

Income statement

Three months ended 30th June 2011

	Results before major restructuring £m	Major restructuring £m	Total £m	Results before major restructuring \$m	Major restructuring \$m	Total \$m
TURNOVER	6,720		6,720	11,018		11,018
Cost of sales	(1,625)	(19)	(1,644)	(2,668)	(31)	(2,699)
Gross profit	5,095	(19)	5,076	8,350	(31)	8,319
Selling, general and administration	(2,244)	(101)	(2,345)	(3,677)	(165)	(3,842)
Research and development	(944)	(71)	(1,015)	(1,547)	(116)	(1,663)
Other operating income	62		62	107		107
OPERATING PROFIT	1,969	(191)	1,778	3,233	(312)	2,921
Finance income	23		23	38		38
Finance expense	(211)		(211)	(345)		(345)
Profit on disposal of interest in associate	-		-	12		12
Share of after tax profits of associates and joint ventures	2		2	3		3
PROFIT BEFORE TAXATION	1,783	(191)	1,592	2,941	(312)	2,629
Taxation	(475)	30	(445)	(788)	50	(738)
PROFIT AFTER TAXATION FOR THE PERIOD	1,308	(161)	1,147	2,153	(262)	1,891
Profit attributable to non-controlling interests	41		41	67		67
Profit attributable to shareholders	1,267	(161)	1,106	2,086	(262)	1,824
	1,308	(161)	1,147	2,153	(262)	1,891
EARNINGS PER SHARE	25.0p		21.8p	41.0¢		35.8¢
Diluted earnings per share	24.7p		21.6p	40.5¢		35.4¢

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

Income statement

Six months ended 30th June 2011

	Results before major restructuring £m	Major restructuring £m	Total £m	Results before major restructuring \$m	Major restructuring \$m	Total \$m
TURNOVER	13,305		13,305	21,554		21,554
Cost of sales	(3,405)	(34)	(3,439)	(5,516)	(55)	(5,571)
Gross profit	9,900	(34)	9,866	16,038	(55)	15,983
Selling, general and administration	(4,298)	(204)	(4,502)	(6,963)	(330)	(7,293)
Research and development	(1,842)	(88)	(1,930)	(2,984)	(143)	(3,127)
Other operating income	379		379	614		614
OPERATING PROFIT	4,139	(326)	3,813	6,705	(528)	6,177
Finance income	42		42	68		68
Finance expense	(404)		(404)	(654)		(654)
Profit on disposal of interest in associate	584		584	946		946
Share of after tax profits of associates and joint ventures	21		21	34		34
PROFIT BEFORE TAXATION	4,382	(326)	4,056	7,099	(528)	6,571
Taxation	(1,376)	51	(1,325)	(2,229)	83	(2,146)
PROFIT AFTER TAXATION FOR THE PERIOD	3,006	(275)	2,731	4,870	(445)	4,425
Profit attributable to non-controlling interests	100		100	162		162
Profit attributable to shareholders	2,906	(275)	2,631	4,708	(445)	4,263
	3,006	(275)	2,731	4,870	(445)	4,425
EARNINGS PER SHARE	57.3p		51.8p	92.8¢		83.9¢
Diluted earnings per share	56.6p		51.2p	91.7¢		82.9¢

