

Income statement

Three months ended 30 June 2016

| | Total £m | Total \$m |
|--|---------------|----------------|
| TURNOVER | 6,532 | 9,215 |
| Cost of sales | (2,124) | (2,996) |
| Gross profit | 4,408 | 6,219 |
| Selling, general and administration | (2,174) | (3,066) |
| Research and development | (888) | (1,253) |
| Royalty income | 83 | 117 |
| Other operating income | (1,580) | (2,239) |
| OPERATING LOSS | (151) | (222) |
| Finance income | 18 | 25 |
| Finance expense | (183) | (258) |
| Share of after tax losses of associates and joint ventures | (2) | (3) |
| LOSS BEFORE TAXATION | (318) | (457) |
| Taxation | (174) | (245) |
| LOSS AFTER TAXATION FOR THE PERIOD | (492) | (702) |
| Loss attributable to non-controlling interests | (57) | (82) |
| Loss attributable to shareholders | (435) | (620) |
| | (492) | (702) |
| LOSS PER SHARE | (9.0)p | (12.7)¢ |
| Diluted loss per share | (9.0)p | (12.7)¢ |

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

Income statement

Six months ended 30 June 2016

| | Total £m | Total \$m |
|--|---------------|---------------|
| TURNOVER | 12,761 | 18,121 |
| Cost of sales | (4,257) | (6,045) |
| Gross profit | 8,504 | 12,076 |
| Selling, general and administration | (4,363) | (6,196) |
| Research and development | (1,703) | (2,418) |
| Royalty income | 174 | 247 |
| Other operating income | (2,040) | (2,897) |
| OPERATING PROFIT | 572 | 812 |
| Finance income | 36 | 51 |
| Finance expense | (364) | (516) |
| Share of after tax losses of associates and joint ventures | (2) | (3) |
| PROFIT BEFORE TAXATION | 242 | 344 |
| Taxation | (382) | (543) |
| LOSS AFTER TAXATION FOR THE PERIOD | (140) | (199) |
| Profit attributable to non-controlling interests | 13 | 18 |
| Loss attributable to shareholders | (153) | (217) |
| | (140) | (199) |
| LOSS PER SHARE | (3.2)p | (4.5)¢ |
| Diluted loss per share | (3.2)p | (4.5)¢ |

