

DIAGEO FINANCE BV
Form 424B5
November 03, 2009

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The Information in this preliminary prospectus is not complete and may be changed. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. We are not using this prospectus supplement or the attached prospectus to offer to sell these securities or to solicit offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus Supplement dated November 3, 2009

Filed pursuant to rule 424(b)(5)
Registration Statement No. 333-153488-01

PROSPECTUS SUPPLEMENT
(To Prospectus dated September 15, 2008)

Diageo Finance B.V.

\$
% Notes due

Guaranteed as to the Payment of Principal and Interest by

Diageo plc

Diageo Finance B.V. will pay interest on the notes on _____ and _____ of each year, beginning on _____, 2010. The notes will mature on _____, _____.

Diageo Finance B.V. may redeem any series of the notes, in whole or in part, at any time at the greater of (1) 100% of the principal amount plus accrued interest and (2) a make-whole amount as described herein. Diageo Finance B.V. may also redeem the notes, in whole but not in part, at any time at 100% of their principal amount plus accrued interest upon the occurrence of certain tax events described in this prospectus supplement and the attached prospectus.

See "Risk Factors" beginning on page 2 of the attached prospectus for a discussion of certain factors you should consider before investing in the notes.

Per Note	Price to Public	Underwriting Discounts and Commissions	Proceeds, before expenses, to Diageo Finance B.V. ⁽¹⁾
	\$	\$	\$
Total			

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(1)

The underwriters will reimburse us for certain expenses relating to this transaction. See "Underwriting".

Interest on the notes will accrue from November _____, 2009.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the attached prospectus. Any representation to the contrary is a criminal offence.

Application will be made to list the notes on the New York Stock Exchange. Trading on the New York Stock Exchange is expected to commence within 30 days after delivery of the notes.

The underwriters expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company and its participants, including Euroclear and Clearstream, Luxembourg, against payment in New York, New York on or about November _____, 2009.

Joint Book-Running Managers

Citi

Deutsche Bank

Morgan Stanley

The date of this prospectus supplement is November _____, 2009.

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You should only rely on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement and the accompanying prospectus, as well as information in documents incorporated by reference, is accurate as of any date other than the date on the front of these documents. Our business, financial condition, results of operations and prospects may have changed since that date.

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INCORPORATION OF INFORMATION WE FILE WITH THE SEC

The SEC allows us to incorporate by reference the information we file with them. This means:

incorporated documents are considered part of this prospectus supplement and the attached prospectus;

we can disclose important information to you by referring you to those documents; and

information that we file with the SEC will automatically update and supersede this prospectus supplement and the attached prospectus.

We incorporate by reference the documents listed below which we filed with the SEC under the Securities Exchange Act of 1934:

Diageo's annual report on Form 20-F for the year ended June 30, 2009; and

Diageo's report on Form 6-K filed on October 15, 2009 that indicates on its cover page that it is incorporated by reference.

Furthermore, we incorporate by reference each of the following documents that we will file with the SEC after the date of this prospectus supplement but before the end of the notes offering:

any reports on Form 6-K filed by us pursuant to the Securities Exchange Act of 1934 that indicate on their cover page that we will incorporate them by reference; and

reports filed under Sections 13(a) and (c) of the Securities Exchange Act of 1934.

You may request a copy of any filings referred to above (excluding exhibits), at no cost, by contacting us at the following address:

Diageo plc
8 Henrietta Place
London W1G 0NB
England
Tel. No.: 011-44-(0)20-7927-5200

Table of Contents**SUMMARY**

This summary does not contain all of the information that is important to you. You should read carefully the entire prospectus supplement, the attached prospectus and the additional documents incorporated by reference herein for more information on Diageo and recent transactions involving Diageo.

In this prospectus supplement, the terms "we", "our" and "us" refer to Diageo Finance B.V. ("Diageo Finance") and Diageo plc ("Diageo"). Diageo Finance is the issuer and Diageo is the guarantor in these offerings.

Diageo plc

Diageo is the world's leading premium drinks business with a collection of international brands. Diageo was the eighteenth largest publicly quoted company in the United Kingdom in terms of market capitalization on October 30, 2009, with a market capitalization of approximately £25 billion. Diageo was formed by the merger of Grand Metropolitan Public Limited Company and Guinness PLC that became effective on December 17, 1997. Diageo is incorporated as a public limited company in England and Wales. Diageo's principal executive office is located at 8 Henrietta Place, London W1G 0NB and its telephone number is +44 (0)20 7927 5200.

Diageo is a major participant in the branded beverage alcohol industry and operates globally. It brings together world-class brands and a management team committed to the maximization of shareholder value. The management team expects to continue its strategy of investing in global brands, expanding internationally and launching innovative new products and brands.

Diageo produces and distributes a leading collection of branded premium spirits, beer and wine. The wide range of premium brands it produces and distributes includes Smirnoff vodka, Johnnie Walker scotch whisky, Baileys Original Irish Cream liqueur, Captain Morgan rum, J&B scotch whisky, Tanqueray gin and Guinness stout. In addition it also has the distribution rights for the José Cuervo tequila brands in North America and many other markets.

You can find a more detailed description of Diageo's business and recent transactions in Diageo's annual report on Form 20-F for the fiscal year ended June 30, 2009, which is incorporated by reference in this prospectus supplement and the attached prospectus. Information about Diageo Finance, a wholly owned finance subsidiary of Diageo, and a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law with its corporate seat in Amsterdam, The Netherlands, is provided under "Diageo Finance B.V." in the accompanying prospectus.

Ratio of Earnings to Fixed Charges and Preferred Share Dividends

	Year ended June 30,			
	2009	2008	2007	2006
Ratio	3.3	4.8	6.2	8.5

Recent Developments

Diageo issued the following interim management statement on October 14, 2009, the date of its Annual General Meeting:

'In the three months ended 30 September 2009 net sales were down 6% on an organic basis against the comparable period. Net assets were £4,225 million at 30 September 2009, having been £3,936 million at 30 June 2009 reflecting operating profit in the period, some movements on reserves and a small impact from exchange rate movements.'

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Paul Walsh, Chief Executive of Diageo, made the following comments at Diageo's annual general meeting on October 14, 2009:

'As we anticipated consumer trends across our markets remain broadly unchanged since the year-end. Therefore net sales in the first quarter of the new financial year have been weak when compared to the strong performance of the first quarter last year. In the first quarter of last year stock levels increased. However this year, stock levels have not risen in the first quarter and in our biggest market, North America, stock levels in our US spirits distributor channel are below those held at 30 June 2009.'

Please see "Business Review Introduction Presentation of information in relation to the business" in our annual report on Form 20-F for the year ended June 30, 2009 for a discussion of non-GAAP performance indicators used by the group's management. The organic movement calculations for net sales for the three month period ended September 30, 2009 were as follows:

Q1 FY2009					Q1 FY2010	
Reported	Exchange	Disposals	Acquisitions	Organic	Reported	Organic
Net Sales	£ million	£ million	£ million	Movement	Net Sales	Movement
£ million	£ million	£ million	£ million	£ million	£ million	%
1,906	178	(15)	7	(130)	1,946	(6)

Please see "Capitalization" on page S-8 for a discussion of changes to the group's net borrowings since June 30, 2009.

