

Income statement

Three months ended 30th June 2010

	Total Q2 2010 £m	Total Q2 2009 £m	Growth CER%	Growth £%
TURNOVER	7,025	6,747	-	4
Cost of sales	(1,657)	(1,692)	4	2
Gross profit	5,368	5,055	2	6
Selling, general and administration	(4,202)	(2,292)	82	(83)
Research and development	(1,196)	(973)	21	(23)
Other operating income	81	405		
OPERATING PROFIT	51	2,195	(106)	(98)
Finance income	19	18		
Finance expense	(189)	(168)		
Profit on disposal of interest in associate	22	17		
Share of after tax profits of associates and joint ventures	(97)	2,062		
PROFIT BEFORE TAXATION	(155)	(601)	(114)	(105)
Taxation	(159.8%)	29.1%		
<i>Tax rate %</i>	(252)	1,461		
PROFIT AFTER TAXATION FOR THE PERIOD	(252)	1,461	(125)	(117)
Profit attributable to non-controlling interests	52	26		
Profit attributable to shareholders	(304)	1,435		
	(252)	1,461		
EARNINGS PER SHARE	(6.0)p	28.3p	(129)	(121)
Diluted earnings per share	(5.9)p	28.1p		

Income statement

Six months ended 30th June 2010

	Total H1 2010 £m	Total H1 2009 £m	Growth CER%	Growth £%
TURNOVER	14,382	13,516	7	6
Cost of sales	(3,609)	(3,479)	4	4
Gross profit	10,773	10,037	8	7
Selling, general and administration	(6,552)	(4,492)	50	46
Research and development	(2,356)	(2,097)	13	12
Other operating income	280	459		
OPERATING PROFIT	2,145	3,907	(50)	(45)
Finance income	36	46		
Finance expense	(394)	(371)		
Profit on disposal of interest in associate		115		
Share of after tax profits of associates and joint ventures	47	31		
PROFIT BEFORE TAXATION	1,834	3,728	(56)	(51)
Taxation	(691)	(1,098)		
<i>Tax rate %</i>	37.7%	29.5%		
PROFIT AFTER TAXATION FOR THE PERIOD	1,143	2,630	(61)	(57)
Profit attributable to non-controlling interests	107	64		
Profit attributable to shareholders	1,036	2,566		
	1,143	2,630		
EARNINGS PER SHARE	20.4p	50.6p	(65)	(60)
Diluted earnings per share	20.2p	50.3p		

Consumer Healthcare turnover

Three months ended 30th June 2010

			Total
	£m	CER%	AR%
Over-the-counter medicines	593	(2)	3
Oral healthcare	410	9	12
Nutritional healthcare	249	6	10
	<u>1,252</u>	<u>3</u>	<u>7</u>

			Total
	£m	CER%	AR%
USA	263	-	4
Europe	493	(2)	(3)
Rest of World	496	11	22
	<u>1,252</u>	<u>3</u>	<u>7</u>

Consumer Healthcare turnover

Six months ended 30th June 2010

			Total
	£m	CER%	AR%
Over-the-counter medicines	1,210	4	5
Oral healthcare	791	7	8
Nutritional healthcare	482	9	10
	<u>2,483</u>	<u>6</u>	<u>7</u>

			Total
	£m	CER%	AR%
USA	509	1	(1)
Europe	964	3	2
Rest of World	1,010	12	17
	<u>2,483</u>	<u>6</u>	<u>7</u>

