	Gains/ (losses) $ million
Translation impact	**(37)**
Transaction impact	**29**
Operating profit before exceptional items	**(8)**
Net finance charges – translation impact	**22**
Net finance charges – transaction impact	**(24)**
Net finance charges[(1)]	**(2)**
Associates – translation impact	**15**
Profit before exceptional items and taxation	**5**

(1) For more information about Finance income and charges please see page 252-253.

	Year ended 30 June 2024	Year ended 30 June 2023
Exchange rates		
Translation $1 =	**£0.80**	£0.83
Transaction $1 =	**£0.82**	£0.77
Translation $1 =	**€0.93**	€0.96

(b) Acquisitions and disposals
The acquisitions and disposals movement in the year ended 30 June 2024 was primarily attributable t
Rum and to the disposal of Windsor Global Co., Ltd. and Guinness Cameroun S.A.

See pages 229-232 for further details.

(c) Exceptional items
In the year ended 30 June 2024 exceptional operating items were a gain of $56 million (2023 – a loss of $766 million), mainly due to the reversal of the Shui Jing Fang brand impairment (a gain of $379 million) partially offset by an imp
Chase brand and goodwill and tangible fixed assets (a charge of $101 million), an impairment charge
the US ready to drink portfolio ($54 million), various dispute and litigation matters (a charge of $107 m
supply chain agility programme (a charge of $61 million). In the year ended 30 June 2023, exceptional operating ite
$766 million, mainly due to charges related to brand impairment ($613 million) and the supply chain
million).

In the year ended 30 June 2024 exceptional non-operating items were a loss of $70 million (2023 – a gain of $364 million), mainly driven by the loss on the sale of the Windsor business in Korea ($58 million). In the year ended 30 June 2023, exceptional non-opera
were a gain of $364 million, mainly driven by the gain in relation to the sale of Guinness Cameroun

See pages 260-264 for further details.

(d) Fair value remeasurement
The adjustment to cost of sales reflects the elimination of fair value changes for biological asset
$16 million loss for the year ended 30– $nil). The adjustments to marketing and other operating exp
elimination of fair value changes to contingent consideration liabilities and earn-out arrangements
of $155 million gain for the year ended 30 – $153 million gain).

(e) Taxation
The reported tax rate for the year ended 30 June 2024 was 21.7% compared with 20.6% for the year ended 30 June 2023.

Included in the tax charge of $1,294 million in the year ended 30 June 2024 is a net exceptional tax charge of $24 million, including an exceptional tax charge of $95 million in relation to the reversal of the Shui Jing Fang brand impairment char
tax credit of $19 million in respect of the Chase brand impairment and the related tangible fixed assets, a $13 million tax cr
comprised of brand impairments in the US ready to drink portfolio, a tax credit of $23 million related to various dispute and litigation matters in North America and a $15 million tax credit in respect of the supply chain agility programme.

Included in the tax charge of $1,168 million in the year ended 30 June 2023 is a net exceptional tax credit of $226 million, including an exceptional tax credit of $154 million in respect of brand impairments, mainly the McDowell's brand, a $68 million tax cr
respect of the deductibility of fees paid to Diageo plc for guaranteeing externally issued debt of
$27 million in respect of the supply chain agility programme, partly offset by a tax charge of $52 million in respect of the sale of Guinness Cameroun S.A.

The tax rate before exceptional items for the year ended 30 June 2024 was 21.2% compared with 23.0% for the year ended 30 June 2023.

We expect the tax rate before exceptional items for the year ending 30 June 2025 to be in the regio

() Dividend
The group aims to increase the dividend each year. The decision in respect of the dividend is made
cover, as well as current performance trends, including sales and profit after tax together with ca
cover (the ratio of basic earnings per share before exceptional items to dividend per share) within 1.8-2.2 times. For the year ended 30 June 2, dividend cover was 1.7 times. The recommended final dividend for the year ended 30 June 2024 to be put to the shareholders for approval at the Annual General Meeting is 62.98 cents, an increase of 5% on the prior year final dividend
would bring the recommended full year dividend to 103.48 cents per share, an increase of 5% on the prior year. The group will keep future returns of capital, including dividends, under review through 30 June 2, to ensure Diageo’s capital is allocated in the best way to maximise value for the business and its stakeholders.