The following updates the discussion in part (b) of note 29 to Diageo plc's consolidated financial statements for the year ended and as of June 30, 2009:

In common with other beverage alcohol importers, litigation is ongoing against Diageo's Turkish subsidiary in the Turkish Civil Courts in connection with the methodology used by the Turkish customs authorities in assessing the importation value of and duty payable on the beverage alcohol products sold in the domestic channel in Turkey. The matter involves multiple cases against Diageo's Turkish subsidiary at various stages of litigation, including a group of cases under correction appeal following an adverse finding at the Turkish Supreme Court and a group of cases decided on corrections appeal against Diageo's Turkish subsidiary that have been referred back to the Istanbul Courts for further review. Diageo is unable to quantify meaningfully the possible loss or range of loss to which these cases may give rise. Diageo's Turkish subsidiary intends to defend its position vigorously.

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Please refer to "Description of Notes" on page S-12 of this prospectus supplement and "Description of Debt Securities and Guarantees" on page 13 of the attached prospectus for more information about the notes.

Notes	\$	aggregate principal amount of	% Notes due	.
Issuer	Diageo Finance			
Guarantee	The notes will be guaranteed by Diageo as to the payment of principal, premium (if any) and interest, including any additional amounts that may be payable.			
Maturity	We will pay the notes at 100% of their principal amount plus accrued interest on			
Interest rate	The notes will bear interest at a rate of % per annum.			
Interest payment dates	Every and , commencing on , 2010.			
Optional make-whole redemption	We have the right to redeem any series of the notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (1) 100% of the principal amount of such notes plus accrued interest to the date of redemption and (2) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest on such notes (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate, plus basis points and accrued interest to the date of redemption. For more information, see "Description of Notes Optional Make-Whole Redemption."			
Regular record dates	Every and .			
Ranking	The notes and the guarantees will constitute unsecured and unsubordinated indebtedness of Diageo Finance and Diageo, respectively, and will rank equally with all other unsecured and unsubordinated indebtedness from time to time outstanding.			
Tax redemption	In the event of various tax law changes and other limited circumstances that require us to pay additional amounts as described under "Description of Debt Securities and Guarantees Special Situations Optional Tax Redemption" in the accompanying prospectus, we may call all, but not less than all the notes for redemption prior to maturity.			

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Book-entry issuance, settlement and clearance	We will issue the notes in fully registered form in denominations of \$1,000 and integral multiples thereof. The notes will be represented by one or more global securities registered in the name of a nominee of The Depository Trust Company, referred to as DTC. You will hold beneficial interests in the notes through DTC and its direct and indirect participants, including Euroclear and Clearstream Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books. We will not issue certificated notes except in limited circumstances that we explain under "Legal Ownership Global Securities Special Situations When the Global Security Will Be Terminated" in the attached prospectus. Settlement of the notes will occur through DTC in same day funds. For information on DTC's book-entry system, see "Clearance and Settlement The Clearing Systems DTC" in the attached prospectus.
Listing	Application will be made to list the notes on the New York Stock Exchange. Trading on the New York Stock Exchange is expected to commence within 30 days after delivery of the notes.
Use of proceeds	We intend to use the proceeds from the sale of the notes for general corporate purposes.
Trustee and Principal Paying Agent	The Bank of New York Mellon London Branch.
Timing and Delivery	We currently expect delivery of the notes to occur on November , 2009.
Risk Factors	You should carefully consider all of the information in this prospectus supplement and the attached prospectus, which includes information incorporated by reference. In particular, you should evaluate the specific factors under "Risk Factors" beginning on page 2 of the attached prospectus for risks involved with an investment in the notes.
Further Issues	We may, without the consent of the holders of any series of notes, issue additional notes having the same ranking and same interest rate, maturity date, redemption terms and other terms as the applicable series notes described in this prospectus supplement except for the price to the public and issue date. Any such additional notes, together with the applicable series notes offered by this prospectus supplement, will constitute a single series of such securities under the indenture relating to the notes. There is no limitation on the amount of notes or other debt securities that we may issue under that indenture.
Governing Law	New York.

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The following table sets forth, on an IFRS basis, the actual capitalization of Diageo as at June 30, 2009 and as adjusted to give effect to the issuance of the notes (after deducting discounts and commissions and estimated net offering expenses and including reimbursements to be paid by the underwriters to us). Other than the changes described in notes 1 through 8 accompanying the table below and the changes which reflect the anticipated issuance of the notes and the application of the proceeds from the notes, there has been no material change in the capitalization and indebtedness of Diageo since June 30, 2009.

	June 30, 2009 £ million	Adjusted for Offering £ million
Short term borrowings and bank overdrafts (including current portion of long term borrowings)	890	
Long term borrowings		
Due from one to five years	4,284	
Due after five years	3,401	
	7,685	
Finance lease obligations	21	
Equity minority interests	715	
Equity attributable to the equity shareholders of the parent company		
Called up share capital	797	
Share premium	1,342	
Own shares	(2,342)	
Capital redemption reserve	3,146	
Fair value, hedging and exchange reserve	136	
Other retained earnings	142	
	3,221	
Total capitalization	11,642	

Notes

- At June 30, 2009, the group had cash and cash equivalents of £914 million.
- At June 30, 2009 £68 million of the group's net borrowings due within one year and £34 million of the group's net borrowings due after more than one year were secured.
- At June 30, 2009, the total authorised share capital of Diageo consisted of 5,329 million ordinary shares of 28^{101/108} pence each. At such date, 2,754 million ordinary shares were issued and fully paid, including shares issued, shares issued and held in employee share trusts and those held as treasury shares.
- In connection with the disposal of Pillsbury, Diageo has guaranteed the debt of a third party to the amount of \$200 million (£101 million) until November 2009. Including this guarantee, but net of the amount provided in the consolidated financial information, at June 30, 2009 the group has given performance guarantees and indemnities to third parties of £148 million.

5.

In the period from July 1, 2009 to October 30, 2009 the company did not acquire any shares as part of the company's share buyback programme and did not purchase any shares to be held as treasury shares for hedging share scheme grants provided to employees.

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6. In the period from July 1, 2009 to October 29, 2009 the group's net borrowings (as defined in note 20 to Diageo plc's consolidated financial statements for the year ended and as of June 30, 2009) increased by £1,111 million.
7. Save as disclosed above there has been no material change since June 30, 2009 in the group's net borrowings, performance guarantees, indemnities and capitalization.
8. The adjustments to the table above to reflect the receipt and application of proceeds in the offering are based on an exchange rate of £1 = \$1.65, the noon buying rate for June 30, 2009.

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USE OF PROCEEDS

We estimate that the net proceeds (after deducting underwriting discounts and commissions and estimated net offering expenses and including reimbursements to be paid by the underwriters to us) from the sale of the notes will be \$. We will use the proceeds primarily for general corporate purposes.

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The following table shows, for the periods and dates indicated, certain information regarding the US dollar/pound sterling exchange rate, based on the noon buying rates from the Federal Reserve Bank of New York, as published by Bloomberg, expressed in US dollars per £1.00.

Pounds Sterling	Period End	Period Average	High	Low
<i>Year ended December 31,</i>				
2004	1.92	1.83	1.95	1.75
2005	1.72	1.82	1.93	1.71
2006	1.96	1.84	1.98	1.73
2007	1.98	2.00	2.11	1.92
2008	1.46	1.85	2.03	1.44
2009 (through October 30, 2009)	1.65	1.55	1.70	1.37

Pounds Sterling	High	Low
May 2009	1.62	1.49
June 2009	1.65	1.60
July 2009	1.67	1.60
August 2009	1.70	1.62
September 2009	1.67	1.59
October 2009	1.66	1.59

As of October 30, 2009, the latest practicable date for which exchange rate information was available prior to the printing of this document, the noon buying rate for one pound sterling expressed in US dollars was \$1.65.