Pharmaceuticals turnover
Three months ended 30th June 2010

	Total			USA			Europe			Emerging Markets			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
Respiratory	1,829	2	5	868	1	5	535	(1)	(3)	166	19	25	260	2	15
<i>Avamys/Veramyst</i>	57	19	21	20	11	11	21	31	31	9	>100	>100	7	(30)	(30)
<i>Flixonase/Flonase</i>	50	21	28	18	>100	>100	12	-	-	10	10	-	10	(33)	11
<i>Flixotide/Flovent</i>	201	1	6	109	8	12	39	(9)	(9)	12	50	50	41	(15)	-
<i>Seretide/Advair</i>	1,286	-	3	655	(3)	1	392	-	(2)	86	12	18	153	10	24
<i>Serevent</i>	52	(14)	(12)	17	(6)	(6)	24	(17)	(17)	1	-	-	10	(18)	(9)
<i>Ventolin</i>	134	16	20	45	38	41	35	3	(3)	31	25	29	23	(5)	15
<i>Zyrtec</i>	20	6	18	-	-	-	-	-	-	4	33	33	16	-	14
Anti-virals	286	(50)	(47)	118	(66)	(64)	26	(64)	(64)	59	10	13	83	(14)	(2)
<i>Hepsera</i>	34	7	17	-	-	-	-	-	-	15	8	15	19	6	19
<i>Relenza</i>	8	(97)	(87)	5	(84)	(74)	2	(96)	(92)	-	-	(100)	1	-	(92)
<i>Valtrex</i>	165	(59)	(56)	94	(69)	(68)	16	(59)	(59)	8	33	33	47	2	9
<i>Zeffix</i>	62	7	13	4	(40)	(20)	6	(13)	(25)	36	21	24	16	8	23
Central nervous system	450	(4)	-	131	(11)	(8)	137	(3)	(5)	53	11	13	129	(1)	11
<i>Imigran/Imitrex</i>	52	(25)	(24)	18	(45)	(45)	21	(9)	(9)	2	100	100	11	(9)	-
<i>Lamictal</i>	123	15	19	60	29	33	37	(3)	(3)	14	17	17	12	13	50
<i>Requip</i>	60	16	18	11	83	83	36	6	3	1	-	-	12	11	33
<i>Seroxat/Paxil</i>	133	(9)	(4)	12	(8)	(8)	22	(15)	(19)	20	(14)	(5)	79	(5)	3
<i>Treximet</i>	16	17	33	15	25	25	-	-	-	-	-	-	1	-	-
<i>Wellbutrin</i>	21	(33)	(30)	5	(70)	(75)	9	43	29	3	-	50	4	100	>100
Cardiovascular and urogenital	654	10	13	403	8	12	154	8	6	36	26	33	61	19	27
<i>Arixtra</i>	79	28	30	46	36	39	27	22	17	2	-	-	4	-	33
<i>Avodart</i>	157	14	17	88	2	6	44	19	19	9	60	80	16	78	78
<i>Coreg</i>	44	(16)	(14)	44	(16)	(12)	-	-	-	-	-	-	-	-	-
<i>Fraxiparine</i>	57	(3)	(2)	-	-	-	39	(7)	(9)	14	40	40	4	(60)	(20)
<i>Lovaza</i>	138	29	33	138	29	33	-	-	-	-	-	-	-	-	-
<i>Vesicare</i>	30	12	15	30	12	15	-	-	-	-	-	-	-	-	-
<i>Volibris</i>	10	>100	>100	-	-	-	9	>100	>100	-	-	-	1	-	-
Metabolic	213	(33)	(30)	77	(51)	(48)	55	(23)	(23)	31	(9)	(3)	50	(8)	(2)
<i>Avandia products</i>	152	(26)	(23)	75	(33)	(30)	34	(22)	(26)	18	(14)	(14)	25	(13)	4
