

Income statement

Three months ended 30th June 2010

	Results before major restructuring £m	Major restructuring £m	Total £m	Results before major restructuring \$m	Major restructuring \$m	Total \$m
TURNOVER	7,025	-	7,025	10,527	-	10,527
Cost of sales	(1,626)	(31)	(1,657)	(2,430)	(46)	(2,476)
Gross profit	5,399	(31)	5,368	8,097	(46)	8,051
Selling, general and administration	(3,845)	(357)	(4,202)	(5,814)	(545)	(6,359)
Research and development	(994)	(202)	(1,196)	(1,492)	(302)	(1,794)
Other operating income	81	-	81	118	-	118
OPERATING PROFIT	641	(590)	51	909	(893)	16
Finance income	19	-	19	28	-	28
Finance expense	(188)	(1)	(189)	(282)	(1)	(283)
Share of after tax profits of associates and joint ventures	22	-	22	33	-	33
PROFIT/(LOSS) BEFORE TAXATION	494	(591)	(97)	688	(894)	(206)
Taxation	(312)	157	(155)	(459)	238	(221)
PROFIT/(LOSS) AFTER TAXATION FOR THE PERIOD	182	(434)	(252)	229	(656)	(427)
Profit attributable to non-controlling interests	52	-	52	78	-	78
Profit/(loss) attributable to shareholders	130	(434)	(304)	151	(656)	(505)
	182	(434)	(252)	229	(656)	(427)
EARNINGS/(LOSS) PER SHARE	2.6p		(6.0)p	3.9¢		(9.0)¢
Diluted earnings/(loss) per share	2.5p		(5.9)p	3.8¢		(8.9)¢

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

Income statement

Six months ended 30th June 2010

	Results before major restructuring £m	Major restructuring £m	Total £m	Results before major restructuring \$m	Major restructuring \$m	Total \$m
TURNOVER	14,382	-	14,382	22,004	-	22,004
Cost of sales	(3,550)	(59)	(3,609)	(5,431)	(90)	(5,521)
Gross profit	10,832	(59)	10,773	16,573	(90)	16,483
Selling, general and administration	(6,143)	(409)	(6,552)	(9,399)	(626)	(10,025)
Research and development	(1,933)	(423)	(2,356)	(2,957)	(647)	(3,604)
Other operating income	280	-	280	428	-	428
OPERATING PROFIT	3,036	(891)	2,145	4,645	(1,363)	3,282
Finance income	36	-	36	55	-	55
Finance expense	(392)	(2)	(394)	(600)	(3)	(603)
Share of after tax profits of associates and joint ventures	47	-	47	72	-	72
PROFIT BEFORE TAXATION	2,727	(893)	1,834	4,172	(1,366)	2,806
Taxation	(930)	239	(691)	(1,423)	366	(1,057)
PROFIT AFTER TAXATION FOR THE PERIOD	1,797	(654)	1,143	2,749	(1,000)	1,749
Profit attributable to non-controlling interests	107	-	107	164	-	164
Profit attributable to shareholders	1,690	(654)	1,036	2,585	(1,000)	1,585
	1,797	(654)	1,143	2,749	(1,000)	1,749
EARNINGS PER SHARE	33.3p		20.4p	50.9¢		31.2¢
Diluted earnings per share	33.0p		20.2p	50.5¢		30.9¢