Subject to approval by shareholders, the final dividend will be paid to holders of ordinary shares

Businessreview(continued)

30 August 2. The ex-dividend dat29 August 2 for holders of ordinary 30 August 2 for US ADR holders. Holders of ordinary shares will receive their dividends in sterling unless they elect to r 20 September :. The dividend per share in pence to be paid to ordinary share3 October 2 and announce will be determined by the actual foreign exchange rates achieved by Diageo buying forward contracts into during the three days preceding the announcement. The final dividend, once approved by shareho holders of ordinary shares and 17 October :. A dividend reinvestment plan is available to holders of in respect of the final dividend and the20 September 2024 is

(g) Return of capital

Diageo completed a total of $1.0 billion return of capital during the year ended 30 June 2024. This completion of Diageo's previous return of capital programme that ended on 2 June 2023, in which $0. up to £0.5 billion on 26 January 2023) was returned to shareholders.

In the year ended 30 June 2024, the company purchased 27.4 million ordinary shares (2023 – 39.3 million) at a cost of $987 million, including transaction costs (2023 – $1,673 million including transaction costs of $16 million). All shares p buyback programme were cancelled.

Businessreview(continued)

Movements in net borrowings and equity

Movements in net borrowings	**2024**	**2023 re-presented[1]**
	$ million	**$ million**
Net borrowings at the beginning of the year	**(19,582)**	(17,107)
Free cash flow (2)	**2,609**	2,235
Movements in loans and other investments	**(47)**	(68)
Acquisitions (3)	**(6)**	(404)
Investment in associates (3)	**(133)**	(112)
Sale of businesses and brands (4)	**87**	559
Share buyback programme (5)	**(987)**	(1,673)
Net sale of own shares for share schemes (6)	**21**	36
Purchase of treasury shares in respect of subsidiaries	**(10)**	—
Dividend paid to non-controlling interests	**(117)**	(117)

Net movements in bonds (7)	**558**	887
Purchase of shares of non-controlling interests (8)	**(223)**	(178)
Net movements in other borrowings (9)	**(106)**	69
Equity dividend paid	**(2,242)**	(2,065)
Net decrease in cash and cash equivalents	**(596)**	(831)
Net increase in bonds and other borrowings	**(453)**	(958)
Exchange differences (10)	**(199)**	(646)
Other non-cash items	**(187)**	(40)
Net borrowings at the end of the year	**(21,017)**	(19,582)

(1) See pag 238-240 for an explanation under Accounting information and policies.

(2) See p 316 for the analysis of free cash flow.

(3) In the year ended 30 June 202 $6 million paid in respect of prior year acquisitions (2023 – $31 million
30 June 2023, acquisitions also included upfront payments of €246 million ($261 million) for Kanlad
(the owner of Don Papa Rum) and $102 million for Balcones Distilling.

In the years ended 30 June 2024 and 2023, investment in associates included additional investments
associates.

(4) In the year ended 30 June 2024, sale of businesses and brands included a net cash consideration
million for the disposal of Windsor Global Co., Ltd. In the year ended 30 June 2023, sale of busine
disposal of Guinness Cameroun S.A. beer business for a net cash consideration, net of disposal cost
of the Popular brands of Diageo's USL business, for a cash consideration, net of disposal costs, of

(5) See pag 65 and 298 for details of Diageo's return of capital programmes.

(6) Net sale of own shares comprised receipts from employees on the exercise of share options of $ (2023 – $ million)
less purchase of own shares for the future settlement of obligations under the employee share optio $17 million (2023 –
$27 million).

(7) In the year ended 30 June 2024 the group issued $1,700 million ($1,690 million - net of discount and fee)
$800 million 5.375% fixed rate notes due 2026, $900 million 5.625% €500 million ($535 million - net
discount and fee) floating rate notes due 2026 and repaid b $500 million and €600 million ($632 million) and €500
($535 million). In the year ended 30 June 2023, the group issued bonds of $2,000 million ($1,989 millio
consisting of $500 million 5.2% fixed rate notes due 2025, $750 million 5.3% fixed rate notes due 2
notes due 2033 and €500 million 3.5% fixed rate notes due 2025 ($548 million - net discount and fee
million and $1,350 million.

(8) On 16 January 2024, Diageo agreed with Combs Wine and Spirits LLC to purchase the 50% of the sh
LLC that Diageo did not already own. On 24 March 2023, Diageo completed the purchase of an addition
of East African Breweries PLC (EABL). This increased Diageo's controlling shareholding position in

(9) In the year ended 30 June 2024 net movements in other borrowings principally arose from the $229 mil
commercial paper offset by cash outflows of foreign currency swaps and forwards of $124 million and
lease liabilities. In the year ended 30 June 2023, the net movements in other borrowings principall

commercial paper, collateral and bank loan balances offset by cash outflows of foreign currency swa
lease liabilities.