<i>Bonviva/Boniva</i>	20	(70)	(70)	-	-	-	17	(22)	(26)	1	-	-	2	-	100
Anti-bacterials	337	(4)	(3)	21	(29)	(25)	120	(12)	(14)	153	8	12	43	(2)	2
<i>Augmentin</i>	144	(3)	(1)	2	(91)	(82)	53	(13)	(13)	69	15	17	20	33	33
Oncology and emesis	175	2	5	94	2	7	47	(4)	(6)	16	-	14	18	21	29
<i>Arzerra</i>	8	-	-	7	-	-	-	-	-	-	-	-	1	-	-
<i>Hycamtin</i>	40	(12)	(7)	24	(4)	-	12	(20)	(20)	2	-	-	2	(50)	-
<i>Promacta</i>	8	>100	>100	7	>100	>100	1	-	-	-	-	-	-	-	-
<i>Tyverb/Tykerb</i>	56	32	37	18	-	6	22	28	22	7	17	17	9	-	-
<i>Votrient</i>	8	-	-	8	-	-	-	-	-	-	-	-	-	-	-
Vaccines	939	17	24	143	(31)	(27)	365	14	14	179	18	23	252	>100	>100
<i>Boostrix</i>	43	8	10	26	19	24	11	10	10	1	(80)	(80)	5	67	67
<i>Cervarix</i>	50	(33)	(32)	6	-	-	21	(65)	(67)	6	50	50	17	>100	>100
<i>Fluarix, FluLaval</i>	-	-	-	-	-	-	-	-	-	1	(89)	(89)	(1)	-	-
<i>Flu Pandemic</i>	275	>100	>100	-	-	-	92	>100	>100	43	-	-	140	-	-
<i>Hepatitis</i>	170	(16)	(13)	62	(33)	(29)	63	(13)	(13)	25	9	14	20	29	43
<i>Infanrix, Pediarix</i>	176	14	14	40	3	5	109	22	20	11	11	22	16	(6)	-
<i>Rotarix</i>	39	(49)	(45)	9	(64)	(59)	8	(42)	(33)	20	(34)	(31)	2	(75)	(75)
<i>Synflorix</i>	38	>100	>100	-	-	-	14	40	40	14	-	-	10	>100	>100
Dermatologicals	262	>100	>100	74	>100	>100	63	>100	>100	69	74	82	56	76	93
<i>Bactroban</i>	30	(6)	(6)	14	(13)	(7)	7	-	-	7	14	-	2	(33)	(33)
<i>Dermovate</i>	19	-	-	-	-	-	5	-	-	7	-	-	7	-	-
<i>Duac</i>	29	-	-	15	-	-	6	-	-	2	-	-	6	-	-
<i>Soriatane</i>	17	-	-	17	-	-	-	-	-	-	-	-	-	-	-
<i>Zovirax</i>	33	(6)	-	5	25	25	7	(13)	(13)	8	-	14	13	(14)	(7)
Other	239	12	15	6	>100	>100	78	26	18	86	24	26	69	(17)	(4)
	5,384	-	4	1,935	(13)	(10)	1,58	1	(1)	848	17	22	1,021	16	31
ViiV Healthcare (HIV)	389	1	3	176	3	7	145	(4)	(6)	19	(17)	(17)	49	24	32
<i>Combivir</i>	86	(18)	(16)	39	(16)	(11)	30	(19)	(19)	7	(36)	(36)	10	-	-
<i>Epivir</i>	27	(13)	(13)	10	(9)	(9)	10	(17)	(17)	2	(33)	(33)	5	-	-
<i>Epzicom/Kivexa</i>	140	8	9	57	10	14	61	5	3	6	50	50	16	-	7
<i>Lexiva</i>	39	(12)	(9)	20	(17)	(13)	13	(13)	(19)	2	50	-	4	-	100
<i>Selzentry</i>	19	-	-	9	-	-	9	-	-	1	-	-	-	-	-
<i>Trizivir</i>	36	(29)	(27)	19	(24)	(24)	14	(25)	(30)	-	-	-	3	(100)	(25)
	5,773	-	3												

