

markets.

The tougher trading environment this year has confirmed my view that these six priorities give the business clarity and focus. We have simplified the organisation, freeing up everyone to act like an owner and sell or help to sell, changing behaviours across the business.

Therefore we start fiscal 15 as a more agile organisation, building on the changes in behaviours that have been made across the business this year. The catalysts for a near term recovery of consumer spend in the emerging markets are still weak however the future growth drivers for this industry, its aspirational nature as consumers in the emerging markets see increasing disposable income, are undiminished. Diageo has leading brand and market positions and financial strength and our recent acquisitions have given us a strong emerging market footprint. The opportunity for Diageo to realise our full potential and deliver our performance ambition remains an exciting one."

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Historical information

The following tables present selected consolidated financial data for Diageo for the five years ended 30 June 2014 and as at the respective year ends. The data presented below has been derived from Diageo's consolidated financial statements, audited by Diageo's independent auditor and has been restated to reflect the adjustments resulting from the adoption of new accounting standards and an amendment to accounting standard.

Income statement data

	Year ended 30 June				
	2014	2013	2012	2011	2010
	£ million	(restated) £ million	(restated) £ million	(restated) £ million	(restated) £ million
Sales	13,980	15,276	14,392	13,043	12,793
Excise duties	(3,722)	(3,973)	(3,753)	(3,224)	(3,116)
Net sales	10,258	11,303	10,639	9,819	9,677
Cost of sales	(4,029)	(4,416)	(4,208)	(3,958)	(4,050)
Gross profit	6,229	6,887	6,431	5,861	5,627
Marketing	(1,620)	(1,769)	(1,671)	(1,520)	(1,406)
Other operating expenses	(1,902)	(1,738)	(1,652)	(1,789)	(1,683)
Operating profit	2,707	3,380	3,108	2,552	2,538
Non-operating items	140	(83)	147	(14)	(15)
Net interest and other finance charges	(388)	(457)	(441)	(449)	(490)
Share of after tax results of associates and joint ventures	252	217	229	192	155
Profit before taxation	2,711	3,057	3,043	2,281	2,188
Taxation	(447)	(507)	(1,011)	(321)	(461)
Profit from continuing operations	2,264	2,550	2,032	1,960	1,727
Discontinued operations	(83)	—	(11)	—	(19)
Profit for the year	2,181	2,550	2,021	1,960	1,708
Per share data	pence	pence	pence	pence	pence
Dividend per share	51.7	47.4	43.5	40.4	38.1
Earnings per share					
Basic					
Continuing operations	93.0	98.0	76.6	74.3	65.2
Discontinued operations	(3.3)	—	(0.4)	—	(0.8)
Basic earnings per share	89.7	98.0	76.2	74.3	64.4
Diluted					
Continuing operations	92.6	97.4	76.2	74.1	65.1
Discontinued operations	(3.3)	—	(0.4)	—	(0.8)
Diluted earnings per share	89.3	97.4	75.8	74.1	64.3
	million	million	million	million	million
Weighted average number of shares	2,506	2,502	2,495	2,493	2,486

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Historical information (continued)

Balance sheet data

	As at 30 June				
	2014	2013	2012	2011	2010
	£ million	(restated) £ million	(restated) £ million	(restated) £ million	(restated) £ million
Non-current assets	15,495	16,481	15,098	12,633	12,509
Current assets	7,469	8,510	7,171	7,087	6,885
Total assets	22,964	24,991	22,269	19,720	19,394
Current liabilities	(4,851)	(5,519)	(4,762)	(4,903)	(3,934)
Non-current liabilities	(10,523)	(11,384)	(10,715)	(8,858)	(10,698)
Total liabilities	(15,374)	(16,903)	(15,477)	(13,761)	(14,632)
Net assets	7,590	8,088	6,792	5,959	4,762
Share capital	797	797	797	797	797
Share premium	1,345	1,344	1,344	1,343	1,342
Other reserves	2,243	3,154	3,213	3,300	3,245
Retained earnings/(deficit)	2,438	1,741	234	(195)	(1,377)
Equity attributable of equity shareholders of the parent company	6,823	7,036	5,588	5,245	4,007
Non-controlling interests	767	1,052	1,204	714	755
Total equity	7,590	8,088	6,792	5,959	4,762

Net borrowings	(8,850)	(8,403)	(7,573)	(6,480)	(6,980)
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Notes to the historical information

1. Accounting policies The consolidated financial statements for the five years ended 30 June 2014 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.