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

Pharmaceuticals turnover - three months ended 30 June 2016

| | Total £m | US £m | Europe £m | Inter- national £m | Total \$m | US \$m | Europe \$m | Inter- national \$m |
|---|--------------|--------------|--------------|--------------------------|--------------|--------------|---------------|---------------------------|
| Respiratory | 1,585 | 814 | 347 | 424 | 2,237 | 1,150 | 489 | 598 |
| <i>Anoro Ellipta</i> | 46 | 31 | 9 | 6 | 66 | 44 | 13 | 9 |
| <i>Arnuity Ellipta</i> | 3 | 3 | - | - | 5 | 5 | - | - |
| <i>Avamys/Veramyst</i> | 65 | 6 | 22 | 37 | 91 | 8 | 31 | 52 |
| <i>Flixotide/Flovent</i> | 136 | 75 | 22 | 39 | 191 | 106 | 30 | 55 |
| <i>Incruse Ellipta</i> | 28 | 21 | 6 | 1 | 40 | 30 | 9 | 1 |
| <i>Nucala</i> | 20 | 14 | 6 | - | 28 | 19 | 9 | - |
| <i>Relvar/Breo Ellipta</i> | 146 | 80 | 33 | 33 | 206 | 113 | 46 | 47 |
| <i>Seretide/Advair</i> | 900 | 487 | 213 | 200 | 1,271 | 690 | 299 | 282 |
| <i>Ventolin</i> | 179 | 95 | 30 | 54 | 252 | 133 | 43 | 76 |
| Other | 62 | 2 | 6 | 54 | 87 | 2 | 9 | 76 |
| Cardiovascular, metabolic and urology (CVMU) | 236 | 101 | 78 | 57 | 333 | 143 | 110 | 80 |
| <i>Avodart</i> | 178 | 46 | 77 | 55 | 252 | 66 | 108 | 78 |
| <i>Eperzan/Tanzeum</i> | 29 | 28 | 1 | - | 40 | 39 | 1 | - |
| Other | 29 | 27 | - | 2 | 41 | 38 | 1 | 2 |
| Immuno-inflammation | 78 | 71 | 5 | 2 | 110 | 100 | 7 | 3 |
| <i>Benlysta</i> | 78 | 71 | 5 | 2 | 110 | 100 | 7 | 3 |
| Other pharmaceuticals | 517 | 19 | 135 | 363 | 729 | 26 | 191 | 512 |
| Dermatology | 88 | (1) | 33 | 56 | 124 | (1) | 46 | 79 |
| <i>Augmentin</i> | 134 | - | 38 | 96 | 189 | - | 53 | 136 |
| Other anti-bacterials | 42 | - | 11 | 31 | 59 | - | 16 | 43 |
| Rare diseases | 105 | 12 | 33 | 60 | 148 | 16 | 47 | 85 |
| Oncology | 37 | - | - | 37 | 52 | - | - | 52 |
| Other | 111 | 8 | 20 | 83 | 157 | 11 | 29 | 117 |
| Established products | 601 | 162 | 122 | 317 | 848 | 228 | 172 | 448 |
| <i>Coreg</i> | 30 | 30 | - | - | 42 | 42 | - | - |
| <i>Hepsera</i> | 16 | - | - | 16 | 23 | - | - | 23 |
| <i>Imigran/Imitrex</i> | 36 | 17 | 14 | 5 | 50 | 24 | 20 | 6 |
| <i>Lamictal</i> | 151 | 78 | 25 | 48 | 213 | 110 | 35 | 68 |
| <i>Lovaza</i> | 10 | 10 | - | - | 14 | 14 | - | - |
| <i>Requip</i> | 30 | 5 | 8 | 17 | 43 | 7 | 12 | 24 |
| <i>Serevent</i> | 22 | 10 | 9 | 3 | 32 | 14 | 13 | 5 |
| <i>Seroxat/Paxil</i> | 47 | - | 11 | 36 | 66 | - | 15 | 51 |
| <i>Valtrex</i> | 30 | 4 | 6 | 20 | 42 | 6 | 8 | 28 |
| <i>Zeffix</i> | 28 | - | 1 | 27 | 40 | - | 1 | 39 |
| Other | 201 | 8 | 48 | 145 | 283 | 11 | 68 | 204 |
| | 3,017 | 1,167 | 687 | 1,163 | 4,257 | 1,647 | 969 | 1,641 |
| HIV | 865 | 510 | 256 | 99 | 1,221 | 720 | 361 | 140 |
| <i>Combivir</i> | 5 | 2 | 1 | 2 | 7 | 2 | 1 | 4 |
| <i>Epzicom/Kivexa</i> | 157 | 56 | 69 | 32 | 222 | 79 | 97 | 46 |
| <i>Lexiva/Telzir</i> | 14 | 7 | 2 | 5 | 20 | 10 | 3 | 7 |
| <i>Selzentry</i> | 30 | 15 | 11 | 4 | 42 | 21 | 16 | 5 |
| <i>Tivicay</i> | 225 | 149 | 55 | 21 | 317 | 210 | 78 | 29 |
| <i>Triumeq</i> | 409 | 271 | 107 | 31 | 577 | 383 | 151 | 43 |
| <i>Trizivir</i> | 4 | 1 | 2 | 1 | 6 | 2 | 2 | 2 |
| Other | 21 | 9 | 9 | 3 | 30 | 13 | 13 | 4 |
| Pharmaceuticals | 3,882 | 1,677 | 943 | 1,262 | 5,478 | 2,367 | 1,330 | 1,781 |

