

Income statement

Year ended 31 December 2018

	Total £m	Total \$m
TURNOVER	30,821	40,992
Cost of sales	(10,241)	(13,621)
Gross profit	20,580	27,371
Selling, general and administration	(9,915)	(13,187)
Research and development	(3,893)	(5,178)
Royalty income	299	398
Other operating income/(expense)	(1,588)	(2,112)
OPERATING PROFIT	5,483	7,292
Finance income	81	108
Finance expense	(798)	(1,061)
Profit on disposal of associates	3	4
Share of after tax profits of joint ventures and associates	31	41
PROFIT BEFORE TAXATION	4,800	6,384
Taxation	(754)	(1,003)
PROFIT AFTER TAXATION FOR THE YEAR	4,046	5,381
Profit attributable to non-controlling interests	423	562
Profit attributable to shareholders	3,623	4,819
	4,046	5,381
EARNINGS PER SHARE	73.7p	98.0¢
Diluted earnings per share	72.9p	97.0¢

US dollar amounts shown above are a convenience translation of the sterling amounts. US dollar results for the year ended 31 December 2018 are calculated using average rates for the year. US dollar results for the three months ended 31 December 2018 are calculated as the difference between these full year results translated into US dollars and US dollar results previously published for the nine months ended 30 September 2018.

Income statement

Three months ended 31 December 2018

	Total £m	Total \$m
TURNOVER	8,197	10,450
Cost of sales	(2,904)	(3,716)
Gross profit	5,293	6,734
Selling, general and administration	(2,620)	(3,339)
Research and development	(1,076)	(1,375)
Royalty income	79	101
Other operating income/(expense)	(122)	(133)
OPERATING PROFIT	1,554	1,988
Finance income	24	31
Finance expense	(209)	(266)
Share of after tax profits of joint ventures and associates	5	6
PROFIT BEFORE TAXATION	1,374	1,759
Taxation	(74)	(85)
PROFIT AFTER TAXATION FOR THE PERIOD	1,300	1,674
Profit attributable to non-controlling interests	85	106
Profit attributable to shareholders	1,215	1,568
	1,300	1,674
EARNINGS PER SHARE	24.7p	31.4¢
Diluted earnings per share	24.4p	31.0¢

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Pharmaceuticals turnover – year ended 31 December 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	6,928	3,368	1,533	2,027	9,214	4,479	2,039	2,696
<i>Seretide/Advair</i>	2,422	1,097	599	726	3,221	1,459	797	965
<i>Ellipta products</i>	2,049	1,245	457	347	2,725	1,656	608	461
<i>Anoro Ellipta</i>	476	318	101	57	633	423	134	76
<i>Arnuity Ellipta</i>	44	39	-	5	59	52	-	7
<i>Incruse Ellipta</i>	284	186	74	24	378	247	99	32
<i>Relvar/Breo Ellipta</i>	1,089	581	253	255	1,448	773	336	339
<i>Trelegy Ellipta</i>	156	121	29	6	207	161	39	7
<i>Nucala/Mepolizumab</i>	563	341	152	70	749	454	202	93
<i>Avamys/Veramyst</i>	300	-	74	226	399	-	98	301
<i>Flixotide/Flovent</i>	595	333	93	169	791	442	124	225
<i>Ventolin</i>	737	352	130	255	980	468	173	339
Other	262	-	28	234	349	-	37	312
HIV	4,722	2,913	1,194	615	6,280	3,874	1,588	818
<i>Dolutegravir products</i>	4,420	2,830	1,091	499	5,879	3,764	1,451	664
<i>Tivicay</i>	1,639	1,036	377	226	2,180	1,378	501	301
<i>Triumeq</i>	2,648	1,670	706	272	3,522	2,221	939	362
<i>Juluca</i>	133	124	8	1	177	165	11	1
<i>Epzicom/Kivexa</i>	117	7	44	66	155	9	58	88
<i>Selzentry</i>	115	58	35	22	153	77	47	29
Other	70	18	24	28	93	24	32	37
Immuno-inflammation	472	420	36	16	628	559	48	21
<i>Benlysta</i>	473	420	37	16	629	559	49	21
Established Pharmaceuticals	5,147	752	1,309	3,086	6,846	1,000	1,741	4,105
Dermatology	435	3	161	271	579	4	214	361
Augmentin	570	-	181	389	758	-	241	517
Avodart	572	12	240	320	761	16	319	426
Coreg	50	50	-	-	67	67	-	-
Eperzan/Tanzeum	31	30	1	-	41	40	1	-
Imigran/Imitrex	141	58	57	26	188	77	76	35
Lamictal	617	310	113	194	821	413	150	258
Requip	85	5	28	52	113	7	37	69
Serevent	82	43	30	9	109	57	40	12
Seroxat/Paxil	170	-	39	131	226	-	52	174
Valtrex	123	21	30	72	163	27	40	96
Zeffix	69	1	5	63	92	1	7	84
Other	2,202	219	424	1,559	2,928	291	564	2,073
Pharmaceuticals	17,269	7,453	4,072	5,744	22,968	9,912	5,416	7,640