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

Turnover

Pharmaceuticals - Three months ended 30th June 2010

	Total £m	USA £m	Europe £m	Emerging Markets £m	ROW £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	ROW \$m
Respiratory	1,829	868	535	166	260	2,745	1,303	801	250	391
<i>Avamys/Veramyst</i>	57	20	21	9	7	86	30	32	13	11
<i>Flixonase/Flonase</i>	50	18	12	10	10	75	28	17	15	15
<i>Flixotide/Flovent</i>	201	109	39	12	41	301	163	58	18	62
<i>Seretide/Advair</i>	1,286	655	392	86	153	1,930	983	587	129	231
<i>Serevent</i>	52	17	24	1	10	78	25	36	2	15
<i>Ventolin</i>	134	45	35	31	23	202	69	52	46	35
<i>Zyrtec</i>	20	-	-	4	16	30	-	-	6	24
Anti-virals	286	118	26	59	83	427	176	39	89	123
<i>Hepsera</i>	34	-	-	15	19	51	-	-	22	29
<i>Relenza</i>	8	5	2	-	1	10	6	3	-	1
<i>Valtrex</i>	165	94	16	8	47	247	140	24	12	71
<i>Zeffix</i>	62	4	6	36	16	93	6	9	54	24
Central nervous system	450	131	137	53	129	676	197	205	80	194
<i>Imigran/Imitrex</i>	52	18	21	2	11	78	26	32	3	17
<i>Lamictal</i>	123	60	37	14	12	185	90	55	21	19
<i>Requip</i>	60	11	36	1	12	90	16	54	2	18
<i>Seroxat/Paxil</i>	133	12	22	20	79	201	18	33	31	119
<i>Treximet</i>	16	15	-	-	1	24	22	-	-	2
<i>Wellbutrin</i>	21	5	9	3	4	32	8	14	4	6
Cardiovascular and urogenital	654	403	154	36	61	984	606	232	54	92
<i>Arixtra</i>	79	46	27	2	4	119	69	41	3	6
<i>Avodart</i>	157	88	44	9	16	236	132	67	13	24
<i>Coreg</i>	44	44	-	-	-	66	66	-	-	-
<i>Fraxiparine</i>	57	-	39	14	4	86	-	59	21	6
<i>Lovaza</i>	138	138	-	-	-	208	208	-	-	-
<i>Vesicare</i>	30	30	-	-	-	45	45	-	-	-
<i>Volibris</i>	10	-	9	-	1	15	-	14	-	1
Metabolic	213	77	55	31	50	319	115	83	47	74
<i>Avandia products</i>	152	75	34	18	25	227	112	51	27	37
<i>Bonviva/Boniva</i>	20	-	17	1	2	30	-	25	2	3
Anti-bacterials	337	21	120	153	43	505	32	179	229	65
<i>Augmentin</i>	144	2	53	69	20	215	2	79	104	30
Oncology and emesis	175	94	47	16	18	262	141	70	24	27
<i>Arzerra</i>	8	7	-	-	1	12	10	-	-	2
<i>Hycamtin</i>	40	24	12	2	2	60	36	18	3	3
<i>Promacta</i>	8	7	1	-	-	12	10	2	-	-
<i>Tyverb/Tykerb</i>	56	18	22	7	9	84	27	33	10	14
<i>Votrient</i>	8	8	-	-	-	12	12	-	-	-
Vaccines	939	143	365	179	252	1,395	214	540	266	375
<i>Boostrix</i>	43	26	11	1	5	65	39	17	1	8
<i>Cervarix</i>	50	6	21	6	17	74	9	31	9	25
<i>Fluarix, FluLaval</i>	-	-	-	1	(1)	-	-	-	2	(2)
<i>Flu Pandemic</i>	275	-	92	43	140	400	-	132	61	207
<i>Hepatitis</i>	170	62	63	25	20	255	93	95	38	29
<i>Infanrix, Pediarix</i>	176	40	109	11	16	264	60	164	16	24
<i>Rotarix</i>	39	9	8	20	2	58	13	12	30	3
<i>Synflorix</i>	38	-	14	14	10	57	-	21	21	15
Dermatologicals	262	74	63	69	56	392	111	94	103	84
<i>Bactroban</i>	30	14	7	7	2	45	21	11	10	3
<i>Dermovate</i>	19	-	5	7	7	29	-	8	10	11
<i>Duac</i>	29	15	6	2	6	44	22	9	4	9
<i>Soriatane</i>	17	17	-	-	-	26	26	-	-	-
<i>Zovirax</i>	33	5	7	8	13	49	8	10	12	19
Other	239	6	78	86	69	359	9	117	129	104
	5,384	1,935	1,580	848	1,021	8,064	2,904	2,360	1,271	1,529
ViiV Healthcare (HIV)	389	176	145	19	49	584	264	217	29	74
<i>Combivir</i>	86	39	30	7	10	129	59	44	11	15
<i>Epivir</i>	27	10	10	2	5	40	15	15	3	7
<i>Epzicom/Kivexa</i>	140	57	61	6	16	211	86	91	10	24
<i>Lexiva</i>	39	20	13	2	4	58	30	20	3	5
<i>Selzentry</i>	19	9	9	1	-	28	13	13	2	-
<i>Trizivir</i>	36	19	14	-	3	54	28	21	-	5
	5,773					8,648				

Pharmaceutical turnover includes co-promotion income. US dollar amounts shown above are a convenience translation of the sterling amounts.