(10) In the year ended 30 Jun, exchange losses arising on net borrowings of $199 million were primarily
exchange movements on sterling and euro denominated borrowings and unfavourable movements on cash a
partially offset by favourable movements on foreign currency swaps and forwards. In the year ended losses
arising on net borrowings of $646 million were primarily driven by unfavourable exchange movements
denominated borrowings and unfavourable exchange movements on cash and cash equivalents, fo.eign cu

Movements in equity	**2024**	**2023**
		re-presented(1)
	$ million	**$ million**
Equity at the beginning of the year	**11,709**	11,511
Adjustment to 2023 closing equity in respect of hyperinflation in Ghana (2)	**51**	–
Adjusted equity at the beginning of the year	**11,760**	11,511
Profit for the year	**4,166**	4,479
Exchange adjustments (3)	**(645)**	(358)
Remeasurement of post-employment benefit plans net of taxation	**(61)**	(562)
Purchase of shares of non-controlling interests (4)	**(223)**	(178)
Hyperinflation adjustments net of taxation (2)	**365**	180
Associates' transactions with non-controlling interests	**–**	(8)
Dividend declared to non-controlling interests	**(121)**	(117)
Equity dividend declared	**(2,243)**	(2,071)
Share buyback programme (5)	**(997)**	(1,543)
Other reserve movements	**69**	376
Equity at the end of the year	**12,070**	11,709

(1) See pag 238-240 for an explanation under Accounting information and policies.

(2) See pa 239-240 and 312-314 for details on hyperinflation adjustments.

(3) Exchange movements in the year ended 30 June 202 primarily arose from exchange losses driven by the Turkish li
peso, sterling and the euro. Exchange movements in the year ended 30 June 2023 primarily arose from exchange losses
sterling, the Turkish lira, the Indian rupee and the Chinese yuan, partially offset by gains in the
exchange on borrowings designated into net investment hedge before the functional currency change.

(4) On 16 January 2024, Diageo agreed with Combs Wine and Spirits LLC to purchase the 50% of the sh
LLC that Diageo did not already own. On 24 March 2023, Diageo completed the purchase of an additio
of East African Breweries PLC (EABL). This increased Diageo's controlling shareholding position in

(5) See page 65 for details of Diageo's return of capital programmes.

Post-employment benefit plans

The net surplus of the group's post-employment benefit plans decreased by $12 million from $729 million at 30 June 2023 to $717 million at 30 June 2024. The decrease in net surplus was predominantly attributable to the adverse ch held by the post-employment benefit plans in the UK that was partially offset by the favourable cha United Kingdom (from 2.7% to 2.6%).

Total cash contributions by the group to all post-employment benefit plans in the year ending 30 June 2025 are estimated to be approximately $55 million

Liquidity and capital resources

1. Sources and uses of liquidity

The primary source of the group's liquidity over the last three financial years has been cash gener have generally been used to pay interest, taxes and dividends, and to fund capital expenditure and group's current strong cash position, are expected to continue to fund future operations and capital The group also issues short term commercial paper regularly in order to finance its day-to-day operations, and accesses the ter refinance maturing bonds each year and to manage liquidity.

The table below sets forth the group's available undrawn committed bank facilities as at 30 June 20 2022.

	30 June 2024 $ million	30 June 2023 re-presented $ million	30 June 2022 re-presented $ million
Expiring within one year	**625**	125	960
Expiring between one and two years	**1,040**	625	125
Expiring after two years	**1,585**	2,625	2,290
	3,250	3,375	3,375

The facilities can be used for general corporate purposes and, together with cash and cash equivale paper programmes.

There are no financial covenants on the group's material short- and long-term borrowings. Certain c default provisions and negative pledges.

The committed bank facilities are subject to a single financial covenant, being minimum interest co the ratio of operating profit before exceptional items, aggregated with share of after tax results interest charges). They are also subject to pari passu ranking and negative pledge covenants.

Any non-compliance with covenants underlying Diageo's financing arrangements could, if not waived, with respect to any such arrangements, and any non-compliance with covenants may, in particular cir acceleration of maturity on certain borrowings and the inability to access committed facilities. Di financial, pari passu ranking and negative pledge covenants in respect of its material short- and l of the years presented.