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DESCRIPTION OF NOTES

This section describes the specific financial and legal terms of the notes and supplements the more general description under "Description of Debt Securities and Guarantees" of the attached prospectus. To the extent that the following description is inconsistent with the terms described under "Description of Debt Securities and Guarantees" in the attached prospectus, the following description replaces that in the attached prospectus.

The notes will be issued in an aggregate principal amount of \$ _____ and will mature on _____, _____. The notes will bear interest at the applicable rate per annum as shown on the cover page of this prospectus supplement, payable semi-annually in arrears on _____ and _____ of each year, commencing _____, 2010. The regular record dates for the notes will be every _____ and _____ of each year.

If any scheduled interest payment date is not a business day, we will pay interest on the next business day, but interest on that payment will not accrue during the period from and after the scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we may pay interest and principal and premium, if any, on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

A "business day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions are authorized or required by law or regulation to close in New York City or in the City of London.

Tax Redemption

In the event of various tax law changes after the date of this prospectus supplement and other limited circumstances that require us to pay additional amounts, as described in the attached prospectus under "Description of Debt Securities and Guarantees Payment of Additional Amounts", we may call all, but not less than all, of the notes for redemption. This means we may repay them early. You have no right to require us to call the notes. We discuss our ability to redeem the notes in greater detail under "Description of Debt Securities and Guarantees Special Situations Optional Tax Redemption" in the attached prospectus and this prospectus supplement.

If we call the notes, we must pay you 100% of their principal amount. We will also pay you accrued interest and any additional amounts due on the date fixed for redemption. Notes will stop bearing interest on the redemption date, even if you do not collect your money. We will give notice to DTC of any redemption we propose to make at least 30 days, but not more than 60 days, before the redemption date. Notice by DTC to participating institutions and by these participants to street name holders of indirect interests in the notes will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

Optional Make-Whole Redemption

We have the right to redeem any series of the notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (1) 100% of the principal amount of such notes plus accrued interest to the date of redemption and (2) as determined by the quotation agent, the sum of the present values of the remaining scheduled payments of principal and interest on such notes (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the adjusted treasury rate, plus _____ basis points and accrued interest to the date of redemption.

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Adjusted treasury rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, assuming a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

Comparable treasury issue means the U.S. Treasury security selected by the quotation agent as having an actual or interpolated maturity comparable to the remaining term of such notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining terms of such notes.

Comparable treasury price means, with respect to any redemption date, the average of the reference treasury dealer quotations for such redemption date after excluding the highest and lowest such reference treasury dealer quotations.

Quotation agent means the reference treasury dealer appointed by the trustee after consultation with us. Reference treasury dealer means any primary U.S. government securities dealer in or their affiliates and their respective successors in the United States selected by the trustee after consultation with us.

Reference treasury dealer quotations means with respect to each reference treasury dealer and any redemption date, the average, as determined by the trustee, of the bid and ask prices for the comparable treasury issue (expressed as a percentage of its principal amount) quoted in writing to the trustee by five reference treasury dealers at 3:30 p.m. Eastern Standard Time on the third business day preceding such redemption date.

General

Book-entry interests in the notes will be issued in minimum denominations of \$1,000 and in integral multiples of \$1,000. Interest on the notes will be computed on the basis described under "Description of Debt Securities and Guarantees Fixed Rate Debt Securities How Interest Is Calculated" in the accompanying prospectus. We will apply to list the notes on the New York Stock Exchange. Trading on the New York Stock Exchange is expected to commence within 30 days after delivery of the Notes. The notes and guarantees are governed by New York law.

The notes will be the unsecured and unsubordinated indebtedness of Diageo Finance and will rank equally with all of its other unsecured and unsubordinated indebtedness from time to time outstanding.

Diageo will unconditionally guarantee on an unsubordinated basis the due and punctual payment of the principal of, premium, if any, and interest on the notes, including any additional amounts, when and as any such payments become due and payable, whether at maturity, upon redemption or declaration of acceleration, or otherwise. The guarantee of the notes will be unsecured and unsubordinated indebtedness of Diageo and will rank equally with all of its other unsecured and unsubordinated indebtedness from time to time outstanding. Because Diageo is a holding company, the guarantee will effectively rank junior to any indebtedness of its subsidiaries.

The principal corporate trust office of the trustee in the City of New York is designated as the principal paying agent. We may at any time designate additional paying agents or rescind the designation of paying agents or approve a change in the office through which any paying agent acts.

We will issue the notes in fully registered form. The notes will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interest in the notes through DTC and its participants, including Euroclear and Clearstream Luxembourg. The underwriters expect to deliver the notes through the facilities of DTC on November 11, 2009. Indirect holders trading their beneficial interests in the notes through DTC must trade in DTC's same-day

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funds settlement system and pay in immediately available funds. Secondary market trading through Euroclear and Clearstream, Luxembourg will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. See "Clearance and Settlement" in the attached prospectus and this prospectus supplement for more information about these clearing systems.

Payment of principal of and interest on each series of notes, so long as the notes are represented by global securities, as discussed below, will be made in immediately available funds. Beneficial interests in the global securities will trade in the same-day funds settlement system of DTC, and secondary market trading activity in such interests will therefore settle in same-day funds.

We may, without the consent of the holders of any series of notes, issue additional notes having the same ranking and same interest rate, maturity date, redemption terms and other terms as the applicable series of notes described in this prospectus supplement except for the price to the public and issue date. Any such additional notes, together with the applicable series of notes offered by this prospectus supplement, will constitute a single series of securities under the indenture relating to guaranteed debt securities issued by Diageo Finance, dated as of December 8, 2003, among Diageo Finance, Diageo and The Bank of New York Mellon London Branch (as successor trustee pursuant to an Agreement of Resignation, Appointment and Acceptance dated October 16, 2007 by and among Diageo, Diageo Capital plc, Diageo Finance, Diageo Investment Corporation, The Bank of New York and Citibank NA). There is no limitation on the amount of notes or other debt securities that we may issue under such indenture.

Payment of Additional Amounts

The government of any jurisdiction where Diageo or Diageo Finance is incorporated may require Diageo or Diageo Finance to withhold amounts from payments on the principal or interest on the notes or any amounts to be paid under the guarantee, as the case may be, for taxes or any other governmental charges. If a withholding of this type is required, Diageo or Diageo Finance, as the case may be, may be required to pay you an additional amount so that the net amount you receive will be the amount specified in the note to which you are entitled. For more information on additional amounts and the situations in which Diageo or Diageo Finance will and will not be obliged to pay additional amounts, see "Description of Debt Securities and Guarantees Payment of Additional Amounts" in the attached prospectus.

Defeasance and Discharge

We may release ourselves from any payment or other obligations on the notes as described under "Description of Debt Securities and Guarantees Defeasance and Discharge" of the attached prospectus.

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Subject to the terms and conditions set forth in the underwriting agreement dated November , 2009, and incorporated in the pricing agreement dated November , 2009, each of the underwriters has severally agreed to purchase, and we have agreed to sell to each underwriter, the principal amount of notes set forth opposite the name of each underwriter.

Underwriters	Principal Amount of Notes
Citigroup Global Markets Inc.	\$
Deutsche Bank Securities Inc.	\$
Morgan Stanley & Co. Incorporated.	\$
 Total	 \$

Citigroup Global Markets Inc., Deutsche Bank Securities Inc. and Morgan Stanley & Co. Incorporated are the joint book-running managers for this offering of notes.

The underwriting agreement and the pricing agreement provide that the obligations of the several underwriters are subject to certain conditions and that the underwriters will purchase all of the notes offered by this prospectus supplement if any of these notes are purchased.