Turnover

Pharmaceuticals - Six months ended 30th June 2010

	Total £m	USA £m	Europe £m	Emerging Markets £m	ROW £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	ROW \$m
Respiratory	3,595	1,673	1,104	309	509	5,500	2,559	1,689	473	779
<i>Avamys/Veramyst</i>	103	37	34	14	18	158	57	52	21	28
<i>Flixonase/Flonase</i>	95	24	22	19	30	145	37	33	29	46
<i>Flixotide/Flovent</i>	397	208	84	26	79	607	318	128	40	121
<i>Seretide/Advair</i>	2,550	1,285	815	166	284	3,902	1,966	1,247	254	435
<i>Serevent</i>	103	33	50	1	19	158	50	77	2	29
<i>Ventolin</i>	250	80	72	55	43	383	123	110	84	66
<i>Zyrtec</i>	40	-	-	6	34	61	-	-	9	52
Anti-virals	644	272	61	106	205	985	416	93	162	314
<i>Hepsera</i>	63	-	-	27	36	96	-	-	41	55
<i>Relenza</i>	92	35	4	1	52	141	53	6	2	80
<i>Valtrex</i>	341	201	39	13	88	522	307	60	20	135
<i>Zeffix</i>	114	7	13	65	29	174	11	20	99	44
Central nervous system	867	267	277	98	225	1,327	409	424	150	344
<i>Imigran/Imitrex</i>	109	42	43	3	21	167	64	66	5	32
<i>Lamictal</i>	243	121	74	26	22	372	185	113	40	34
<i>Requip</i>	115	21	72	1	21	176	32	110	2	32
<i>Seroxat/Paxil</i>	239	22	44	35	138	366	34	67	54	211
<i>Treximet</i>	29	28	-	-	1	44	42	-	-	2
<i>Wellbutrin</i>	41	13	18	6	4	63	20	28	9	6
Cardiovascular and urogenital	1,224	740	307	64	113	1,873	1,132	470	98	173
<i>Arixtra</i>	149	85	53	4	7	228	130	81	6	11
<i>Avodart</i>	296	164	84	16	32	453	251	129	24	49
<i>Coreg</i>	86	86	-	-	-	132	132	-	-	-
<i>Fraxiparine</i>	113	-	82	25	6	173	-	126	38	9
<i>Lovaza</i>	245	245	-	-	-	375	375	-	-	-
<i>Vesicare</i>	55	55	-	-	-	84	84	-	-	-
<i>Volibris</i>	19	-	17	-	2	29	-	26	-	3
Metabolic	443	166	116	62	99	678	254	178	95	151
<i>Avandia products</i>	321	164	72	37	48	491	251	110	57	73
<i>Bonviva/Boniva</i>	43	-	37	1	5	66	-	56	2	8
Anti-bacterials	693	45	262	299	87	1,060	69	401	457	133
<i>Augmentin</i>	304	10	116	139	39	465	15	177	213	60
Oncology and emesis	344	186	97	28	33	526	285	148	43	50
<i>Arzerra</i>	13	12	-	-	1	20	18	-	-	2
<i>Hycamtin</i>	80	48	25	4	3	122	73	38	6	5
<i>Promacta</i>	14	13	1	-	-	21	19	2	-	-
<i>Tyverb/Tykerb</i>	109	35	46	12	16	167	54	70	18	25
<i>Votrient</i>	13	13	-	-	-	20	20	-	-	-
Vaccines	2,350	314	978	451	607	3,596	481	1,496	690	929
<i>Boostrix</i>	73	41	20	3	9	112	63	31	4	14
<i>Cervarix</i>	127	8	80	10	29	194	12	123	15	44
<i>Fluarix, FluLaval</i>	5	1	-	1	3	8	2	-	2	4
<i>Flu Pandemic</i>	973	-	396	195	382	1,489	-	606	298	585
<i>Hepatitis</i>	367	154	124	45	44	562	236	190	69	67
<i>Infanrix, Pediarix</i>	342	72	213	21	36	523	110	326	32	55
<i>Rotarix</i>	104	36	21	37	10	159	55	32	57	15
<i>Synflorix</i>	83	-	26	40	17	127	-	40	61	26
Dermatologicals	527	171	125	131	100	806	262	191	200	153
<i>Bactroban</i>	57	25	13	13	6	87	38	20	20	9
<i>Dermovate</i>	34	-	9	12	13	52	-	14	18	20
<i>Duac</i>	56	32	12	5	7	86	49	18	8	11
<i>Soriatane</i>	35	35	-	-	-	54	54	-	-	-
<i>Zovirax</i>	82	31	14	14	23	125	48	21	21	35
Other	450	10	146	166	128	688	15	223	254	196
	11,137	3,844	3,473	1,714	2,106	17,039	5,882	5,313	2,622	3,222
ViiV Healthcare (HIV)	762	335	304	37	86	1,166	512	465	57	132
<i>Combivir</i>	168	73	63	13	19	257	112	96	20	29
<i>Epivir</i>	55	20	20	5	10	84	31	31	7	15
<i>Epzicom/Kivexa</i>	271	105	125	8	33	415	161	191	12	51
<i>Lexiva</i>	80	41	28	4	7	122	63	43	6	10
<i>Selzentry</i>	38	17	20	1	-	58	26	30	2	-
<i>Trizivir</i>	74	38	31	1	4	113	58	47	2	6
	11,899					18,205				

