

Historical information

The following tables present selected consolidated financial data for Diageo for the five years ended 30 June 2017 and as at the respective year ends. The data presented below for the five years ended 30 June 2017 and the respective year ends has been derived from Diageo's consolidated financial statements, audited by Diageo's independent auditor, PricewaterhouseCoopers LLP for the two years ended 30 June 2017. The group's former auditor, KPMG LLP (KPMG) reported on the financial statements for the three years ended 30 June 2015.

Income statement data	Year ended 30 June				
	2017	2016	2015	2014	2013
	£ million	£ million	£ million	£ million	£ million
Sales	18,114	15,641	15,966	13,980	15,276
Excise duties	(6,064)	(5,156)	(5,153)	(3,722)	(3,973)
Net sales	12,050	10,485	10,813	10,258	11,303
Cost of sales	(4,680)	(4,251)	(4,610)	(4,029)	(4,416)
Gross profit	7,370	6,234	6,203	6,229	6,887
Marketing	(1,798)	(1,562)	(1,629)	(1,620)	(1,769)
Other operating expenses	(2,013)	(1,831)	(1,777)	(1,902)	(1,738)
Operating profit	3,559	2,841	2,797	2,707	3,380
Non-operating items	20	123	373	140	(83)
Net interest and other financial charges	(329)	(327)	(412)	(388)	(457)
Share of after tax results of associates and joint ventures	309	221	175	252	217
Profit before taxation	3,559	2,858	2,933	2,711	3,057
Taxation	(732)	(496)	(466)	(447)	(507)
Profit from continuing operations	2,827	2,362	2,467	2,264	2,550
Discontinued operations	(55)	—	—	(83)	—
Profit for the year	2,772	2,362	2,467	2,181	2,550
Weighted average number of shares	million	million	million	million	million
Shares in issue excluding own shares	2,512	2,508	2,505	2,506	2,502
Dilutive potential ordinary shares	11	10	12	11	15
	2,523	2,518	2,517	2,517	2,517
Per share data	pence	pence	pence	pence	pence
Dividend per share	62.2	59.2	56.4	51.7	47.4
Earnings per share					
Basic					
Continuing operations	108.2	89.5	95.0	93.0	98.0
Discontinued operations	(2.2)	—	—	(3.3)	—
Basic earnings per share	106.0	89.5	95.0	89.7	98.0
Diluted					
Continuing operations	107.7	89.1	94.6	92.6	97.4
Discontinued operations	(2.2)	—	—	(3.3)	—
Diluted earnings per share	105.5	89.1	94.6	89.3	97.4

Historical information (continued)

Balance sheet data

	As at 30 June				
	2017	2016	2015	2014	2013
	£ million	£ million	£ million	£ million	£ million
Non-current assets	20,196	19,639	18,134	15,495	16,481
Current assets	8,652	8,852	7,670	7,469	8,510
Total assets	28,848	28,491	25,804	22,964	24,991
Current liabilities	(6,660)	(6,187)	(5,290)	(4,851)	(5,519)
Non-current liabilities	(10,160)	(12,124)	(11,258)	(10,523)	(11,384)
Total liabilities	(16,820)	(18,311)	(16,548)	(15,374)	(16,903)
Net assets	12,028	10,180	9,256	7,590	8,088
Share capital	797	797	797	797	797
Share premium	1,348	1,347	1,346	1,345	1,344
Other reserves	2,693	2,625	1,994	2,243	3,154
Retained earnings	5,475	3,761	3,634	2,438	1,741
Equity attributable to equity shareholders of the parent company	10,313	8,530	7,771	6,823	7,036
Non-controlling interests	1,715	1,650	1,485	767	1,052
Total equity	12,028	10,180	9,256	7,590	8,088
Net borrowings	(7,892)	(8,635)	(9,527)	(8,850)	(8,403)

Notes to the historical information

1. Accounting policies The consolidated financial statements for the five years ended 30 June 2017 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				
	2017	2016	2015	2014	2013
	£ million	£ million	£ million	£ million	£ million
Items included in operating profit					
Competition authority investigation in Turkey	(33)	–	–	–	–
Customer claim in India	(32)	–	–	–	–
Disengagement agreements relating to United Spirits Limited	23	(49)	–	–	–
Brand, goodwill and tangible asset impairment	–	(118)	–	(264)	(50)
Restructuring programmes	–	–	(82)	(163)	(69)
Korea settlement	–	–	(146)	–	–
Associate impairment	–	–	(41)	–	–
Pension changes – past service credits	–	–	–	–	20
	(42)	(167)	(269)	(427)	(99)
Non-operating items					
Gains/(losses) on sale of businesses	20	215	247	–	(83)
Step up gains	–	–	156	140	–
Other non-operating items	–	(92)	(30)	–	–
	20	123	373	140	(83)
Items included in taxation					
Tax credit on exceptional operating items	11	7	51	99	27
Tax on sale of businesses	(7)	49	–	–	28
	4	56	51	99	55
Exceptional items in continuing operations	(18)	12	155	(188)	(127)
Discontinued operations net of taxation (note 3)	(55)	–	–	(83)	–
Exceptional items	(73)	12	155	(271)	(127)

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.