The underwriters will initially offer to sell the notes to the public at the initial public offering prices set forth on the cover of this prospectus supplement. The underwriters may sell notes to securities dealers at a discount from the initial public offering price of up to % of the principal amount of the notes. These securities dealers may resell any notes purchased from the underwriters to other brokers or dealers at a discount from the initial public offering price of up to % of the principal amount of the notes. If the underwriters cannot sell all the notes at the initial offering price, they may change the offering price and the other selling terms.

The notes are a new issue of securities with no established trading market. Application will be made to list the notes on the New York Stock Exchange. Trading on the New York Stock Exchange is expected to commence within 30 days after delivery of the notes. The underwriters have advised us that they intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice.

Furthermore, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by the underwriters of a greater principal amount of notes than they are required to purchase in the offering. The underwriters may close out any short position by purchasing notes in the open market. A short position is more likely to be created if underwriters are concerned that there may be downward pressure on the price of the notes in the open market prior to the completion of the offering.

Stabilizing transactions consist of bids for or purchases of the notes made by the underwriters in the open market prior to the completion of the offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions or otherwise.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the notes. Additionally, these purchases, along with the imposition of a penalty bid, may stabilize, maintain or otherwise affect the market price of the notes.

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As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. These transactions may be effected in the over-the-counter market or otherwise.

In the ordinary course of their respective businesses, the underwriters and their affiliates have engaged, and may in the future engage, in various banking and financial services for and commercial transactions with us and our affiliates for which they have received, and will receive in the future, customary fees.

We estimate that expenses, excluding underwriting discounts, for issuing the notes will be approximately \$. The underwriters have agreed to pay us an expense reimbursement totalling \$ for the notes.

We have agreed to indemnify the several underwriters against various liabilities, including liabilities under the Securities Act of 1933.

Each underwriter has represented and agreed that, in connection with the distribution of the notes, directly or indirectly; (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom; and (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue and sale of such notes in circumstances in which Section 21(1) of the FSMA does not apply to Diageo or Diageo Finance.

Each underwriter has represented and agreed that in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the notes to the public in that Relevant Member State other than:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives of the several underwriters; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require Diageo Finance or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the notes to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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TAXATION

The following supplements the discussion under "Taxation" in the accompanying prospectus and is subject to the limitations and exceptions set forth therein.

European Union Savings Directive

In addition to the points described under "Taxation European Union Savings Directive" of the attached prospectus, investors should note that on April 24, 2009, the European Parliament approved an amended version of certain changes proposed by the European Commission to the Savings Directive provisions which would, if implemented, cause the provisions of the Savings Directive to apply in a wider range of circumstances. Investors who may be affected by any of these arrangements are advised to consult their own professional advisers.

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CLEARANCE AND SETTLEMENT

The notes will be issued in the form of registered global notes that will be deposited with DTC on the closing date. This means that we will not issue certificates to each holder. We will issue one global note with respect to each series of notes to DTC and DTC will keep a computerized record of its participants (for example, your broker) whose clients have purchased the notes. The participant will then keep a record of its clients who purchased the notes. Unless it is exchanged in whole or in part for a certificated note, a global note may not be transferred; except that DTC, its nominees, and their successors may transfer a global note as a whole to one another. We will not issue certificated notes except in limited circumstances that we explain under "Legal Ownership Global Securities Special Situations When the Global Security Will Be Terminated" in the attached prospectus.

Beneficial interests in the global notes will be shown on, and transfers of the global notes will be made only through, records maintained by DTC and its participants. A description of DTC and its procedures is set forth under "Clearance and Settlement" in the attached prospectus.

We will wire principal and interest payments to DTC's nominee. We and the trustee will treat DTC's nominee as the owner of the global notes for all purposes. Accordingly, we, the trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global notes to owners of beneficial interests in the global note.

It is DTC's current practice, upon receipt of any payment of principal or interest, to credit direct participants' accounts on the payment date according to their respective holdings of beneficial interest in the global note as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting right to direct participants whose accounts are credited with notes on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interest in the global note, and voting by participants, will be governed by the customary practices between the participants and owners of beneficial interest, as is the case with notes held for the account of customers registered in "street name". However, payments will be the responsibility of the participants and not of DTC, the trustee or us.

Settlement for the notes will be made by the underwriters in immediately available funds. All payments of principal and interest will be made in immediately available funds, except as otherwise indicated in this section.

The notes have been accepted for clearance through DTC, Clearstream, Luxembourg and Euroclear. The ISIN for the notes is _____ and the CUSIP number for the notes is _____.

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EXPERTS

Diageo's consolidated financial statements as of June 30, 2009 and June 30, 2008 and for each of the years in the three-year period ended June 30, 2009 have been incorporated in this prospectus supplement by reference to Diageo's Annual Report on Form 20-F for the fiscal year ended June 30, 2009 in reliance upon the reports of KPMG Audit Plc, an independent registered public accounting firm, on those consolidated financial statements and the effectiveness of internal control over financial reporting as of June 30, 2008 and upon the authority of said firm as experts in accounting and auditing. These consolidated financial statements and the effectiveness of internal control over financial reporting as of June 30, 2009 have been audited by KPMG Audit Plc as set forth in their report thereon which is incorporated by reference in this prospectus supplement.

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DIAGEO INVESTMENT CORPORATION
DIAGEO CAPITAL PLC
DIAGEO FINANCE B.V.

GUARANTEED DEBT SECURITIES

Fully and unconditionally guaranteed by

DIAGEO PLC

DIAGEO PLC

Debt Securities

Warrants

Purchase Contracts

Units

Preference Shares

Ordinary Shares

In the form of ordinary shares or American depository shares

Diageo Investment Corporation, Diageo Capital plc or Diageo Finance B.V. may use this prospectus to offer from time to time guaranteed debt securities. Diageo plc may use this prospectus to offer from time to time debt securities, warrants, purchase contracts, units, preference shares or ordinary shares, directly or in the form of American depository shares. Diageo's ordinary shares are admitted to trading on the London Stock Exchange under the symbol "DGE" and are also listed on the Paris and Dublin stock exchanges. Diageo's American depository shares, each representing four ordinary shares, are listed on the New York Stock Exchange under the symbol "DEO".

You should read this prospectus and the accompanying prospectus supplement carefully before you invest. We may sell these securities to or through underwriters, and also to other purchasers or through agents. The names of the underwriters will be set forth in the accompanying prospectus supplement.

Investing in these securities involves certain risks. See "Risk Factors" beginning on page 2.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated September 15, 2008.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the SEC utilizing a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of those securities and their offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading "Where You Can Find More Information About Us".

In this prospectus, the terms "we", "our" and "us" refer to Diageo Investment Corporation, Diageo Capital plc, Diageo Finance B.V. and Diageo plc. Either Diageo Investment Corporation, Diageo Capital plc, Diageo Finance B.V. or Diageo plc may be the issuer in an offering of debt securities, which may include debt securities convertible into or exchangeable for other securities. Diageo plc will be the guarantor in an offering of debt securities of Diageo Investment, Diageo Capital or Diageo Finance, which are referred to as guaranteed debt securities. We refer to the guaranteed debt securities and the debt securities issued by Diageo collectively as the debt securities. In addition, Diageo will be the issuer in an offering of warrants and in an offering of preference shares or ordinary shares, which are referred to collectively as shares. The debt securities, warrants, preference shares and ordinary shares, including ordinary shares in the form of ADSs, that may be offered using this prospectus are referred to collectively as the securities.

