

DIAGEO PLC  
Form 6-K  
February 06, 2014  
[Table of Contents](#)

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 6-K**

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of the**  
**Securities Exchange Act of 1934**

**6 February 2014**

**Commission File Number 1-10691**

**DIAGEO plc**

(Translation of registrant's name into English)

**Lakeside Drive, Park Royal, London NW10 7HQ, England**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Edgar Filing: DIAGEO PLC - Form 6-K

Form 20-F

Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**This report on Form 6-K shall be deemed to be filed and incorporated by reference in the registration statements on Form F-3 (File No. 333-110804, 333-132732, 333-153488 and 333-179426) and registration statements on Form S-8 (File Nos. 333-169934, 333-162490, 333-153481, 333-154338 and 333-182315) and to be a part thereof from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.**

---

Table of Contents

**INDEX TO FORM 6-K**

	<b>Page</b>
<u>Introduction</u>	3
<u>Presentation of financial information</u>	3
<u>Trademarks, trade names and market data</u>	3
<u>Cautionary statement concerning forward-looking statements</u>	4
<u>Selected Consolidated Financial Data</u>	6
<u>Capitalisation and Indebtedness</u>	9
<u>Business Review</u>	10
<u>Information presented</u>	10
<u>Recent developments</u>	10
<u>Trend information</u>	10
<u>Operating results for the six months ended 31 December 2013 compared with the six months ended 31 December 2012</u>	11
<u>Balance sheet</u>	24
<u>Liquidity and capital resources</u>	24
<u>Definitions and reconciliation of non-GAAP measures to GAAP measures</u>	27
<u>New International Financial Reporting Standards</u>	32
<u>Index to the Unaudited Condensed Financial Information for the six months ended 31 December 2013 and 31 December 2012</u>	F-1
<u>Unaudited condensed consolidated income statement</u>	F-2
<u>Unaudited condensed consolidated statement of comprehensive income</u>	F-3
<u>Unaudited condensed consolidated balance sheet</u>	F-4
<u>Unaudited condensed consolidated statement of changes in equity</u>	F-5
<u>Unaudited condensed consolidated statement of cash flows</u>	F-6
<u>Notes to the unaudited condensed consolidated financial information</u>	F-7
<u>Unaudited Computation of Ratio of Earnings to Fixed Charges</u>	A-1
<u>Signature</u>	

Table of Contents

**INTRODUCTION**

Diageo plc is a public limited company incorporated under the laws of England and Wales. As used herein, except as the context otherwise requires, the term "company" refers to Diageo plc and the terms "group" and "Diageo" refer to the company and its consolidated subsidiaries. References used herein to "shares" and "ordinary shares" are, except where otherwise specified, to Diageo plc's ordinary shares.

**Presentation of financial information**

Diageo plc's fiscal year ends on 30 June. The company publishes its consolidated financial statements in pounds sterling. In this document, references to "pounds sterling", "sterling", "£", "pence" or "p" are to UK currency, references to "US dollars", "US\$", "\$" or "€" are to US currency, and references to the "euro" or "€" are to the euro currency. For the convenience of the reader, this document contains translations of certain pounds sterling amounts into US dollars at specified rates, or, if not so specified, the noon buying rate in New York City for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the "noon buying rate") on 31 December 2013 of £1 = \$1.66. No representation is made that the pounds sterling amounts have been, could have been or could be converted into US dollars at the rates indicated or at any other rates.

Diageo's condensed consolidated financial information has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted for use in the European Union (EU) and International Financial Reporting standards (IFRS) as issued by the International Accounting Standards Board (IASB). References to IFRS hereafter should be construed as references to both IFRS as adopted by the EU and IFRS as issued by the IASB. Unless otherwise indicated, all financial information contained in this document has been prepared in accordance with IFRS. This interim condensed consolidated financial information is unaudited and has been prepared on the basis of accounting policies consistent with those applied in the consolidated financial statements for the year ended 30 June 2013 except for the impact of adoption of new accounting standards and amendments to accounting standards explained in Note 1 and 15 to the financial information.

The business review, selected consolidated financial data and financial information included in this document for the six months ended 31 December 2013 and 31 December 2012 have been derived from the published Diageo interim condensed consolidated financial information.

The principal executive office of the company is located at Lakeside Drive, Park Royal, London NW10 7HQ, England and its telephone number is +44 (0)20 8978 6000.

**Trademarks, trade names and market data**

This report on Form 6-K includes names of Diageo's products which constitute trademarks or trade names which Diageo owns or which others own and license to Diageo for use. All rights reserved. © Diageo plc 2014.

The market data and competitive set classifications are taken from independent industry sources in the markets in which Diageo operates.



Table of Contents

**Cautionary statement concerning forward-looking statements**

This document contains forward-looking statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to Diageo, anticipated cost savings or synergies, expected investments, the completion of Diageo's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside Diageo's control. These factors include, but are not limited to:

- changes in political or economic conditions in countries and markets in which Diageo operates, including changes in levels of consumer spending, failure of customer, supplier and financial counterparties or imposition of import, investment or currency restrictions;
- changes in consumer preferences and tastes, demographic trends or perceptions about health related issues, or contamination, counterfeiting or other circumstances which could harm the integrity or sales of Diageo's brands;
- developments in any litigation or other similar proceedings (including with tax, customs and other regulatory authorities) directed at the drinks and spirits industry generally or at Diageo in particular, or the impact of a product recall or product liability claim on Diageo's profitability or reputation;
- the effects of climate change and regulations and other measures to address climate change including any resulting impact on the cost and supply of water;
- changes in the cost or supply of raw materials, labour and/or energy;
- legal and regulatory developments, including changes in regulations regarding production, product liability, distribution, importation, labelling, packaging, consumption or advertising;
- changes in tax law, rates or requirements (including with respect to the impact of excise tax increases) or accounting standards; and changes in environmental laws, health regulations and the laws governing labour and pensions;
- the costs associated with monitoring and maintaining compliance with anti-corruption and other laws and regulations, and the costs associated with investigating alleged breaches of internal policies, laws or regulations, whether initiated internally or by external regulators, and any penalties or fines imposed as a result of any breaches;
- ability to maintain Diageo's brand image and corporate reputation, and exposure to adverse publicity, whether or not justified, and any resulting impacts on Diageo's reputation and the likelihood that consumers choose products offered by Diageo's competitors;
- increased competitive product and pricing pressures and unanticipated actions by competitors that could impact Diageo's market share, increase expenses and hinder growth potential; the effects of Diageo's strategic focus on premium drinks, the effects of business combinations, partnerships, acquisitions or disposals, existing or future, and the ability to realise expected synergies and/or costs savings;
- Diageo's ability to complete existing or future business combinations, restructuring programmes, acquisitions and disposals;

## Edgar Filing: DIAGEO PLC - Form 6-K

- contamination, counterfeiting or other events that could adversely affect the perception of Diageo's brands;
- increased costs or shortages of talent;
- disruption to production facilities or business service centres, and systems change programmes, existing or future, and the ability to derive expected benefits from such programmes;
- changes in financial and equity markets, including significant interest rate and foreign currency exchange rate fluctuations and changes in the cost of capital, which may reduce or eliminate Diageo's access to or increase the cost of financing or which may affect Diageo's financial results and movements to the value of Diageo's pension funds;
- renewal of supply, distribution, manufacturing or licence agreements (or related rights) and licences on favourable terms when they expire;
- technological developments that may affect the distribution of products or impede Diageo's ability to protect its intellectual property rights.

All oral and written forward-looking statements made on or after the date of this document and attributable to Diageo are expressly qualified in their entirety by the above factors and the "Risk factors" contained in the annual report on Form 20-F for the year ended 30 June 2013 filed with the US Securities and Exchange Commission (SEC). Any forward-looking statements made by or on behalf of Diageo speak only as of the date they are made. Diageo does not undertake to update forward-looking statements to reflect any changes in Diageo's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Diageo may make in any documents which it publishes and/or files with the SEC. All readers, wherever located, should take note of these disclosures.

Table of Contents

This document includes names of Diageo's products, which constitute trademarks or trade names which Diageo owns, or which others own and license to Diageo for use. All rights reserved. © Diageo plc 2014.

The information in this document does not constitute an offer to sell or an invitation to buy shares in Diageo plc or an invitation or inducement to engage in any other investment activities.

This document includes information about Diageo's target debt rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organisation. Each rating should be evaluated independently of any other rating.

Past performance cannot be relied upon as a guide to future performance.

The contents of the company's website ([www.diageo.com](http://www.diageo.com)) should not be considered to form part of or be incorporated into this document.



Table of Contents**SELECTED CONSOLIDATED FINANCIAL DATA**

The selected consolidated financial data set out below has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU) and IFRS as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with, and are qualified in their entirety by reference to, the unaudited financial information and notes presented elsewhere in this document and to Diageo's annual report on Form 20-F for the year ended 30 June 2013.

The following table presents selected consolidated financial data for Diageo: for the six months ended 31 December 2013 and 31 December 2012 and as at the respective period ends, derived from the unaudited interim condensed consolidated financial information presented elsewhere in this document; and for the five years ended 30 June 2013 and as at the respective year ends, derived from Diageo's consolidated financial statements audited by Diageo's independent auditor and as restated to reflect adjustments arising from the adoption of new accounting standards and amendments to accounting standards. The unaudited interim condensed consolidated financial information, in the opinion of Diageo management, includes all adjustments, consisting solely of normal, recurring adjustments, necessary to present fairly the information contained therein. The results of operations for the six months ended 31 December 2013 are not necessarily indicative of the results for the year ending 30 June 2014.

	Six months ended 31 December					Year ended 30 June		
	2013	2013	2012	2013	2012	2011	2010	2009
<b>Income statement data(1)(2)(8)</b>	\$ million	£ million	(restated) £ million	(restated) £ million	(restated) £ million	(restated) £ million	(restated) £ million	(restated) £ million
Sales	13,303	8,014	8,131	15,276	14,392	13,043	12,793	12,125
Operating profit	3,386	2,040	2,017	3,380	3,108	2,552	2,538	2,381
Profit for the period								
Continuing operations(3)	2,898	1,746	1,577	2,550	2,032	1,960	1,727	1,669
Discontinued operations(4)	(153)	(92)			(11)		(19)	2
<b>Total profit for the period(3)</b>	<b>2,745</b>	<b>1,654</b>	1,577	2,550	2,021	1,960	1,708	1,671
<b>Per share data</b>	\$	pence	pence	pence	pence	pence	pence	pence
Dividend per share(5)	0.33	19.7	18.1	47.4	43.5	40.4	38.1	36.1
Earnings per share								
Basic								
Continuing operations(3)	1.12	67.5	60.8	98.0	76.6	74.3	65.2	63.3
Discontinued operations(4)	(0.06)	(3.7)			(0.4)		(0.8)	0.1
<b>Basic earnings per share</b>	<b>1.06</b>	<b>63.8</b>	60.8	98.0	76.2	74.3	64.4	63.4
Diluted								