2. Impact of new accounting standards and amendments to accounting standards As reported in note 1 to the consolidated financial statements, the group has adopted IFRS 11 and the amendment to IAS 19.

IFRS 11 has changed the accounting for certain joint arrangements which were formerly consolidated on a line by line basis. As a result the group's share of net income from certain joint arrangements is now included in the line 'Share of after tax results of associates and joint ventures'. The amendment to IAS 19 changed the calculation of the amounts for post employment arrangements included in operating profit, finance charges and the statement of comprehensive income. All comparative information has been restated.

The adoption of the changes reduced sales for the year ended 30 June 2013 by £211 million (2012 - £202 million; 2011 - £189 million; 2010 - £165 million), reduced net profit for the year ended 30 June 2013 by £44 million (2012 - £51 million; 2011 - £57 million; 2010 - £35 million) and reduced basic earnings per share for the year ended 30 June 2013 by 1.3 pence (2012 - 1.6 pence; 2011 - 1.9 pence; 2010 - 1.1 pence). The impact on the balance sheet data is not material. See note 18 to the consolidated financial statements for more information.

See note 18 to the consolidated financial statements for an analysis of the impact on the income statement for the years ended 30 June 2013 and 30 June 2012.

Historical information (continued)

3. Exceptional items Exceptional items are charges or credits which, in management's judgement, need to be disclosed by virtue of their size or incidence in order for the user to obtain a proper understanding of the financial information. Such items are included within the income statement caption to which they relate. An analysis of exceptional items is as follows:

	Year ended 30 June				
	2014 £ million	2013 £ million	2012 £ million	2011 £ million	2010 £ million
Items included in operating profit					
Restructuring programmes	(163)	(69)	(96)	(111)	(142)
Pension changes - past service credits	-	20	115	-	-
Brand and tangible asset impairment	(264)	(50)	(59)	(39)	(35)
Duty settlements	-	-	-	(127)	-
SEC settlement	-	-	-	(12)	-
	(427)	(99)	(40)	(289)	(177)
Non-operating items	140	(83)	147	(14)	(15)
Items included in taxation					
Tax on exceptional operating items	99	27	19	51	39
Tax on sale of businesses	-	28	-	3	10
Loss of future tax amortisation	-	-	(524)	-	-
Settlements with tax authorities	-	-	-	66	-
	99	55	(505)	120	49
Exceptional items in continuing operations	(188)	(127)	(398)	(183)	(143)
Discontinued operations net of taxation (note 4)	(83)	-	(11)	-	(19)
Exceptional items	(271)	(127)	(409)	(183)	(162)

4. Discontinued operations In the year ended 30 June 2014 discontinued operations represents a charge after taxation of £83 million (2013 - £nil; 2012 - £11 million; 2011 - £nil; 2010 - £19 million) in respect of the settlement of thalidomide litigation in Australia and New Zealand and anticipated future payments to thalidomide organisations.

5. 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.

The table below sets out the amounts of interim, final and total cash dividends paid by the company on each ordinary share. The dividends are translated into US dollars per ADS (each ADS representing four ordinary shares) at the actual rate on each of the respective dividend payment dates.

		Year ended 30 June				
		2014 pence	2013 pence	2012 pence	2011 pence	2010 pence
Per ordinary share	Interim	19.70	18.10	16.60	15.50	14.60
	Final	32.00	29.30	26.90	24.90	23.50
	Total	51.70	47.40	43.50	40.40	38.10
Per ADS		\$	\$	\$	\$	\$
	Interim	1.31	1.10	1.05	1.01	0.89
	Final	2.15	1.89	1.72	1.59	1.48
	Total	3.46	2.99	2.77	2.60	2.37

Note: Subject to shareholders' approval the final dividend for the year ended 30 June 2014 will be paid on 2 October 2014, and payment to US ADR holders will be made on 7 October 2014. In the table above, an exchange rate of £1 = \$1.68 has been assumed for this dividend, but the exact amount of the payment to US ADR holders will be determined by the rate of exchange on 2 October 2014.