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RISK FACTORS

Investing in the securities offered using this prospectus involves risk. You should consider carefully the risks described below, together with the risks described in the documents incorporated by reference into this prospectus and any risk factors included in the prospectus supplement, before you decide to buy our securities. If any of these risks actually occur, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered using this prospectus could decline, in which case you may lose all or part of your investment.

Risks Relating to Diageo's Business

You should read "Risk Factors" in Diageo's Annual Report on Form 20-F for the fiscal year ended June 30, 2008, which is incorporated by reference in this prospectus, or similar sections in subsequent filings incorporated by reference in this prospectus, for information on risks relating to Diageo's business.

Risks Relating to Diageo's Shares

Diageo's shares and American depositary shares may experience volatility which will negatively affect your investment.

In recent years most major stock markets have experienced significant price and trading volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of the underlying companies. Accordingly, there could be significant fluctuations in the price of Diageo's shares and American depositary shares, or ADSs, each representing four ordinary shares, even if Diageo's operating results meet the expectations of the investment community. In addition,

announcements by Diageo or its competitors relating to operating results, earnings, volume, acquisitions or joint ventures, capital commitments or spending,

changes in financial estimates or investment recommendations by securities analysts,

changes in market valuations of other food or beverage companies,

adverse economic performance or recession in the United States or Europe, or

disruptions in trading on major stock markets,

could cause the market price of Diageo's shares and ADSs to fluctuate significantly.

Risks Relating to the Debt Securities, Warrants, Purchase Contracts and Units

Because Diageo is a holding company and currently conducts its operations through subsidiaries, your right to receive payments on debt securities issued by Diageo or on the guarantees is subordinated to the other liabilities of its subsidiaries.

Diageo is organized as a holding company, and substantially all of its operations are carried on through subsidiaries. Diageo plc had guaranteed a total of £6,970 million of debt as of June 30, 2008. Diageo's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. Diageo's subsidiaries are not guarantors of the debt securities we may offer. Moreover, these subsidiaries and affiliated companies are not required and may not be able to pay dividends to Diageo. Claims of the creditors of Diageo's subsidiaries have priority as to the assets of such subsidiaries over the claims of Diageo. Consequently, in the event of insolvency of Diageo, the claims of holders of notes guaranteed or issued by Diageo would be structurally subordinated to the prior claims of the creditors of subsidiaries of Diageo.

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In addition, some of Diageo's subsidiaries are subject to laws restricting the amount of dividends they may pay. For example, subsidiaries of Diageo incorporated under the laws of England and Wales may be restricted by law in their ability to declare dividends due to failure to meet requirements tied to net asset levels or distributable profits.

Because the debt securities are unsecured, your right to receive payments may be adversely affected.

The debt securities that we are offering will be unsecured. The debt securities are not subordinated to any of our other debt obligations and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness. As of June 30, 2008, Diageo group had £95 million aggregate principal amount of secured indebtedness outstanding. If Diageo Investment, Diageo Capital, Diageo Finance or Diageo default on the debt securities or Diageo defaults on the guarantees, or in the event of bankruptcy, liquidation or reorganization, then, to the extent that Diageo Investment, Diageo Capital, Diageo Finance or Diageo have granted security over their assets, the assets that secure these debts will be used to satisfy the obligations under that secured debt before Diageo Investment, Diageo Capital, Diageo Finance or Diageo could make payment on the debt securities or the guarantees, respectively. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

Your rights as a holder of debt securities may be inferior to the rights of holders of debt securities issued under a different series pursuant to the indenture.

The debt securities are governed by documents called indentures, which are described later under "Description of Debt Securities and Guarantees". We may issue as many distinct series of debt securities under the indentures as we wish. We may also issue a series of debt securities under the indentures that provides holders with rights superior to the rights already granted or that may be granted in the future to holders of another series. You should read carefully the specific terms of any particular series of debt securities which will be contained in the prospectus supplement relating to such debt securities.

Should Diageo, Diageo Capital or Diageo Finance default on its debt securities, or should Diageo default on the guarantees, your right to receive payments on such debt securities or guarantees may be adversely affected by applicable insolvency laws.

Diageo plc is incorporated under the laws of England and Wales, Diageo Capital is incorporated under the laws of Scotland and Diageo Finance is incorporated under the laws of The Netherlands. Accordingly, insolvency proceedings with respect to Diageo or Diageo Capital are likely to proceed under, and be governed by, UK insolvency law and insolvency proceedings with respect to Diageo Finance are likely to proceed under, and be governed by, Dutch insolvency law. The procedural and substantive provisions of such insolvency laws are generally more favorable to secured creditors than comparable provisions of United States law. These provisions afford debtors and unsecured creditors only limited protection from the claims of secured creditors and it will generally not be possible for Diageo, Diageo Capital or Diageo Finance or other unsecured creditors to prevent or delay the secured creditors from enforcing their security to repay the debts due to them under the terms that such security was granted.

The debt securities, warrants, purchase contracts and units lack a developed trading market, and such a market may never develop.

Each of Diageo, Diageo Investment, Diageo Capital and Diageo Finance may issue debt securities in different series with different terms in amounts that are to be determined. Debt securities issued by Diageo, Diageo Capital or Diageo Finance may be listed on the New York Stock Exchange or another

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recognized stock exchange and we expect that debt securities issued by Diageo Investment will not be listed on any stock exchange. However, there can be no assurance that an active trading market will develop for any series of debt securities of Diageo, Diageo Capital or Diageo Finance even if we list the series on a securities exchange. Similarly, there can be no assurance that an active trading market will develop for any warrants issued by Diageo. There can also be no assurance regarding the ability of holders of our debt securities, warrants, purchase contracts and units to sell their debt securities, warrants, purchase contracts or units or the price at which such holders may be able to sell their debt securities, warrants, purchase contracts or units. If a trading market were to develop, the debt securities, warrants, purchase contracts and units could trade at prices that may be higher or lower than the initial offering price and, in the case of debt securities, this may result in a return that is greater or less than the interest rate on the debt security, in each case depending on many factors, including, among other things, prevailing interest rates, Diageo's financial results, any decline in Diageo's credit-worthiness and the market for similar securities.

Any underwriters, broker-dealers or agents that participate in the distribution of the debt securities, warrants, purchase contracts or units may make a market in the debt securities, warrants, purchase contracts or units as permitted by applicable laws and regulations but will have no obligation to do so, and any such market-making activities may be discontinued at any time. Therefore, there can be no assurance as to the liquidity of any trading market for the debt securities, warrants, purchase contracts and units or that an active public market for the debt securities, warrants, purchase contracts or units will develop.

General Information regarding Foreign Currency Risks

This prospectus does not describe all the risks of an investment in debt securities denominated in a currency other than U.S. dollars. You should consult your financial and legal advisors as to any specific risks entailed by an investment in debt securities that are denominated or payable in, or the payment of which is linked to the value of, foreign currency. These debt securities are not appropriate investments for investors who are not sophisticated in foreign currency transactions.

The information set forth in this prospectus is directed to prospective purchasers who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States of any matters arising under foreign law that may affect the purchase of or holding of, or receipt of payments on, the debt securities. These persons should consult their own legal and financial advisors concerning these matters.

Exchange Rates and Exchange Controls May Affect the Debt Securities' Value or Return

Debt securities Involving Foreign Currencies Are Subject to General Exchange Rate and Exchange Control Risks. An investment in a debt security that is denominated or payable in, or the payment of which is linked to the value of, currencies other than U.S. dollars entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and the relevant foreign currencies and the possibility of the imposition or modification of exchange controls by either the U.S. or foreign governments. These risks generally depend on economic and political events over which we have no control.