2. Analysis of cash flows

The table below sets forth the group's cash flows for the year ended 30 June 2024, 30 June 2023 and

	30 June 2024 $ million	30 June 2023 re-presented $ million	30 June 2022 re-presented $ million
Net cash inflow from operating activities	**4,105**	3,636	5,213
Net cash outflow from investing activities	**(1,595)**	(1,426)	(1,792)
Net cash outflow from financing activities	**(3,106)**	(3,041)	(4,373)
Net decrease in net cash and cash equivalents	**(596)**	(831)	(952)
Exchange difference	**(33)**	(76)	(38)
Reclassification to asset held for sale	**(30)**	—	—
Net cash and cash equivalents at beginning of period	**1,768**	2,675	3,665
Net cash and cash equivalents at end of period	**1,109**	1,768	2,675

Net cash inflow from operating activities was $4,105 million (2023 – $3,636 million), an increase of $469 million compared to fiscal 23, mainly driven by a year-on-year decrease of $646 million in working capital outfl growth in operating profit, offset by a decrease of $804 million in depreciation, amortisation and profit, driven by lower exceptional impairment charges and reversals in fiscal 24.

Net cash inflow from operating activities in fiscal 23 was $3,636 million (2022 – $5,213 million), compared to fiscal 22, primarily driven by a year-on-year increase of $1,173 million in working cap $412 million tax and interest payments.

Net cash outflow from investing activitie1,59 million (2023 – $1,426 million), a net increase in ou
million compared to fiscal 23, primarily driven by a decrease in net consideration received in resp
million 87 million, offset by a decrease in net consideration paid in respect of business acquisiti
million.
Net cash outflow from investing activities in fiscal 23 was $1,426 million (2022 – $1,792 million),
million compared to fiscal 22, primarily driven by an increase in net consideration received in res
million to $559 million, offset by an increase in net consideration paid in respect of business acc
million.

Net cash outflow from financing activitie3,10 million(2023 was $3,041 m:, a net increase in outflow of $
million compared to fiscal 23. This change was driven by decrease in net inflow in relation to bond issuances and
$887 million to $558 million and an increase in equity dividend payments from $2,065 million to $2,
decreased level of share buyback programme related cash outflo 987 million.'3 million to
Net cash outflow from financing activities in fiscal 23 was $3,041 million (2022 – $4,373 million),
million compared to fiscal 22. This change was largely driven by the decreased level of share buyba
outflows from $2,985 million to $1,673 million and a decrease in equity dividend payments from $2,3
partially offset by a decrease in net inflow in relation to bond issuances and repayments from $911

The operating, investing and financing activities described above resulted in a decrease in net cas
million, 1,76 million at 30 June 1,10 million at 30 June(2024 decrease of $907 million, 2022 – dec
$990 million)

3. Analysis of borrowings

The group policy with regard to the expected maturity profile of borrowings of group finance compar
such borrowings maturing within 12 months to 50% of gross borrowings less money market demand depos
commercial paper to 30% of gross borrowings less money market demand deposits. In addition, it is g
facility terms from relationship banks to support commercial paper obligations.

The group’s gross borrowings and net borrowings are measured at amortised cost with the exception c
value hedge relationships, interest rate hedging instruments and foreign currency swaps and forward
fair value hedge relationships, Diageo recognises a fair value adjustment for the risk being hedged
interest rate hedging instruments and foreign currency swaps and forwards are measured at fair valu

The table below sets forth the group’s gross borrowings and net borrowings as at 30 June 2024, 30 J

	30 June 2024 $ million	30 June 2023 re-presented $ million	30 June 2022 re-presented $ million
Overdrafts	**(21)**	(45)	(90)
Other borrowings due within one year	**(2,864)**	(2,097)	(1,752)
Borrowings due within one year	**(2,885)**	(2,142)	(1,842)
Borrowings due between one and three years	**(4,873)**	(4,437)	(3,408)
Borrowings due between three and five years	**(4,222)**	(3,620)	(3,177)
Borrowings due after five years	**(9,521)**	(10,592)	(10,958)
Fair value of foreign currency forwards and swaps	**334**	436	430
Fair value of interest rate hedging instruments	**(376)**	(476)	(342)
Lease liabilities	**(604)**	(564)	(575)
Gross borrowings	**(22,147)**	(21,395)	(19,872)
Offset by:			
Cash and cash equivalents	**1,130**	1,813	2,765
Net borrowings	**(21,017)**	(19,582)	(17,107)

The table below sets forth the percentage of the group’s gross borrowings and cash and cash equival
2024.

