

## Historical information

The following tables present selected consolidated financial data for Diageo for the five years ended 30 June 2018 and as at the respective year ends. The data presented below for the five years ended 30 June 2018 and the respective year ends has been derived from Diageo's consolidated financial statements, audited by Diageo's independent auditor, PricewaterhouseCoopers LLP for the three years ended 30 June 2018. The group's former auditor, KPMG LLP (KPMG) reported on the financial statements for the two years ended 30 June 2015.

### Income statement data

	Year ended 30 June				
	2018	2017	2016	2015	2014
	£ million	£ million	£ million	£ million	£ million
<b>Sales</b>	<b>18,432</b>	<b>18,114</b>	<b>15,641</b>	<b>15,966</b>	<b>13,980</b>
Excise duties	(6,269)	(6,064)	(5,156)	(5,153)	(3,722)
<b>Net sales</b>	<b>12,163</b>	<b>12,050</b>	<b>10,485</b>	<b>10,813</b>	<b>10,258</b>
Cost of sales	(4,634)	(4,680)	(4,251)	(4,610)	(4,029)
<b>Gross profit</b>	<b>7,529</b>	<b>7,370</b>	<b>6,234</b>	<b>6,203</b>	<b>6,229</b>
Marketing	(1,882)	(1,798)	(1,562)	(1,629)	(1,620)
Other operating expenses	(1,956)	(2,013)	(1,831)	(1,777)	(1,902)
<b>Operating profit</b>	<b>3,691</b>	<b>3,559</b>	<b>2,841</b>	<b>2,797</b>	<b>2,707</b>
Non-operating items	—	20	123	373	140
Net interest and other finance charges	(260)	(329)	(327)	(412)	(388)
Share of after tax results of associates and joint ventures	309	309	221	175	252
<b>Profit before taxation</b>	<b>3,740</b>	<b>3,559</b>	<b>2,858</b>	<b>2,933</b>	<b>2,711</b>
Taxation	(596)	(732)	(496)	(466)	(447)
<b>Profit from continuing operations</b>	<b>3,144</b>	<b>2,827</b>	<b>2,362</b>	<b>2,467</b>	<b>2,264</b>
Discontinued operations	—	(55)	—	—	(83)
<b>Profit for the year</b>	<b>3,144</b>	<b>2,772</b>	<b>2,362</b>	<b>2,467</b>	<b>2,181</b>
<b>Weighted average number of shares</b>	<b>million</b>	<b>million</b>	<b>million</b>	<b>million</b>	<b>million</b>
Shares in issue excluding own shares	2,484	2,512	2,508	2,505	2,506
Dilutive potential ordinary shares	11	11	10	12	11
	<b>2,495</b>	<b>2,523</b>	<b>2,518</b>	<b>2,517</b>	<b>2,517</b>
<b>Per share data</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Dividend per share	65.3	62.2	59.2	56.4	51.7
Earnings per share					
Basic					
Continuing operations	121.7	108.2	89.5	95.0	93.0
Discontinued operations	—	(2.2)	—	—	(3.3)
<b>Basic earnings per share</b>	<b>121.7</b>	<b>106.0</b>	<b>89.5</b>	<b>95.0</b>	<b>89.7</b>
Diluted					
Continuing operations	121.1	107.7	89.1	94.6	92.6
Discontinued operations	—	(2.2)	—	—	(3.3)
<b>Diluted earnings per share</b>	<b>121.1</b>	<b>105.5</b>	<b>89.1</b>	<b>94.6</b>	<b>89.3</b>