Vaccines turnover - three months ended 30 June 2016

| | Total £m | US £m | Europe £m | Inter- national £m | Total \$m | US \$m | Europe \$m | Inter- national \$m |
|---|-------------|------------|--------------|--------------------------|--------------|------------|---------------|---------------------------|
| <i>Rotarix</i> | 108 | 18 | 17 | 73 | 152 | 25 | 24 | 103 |
| <i>Synflorix</i> | 137 | - | 11 | 126 | 194 | - | 15 | 179 |
| <i>Fluarix, FluLaval</i> | 17 | (1) | - | 18 | 24 | (1) | - | 25 |
| <i>Bexsero</i> | 97 | 31 | 60 | 6 | 137 | 44 | 84 | 9 |
| <i>Menveo</i> | 47 | 34 | 5 | 8 | 66 | 49 | 7 | 10 |
| <i>Boostrix</i> | 96 | 55 | 28 | 13 | 135 | 78 | 39 | 18 |
| <i>Infanrix, Pediarix</i> | 140 | 53 | 64 | 23 | 197 | 74 | 90 | 33 |
| Hepatitis | 130 | 56 | 49 | 25 | 184 | 79 | 70 | 35 |
| <i>Priorix, Priorix Tetra, Varilrix</i> | 79 | - | 41 | 38 | 112 | - | 58 | 54 |
| <i>Cervarix</i> | 17 | 1 | 8 | 8 | 24 | 1 | 11 | 12 |
| Other | 92 | 11 | 42 | 39 | 130 | 16 | 60 | 54 |
| | 960 | 258 | 325 | 377 | 1,355 | 365 | 458 | 532 |