	Total	US dollar %	Sterling %	Euro %	Indian Rupee %	Chinese Yuan %	South Korean won %	Other %
Gross borrowings	**(22,147)**	43.00%	22.00%	26.00%	— %	4.00%	— %	5.00%
Cash and cash equivalents	**1,130**	12.00%	3.00%	5.00%	15.00%	23.00%	4.00%	38.00%

Based on average monthly net borrowings and net interest charge, the effective interest rate for th
4.3%. For this calculation, net interest charge excludes fair value adjustments to derivative financ
average monthly net borrowings include the impact of interest rate swaps that are no longer in a he
market value adjustment for cross currency interest rate swaps.

For the year ended 30 June 2024 the group issued $1,700 million ($1,690 million - net of discount and fee) co
$800 million 5.375% fixed rate notes due 2026, $900 million 5.625% €500 million ($535 million - net
discount and fee) floating rate notes due 2026 and repaid b $500 million and €600 million ($632 million) and €500
($535 million) In the year ended 30 June 2023, the group issued bonds of $2,000 million ($1,989 millic
consisting of $500 million 5.2% fixed rate notes due 2025, $750 million 5.3% fixed rate notes due 2
notes due 2033 and €500 million 3.5% fixed rate notes due 2025 ($548 million - net discount and fee

million and $1,350 million. In the year ended 30 June 2022, the group issued bonds of €1,800 million ($ discount and fee) and £892 million ($1,171 million - net of discount and fee), and repaid bonds of €1,000 million ($1,060 million) and $1,000 million.

The principal components of the $1,435 million increase in net borrowings from 30 June 2023 $2,6 million of free cash 55 million net movements in bonds, partially offset by $2,2 42 million equity dividends and $13 million in respect of th
The principal components of the $2,475 million increase in net borrowings from 30 June 2022 $2,2 million of free cash 88 million net movements in bonds, partially offset by $2,0 66 million equity dividends and $51 million in respect of the acquisitions.

For information on the maturity profile of net borrowings and a further description of net borrowings, please see note 17 – Net borrowings in the consolidated financial statements.

For information on the use of financial instruments including for hedging purposes, please see "Note 16 – Financial instruments" in the consolidated financial statements.

The group's management is committed to enhancing shareholder value in the long-term, both by invest so as to deliver continued improvement in the return from those investments and by managing the cap its capital structure to achieve capital efficiency, provide flexibility to invest through the econ debt markets at attractive cost levels. This is achieved by targeting an adjusted net borrowings (n employment benefit liabilities) to adjusted 2. 3. times, this range for Diageo being currently bro consistent with an A-band credit rating. Diageo would consider operating outside of this range in c within its stated goals, which could have an impact on its rating. If Diageo's leverage was to be r of an acquisition, it would seek over time to 2. 3. times. The group regularly assesses its debt an capital levels against its stated policy for capit 2024 the adjusted net borr $21,446 mill 2023 - $20,053 million) to adjusted EBITDA r 3.0 2023 - 2.7) times. For this calculation, net borrowings are adjust employment benefit liabilities $429 milli 2023 - $471 million) whilst adjusted EB $7,037 mill 2023 - $7,353 mil) comprises operating profit excluding exceptional operating items and depreciation, amor includes share of after tax results of associates and joint ventures.

See page 294 for the reconciliation and calculation of the adjusted net borrowing to adjusted EBITD

The group's funding, liquidity and exposure to foreign currency, interest rate risks, financial cre conducted within a framework of board approved policies and guidelines. The group purchases insuran required, for legal or contractual reasons. In addition, the group retains some insurable risk wher to be an economic means of mitigating this risk. Loan, trade and other receivables exposures are ma units where they arise and credit limits are established as deemed appropriate for the customer.

Business review (continued)

b) The following bonds were issued and repaid:

	30 June 2024 $ million	30 June 2023 re-presented $ million	30 June 2022 re-presented $ million
Issued			
€ denominated	**535**	548	1,800
£ denominated	**—**	—	1,171
$ denominated	**1,690**	1,989	—
Repaid			
€ denominated	**(1,167)**	—	(1,060)
$ denominated	**(500)**	(1,650)	(1,000)
	558	**887**	**911**

4. Contractual obligations and other commitments

As at 30 June 2024	Less than 1 year $ million	1-3 years $ million	3-5 years $ million	More than 5 years $ million	Total $ million
	Payments due by period				
Long-term debt obligations	2,388	4,992	4,258	9,812	**21,450**
Interest obligations	791	1,043	789	1,866	**4,489**
Credit support obligations	14	—	—	—	**14**
Purchase obligations	2,413	1,009	389	37	**3,848**
Commitments for short-term leases and leases of low-value assets	16	6	1	—	**23**
Provisions and other non-current payables	101	225	187	192	**705**
Lease obligations	114	178	117	310	**719**
Capital commitments	780	3	—	—	**783**
Other financial liabilities	198	—	—	—	**198**
Total	**6,815**	**7,456**	**5,741**	**12,217**	**32,229**