Exchange Rates Will Affect Your Investment. In recent years, rates of exchange between U.S. dollars and some foreign currencies have been highly volatile and this volatility may continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any debt security. Depreciation against the U.S. dollar of the currency in which a debt security is payable would result in a decrease in the effective yield of the debt security below its coupon rate and could result in an overall loss to you on a U.S. dollar basis. In addition, depending on the specific terms of a currency-linked debt security,

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changes in exchange rates relating to any of the relevant currencies could result in a decrease in its effective yield and in your loss of all or a substantial portion of the value of that debt security.

We Have No Control Over Exchange Rates. Foreign exchange rates can either float or be fixed by sovereign governments. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar and to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank or the imposition of regulatory controls or taxes, to influence the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders.

As a consequence, these government actions could adversely affect the U.S. dollar-equivalent yields or payouts for (a) debt securities denominated or payable in currencies other than U.S. dollars and (b) currency-linked debt securities.

We will not make any adjustment or change in the terms of the debt securities in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. dollar or any applicable foreign currency. You will bear those risks.

Some Foreign Currencies May Become Unavailable. Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a specified foreign currency. Even if there are no actual exchange controls, it is possible that the applicable currency for any debt security not denominated in U.S. dollars would not be available when payments on that debt security are due.

Alternative Payment Method Used if Payment Currency Becomes Unavailable. If a payment currency is unavailable, we would make required payments in U.S. dollars on the basis of the market exchange rate. However, if the applicable currency for any debt security is not available because the euro has been substituted for that currency, we would make the payments in euro. The mechanisms for making payments in these alternative currencies are explained in "Description of Debt Securities and Guarantees Additional Mechanics Unavailability of Foreign Currency" below.

We Will Provide Currency Exchange Information in Prospectus Supplements. The applicable prospectus supplement will include information regarding current applicable exchange controls, if any, and historic exchange rate information for any debt security denominated or payable in a foreign currency or requiring payments that are related to the value of a foreign currency. That information will be furnished only for information purposes. You should not assume that any historic information concerning currency exchange rates will be representative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Currency Conversions May Affect Payments on Some Debt securities

The applicable prospectus supplement may provide for (1) payments on a non-U.S. dollar denominated debt security to be made in U.S. dollars or (2) payments on a U.S. dollar denominated debt security to be made in a currency other than U.S. dollars. In these cases, The Bank of New York Mellon, in its capacity as exchange rate agent, or a different exchange rate agent identified in the prospectus supplement, will convert the currencies. You will bear the costs of conversion through deductions from those payments.

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Exchange Rates May Affect the Value of a New York Judgment Involving Non-U.S. Dollar Debt securities

The debt securities will be governed by and construed in accordance with the laws of the State of New York. Unlike many courts in the United States outside the State of New York, the courts in the State of New York customarily enter judgments or decrees for money damages in the foreign currency in which debt securities are denominated. These amounts would then be converted into U.S. dollars at the rate of exchange in effect on the date the judgment or decree is entered. You would bear the foreign currency risk during litigation.

Additional risks, if any, specific to particular debt securities issued under this prospectus will be detailed in the applicable prospectus supplements.

Cautionary Statement Concerning Forward-Looking Statements

This prospectus and the related prospectus supplement may contain statements with respect to the financial condition, results of operations and business of Diageo and certain of the plans and objectives of Diageo with respect to these items. These forward-looking statements are made pursuant to the "Safe Harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to Diageo, anticipated cost savings or synergies and the completion of Diageo's strategic transactions, are forward-looking statements. 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:

increased competitive product and pricing pressures and unanticipated actions by competitors that could impact on Diageo's market share, increase expenses and hinder growth potential;

the effects of business combinations, partnerships, acquisitions or disposals, existing or future, and the ability to realise expected synergies and/or cost savings;

Diageo's ability to complete existing or future acquisitions and disposals;

legal and regulatory developments, including changes in regulations regarding consumption of, or advertising for, beverage alcohol, changes in tax law (including tax rates) or accounting standards, changes in taxation requirements, such as the impact of excise tax increases with respect to the business, and changes in environmental laws, health regulations and laws governing pensions;

developments in litigation or any similar proceedings directed at the drinks and spirits industry;

developments in the Colombian litigation and Turkish customs litigation or any similar proceedings;

changes in consumer preferences and tastes, demographic trends or perceptions about health related issues;

changes in the cost of raw materials, labor and/or energy;

changes in economic conditions in countries in which Diageo operates, including changes in levels of consumer spending;

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levels of marketing, promotional and innovation expenditure by Diageo and its competitors;

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renewal of distribution or license manufacturing rights on favorable terms when they expire;

termination of existing distribution or license manufacturing rights in respect of agency brands;

technological developments that may affect the distribution of products or impede Diageo's ability to protect its intellectual property rights; and

changes in financial and equity markets, including significant interest rate and foreign currency exchange rate fluctuations, which may affect Diageo's access to or increase the cost of financing or which may affect Diageo's financial results.

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" above. 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 documents it files with the SEC.

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WHERE YOU CAN FIND MORE INFORMATION ABOUT US

Diageo files annual, half yearly and special reports and other information with the SEC. You may read and copy any document that Diageo files at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Documents filed with the SEC on or after September 10, 2002 are available on the website maintained by the SEC (www.sec.gov).

Diageo's ADSs are listed on the New York Stock Exchange. Diageo's ordinary shares are admitted to trading on the London Stock Exchange and listed on the Dublin and Paris stock exchanges. You can consult reports and other information about Diageo that it filed pursuant to the rules of the London Stock Exchange and the New York Stock Exchange at such exchanges.

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of the Company, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

The SEC allows us to incorporate by reference the information we file with them. This means that we can disclose important information to you by referring to documents. The information that we incorporate by reference is an important part of this prospectus. We incorporate by reference the following documents and any future filings that we make with the SEC under Sections 13(a), 13(c) and 15(d) of the Securities Exchange Act of 1934, as amended, until we complete the offerings using this prospectus:

Annual Report on Form 20-F for the fiscal year ended June 30, 2008; and

Our reports on Form 6-K furnished to the SEC after the date of this prospectus only to the extent that the forms expressly state that we incorporate them by reference in this prospectus.

Information that we file with the SEC will automatically update and supercede information in documents filed with the SEC at earlier dates. All information appearing in this prospectus is qualified in its entirety by the information and financial statements, including the notes, contained in the documents that we incorporate by reference in this prospectus.

You may request a copy of these filings, at no cost, by writing or telephoning Diageo at the following address:

Diageo plc
8 Henrietta Place
London W1G 0NB
England
Tel. No.: 011-44-20-7927-5200

You should rely only on the information that we incorporate by reference or provide in this prospectus or the accompanying prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

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ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Diageo Investment is incorporated under the laws of the State of Delaware. Diageo Capital is incorporated under the laws of Scotland. Diageo Finance is incorporated under the laws of The Netherlands. Diageo is a public limited company incorporated under the laws of England and Wales. Substantially all of our directors and officers, and some of the experts named in this document, reside outside the United States, principally in the United Kingdom. All or a substantial portion of our assets, and the assets of such persons, are located outside the United States. Therefore, you may not be able to effect service of process within the United States upon us or these persons so that you may enforce judgments of US courts against us or these persons based on the civil liability provisions of the US federal securities laws. Slaughter and May has advised us that there is doubt as to the enforceability in England and Wales, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities solely based on the US federal securities laws. Furthermore, Morton Fraser LLP has advised us that there is doubt as to the enforceability in Scotland, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities solely based on the US federal securities laws. Moreover, De Brauw Blackstone Westbroek London B.V. has advised us that there is doubt as to the enforceability in The Netherlands, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities solely based on the US federal securities laws. We have further been advised by De Brauw Blackstone Westbroek London B.V. that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. As a consequence, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be directly enforceable in The Netherlands. However, if the party in whose favor such final judgment for the payment of money which is enforceable in the United States is rendered brings a new suit in a court of competent jurisdiction in The Netherlands, such party may submit to the Dutch court the final judgment that has been rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds that are internationally acceptable and that proper legal procedures have been observed, the court in The Netherlands would generally give binding effect to the final judgment that has been rendered in the United States unless such judgment contravenes Dutch public policy.

