (LEI): BPF79TJMIH3DK8XCKI50

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

DIAGEO CAPITAL B.V.

Legal Entity Identifier (LEI): 213800YHFC48VOL6JY40

*(Incorporated with limited liability under the laws of the Netherlands with registered with the
Dutch trade register under number 78747929 and having its official seat (statutaire zetel) in
Amsterdam, the Netherlands)
as Issuer*

Programme for the

Issuance of Debt Instruments

**GBP 400,000,000 1.250 per cent. Instruments due 28 March 2033 issued by Diageo
Finance plc**

Series No: 2020/5

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 26 August 2020 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing at <https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

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|-----|------|--|---|
| 1. | (i) | Issuer: | Diageo Finance plc |
| | (ii) | Guarantor: | Diageo plc |
| 2. | (i) | Series Number: | 2020/5 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Pounds Sterling (" GBP ") |
| 4. | | Aggregate Nominal Amount of Instruments: | |
| | (i) | Series: | GBP 400,000,000 |
| | (ii) | Tranche: | GBP 400,000,000 |
| 5. | | Issue Price: | 98.910 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | GBP 100,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 199,000. No notes in definitive form will be issued with a denomination above GBP 199,000 |
| | (ii) | Calculation Amount: | GBP 1,000 |
| 7. | (i) | Issue Date: | 28 September 2020 |
| | (ii) | Interest Commencement Date: | 28 September 2020 |
| 8. | | Maturity Date: | 28 March 2033 |
| 9. | | Interest Basis: | 1.250 per cent. Fixed Rate |
| 10. | | Redemption/Payment Basis: | Redemption at par |

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| 11. Change of Interest or Redemption Payment Basis: | Not Applicable |
| 12. Put/Call Options: | Issuer Call |
| 13. Date approval for issuance of Instruments and Guarantee obtained: | Issuer: 21 September 2020
Guarantor: 22 September 2020 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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|--|---|
| 14. Fixed Rate Instrument Provisions | Applicable |
| (i) Rate of Interest: | 1.250 per cent. per annum payable annually in arrear on each Interest Payment Date |
| (ii) Interest Payment Date(s): | 28 March in each year commencing on 28 March 2021 (short first coupon) |
| (iii) Fixed Coupon Amount: | GBP 12.50 per Calculation Amount, subject to paragraph 14(iv) |
| (iv) Broken Amount(s): | GBP 6.20 per Calculation Amount payable on the Interest Payment Date falling on 28 March 2021 |
| (v) Day Count Fraction: | Actual/Actual – ICMA |
| (vi) Determination Dates: | 28 March in each year |
| (vii) Relevant Currency | GBP |
| 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) Call Option Date(s): | Any Business Day from and including 28 December 2032 (the " Par Call Commencement Date ") up to but excluding the Maturity Date (together, the " Par Call Period ") |

- (ii) Early Redemption Amount(s) (Call) of each GBP 1,000 per Calculation Instrument and method, if any, of calculation Amount of such amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: Not Applicable
- (b) Maximum Redemption Amount: Not Applicable
- (iv) Notice period: Minimum period 10 days
Maximum period: 30 days
18. **Make Whole Redemption/Spens** Not Applicable
19. **Put Option** Not Applicable
20. **Final Redemption Amount of each Instrument** GBP 1,000 per Calculation Amount
21. **Early Redemption Amount**
Early Redemption Amount(s) per Calculation GBP 1,000 per Calculation Amount payable on redemption for taxation reasons Amount or on event of default or other early redemption:

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

22. **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
23. New Global Note: Yes
24. Financial Centre(s) or other special provisions relating to payment dates: London
25. Calculation Agent: Not Applicable
26. Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature): No
27. Exchange Date: Not Applicable

DISTRIBUTION

28. U.S. Selling Restrictions: Reg.S Compliance Category 2;
TEFRA D
29. Prohibition of Sales to EEA and UK Retail Investors: Applicable

THIRD PARTY INFORMATION

The descriptions of the ratings of the Instruments contained in paragraph 2 of Part B has been extracted from the websites of Moody's Investors Service Limited ("**Moody's**") and S&P Global Ratings Europe Limited ("**S&P**") (as applicable) as indicated. Each of the Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's or S&P (as applicable), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Diageo Finance plc:

By: *Hara Major*

Duly authorised

Signed on behalf of Diageo plc:

By: *James Edmund*

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (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: GBP 5,670

2. RATINGS

Ratings: The Instruments to be issued are expected to be assigned the following ratings:

S&P: A- (Stable)

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. The minus (-) sign shows relative standing within the rating categories. (Source: S&P,

https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)

Moody's: A3 (Stable)

Obligations rated 'A' are judged to be upper-medium grade and are subject to low credit risk. The modifier '3' indicates a ranking in the lower end of that generic rating category. (Source: Moody's,

<https://www.moody's.com/ratingsprocess/Ratings-Definitions/002002>)

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

Save for any fees payable to Banco Santander, S.A., Barclays Bank PLC, Morgan Stanley & Co. International plc, NatWest Markets Plc, RBC Europe Limited and Standard Chartered Bank as active joint lead managers and to Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc and Merrill Lynch International as passive joint lead managers (together, 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

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|---------------------------------|--|
| (i) Reasons for the offer: | See "Use of Proceeds" in the Base Prospectus |
| (ii) Estimated net proceeds: | GBP 394,540,000 |
| (iii) Estimated total expenses: | GBP 1,100,000 |

5. YIELD

Indication of yield:

1.345 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: XS2240066915

Common Code: 224006691

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. Note that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.