## Historical information (continued)

### Balance sheet data

	As at 30 June				
	2018	2017	2016	2015	2014
	£ million	£ million	£ million	£ million	£ million
Non-current assets	21,024	20,196	19,639	18,134	15,495
Current assets	8,691	8,652	8,852	7,670	7,469
<b>Total assets</b>	<b>29,715</b>	<b>28,848</b>	<b>28,491</b>	<b>25,804</b>	<b>22,964</b>
Current liabilities	(6,360)	(6,660)	(6,187)	(5,290)	(4,851)
Non-current liabilities	(11,642)	(10,160)	(12,124)	(11,258)	(10,523)
<b>Total liabilities</b>	<b>(18,002)</b>	<b>(16,820)</b>	<b>(18,311)</b>	<b>(16,548)</b>	<b>(15,374)</b>
<b>Net assets</b>	<b>11,713</b>	<b>12,028</b>	<b>10,180</b>	<b>9,256</b>	<b>7,590</b>
Share capital	780	797	797	797	797
Share premium	1,349	1,348	1,347	1,346	1,345
Other reserves	2,133	2,693	2,625	1,994	2,243
Retained earnings	5,686	5,475	3,761	3,634	2,438
Equity attributable to equity shareholders of the parent company	9,948	10,313	8,530	7,771	6,823
Non-controlling interests	1,765	1,715	1,650	1,485	767
<b>Total equity</b>	<b>11,713</b>	<b>12,028</b>	<b>10,180</b>	<b>9,256</b>	<b>7,590</b>
<b>Net borrowings</b>	<b>(9,091)</b>	<b>(7,892)</b>	<b>(8,635)</b>	<b>(9,527)</b>	<b>(8,850)</b>

### Notes to the historical information

**1. Accounting policies** The consolidated financial statements for the five years ended 30 June 2018 have been prepared in accordance with IFRS. The IFRS accounting policies applied by the group to prepare the financial information in this document are disclosed in the notes to the consolidated financial statements.

## Historical information (continued)

**2. Exceptional items** Exceptional items are those that in management's judgement need to be disclosed by virtue of their size or nature. Such items are included within the income statement caption to which they relate, and are separately disclosed in the notes to the consolidated financial statements. An analysis of exceptional items is as follows:

	Year ended 30 June				
	2018	2017	2016	2015	2014
	£ million	£ million	£ million	£ million	£ million
<b>Items included in operating profit</b>					
Brand, goodwill, tangible and other assets impairment	(128)	–	(118)	–	(264)
Competition authority investigation in Turkey	–	(33)	–	–	–
Customer claim in India	–	(32)	–	–	–
Disengagement agreements relating to United Spirits Limited	–	23	(49)	–	–
Restructuring programmes	–	–	–	(82)	(163)
Korea settlement	–	–	–	(146)	–
Associate impairment	–	–	–	(41)	–
	(128)	(42)	(167)	(269)	(427)
<b>Non-operating items</b>					
Gains/(losses) on sale of businesses	–	20	215	247	–
Step up gains	–	–	–	156	140
Other non-operating items	–	–	(92)	(30)	–
	–	20	123	373	140
<b>Items included in taxation</b>					
US tax reform	354	–	–	–	–
UK transfer pricing settlement	(143)	–	–	–	–
UK industrial building allowance	(21)	–	–	–	–
Tax credit on exceptional operating items	13	11	7	51	99
Tax on sale of businesses	–	(7)	49	–	–
	203	4	56	51	99
<b>Exceptional items in continuing operations</b>	75	(18)	12	155	(188)
Discontinued operations net of taxation (note 3)	–	(55)	–	–	(83)
<b>Exceptional items</b>	75	(73)	12	155	(271)

**3. Discontinued operations** In the year ended 30 June 2017 discontinued operations of £55 million, net of £9 million deferred tax comprise additional amounts payable to the UK Thalidomide Trust following an agreement reached in December 2016, updates to the discount and inflation rates applied to the existing thalidomide provision and legal costs. In the year ended 30 June 2014 discontinued operations comprised a charge after tax of £83 million, net of £8 million deferred tax, in respect of the settlement of thalidomide litigation in respect of claimants in Australia and New Zealand and anticipated future payments to the UK Thalidomide Trust.

**4. Dividends** The Board expects that Diageo will pay an interim dividend in April and a final dividend in October of each year. Approximately 40% of the total dividend in respect of any financial year is expected to be paid as an interim dividend and approximately 60% as a final dividend. The payment of any future dividends, subject to shareholder approval, will depend upon Diageo's earnings, financial condition and such other factors as the Board deems relevant. Proposed dividends are not considered to be a liability until they are approved by the Board for the interim dividend and by the shareholders at the Annual General Meeting for the final dividend.