Pharmaceutical turnover includes co-promotion income

Pharmaceuticals turnover
Six months ended 30th June 2010

	Total			USA			Europe			Emerging Markets			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
Respiratory	3,595	4	4	1,673	2	-	1,104	3	1	309	24	25	509	4	12
<i>Avamys/Veramyst</i>	103	32	32	37	-	(3)	34	40	36	14	>100	>100	18	55	64
<i>Flixonase/Flonase</i>	95	(12)	(12)	24	33	33	22	(8)	(8)	19	11	6	30	(40)	(38)
<i>Flixotide/Flovent</i>	397	3	3	208	8	6	84	(8)	(8)	26	63	63	79	(10)	(2)
<i>Seretide/Advair</i>	2,550	4	4	1,285	1	(1)	815	5	3	166	20	20	284	16	26
<i>Serevent</i>	103	(15)	(15)	33	(8)	(11)	50	(17)	(17)	1	(50)	(50)	19	(18)	(14)
<i>Ventolin</i>	250	9	10	80	17	14	72	1	(1)	55	20	20	43	(3)	10
<i>Zyrtec</i>	40	11	14	-	-	-	-	-	-	6	50	50	34	6	10
Anti-virals	644	(47)	(46)	272	(55)	(56)	61	(74)	(74)	106	9	7	205	(23)	(19)
<i>Hepsera</i>	63	9	13	-	-	-	-	-	-	27	4	4	36	13	20
<i>Relenza</i>	92	(68)	(67)	35	20	17	4	(97)	(97)	1	(75)	(75)	52	(57)	(54)
<i>Valtrex</i>	341	(53)	(53)	201	(63)	(63)	39	(51)	(52)	13	17	8	88	1	7
<i>Zeffix</i>	114	6	6	7	(22)	(22)	13	(7)	(13)	65	16	14	29	-	7
Central nervous system	867	(8)	(9)	267	(24)	(25)	277	(2)	(4)	98	12	10	225	1	6
<i>Imigran/Imitrex</i>	109	(17)	(17)	42	(30)	(31)	43	(10)	(10)	3	50	50	21	(5)	-
<i>Lamictal</i>	243	-	(2)	121	(5)	(8)	74	(3)	(4)	26	12	4	22	36	57
<i>Requip</i>	115	15	14	21	57	50	72	9	7	1	-	-	21	5	11
<i>Seroxat/Paxil</i>	239	(10)	(9)	22	(19)	(19)	44	(18)	(20)	35	(8)	(8)	138	(6)	(4)
<i>Treximet</i>	29	12	12	28	12	8	-	-	-	-	-	-	1	-	-
<i>Wellbutrin</i>	41	(56)	(56)	13	(81)	(82)	18	46	38	6	25	50	4	-	33
Cardiovascular and urogenital	1,224	10	8	740	7	5	307	10	7	64	25	25	113	20	26
<i>Arixtra</i>	149	27	24	85	32	29	53	22	18	4	33	33	7	-	17
<i>Avodart</i>	296	17	16	164	7	5	84	18	15	16	60	60	32	82	88
<i>Coreg</i>	86	(14)	(16)	86	(14)	(15)	-	-	-	-	-	-	-	-	-
<i>Fraxiparine</i>	113	-	-	-	-	-	82	(3)	(5)	25	32	32	6	(38)	(25)
<i>Lovaza</i>	245	19	17	245	19	17	-	-	-	-	-	-	-	-	-
<i>Vesicare</i>	55	12	10	55	12	10	-	-	-	-	-	-	-	-	-
<i>Volibris</i>	19	>100	>100	-	-	-	17	>100	>100	-	-	-	2	-	-
Metabolic	443	(26)	(26)	166	(43)	(44)	116	(15)	(17)	62	3	3	99	(4)	-
<i>Avandia products</i>	321	(18)	(19)	164	(23)	(25)	72	(17)	(19)	37	(5)	(5)	48	(6)	-