Long-term debt obligations comprise the principal amount of borrowings (excluding foreign currency
of greater than one year. Interest obligations comprise interest payable on these borrowings and ar
amounts payable and where the interest rate is variable on an estimate of what the variable rates w
obligations represent liabilities to counterparty banks in respect of cash received as collateral u
Purchase obligations include various long-term purchase contracts entered into for the supply of ra
whisk(e)y, cereals, cans and glass bottles. Contracts are used to guarantee the supply of raw mater
a more accurate prediction of costs of raw materials in the future. For certain provisions, discounted numbers are disclos

Corporate tax payable of $136 million and deferred tax liabilities of $2,947 million are not included in the table above, as th
timing of settlement cannot be reasonably estimated.

Management believe that it has sufficient funding for its working capital requirements.

Neither Diageo plc nor any member of the Diageo group has any off-balance sheet financing arrangeme
reasonably likely to have a material future effect on the group's financial condition, changes in f
operations, liquidity, capital expenditure or capital resources.

For more information on commitments and contingencies, please see note 19 – Contingent liabilities
consolidated financial statements.

5. Capital repayments

Authorisation was given by shareholders on 28 September 2023 to purchase a maximum of 224,704,974 ordinary shares at a minimu
price of 28 101/108 pence and a maximum price of the higher of (a) 105% of the average market value of the company's ordin
for the five business days prior to the day the purchase is made and (b) the higher of the price of
highest current independent bid on the trading venue where the purchase is carried out. The program
the next Annual General Meeting or on 27 December 2024, if earlier.

Diageo completed a total of $1.0 billion return of capital during the year ended 30 June 2024. This programme f
successful completion of Diageo's previous return of capital programme that ended 20 June 2023, i
(announced as up to £0.5 billion on 26 January 2023) was returned to shareholders.

During the year ended 30 June 2024 the group purchased 28 million ordinary shares (2023 – 38 million; 2022 – 61 million), representing approximately 1.1% of the issued ordinary share capital (2023 – 1.5%; 2022 – 2.4%) at an average price of 2918 pence (3644 cents) per share, and an aggregate cost of $987 million, including transaction costs (2023 – 3616 pence (4382 cents) per share, and an aggregate cost of $1,673 million, including $16 million of transaction costs; 2022 – 3709 pence (4842 cents) per share, and an aggregate cost of $2,985 million, including $21 million of transaction costs) under the share buyback programme. The
purchased under the share buyback programmes were cancelled.

For further details about the shares purchased and the average price paid per share please refer to
statements.

Operating results 2023 (re-presented) compared with 2022 (re-presented)

This section contains a re-presented comparative discussion of our operating results for the years
reflecting a change in the presentation currency of Diageo plc from sterling to US dollars.

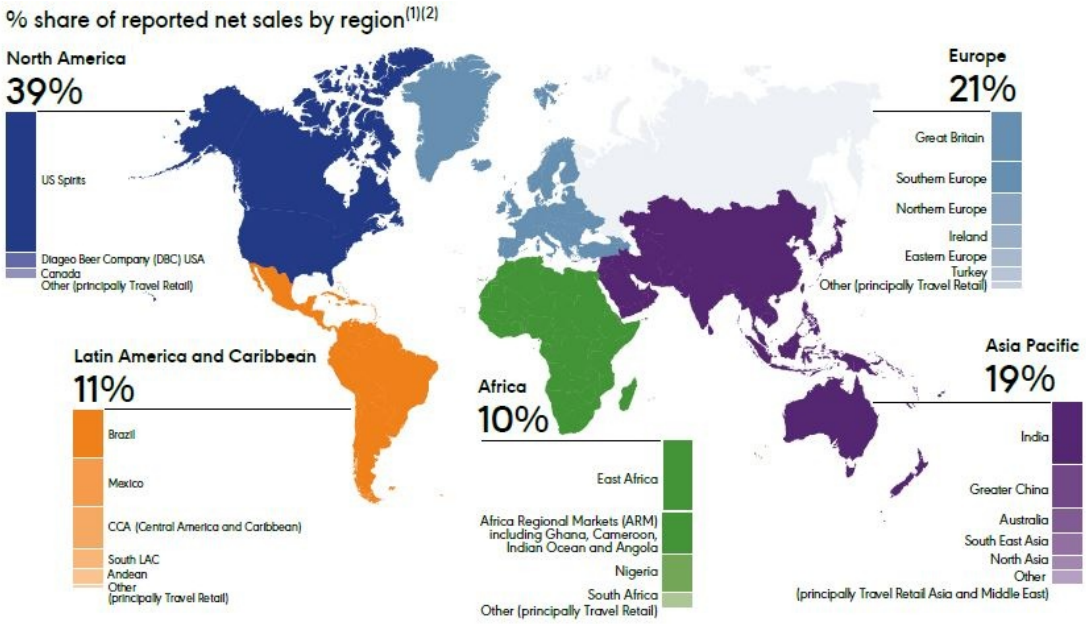
Reported net sales growth 0.2%	Net cash from operating activities $3,636m
Organic net sales growth[1] 6.5%	Free cash flow[1][2] $2,235m

