

22nd May 2019

CONSISTENT EXECUTION OF STRATEGY TO DRIVE SUSTAINABLE FUTURE GROWTH

Today, at an Investor Conference in New York, Diageo will outline the evolution of its strategy and how the company expects to deliver consistent, sustainable growth over the medium term.

Presentations will bring to life: how US Spirits can deliver sustainable performance supported by data-led insight; how the scotch strategy is focused on winning in international whisky; the progress being made to reshape the business in India; the beer strategy and the way in which the iconic Guinness brand is positioned to capture growth; and the evolution of the company's marketing model, which delivers creativity and executional excellence underpinned by increasingly robust consumer data and analytics.

Ivan Menezes, Chief Executive, will say:

"Diageo has delivered strong performance over the past two years with consistent mid-single digit organic top line growth; upweighted investment in our brands; as well as organic operating margin expansion and strong cash flows. During the same period we have generated attractive total shareholder returns and, from fiscal 17 to fiscal 19 H1, have returned £7bn to shareholders via dividends and share buy-backs.

As we approach the end of our financial year, we are reiterating our current guidance of delivering organic net sales growth towards the upper end of our mid-single digit range and 175bps organic operating margin improvement over the three years ending 30 June 2019.

We operate in an attractive industry supported by strong consumer fundamentals. Our strategy remains focussed on delivering sustainable, consistent growth. A culture of everyday efficiency has been embedded in the business and we are constantly challenging ourselves for more. Our ongoing focus on efficiency enables us to continue to increase investment in our brands. It will also support other growth initiatives and underpin organic operating margin improvement, creating a self-sustaining platform for growth.

As we look ahead to the end of fiscal 22, I expect Diageo to maintain organic net sales growth in the mid-single digit range and to grow organic operating profit ahead of net sales in the range of 5% to 7%."

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About Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO).

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