<i>Bonviva/Boniva</i>	43	(66)	(66)	-	-	-	37	(14)	(16)	1	-	-	5	-	-
Anti-bacterials	693	(5)	(6)	45	(19)	(21)	262	(17)	(19)	299	10	8	87	2	6
<i>Augmentin</i>	304	(7)	(8)	10	(63)	(63)	116	(19)	(20)	139	13	10	39	15	15
Oncology and emesis	344	12	11	186	20	18	97	(2)	(4)	28	4	8	33	24	32
<i>Arzerra</i>	13	-	-	12	-	-	-	-	-	-	-	-	1	-	-
<i>Hycamtin</i>	80	(6)	(7)	48	(2)	(4)	25	(13)	(17)	4	33	33	3	(33)	-
<i>Promacta</i>	14	>100	>100	13	>100	>100	1	-	-	-	-	-	-	-	-
<i>Tyverb/Tykerb</i>	109	45	45	35	29	25	46	34	31	12	33	33	16	>100	>100
<i>Votrient</i>	13	-	-	13	-	-	-	-	-	-	-	-	-	-	-
Vaccines	2,350	70	70	314	2	-	978	64	61	451	66	63	607	>100	>100
<i>Boostrix</i>	73	12	12	41	31	28	20	17	11	3	(50)	(50)	9	(22)	-
<i>Cervarix</i>	127	4	5	8	-	-	80	(21)	(22)	10	-	-	29	>100	>100
<i>Fluarix, FluLaval</i>	5	(82)	(77)	1	(80)	(80)	-	-	-	1	(93)	(93)	3	(33)	-
<i>Flu Pandemic</i>	973	>100	>100	-	-	-	396	>100	>100	195	-	-	382	>100	>100
<i>Hepatitis</i>	367	7	7	154	14	11	124	(6)	(7)	45	13	13	44	25	38
<i>Infanrix, Pediarix</i>	342	5	4	72	(5)	(6)	213	9	7	21	-	-	36	3	16
<i>Rotarix</i>	104	(19)	(19)	36	-	(3)	21	(16)	(16)	37	(30)	(30)	10	(31)	(23)
<i>Synflorix</i>	83	>100	>100	-	-	-	26	>100	>100	40	-	-	17	>100	>100
Dermatologicals	527	>100	>100	171	>100	>100	125	>100	>100	131	74	77	100	84	96
<i>Bactroban</i>	57	(6)	(8)	25	(17)	(17)	13	-	-	13	-	(7)	6	20	20
<i>Dermovate</i>	34	-	-	-	-	-	9	-	-	12	-	-	13	-	-
<i>Duac</i>	56	-	-	32	-	-	12	-	-	5	-	-	7	-	-
<i>Soriatane</i>	35	-	-	35	-	-	-	-	-	-	-	-	-	-	-
<i>Zovirax</i>	82	27	28	31	>100	>100	14	(13)	(13)	14	-	8	23	(15)	(12)
Other	450	16	16	10	43	43	146	25	21	166	27	27	128	(5)	(1)
	11,137	7	7	3,844	(7)	(9)	3,473	9	7	1,714	30	29	2,106	26	33
ViiV Healthcare (HIV)	762	(3)	(5)	335	(5)	(7)	304	(3)	(6)	37	(10)	(12)	86	9	16
<i>Combivir</i>	168	(21)	(21)	73	(24)	(25)	63	(18)	(19)	13	(38)	(38)	19	6	6
<i>Epivir</i>	55	(14)	(15)	20	(13)	(17)	20	(19)	(23)	5	-	-	10	(10)	-
<i>Epzicom/Kivexa</i>	271	3	2	105	(1)	(3)	125	6	3	8	14	14	33	7	14
<i>Lexiva</i>	80	(10)	(12)	41	(16)	(18)	28	(12)	(15)	4	67	33	7	20	40
<i>Selzentry</i>	38	-	-	17	-	-	20	-	-	1	-	-	-	-	-
<i>Trizivir</i>	74	(28)	(30)	38	(29)	(31)	31	(27)	(30)	1	100	-	4	(40)	(20)
	11,899	7	6												

Pharmaceutical turnover includes co-promotion income