Reported operating profit growth (5.9)%	Return on closing invested capital 38.3%
Organic operating profit growth[1] 7.0%	Return on average invested capital[1] 18.4%
Basic earnings per share 196.3 cents	Total shareholder return (2)%
Earnings per share before exceptional items[1] 196.5 cents	

(1) Organic net sales growth, organic operating profit growth, earnings per share before exceptional items, free cash
GAAP measures. See definitions and reconciliation of non-GAAP measurs 311-321.› measures on page
(2) Definition of free cash flow has been redefined, see more details on page 316.

Our *global* reach

**Our regional profile maximises the opportunity for gr
our sector. Where our products are sold each market i
accountable for its own performance and driving growt**



(1) The above map is intended to illustrate general geographic regions where Diageo has a presence and/or in which i
that Diageo has a presence in and/or that its products are sold in every country or territory within a geographic
(2) Based on reported net sales for the year ended 30 June 2023. Does not include corporate net sales of $104 millic

Fiscal 23	North America	Europe	Asia Pacific	Latin America and Caribbean	Africa
Volume (EUm)	52.4	51.3	80.8	26.2	32.7

Reported net sales[1] ($ million)	8,109	4,303	3,841	2,159	2,039
Reported operating profit[2] ($ million)	3,104	1,300	523	783	234
Operating profit before exceptional items[3] ($ million)	3,222	1,312	1,104	783	289
Water efficiency (litres per litre of product packaged)	5.11	4.98	2.91	4.15	3.19
Total direct and indirect carbon emissions by weight (market/net based) (1,000 tonnes CO_2e)	83	194	9	26	89
Average number of employees[4]	3,115	10,062	9,000	4,325	3,735

(1) Excluding corporate net sales of $104 million (2022 – $70 million).
(2) Excluding net corporate operating costs of $397 million (2022 – $317 million).
(3) Excluding exceptional operating charges of $766 million (2022 – $477 million) and net corporate operating costs
(4) Employees have been allocated to the region in which they reside.

Production facilities

The company owns manufacturing production facilities across the globe, including distilleries, brew
warehouses, cooperages, and distribution warehouses. Diageo's brands are also produced at plants ow
and joint ventures at several locations around the world. We believe that our facilities are in goo
have adequate capacity to meet our current needs, and, in the beer and spirit categories, we have u
production capacity to address our anticipated future demand.

The major facilities with locations, principal activities, and products are presented in the below

Location	Principal activities	Products
United Kingdom	distilling, bottling, warehousing, cooperage	beer, scotch, gin, vodka, rum, ready to drink alcoholic
Ireland	distilling, brewing, bottling, warehousing	beer, liqueur, Irish whiskey, non-alcoholic
Italy	distilling, bottling, warehousing	vodka, rum, ready to drink, non-alcoholic
Türkiye	distilling, bottling, warehousing	raki, vodka, gin
North America	distilling, bottling, warehousing	vodka, gin, rum, Canadian whisky, US whiskey, to drink
Brazil	distilling, bottling, warehousing	cachaça, vodka, ready to drink
Mexico	distilling, bottling, warehousing	tequila
East Africa	distilling, brewing, bottling, packaging, warehousing	beer, rum, vodka, gin, whisky, brandy, liqueu
Nigeria	distilling, brewing, bottling, packaging	beer, rum, vodka, gin
South Africa	distilling, bottling, warehousing	rum, vodka, gin
ARM	distilling, brewing, bottling, warehousing	beer, vodka, gin
India	distilling, bottling, warehousing	rum, vodka, Indian-Made Foreign Liquor (IMFL) whisky, scotch, gin
Australia	distilling, bottling, warehousing	rum, vodka, gin, ready to drink

For more details about our capital investments please see page 344-345.

