

**PROHIBITION OF SALES TO EEA 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"). 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2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, "IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**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.

Final Terms dated 18 October 2018

**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*

Programme for the  
Issuance of Debt Instruments

---

**EUR 500,000,000 1.500 per cent. Instruments due 22 October 2027**

**Series No: 2018/3**

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 10 August 2018 (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 <https://www.londonstockexchange.com/exchange/news/market-news/market-news-detail/DGE/13674512.html> and during normal business hours at Lakeside Drive, Park Royal, London NW10 7HQ.

- |    |      |  |  |
|----|------|--|--|
| 1. | (i)  | Issuer:                                  | Diageo Finance plc   |
|    | (ii) | Guarantor:                               | Diageo plc   |
| 2. | (i)  | Series Number:                           | 2018/3   |
|    | (ii) | Tranche Number:                          | 1  |
| 3. |      | Specified Currency or Currencies:        | Eur (" <b>EUR</b> ")   |
| 4. |      | Aggregate Nominal Amount of Instruments: |  |
|    | (i)  | Series:                                  | EUR 500,000,000  |
|    | (ii) | Tranche:                                 | EUR 500,000,000  |
| 5. |      | Issue Price:                             | 99.783 per cent. of the Aggregate Nominal Amount   |
| 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:                              | 22 October 2018  |
|    | (ii) | Interest Commencement Date:              | Issue Date   |
| 8. |      | Maturity Date:                           | 22 October 2027  |

9.	Interest Basis:	1.500 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: 9 October 2018 Guarantor: 9 October 2018

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	<b>Fixed Rate Instrument Provisions</b>	Applicable
	(i) Rate of Interest:	1.500 per cent. per annum payable annually in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	22 October in each year, beginning on 22 October 2019
	(iii) Fixed Coupon Amount(s):	EUR 15.00 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual – ICMA
	(vi) Determination Dates:	22 October in each year
	(vii) Relevant Currency:	EUR
15.	<b>Floating Rate Instrument Provisions</b>	Not Applicable
16.	<b>Zero Coupon Instrument Provisions</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

17.	<b>Call Option</b>	<b>Applicable</b>
	(i) Optional Redemption Date(s):	On any business day on or after 22 July 2027
	(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.   | <b>Put Option</b>  | Not Applicable                   |
| 19.   | <b>Final Redemption Amount of each Instrument</b>  | EUR 1,000 per Calculation Amount |
| 20.   | <b>Early Redemption Amount</b>   | EUR 1,000 per Calculation Amount |
|       | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: |                                  |

#### **GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS**

- |     |   |   |
|-----|---|---|
| 21. | <b>Form of Instruments</b>  | <b>Bearer Instruments</b>   |
|     |   | 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**

- |     |   |  |
|-----|---|--|
| 27. | U.S. Selling Restrictions:                    | Reg. S Compliance Category 2;<br>TEFRA D |
| 28. | Prohibition of Sales to EEA Retail Investors: | Applicable                               |

Signed on behalf of Diageo Finance plc:

By: Sara Major.....  
Duly authorised

Signed on behalf of Diageo plc:

By: James Adams.....  
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: £4,500

### **2. RATINGS**

- Ratings: The Instruments to be issued are expected to be assigned the following ratings:
- S&P Global Ratings Europe Limited: A- (stable)
- Moody's Investors Service Limited: A3 (stable)
- Fitch Ratings Limited: A- (stable)

### **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, Morgan Stanley & Co. International plc and NatWest Markets Plc as active joint lead managers and Credit Suisse Securities (Europe) Limited and Nomura International plc 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**

Not Applicable

### **5. YIELD**

Indication of yield: 1.526 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: XS1896662175

Common Code: 189666217

CFI: DTFXFB

FISN: DIAGEO FINANCE/1EMTN 20271022

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