DIAGEO PLC

Diageo is the world's leading premium drinks business with a collection of international brands. Diageo was formed by the merger of Grand Metropolitan Public Limited Company and Guinness PLC, which became effective on December 17, 1997.

Diageo is a major participant in the branded beverage alcohol industry and operates on an international scale. It brings together world-class brands and a management team committed to the maximization of shareholder value. The management team expects to invest in global brands, expand internationally and launch innovative new products and brands.

You can find a more detailed description of Diageo's business and recent transactions in Diageo's Annual Report on Form 20-F for the fiscal year ended June 30, 2008, which is incorporated by reference in this prospectus. The Form 20-F also presents an unaudited ratio of earnings to fixed charges for Diageo.

DIAGEO INVESTMENT CORPORATION

Diageo Investment is a wholly-owned subsidiary of Diageo Inc. and was incorporated under the laws of the State of Delaware on March 22, 1988. Diageo Inc. is an indirect wholly-owned subsidiary of Diageo.

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Diageo Inc. serves as a holding company for Diageo's US operating companies. Diageo Investment is a financing vehicle for Diageo's US operating companies and has no independent operations, other than holding cash and US government securities from time to time. Diageo Investment will lend substantially all proceeds of its borrowings to one or more of Diageo's US operating companies. Diageo Investment and Diageo Inc. have entered into an agreement pursuant to which Diageo Inc. has unconditionally agreed to provide additional equity capital to Diageo Investment when Diageo Investment requests. The parties may amend or modify the terms of this agreement, but not in a manner that would materially prejudice Diageo Investment. Diageo Investment currently derives net revenues from lending at rates in excess of its cost of borrowed funds.

DIAGEO CAPITAL PLC

Diageo Capital is a wholly-owned subsidiary of Diageo and was incorporated under the laws of Scotland on August 10, 1964. Diageo Capital is a financing vehicle for Diageo and its consolidated subsidiaries. Diageo Capital has no independent operations, other than holding cash and US government securities from time to time. Diageo Capital will lend substantially all proceeds of its borrowings to one or more of Diageo's subsidiaries that are operating companies.

DIAGEO FINANCE B.V.

Diageo Finance is a wholly-owned subsidiary of Diageo and was incorporated under the laws of The Netherlands on October 9, 2003. Diageo Finance is a financing vehicle for Diageo and its consolidated subsidiaries. Diageo Finance has no independent operations, other than holding cash and US government securities from time to time. Diageo Finance will lend substantially all proceeds of its borrowings to one or more of Diageo's subsidiaries that are operating companies.

Financial Statements and Issuer Identity

We do not present separate financial statements of Diageo Investment, Diageo Capital or Diageo Finance in this prospectus because management has determined that they would not be material to investors. Diageo will fully and unconditionally guarantee the guaranteed debt securities issued by Diageo Investment, Diageo Capital or Diageo Finance as to payment of principal, premium, if any, interest and any other amounts due.

Diageo will determine the identity of an issuer relating to a particular series of debt securities in light of considerations related to the funding needs of Diageo and its consolidated subsidiaries. These include:

the anticipated use of proceeds;

related funding requirements of Diageo and its consolidated subsidiaries; and

relevant tax considerations.

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USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, the net proceeds from the sale of securities will be used for general corporate purposes. These include working capital and the repayment of existing borrowings of Diageo and its subsidiaries.

LEGAL OWNERSHIP

Street Name and Other Indirect Holders

We generally will not recognize investors who hold securities in accounts at banks or brokers as legal holders of securities. When we refer to the holders of securities, we mean only the actual legal and (if applicable) record holder of those securities. Holding securities in accounts at banks or brokers is called holding in street name. If you hold securities in street name, we will recognize only the bank or broker or the financial institution the bank or broker uses to hold its securities. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the securities, either because they agree to do so in their customer agreements or because they are legally required. If you hold securities in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required;

whether and how you can instruct it to send you securities registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the securities run only to persons who are registered as holders of securities. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold securities in that manner or because the securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Securities

What is a Global Security?

A global security is a special type of indirectly held security, as described above under "Street Name and Other Indirect Holders". If we choose to issue securities in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global security is called the depository. Any person wishing to own a security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depository. The prospectus supplement relating to an offering of a series of securities will indicate whether the series will be issued only in the form of global securities.

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Special Investor Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize this type of investor as a holder of securities and instead deal only with the depositary that holds the global security.

If you are an investor in securities that are issued only in the form of global securities, you should be aware that:

You cannot get securities registered in your own name.

You cannot receive physical certificates for your interest in the securities.

You will be a street name holder and must look to your own bank or broker for payments on the securities and protection of your legal rights relating to the securities, as explained earlier under "Street Name and Other Indirect Holders".

You may not be able to sell interests in the securities to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates.

The depositary's policies will govern payments, transfers, exchange and other matters relating to your interest in the global security. We and the trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary in any way.

The depositary will require that interests in a global security be purchased or sold within its system using same-day funds. By contrast, payment for purchases and sales in the market for corporate bonds and other securities is generally made in next-day funds. The difference could have some effect on how interests in global securities trade, but we do not know what that effect will be.

Special Situations When the Global Security Will Be Terminated

In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates representing securities. After that exchange, the choice of whether to hold securities directly or in street name will be up to the investor. Investors must consult their own bank or brokers to find out how to have their interests in securities transferred to their own name so that they will be direct holders. The rights of street name investors and direct holders in the securities have been previously described in the subsections entitled " Street Name and Other Indirect Holders" and " Direct Holders".

The special situations for termination of a global security are:

When the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary.

When an event of default on the securities has occurred and has not been cured. Defaults on debt securities are discussed below under "Description of Debt Securities and Guarantees Default and Related Matters Events of Default".

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities covered by the prospectus supplement. When a global security terminates, the depositary, and not we or the trustee, is responsible for deciding the names of the institutions that will be the initial direct holders.

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In the remainder of this description "you" means direct holders and not street name or other indirect holders of securities. Indirect holders should read the previous subsection entitled "Street Name and Other Indirect Holders".

DESCRIPTION OF DEBT SECURITIES AND GUARANTEES

Diageo Investment, Diageo Capital and Diageo Finance may issue guaranteed debt securities and Diageo may issue debt securities by this prospectus. As required by US federal law for all bonds and notes of companies that are publicly offered, the debt securities are governed by a document called the indenture. The indenture relating to guaranteed debt securities issued by Diageo Investment is a contract, dated as of June 1, 1999, among Diageo Investment, Diageo and The Bank of New York Mellon. The indenture relating to guaranteed debt securities issued by Diageo Capital is a contract, dated as of August 3, 1998, among Diageo Capital, Diageo and The Bank of New York Mellon. The indenture relating to guaranteed debt securities issued by Diageo Finance is a contract, dated as of December 8, 2003, among Diageo Finance, Diageo and The Bank of New York Mellon. The indenture relating to debt securities issued by Diageo is a contract that will be entered into between Diageo and The Bank of New York Mellon.