Pharmaceutical turnover includes co-promotion income. US dollar amounts shown above are a convenience translation of the sterling amounts.

Turnover

Consumer Healthcare Three months ended 30th June 2010

	Total £m	Total \$m
Over-the-counter medicines	593	888
Oral healthcare	410	616
Nutritional healthcare	249	375
	<u>1,252</u>	<u>1,879</u>

	Total £m	Total \$m
USA	263	395
Europe	493	741
Rest of World	496	743
	<u>1,252</u>	<u>1,879</u>

Turnover

Consumer Healthcare Six months ended 30th June 2010

	Total £m	Total \$m
Over-the-counter medicines	1,210	1,851
Oral healthcare	791	1,210
Nutritional healthcare	482	738
	<u>2,483</u>	<u>3,799</u>

	Total £m	Total \$m
USA	509	779
Europe	964	1,475
Rest of World	1,010	1,545
	<u>2,483</u>	<u>3,799</u>

Balance sheet

	30th June 2010 £m	30th June 2010 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	9,180	13,770
Goodwill	3,545	5,318
Other intangible assets	8,378	12,567
Investments in associates and joint ventures	1,071	1,607
Other investments	495	742
Deferred tax assets	2,639	3,958
Derivative financial instruments	106	159
Other non-current assets	560	840
Total non-current assets	25,974	38,961
Current assets		
Inventories	4,070	6,105
Current tax recoverable	42	63
Trade and other receivables	6,015	9,023
Derivative financial instruments	134	201
Liquid investments	225	338
Cash and cash equivalents	6,574	9,861
Assets held for sale	19	28
Total current assets	17,079	25,619
TOTAL ASSETS	43,053	64,580
LIABILITIES		
Current liabilities		
Short-term borrowings	(453)	(680)
Trade and other payables	(6,568)	(9,852)
Derivative financial instruments	(209)	(313)
Current tax payable	(1,347)	(2,020)
Short-term provisions	(3,425)	(5,138)
Total current liabilities	(12,002)	(18,003)
Non-current liabilities		
Long-term borrowings	(14,848)	(22,272)
Deferred tax liabilities	(668)	(1,002)
Pensions and other post-employment benefits	(3,773)	(5,660)
Other provisions	(1,618)	(2,427)
Derivative financial instruments	(6)	(9)
Other non-current liabilities	(594)	(891)
Total non-current liabilities	(21,507)	(32,261)
TOTAL LIABILITIES	(33,509)	(50,264)
NET ASSETS	9,544	14,316
EQUITY		
Share capital	1,417	2,126
Share premium account	1,388	2,082
Retained earnings	4,914	7,371
Other reserves	1,050	1,575
Shareholders' equity	8,769	13,154
Non-controlling interests	775	1,162
TOTAL EQUITY	9,544	14,316

US dollar amounts shown above are a convenience transaction of the sterling amounts using the period end rate of £1/\$1.50.