Our route to consumer

We have five different route to consumer models across our business. Most of the regions employ fou
defined below; however, how each model operates in certain countries will vary, as will the percent
the respective models in each market.

Wholesalers and Distributors

Diageo sells to a wholesaler or distributor who also sells a range of other brands and categories o
consumers can purchase our brands. Where required, this model may include a government control boar
certain states in the US and Canada.

Modern Trade

Diageo sells directly to a customer who owns and manages retail outlets, who then in turn sells to

eMarketplace

Diageo sells to a third-party digital market place customer where that customer sells to B2B custom

Direct to Consumer

Diageo sells directly to consumers, predominantly through portals such as Thebar.com, which is a gr
for our business. It allows for direct interface with our consumers rather than through third-party
above.

Direct to Store

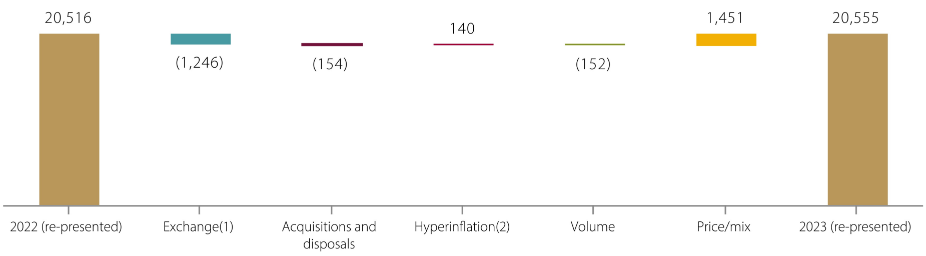
Diageo sells and delivers directly to end outlets rather than via a central purchasing customer as
This model is less common than the other models. For example, it is used in Ireland for beer distri

Key performance indicators

Net sales ($ million)
Reported net sales grew 0.2%
Organic net sales grew 6.5%
Reported net sales grew 0.2%, driven by strong organic growth offset by unfavourable foreign exchange impa

Organic net sales grew 6.5%, reflects 7.3 percentage points of positive price/mix and a 0.8%. Four organ out of five regions delivered growth, despite lapping strong double-digit growth at the group level by price increases and premiumisation.

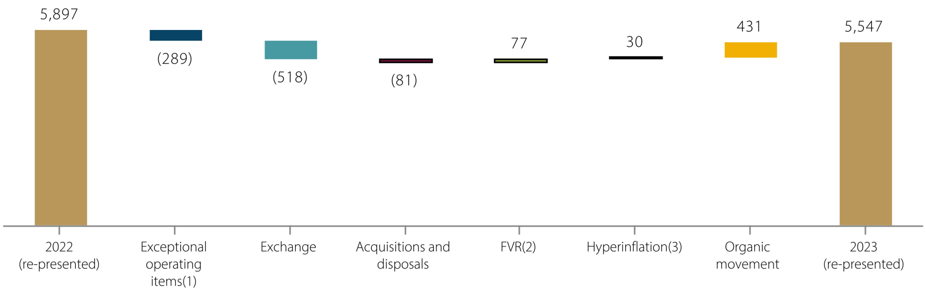
Organic movement



(1) Exchange rate movements reflect the adjustment to recalculate the reported results as if they had been generated at the prior period weighted average exchange rate
(2) See pages 239-240 and 312-314 for details of hyperinflation adjustment.

Operating profit ($ million)
Reported operating profit decreased 5.9%
Organic operating profit grew 7.0%
Reported operating profit decreased 5.9%, mainly driven by the negative impacts from exchange rate movements and the impact of exceptional operating items, primarily non-cash impairments related to India and the supp unfavourable items were largely offset by growth in organic operating profit and fair value remeasu

Organic operating profit grew 7.0%, ahead of organic net sales growth, driven by growth across all regions exc



(1) For further details on exceptional operating items see pages 94 and 246-250.
(2) Fair value remeasurements. For further details see page 9.
(3) See pages 239-240 and 31 for details of hyperinflation adjustment.

Operating margin (%)
Reported operating margin declined by 176bps
Organic operating margin expanded by 15bps
Reported operating margin declined by 176bp, with organic operating margin expansion more than offset by except items, negative impact of foreign exchange, acquisitions and disposals and other items

Organic operating margin expanded 15bps, reflecting disciplined cost management despite inflation. Strong opera expansion in Asia Pacific, Africa and Latin America and Caribbean was partially offset by declines Organic gross margin declined by 97bps, primarily driven by cost pressures. Price increases more th cost inflation.

Organic movement
15bps