Pursuant to an Agreement of Resignation, Appointment and Acceptance dated October 16, 2007 by and among the company, Diageo Capital plc, Diageo Finance BV, Diageo Investment Corporation, The Bank of New York and Citibank NA, The Bank of New York Mellon has become the successor trustee to Citibank NA under the company's indentures dated August 3, 1998, December 8, 2003 and June 1, 1999.

The trustee has two main roles:

First, it can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, described under "Default and Related Matters Events of Default Remedies If an Event of Default Occurs" below; and

Second, the trustee performs administrative duties for us, such as sending you interest payments, transferring your debt securities to a new buyer if you sell and sending you notices.

Diageo acts as the guarantor of the guaranteed debt securities issued under the Diageo Investment, the Diageo Capital and the Diageo Finance indentures. The guarantees are described under "Guarantees" below.

The indentures and their associated documents contain the full legal text of the matters described in this section. The indentures, the debt securities and the guarantees are governed by New York law. The indentures are exhibits to our registration statement. See "Where You Can Find More Information About Us" for information on how to obtain a copy.

This section summarizes the material provisions of the indentures, the debt securities and the guarantees. However, because it is a summary, it does not describe every aspect of the indentures, the debt securities or the guarantees. This summary is subject to and qualified in its entirety by reference to all the provisions of the indentures, including some of the terms used in the indentures. We describe the meaning for only the more important terms. We also include references in parentheses to some sections of the indentures. Whenever we refer to particular sections or defined terms of the indentures in this prospectus or in the prospectus supplement, those sections or defined terms are incorporated by reference here or in the prospectus supplement. This summary also is subject to and qualified by reference to the description of the particular terms of your series described in the prospectus supplement.

Diageo, Diageo Investment, Diageo Capital and Diageo Finance may each issue as many distinct series of debt securities under its respective indenture as it wishes. This section summarizes all material

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terms of the debt securities that are common to all series, unless otherwise indicated in the prospectus supplement relating to a particular series.

We may issue the debt securities as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. (*Section 101*) The debt securities may also be issued as indexed securities or securities denominated in foreign currencies or currency units, as described in more detail in the prospectus supplement relating to any such debt securities.

In addition, the specific financial, legal and other terms particular to a series of debt securities are described in the prospectus supplement and the pricing agreement relating to the series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the prospectus supplement.

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

whether Diageo, Diageo Investment, Diageo Capital or Diageo Finance is the issuer of the debt securities;

the title of the series of debt securities;

any limit on the aggregate principal amount of the series of debt securities;

any stock exchange on which we will list the series of debt securities;

the date or dates on which we will pay the principal of the series of debt securities;

the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;

the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;

any mandatory or optional sinking funds or analogous provisions or provisions for redemption at the option of the holder;

the date, if any, after which and the price or prices at which the series of debt securities may, in accordance with any optional or mandatory redemption provisions that are not described in this prospectus, be redeemed and the other detailed terms and provisions of those optional or mandatory redemption provisions, if any;

the denominations in which the series of debt securities will be issuable if other than denominations of \$1,000 and any integral multiple of \$1,000;

the currency of payment of principal, premium, if any, and interest on the series of debt securities if other than the currency of the United States of America and the manner of determining the equivalent amount in the currency of the United States of America;

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any index used to determine the amount of payment of principal of, premium, if any, and interest on the series of debt securities;

the terms and conditions of any exchange or conversion of this series of debt securities or the guarantee;

the applicability of the provisions described later under "Covenants Defeasance and Discharge";

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if the series of debt securities will be issuable in whole or part in the form of a global security as described under "Legal Ownership Global Securities", and the depository or its nominee with respect to the series of debt securities, and any special circumstances under which the global security may be registered for transfer or exchange in the name of a person other than the depository or its nominee;

if Diageo Investment is the issuer, whether it will be required to pay additional amounts for withholding taxes or other governmental charges and, if applicable, a related right to an optional tax redemption for such a series; and

any other special features of the series of debt securities.

Unless otherwise stated in the prospectus supplement, the debt securities will be issued only in fully registered form without interest coupons. If we issue debt securities in bearer form, the special restrictions and considerations, including offering restrictions and US tax considerations, relating to bearer debt securities will be described in the prospectus supplement.

Some Definitions. We have defined some of the terms that we use frequently in this section of the prospectus:

A "business day" means any day, other than a Saturday or Sunday, (a) that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close (x) in The City of New York or (y) for debt securities denominated in a specified currency other than U.S. dollars or euro, in the principal financial center of the country of the specified currency, and (b) for debt securities denominated in euro, that is also a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System, which is commonly referred to as "TARGET", is operating; provided that with respect to LIBOR debt securities, the day is also a London banking day.

"Euro LIBOR debt securities" means LIBOR debt securities for which the index currency is euros.

An "interest payment date" for any debt security means a date on which, under the terms of that debt security, regularly scheduled interest is payable.

"London banking day" means any day on which dealings in deposits in the relevant index currency are transacted in the London interbank market.

"Principal financial center" means, unless we specify otherwise in the applicable prospectus supplement, the capital city of the country of the specified currency, except that with respect to Australian dollars, Canadian dollars, South African rand and Swiss francs, the principal financial center will be Sydney and Melbourne, Toronto, Johannesburg and Zurich, respectively.

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is open for settlement.

Fixed Rate Debt Securities

Each fixed rate debt security will bear interest from the date of issuance at the annual rate stated on its face until the principal is paid or made available for payment.

How Interest Is Calculated. Interest on fixed rate debt securities will be computed on the basis of a 360-day year of twelve 30-day months.

How Interest Accrues. Interest on fixed rate debt securities will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in the prospectus supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date, or, if earlier, the date on which the principal has been paid or

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duly made available for payment, except as described below under "If a Payment Date is Not a Business Day".

When Interest Is Paid. Payments of interest on fixed rate debt securities will be made on the interest payment dates specified in the applicable prospectus supplement. However, if the first interest payment date is less than 15 days after the date of issuance, interest will not be paid on the first interest payment date, but will be paid on the second interest payment date.

Amount of Interest Payable. Interest payments for fixed rate debt securities will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the relevant interest payment date or date of maturity or earlier redemption or repayment, as the case may be.

If a Payment Date is Not a Business Day. If any scheduled interest payment date is not a business day, we will pay interest on the next business day, but interest on that payment will not accrue during the period from and after the scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we may pay interest and principal and premium, if any, on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

Amortizing Debt Securities. A fixed rate debt security may pay a level amount in respect of both interest and principal amortized over the life of the debt security. Payments of principal and interest on amortizing debt securities will be made on the interest payment dates specified in the applicable prospectus supplement, and at maturity or upon any earlier redemption or repayment. Payments on amortizing debt securities will be applied first to interest due and payable and then to the reduction of the unpaid principal amount. We will provide to the original purchaser, and will furnish to subsequent holders upon request to us, a table setting forth repayment information for each amortizing debt security.

Floating Rate Debt Securities

Each floating rate debt security will mature on the date specified in the applicable prospectus supplement.

Each floating rate debt security will bear interest at a floating rate determined by reference to an interest rate or interest rate formula, which we refer to as the "base rate". The base rate may be one or more of the following:

the CD rate;

the CMT rate;

the commercial paper rate;

EURIBOR;