Pharmaceuticals turnover – three months ended 31 December 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	1,991	1,023	415	553	2,549	1,313	530	706
<i>Seretide/Advair</i>	647	299	150	198	825	382	191	252
<i>Ellipta products</i>	654	413	135	106	842	533	173	136
<i>Anoro Ellipta</i>	144	98	29	17	185	126	37	22
<i>Arnuity Ellipta</i>	13	11	-	2	17	14	-	3
<i>Incruse Ellipta</i>	87	60	20	7	112	77	26	9
<i>Relvar/Breo Ellipta</i>	333	186	71	76	428	240	90	98
<i>Trelegy Ellipta</i>	77	58	15	4	100	76	20	4
<i>Nucala/Mepolizumab</i>	173	107	44	22	222	138	56	28
<i>Avamys/Veramyst</i>	73	-	17	56	93	-	21	72
<i>Flixotide/Flovent</i>	166	94	26	46	212	119	34	59
<i>Ventolin</i>	215	110	36	69	275	141	46	88
<i>Other</i>	63	-	7	56	80	-	9	71
HIV	1,276	786	317	173	1,628	1,003	404	221
<i>Dolutegravir products</i>	1,205	766	291	148	1,539	978	371	190
<i>Tivicay</i>	452	281	104	67	577	359	132	86
<i>Triumeq</i>	691	429	182	80	880	546	231	103
<i>Juluca</i>	62	56	5	1	81	73	7	1
<i>Epzicom/Kivexa</i>	30	4	11	15	38	5	14	19
<i>Selzentry</i>	31	16	9	6	40	20	12	8
<i>Other</i>	10	-	6	4	12	-	8	4
Immuno-inflammation	136	121	10	5	174	155	13	6
<i>Benlysta</i>	138	121	10	7	177	155	13	9
Established Pharmaceuticals	1,407	189	368	850	1,797	240	471	1,086
<i>Dermatology</i>	115	1	43	71	147	1	55	91
<i>Augmentin</i>	146	-	49	97	186	-	63	123
<i>Avodart</i>	149	3	60	86	190	4	76	110
<i>Coreg</i>	14	14	-	-	18	18	-	-
<i>Eperzan/Tanzeum</i>	4	4	-	-	5	5	-	-
<i>Imigran/Imitrex</i>	40	19	14	7	52	24	18	10
<i>Lamictal</i>	159	83	30	46	203	107	38	58
<i>Requip</i>	23	1	9	13	29	2	11	16
<i>Serevent</i>	22	12	8	2	28	15	10	3
<i>Seroxat/Paxil</i>	46	-	10	36	59	-	13	46
<i>Valtrex</i>	33	7	7	19	41	8	9	24
<i>Zeffix</i>	16	-	1	15	20	-	1	19
<i>Other</i>	640	45	137	458	819	56	177	586
Pharmaceuticals	4,810	2,119	1,110	1,581	6,148	2,711	1,418	2,019

Vaccines turnover – year ended 31 December 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	881	374	336	171	1,172	497	447	228
<i>Bexsero</i>	584	200	311	73	777	266	414	97
<i>Menveo</i>	232	174	17	41	309	231	23	55
<i>Other</i>	65	-	8	57	86	-	10	76
Influenza	523	385	66	72	695	512	88	95
<i>Fluarix, FluLaval</i>	523	385	66	72	695	512	88	95
Shingles	784	733	2	49	1,043	975	3	65
<i>Shingrix</i>	784	733	2	49	1,043	975	3	65
Established Vaccines	3,706	1,209	1,157	1,340	4,929	1,608	1,539	1,782
<i>Infanrix, Pediarix</i>	680	296	266	118	904	394	354	156
<i>Boostrix</i>	517	265	162	90	687	352	215	120
Hepatitis	808	458	245	105	1,075	609	326	140
<i>Rotarix</i>	521	126	110	285	693	168	146	379
<i>Synflorix</i>	424	-	58	366	564	-	77	487
<i>Priorix, Priorix Tetra, Varilrix</i>	305	-	159	146	406	-	212	194
<i>Cervarix</i>	138	-	20	118	184	-	27	157
<i>Other</i>	313	64	137	112	416	85	182	149
Vaccines	5,894	2,701	1,561	1,632	7,839	3,592	2,077	2,170