Pharmaceuticals turnover - six months ended 30 June 2016

| | Total £m | US £m | Europe £m | Inter- national £m | Total \$m | US \$m | Europe \$m | Inter- national \$m |
|---|--------------|--------------|--------------|--------------------------|---------------|--------------|---------------|---------------------------|
| Respiratory | 3,003 | 1,447 | 695 | 861 | 4,265 | 2,055 | 987 | 1,223 |
| <i>Anoro Ellipta</i> | 79 | 54 | 16 | 9 | 113 | 77 | 23 | 13 |
| <i>Amvuity Ellipta</i> | 6 | 6 | - | - | 9 | 9 | - | - |
| <i>Avamys/Veramyst</i> | 143 | 12 | 40 | 91 | 203 | 17 | 57 | 129 |
| <i>Flixotide/Flovent</i> | 289 | 164 | 47 | 78 | 410 | 233 | 66 | 111 |
| <i>Incruse Ellipta</i> | 50 | 40 | 9 | 1 | 71 | 57 | 13 | 1 |
| <i>Nucala</i> | 27 | 20 | 7 | - | 38 | 28 | 10 | - |
| <i>Relvar/Breo Ellipta</i> | 257 | 137 | 63 | 57 | 365 | 195 | 89 | 81 |
| <i>Seretide/Advair</i> | 1,653 | 826 | 439 | 388 | 2,348 | 1,173 | 623 | 552 |
| <i>Ventolin</i> | 358 | 187 | 61 | 110 | 508 | 265 | 87 | 156 |
| Other | 141 | 1 | 13 | 127 | 200 | 1 | 19 | 180 |
| Cardiovascular, metabolic and urology (CVMU) | 420 | 160 | 156 | 104 | 596 | 227 | 222 | 147 |
| <i>Avodart</i> | 310 | 53 | 154 | 103 | 440 | 75 | 219 | 146 |
| <i>Eperzan/Tanzeum</i> | 54 | 53 | 1 | - | 76 | 75 | 1 | - |
| Other | 56 | 54 | 1 | 1 | 80 | 77 | 2 | 1 |
| Immuno-inflammation | 143 | 130 | 10 | 3 | 203 | 185 | 14 | 4 |
| <i>Benlysta</i> | 143 | 130 | 10 | 3 | 203 | 185 | 14 | 4 |
| Other pharmaceuticals | 1,097 | 44 | 292 | 761 | 1,558 | 62 | 415 | 1,081 |
| Dermatology | 184 | 7 | 71 | 106 | 261 | 10 | 100 | 151 |
| <i>Augmentin</i> | 273 | - | 87 | 186 | 388 | - | 124 | 264 |
| Other anti-bacterials | 91 | 2 | 26 | 63 | 129 | 3 | 37 | 89 |
| Rare diseases | 198 | 23 | 66 | 109 | 281 | 32 | 94 | 155 |
| Oncology | 95 | - | - | 95 | 135 | - | - | 135 |
| Other | 256 | 12 | 42 | 202 | 364 | 17 | 60 | 287 |
| Established products | 1,211 | 332 | 248 | 631 | 1,720 | 471 | 352 | 897 |
| <i>Coreg</i> | 62 | 62 | - | - | 88 | 88 | - | - |
| <i>Hepsera</i> | 31 | - | - | 31 | 44 | - | - | 44 |
| <i>Imigran/Imitrex</i> | 77 | 35 | 30 | 12 | 109 | 50 | 43 | 16 |
| <i>Lamictal</i> | 290 | 148 | 50 | 92 | 412 | 210 | 71 | 131 |
| <i>Lovaza</i> | 23 | 23 | - | - | 33 | 33 | - | - |
| <i>Requip</i> | 55 | 8 | 15 | 32 | 78 | 11 | 21 | 46 |
| <i>Serevent</i> | 44 | 20 | 18 | 6 | 63 | 28 | 26 | 9 |
| <i>Seroxat/Paxil</i> | 96 | 7 | 20 | 69 | 136 | 10 | 28 | 98 |
| <i>Valtrex</i> | 57 | 9 | 12 | 36 | 81 | 13 | 17 | 51 |
| <i>Zeffix</i> | 59 | 1 | 3 | 55 | 84 | 1 | 4 | 79 |
| Other | 417 | 19 | 100 | 298 | 592 | 27 | 142 | 423 |
| | 5,874 | 2,113 | 1,401 | 2,360 | 8,342 | 3,000 | 1,990 | 3,352 |
| HIV | 1,594 | 936 | 477 | 181 | 2,263 | 1,329 | 677 | 257 |
| <i>Combivir</i> | 10 | 1 | 3 | 6 | 14 | 1 | 4 | 9 |
| <i>Epzicom/Kivexa</i> | 311 | 111 | 139 | 61 | 442 | 158 | 197 | 87 |
| <i>Lexiva/Telzir</i> | 28 | 15 | 4 | 9 | 40 | 21 | 6 | 13 |
| <i>Selzentry</i> | 60 | 30 | 23 | 7 | 85 | 43 | 33 | 9 |
| <i>Tivicay</i> | 413 | 272 | 104 | 37 | 586 | 386 | 148 | 52 |
| <i>Triumeq</i> | 737 | 486 | 194 | 57 | 1,046 | 690 | 275 | 81 |
| <i>Trizivir</i> | 9 | 2 | 5 | 2 | 13 | 3 | 7 | 3 |
| Other | 26 | 19 | 5 | 2 | 37 | 27 | 7 | 3 |
| Pharmaceuticals | 7,468 | 3,049 | 1,878 | 2,541 | 10,605 | 4,329 | 2,667 | 3,609 |

Vaccines turnover - six months ended 30 June 2016

| | Total £m | US £m | Europe £m | Inter- national £m | Total \$m | US \$m | Europe \$m | Inter- national \$m |
|---|--------------|------------|--------------|--------------------------|--------------|------------|---------------|---------------------------|
| <i>Rotarix</i> | 217 | 60 | 35 | 122 | 308 | 85 | 50 | 173 |
| <i>Synflorix</i> | 228 | - | 22 | 206 | 324 | - | 31 | 293 |
| <i>Fluarix, FluLaval</i> | 26 | - | - | 26 | 37 | - | - | 37 |
| <i>Bexsero</i> | 159 | 47 | 101 | 11 | 226 | 67 | 143 | 16 |
| <i>Menveo</i> | 89 | 56 | 18 | 15 | 126 | 80 | 26 | 20 |
| <i>Boostrix</i> | 184 | 91 | 67 | 26 | 261 | 129 | 95 | 37 |
| <i>Infanrix, Pediarix</i> | 328 | 131 | 155 | 42 | 466 | 186 | 220 | 60 |
| Hepatitis | 266 | 118 | 98 | 50 | 378 | 168 | 139 | 71 |
| <i>Priorix, Priorix Tetra, Varilrix</i> | 142 | - | 78 | 64 | 202 | - | 111 | 91 |
| <i>Cervarix</i> | 34 | 1 | 15 | 18 | 48 | 1 | 21 | 26 |
| Other | 169 | 16 | 75 | 78 | 240 | 23 | 107 | 110 |
| | 1,842 | 520 | 664 | 658 | 2,616 | 739 | 943 | 934 |

