

## Historical information

The following tables present selected consolidated financial data for Diageo for the five years ended 30 June 2016 and as at the respective year ends. The data presented below for the five years ended 30 June 2016 and the respective year ends has been derived from Diageo's consolidated financial statements, audited by Diageo's independent auditor. The group's former auditors, KPMG LLP and its affiliates (KPMG) reported on the financial statements for the four years ended 30 June 2015.

Income statement data	Year ended 30 June				
	2016 £ million	2015 £ million	2014 £ million	2013 £ million	2012 £ million
<b>Sales</b>	<b>15,641</b>	<b>15,966</b>	<b>13,980</b>	<b>15,276</b>	<b>14,392</b>
Excise duties	(5,156)	(5,153)	(3,722)	(3,973)	(3,753)
<b>Net sales</b>	<b>10,485</b>	<b>10,813</b>	<b>10,258</b>	<b>11,303</b>	<b>10,639</b>
Cost of sales	(4,251)	(4,610)	(4,029)	(4,416)	(4,208)
<b>Gross profit</b>	<b>6,234</b>	<b>6,203</b>	<b>6,229</b>	<b>6,887</b>	<b>6,431</b>
Marketing	(1,562)	(1,629)	(1,629)	(1,769)	(1,671)
Other operating expenses	(1,831)	(1,777)	(1,902)	(1,738)	(1,652)
<b>Operating profit</b>	<b>2,841</b>	<b>2,797</b>	<b>2,707</b>	<b>3,380</b>	<b>3,108</b>
Non-operating items	123	373	140	(83)	147
Net interest and other financial charges	(327)	(412)	(388)	(457)	(441)
Share of other tax results of associates and joint ventures	221	175	252	217	229
<b>Profit before taxation</b>	<b>2,858</b>	<b>2,933</b>	<b>2,711</b>	<b>3,057</b>	<b>3,043</b>
Taxation	(496)	(466)	(447)	(507)	(1,011)
<b>Profit from continuing operations</b>	<b>2,362</b>	<b>2,467</b>	<b>2,264</b>	<b>2,550</b>	<b>2,032</b>
Discontinued operations	–	–	(83)	–	(11)
<b>Profit for the year</b>	<b>2,362</b>	<b>2,467</b>	<b>2,181</b>	<b>2,550</b>	<b>2,021</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	2,508	2,505	2,506	2,502	2,495
Dilutive potential ordinary shares	10	12	11	15	14
	2,518	2,517	2,517	2,517	2,509
<b>Per share data</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>	<b>pence</b>
Dividend per share	59.2	56.4	51.7	47.4	43.5
Earnings per share					
Basic					
Continuing operations	89.5	95.0	93.0	98.0	76.6
Discontinued operations	–	–	(3.3)	–	(0.4)
<b>Basic earnings per share</b>	<b>89.5</b>	<b>95.0</b>	<b>89.7</b>	<b>98.0</b>	<b>76.2</b>
Diluted					
Continuing operations	89.1	94.6	92.6	97.4	76.2
Discontinued operations	–	–	(3.3)	–	(0.4)
<b>Diluted earnings per share</b>	<b>89.1</b>	<b>94.6</b>	<b>89.3</b>	<b>97.4</b>	<b>75.8</b>

## Historical information (continued)

### Balance sheet data

	As at 30 June				
	2016	2015	2014	2013	2012
	£ million	£ million	£ million	£ million	£ million
Non-current assets	19,639	18,134	15,495	16,481	15,098
Current assets	8,852	7,670	7,469	8,510	7,171
<b>Total assets</b>	<b>28,491</b>	<b>25,804</b>	<b>22,964</b>	<b>24,991</b>	<b>22,269</b>
Current liabilities	(6,187)	(5,290)	(4,851)	(5,519)	(4,762)
Non-current liabilities	(12,124)	(11,258)	(10,523)	(11,384)	(10,715)
<b>Total liabilities</b>	<b>(18,311)</b>	<b>(16,548)</b>	<b>(15,374)</b>	<b>(16,903)</b>	<b>(15,477)</b>
<b>Net assets</b>	<b>10,180</b>	<b>9,256</b>	<b>7,590</b>	<b>8,088</b>	<b>6,792</b>
Share capital	797	797	797	797	797
Share premium	1,347	1,346	1,345	1,344	1,344
Other reserves	2,625	1,994	2,243	3,154	3,213
Retained earnings	3,761	3,634	2,438	1,741	234
Equity attributable to equity shareholders of the parent company	8,530	7,771	6,823	7,036	5,588
<b>Non-controlling interests</b>	<b>1,650</b>	<b>1,485</b>	<b>767</b>	<b>1,052</b>	<b>1,204</b>
<b>Total equity</b>	<b>10,180</b>	<b>9,256</b>	<b>7,590</b>	<b>8,088</b>	<b>6,792</b>
<b>Net borrowings</b>	<b>(8,635)</b>	<b>(9,527)</b>	<b>(8,850)</b>	<b>(8,403)</b>	<b>(7,573)</b>

### Notes to the historical information

**1. Accounting policies** The consolidated financial statements for the five years ended 30 June 2016 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					
	2016	2015	2014	2013	2012
	£ million	£ million	£ million	£ million	£ million
<b>Items included in operating profit</b>					
Brand, goodwill and tangible asset impairment	(118)	–	(264)	(50)	(59)
Restructuring programmes	–	(82)	(163)	(69)	(96)
Duty settlements	–	(146)	–	–	–
Associate impairment	–	(41)	–	–	–
Pension changes – past service credits	–	–	–	20	115
Disengagement agreements relating to United Spirits Limited	(49)	–	–	–	–
	(167)	(269)	(427)	(99)	(40)
<b>Non-operating items</b>					
Gains/(losses) on sale of businesses	215	247	–	(83)	23
Step up gains	–	156	140	–	124
Other non-operating items	(92)	(30)	–	–	–
	123	373	140	(83)	147
<b>Items included in taxation</b>					
Tax credit on exceptional operating items	7	51	99	27	19
Tax on sale of businesses	49	–	–	28	–
Loss of future tax amortisation	–	–	–	–	(524)
	56	51	99	55	(505)
<b>Exceptional items in continuing operations</b>	12	155	(188)	(127)	(398)
Discontinued operations net of taxation (note 3)	–	–	(83)	–	(11)
<b>Exceptional items</b>	12	155	(271)	(127)	(409)

**3. Discontinued operations** in the year ended 30 June 2014 comprised a charge after taxation of £83 million (£91 million less tax of £8 million) (2012 - £16 million less deferred tax of £5 million) in respect of the settlement of thalidomide litigation in Australia and New Zealand and anticipated future payments to thalidomide organisations.

**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.

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					
		2016	2015	2014	2013
		pence	pence	pence	pence
Per ordinary share	Interim	22.60	21.50	19.70	18.10
	Final	36.60	34.90	32.00	29.30
	Total	59.20	56.40	51.70	47.40
		\$	\$	\$	\$
Per ADS	Interim	1.27	1.28	1.31	1.10
	Final	1.95	2.14	2.06	1.89
	Total	3.22	3.42	3.37	2.99