Vaccines turnover – three months ended 31 December 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	188	50	78	60	236	59	99	78
<i>Bexsero</i>	114	23	72	19	142	27	91	24
<i>Menveo</i>	44	27	4	13	55	32	6	17
<i>Other</i>	30	-	2	28	39	-	2	37
Influenza	193	135	31	27	250	175	41	34
<i>Fluarix, FluLaval</i>	193	135	31	27	250	175	41	34
Shingles	221	205	1	15	283	262	2	19
<i>Shingrix</i>	221	205	1	15	283	262	2	19
Established Vaccines	877	276	267	334	1,110	349	337	424
<i>Infanrix, Pediarix</i>	165	75	60	30	209	96	76	37
<i>Boostrix</i>	139	64	37	38	177	80	47	50
Hepatitis	190	103	60	27	241	130	76	35
<i>Rotarix</i>	134	25	28	81	170	32	35	103
<i>Synflorix</i>	106	-	21	85	135	-	27	108
<i>Priorix, Priorix Tetra, Varilrix</i>	64	-	32	32	80	-	40	40
<i>Cervarix</i>	15	-	5	10	18	-	7	11
<i>Other</i>	64	9	24	31	80	11	29	40
Vaccines	1,479	666	377	436	1,879	845	479	555

Consumer Healthcare turnover – year ended 31 December 2018

	Total £m	Total \$m
Wellness	3,940	5,240
Oral health	2,496	3,320
Nutrition	643	855
Skin health	579	770
	<u>7,658</u>	<u>10,185</u>

	Total £m	Total \$m
US	1,828	2,431
Europe	2,340	3,112
International	3,490	4,642
	<u>7,658</u>	<u>10,185</u>

Consumer Healthcare turnover – three months ended 31 December 2018

	Total £m	Total \$m
Wellness	1,005	1,278
Oral health	623	792
Nutrition	154	195
Skin health	126	158
	<u>1,908</u>	<u>2,423</u>

	Total £m	Total \$m
US	489	624
Europe	543	686
International	876	1,113
	<u>1,908</u>	<u>2,423</u>

Balance sheet

	31 December 2018 £m	31 December 2018 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	11,058	14,044
Goodwill	5,789	7,352
Other intangible assets	17,202	21,847
Investments in associates and joint ventures	236	300
Other investments	1,322	1,679
Deferred tax assets	3,887	4,936
Derivative financial instruments	69	88
Other non-current assets	1,576	2,001
Total non-current assets	41,139	52,247
Current assets		
Inventories	5,476	6,954
Current tax recoverable	229	291
Trade and other receivables	6,423	8,157
Derivative financial instruments	188	239
Liquid investments	84	107
Cash and cash equivalents	3,874	4,920
Assets held for sale	653	829
Total current assets	16,927	21,497
TOTAL ASSETS	58,066	73,744
LIABILITIES		
Current liabilities		
Short-term borrowings	(5,793)	(7,357)
Contingent consideration liabilities	(837)	(1,063)
Trade and other payables	(14,037)	(17,827)
Derivative financial instruments	(127)	(161)
Current tax payable	(965)	(1,226)
Short-term provisions	(732)	(930)
Total current liabilities	(22,491)	(28,564)
Non-current liabilities		
Long-term borrowings	(20,271)	(25,744)
Corporation tax payable	(272)	(346)
Deferred tax liabilities	(1,156)	(1,468)
Pensions and other post-employment benefits	(3,125)	(3,969)
Other provisions	(691)	(878)
Derivative financial instruments	(1)	(1)
Contingent consideration liabilities	(5,449)	(6,920)
Other non-current liabilities	(938)	(1,191)
Total non-current liabilities	(31,903)	(40,517)
TOTAL LIABILITIES	(54,394)	(69,081)
NET ASSETS	3,672	4,663
EQUITY		
Share capital	1,345	1,708
Share premium account	3,091	3,926
Retained earnings	(2,137)	(2,714)
Other reserves	2,061	2,617
Shareholders' equity	4,360	5,537
Non-controlling interests	(688)	(874)
TOTAL EQUITY	3,672	4,663

US dollar amounts shown above are a convenience transaction of the sterling amounts.