

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIES OR MAY QUALIFY WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014

NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS OR INTO ANY OTHER JURISDICTION OR TO ANY OTHER PERSON WHERE OR TO WHOM IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

**Diageo Finance plc
LEI: BPF79TJMIH3DK8XCKI50**

20 March 2019

DIAGEO FINANCE PLC ANNOUNCEMENT OF OPTIONAL EARLY REDEMPTION

Diageo Finance plc (the “**Issuer**”) today announces that it will exercise its option to redeem its outstanding EUR 1,350,000,000 1.125% Notes due 20 May 2019 (the “**Notes**”) in whole on 20 April 2019 (the “**Redemption Date**”) in accordance with Condition 7.03 of the Terms and Conditions of the Notes (together, the “**Notice**”). Any interest in respect of the Notes shall cease to accrue on and after the Redemption Date.

The Notes will be redeemed at a redemption price of 100 per cent. of the Outstanding Principal Amount, together with any accrued and unpaid interest thereon on the Redemption Date. In accordance with Condition 10A.05 of the Terms and Conditions of the Notes, payment will be made on Tuesday 23 April 2019, being the next Relevant Financial Centre Day and Local Banking Day after the Redemption Date.

Capitalised terms used in this announcement but not defined have the same meanings given to them in the Terms and Conditions of the Notes.

Issue and Paying Agent:

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

General

This announcement is released by the Issuer and contains information in relation to the Notes that qualifies or may qualify as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (“**MAR**”), encompassing information relating to the Notice. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by James Edmunds, Company Secretary for the Issuer.

This announcement must be read in conjunction with the Notice. Any materials relating to the Notice, including this announcement, do not constitute and may not be used in connection with, any form of invitation, offer or solicitation in any place where such invitations, offers or solicitations are not permitted by law. No offer or invitation to acquire any securities is being made pursuant to this announcement. The distribution of this announcement and the Notice in certain jurisdictions may be restricted by law, and persons into whose possession this announcement or the Notice comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

ENDS

For further information

Media relations:	Jessica Rouleau press@diageo.com	+44 (0)7925 642561
Investor relations:	Andy Ryan investor.relations@diageo.com	+44 (0) 20 8978 6504