Consumer Healthcare turnover - three months ended 30 June 2016

| | Total £m | Total \$m |
|-------------|-------------|--------------|
| Wellness | 845 | 1,190 |
| Oral health | 539 | 761 |
| Nutrition | 161 | 226 |
| Skin health | 145 | 205 |
| | <hr/> | <hr/> |
| | 1,690 | 2,382 |

| | Total £m | Total \$m |
|---------------|-------------|--------------|
| US | 429 | 605 |
| Europe | 504 | 710 |
| International | 757 | 1,067 |
| | <hr/> | <hr/> |
| | 1,690 | 2,382 |

Consumer Healthcare turnover - six months ended 30 June 2016

| | Total £m | Total \$m |
|-------------|-------------|--------------|
| Wellness | 1,770 | 2,513 |
| Oral health | 1,059 | 1,504 |
| Nutrition | 337 | 478 |
| Skin health | 285 | 405 |
| | <hr/> | <hr/> |
| | 3,451 | 4,900 |

| | Total £m | Total \$m |
|---------------|-------------|--------------|
| US | 869 | 1,234 |
| Europe | 1,048 | 1,488 |
| International | 1,534 | 2,178 |
| | <hr/> | <hr/> |
| | 3,451 | 4,900 |

Balance sheet

| | 30 June 2016 £m | 30 June 2016 \$m |
|--|--------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 10,539 | 14,017 |
| Goodwill | 5,747 | 7,643 |
| Other intangible assets | 18,317 | 24,362 |
| Investments in associates and joint ventures | 232 | 309 |
| Other investments | 1,358 | 1,806 |
| Deferred tax assets | 3,545 | 4,715 |
| Other non-current assets | 1,009 | 1,342 |
| Total non-current assets | 40,747 | 54,194 |
| Current assets | | |
| Inventories | 5,494 | 7,307 |
| Current tax recoverable | 156 | 208 |
| Trade and other receivables | 5,843 | 7,771 |
| Derivative financial instruments | 598 | 795 |
| Liquid investments | 83 | 110 |
| Cash and cash equivalents | 4,590 | 6,105 |
| Assets held for sale | 116 | 154 |
| Total current assets | 16,880 | 22,450 |
| TOTAL ASSETS | 57,627 | 76,644 |
| LIABILITIES | | |
| Current liabilities | | |
| Short-term borrowings | (4,485) | (5,965) |
| Trade and other payables | (10,880) | (14,470) |
| Derivative financial instruments | (620) | (825) |
| Current tax payable | (1,139) | (1,515) |
| Short-term provisions | (983) | (1,307) |
| Total current liabilities | (18,107) | (24,082) |
| Non-current liabilities | | |
| Long-term borrowings | (15,098) | (20,080) |
| Deferred tax liabilities | (1,710) | (2,274) |
| Pensions and other post-employment benefits | (4,196) | (5,581) |
| Other provisions | (550) | (732) |
| Other non-current liabilities | (13,740) | (18,274) |
| Total non-current liabilities | (35,294) | (46,941) |
| TOTAL LIABILITIES | (53,401) | (71,023) |
| NET ASSETS | 4,226 | 5,621 |
| EQUITY | | |
| Share capital | 1,341 | 1,784 |
| Share premium account | 2,857 | 3,800 |
| Retained earnings | (6,081) | (8,088) |
| Other reserves | 2,457 | 3,268 |
| Shareholders' equity | 574 | 764 |
| Non-controlling interests | 3,652 | 4,857 |
| TOTAL EQUITY | 4,226 | 5,621 |

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