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

Turnover

Pharmaceuticals - Three months ended 30th June 2011

	Total £m	USA £m	Europe £m	Emerging Markets £m	ROW £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	ROW \$m
Respiratory	1,812	808	552	165	287	2,972	1,325	905	270	472
<i>Avamys/Veramyst</i>	64	17	22	13	12	105	28	36	21	20
<i>Flixonase/Flonase</i>	31	1	11	12	7	51	2	18	19	12
<i>Flixotide/Flovent</i>	196	106	39	11	40	322	174	64	18	66
<i>Seretide/Advair</i>	1,270	614	407	81	168	2,082	1,006	668	132	276
<i>Serevent</i>	43	12	22	-	9	71	20	36	-	15
<i>Ventolin</i>	149	57	35	30	27	244	93	57	49	45
<i>Xyzal</i>	15	-	-	2	13	25	-	-	4	21
<i>Zyrtec</i>	20	-	-	4	16	33	-	-	7	26
Anti-virals	209	39	22	61	87	342	64	36	100	142
<i>Hepsera</i>	30	-	-	13	17	49	-	-	21	28
<i>Relenza</i>	12	-	-	-	12	20	-	-	-	20
<i>Valtrex</i>	86	22	13	8	43	141	36	21	13	71
<i>Zeffix</i>	62	3	6	40	13	101	5	10	65	21
Central nervous system	421	110	123	57	131	690	181	202	93	214
<i>Imigran/Imitrex</i>	51	20	19	1	11	83	33	31	1	18
<i>Keppra</i>	12	-	1	7	4	19	-	2	11	6
<i>Lamictal</i>	128	66	33	13	16	210	108	54	22	26
<i>Requip</i>	57	10	32	2	13	93	16	53	3	21
<i>Seroxat/Paxil</i>	107	(4)	17	18	76	175	(7)	28	30	124
<i>Treximet</i>	14	14	-	-	-	23	23	-	-	-
<i>Wellbutrin</i>	23	5	12	3	3	38	8	20	5	5
Cardiovascular and urogenital	706	410	169	43	84	1,156	671	277	70	138
<i>Arixtra</i>	75	41	26	3	5	123	67	43	5	8
<i>Avodart</i>	188	87	55	10	36	307	142	90	16	59
<i>Coreg</i>	39	38	-	-	1	64	62	-	-	2
<i>Fraxiparine</i>	60	-	42	17	1	99	-	69	28	2
<i>Lovaza</i>	145	144	-	-	1	238	237	-	-	1
<i>Vesicare</i>	33	33	-	-	-	54	54	-	-	-
<i>Volibris</i>	22	-	17	1	4	36	-	28	1	7
Metabolic	85	20	17	15	33	140	33	28	25	54
<i>Avandia products</i>	26	20	(2)	2	6	42	32	(3)	3	10
<i>Bonviva/Boniva</i>	18	-	14	-	4	29	-	23	-	6
Anti-bacterials	333	16	122	151	44	547	27	200	248	72
<i>Augmentin</i>	142	(1)	56	68	19	234	(2)	92	112	32
Oncology and emesis	165	57	64	18	26	270	94	105	29	42
<i>Arzerra</i>	11	7	3	-	1	18	11	5	-	2
<i>Hycamtin</i>	13	-	10	1	2	22	-	17	2	3
<i>Promacta</i>	17	8	5	1	3	28	13	8	2	5
<i>Tyverb/Tykerb</i>	59	15	27	9	8	97	24	45	15	13
<i>Votrient</i>	22	12	8	1	1	36	19	13	2	2
Vaccines	787	178	275	195	139	1,290	291	450	320	229
<i>Boostrix</i>	53	27	12	3	11	87	44	20	5	18
<i>Cervarix</i>	65	2	14	6	43	108	3	23	10	72
<i>Fluarix, FluLaval</i>	8	5	(2)	3	2	14	8	(3)	5	4
<i>Flu Pandemic</i>	4	-	4	-	-	7	-	7	-	-
<i>Hepatitis</i>	191	82	64	23	22	312	134	105	37	36
<i>Infanrix, Pediarix</i>	156	31	100	8	17	256	51	164	13	28
<i>Rotarix</i>	75	33	10	26	6	123	54	16	43	10
<i>Synflorix</i>	99	-	12	80	7	162	-	20	131	11
Dermatologicals	265	62	66	90	47	435	101	108	148	78
<i>Bactroban</i>	30	11	7	8	4	49	18	12	13	6
<i>Dermovate</i>	22	-	6	9	7	36	-	9	16	11
<i>Duac</i>	25	13	6	2	4	41	22	10	3	6
<i>Soriatane</i>	17	17	-	-	-	28	28	-	-	-
<i>Zovirax</i>	22	(1)	6	7	10	36	(2)	10	11	17
Other	281	8	67	112	94	460	12	110	184	154
	5,064	1,708	1,477	907	972	8,302	2,799	2,421	1,487	1,595
ViiV Healthcare (HIV)	379	154	146	45	34	621	252	240	73	56
<i>Combivir</i>	71	30	25	12	4	116	49	41	19	7
<i>Epivir</i>	29	9	8	9	3	47	14	14	14	5
<i>Epzicom/Kivexa</i>	147	53	68	10	16	241	87	111	17	26
<i>Lexiva</i>	37	18	12	6	1	61	30	20	9	2
<i>Selzentry</i>	26	10	13	1	2	42	16	21	2	3
<i>Trizivir</i>	31	17	13	1	-	51	28	21	2	-
	5,443					8,923				

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 2011

	Total £m	USA £m	Europe £m	Emerging Markets £m	ROW £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	ROW \$m
Respiratory	3,627	1,599	1,089	315	624	5,876	2,591	1,764	510	1,011
<i>Avamys/Veramyst</i>	136	32	38	21	45	220	52	61	34	73
<i>Flixonase/Flonase</i>	79	4	20	21	34	128	7	32	34	55
<i>Flixotide/Flovent</i>	398	213	79	24	82	645	345	128	39	133
<i>Seretide/Advair</i>	2,493	1,200	806	157	330	4,039	1,944	1,306	254	535
<i>Serevent</i>	95	33	44	1	17	154	53	71	2	28
<i>Ventolin</i>	295	113	71	60	51	478	183	115	97	83
<i>Xyzal</i>	30	-	-	4	26	49	-	-	7	42
<i>Zyrtec</i>	51	-	-	9	42	83	-	-	15	68
Anti-virals	410	80	42	113	175	664	130	68	183	283
<i>Hepsera</i>	58	-	-	26	32	94	-	-	42	52
<i>Relenza</i>	21	-	-	-	21	34	-	-	-	34
<i>Valtrex</i>	176	44	25	14	93	285	71	40	23	151
<i>Zeffix</i>	118	7	12	73	26	191	11	20	118	42
Central nervous system	817	213	243	117	244	1,323	345	394	189	395
<i>Imigran/Imitrex</i>	102	41	36	2	23	165	67	58	3	37
<i>Keppra</i>	23	-	1	14	8	37	-	2	22	13
<i>Lamictal</i>	242	119	66	27	30	392	193	107	44	48
<i>Requip</i>	110	20	62	2	26	178	32	101	3	42
<i>Seroxat/Paxil</i>	210	(3)	33	38	142	340	(5)	53	62	230
<i>Treximet</i>	28	28	-	-	-	45	45	-	-	-
<i>Wellbutrin</i>	42	8	22	8	4	68	13	36	13	6
Cardiovascular and urogenital	1,321	754	330	78	159	2,140	1,221	535	126	258
<i>Arixtra</i>	149	85	50	6	8	241	137	81	10	13
<i>Avodart</i>	354	163	105	18	68	573	264	170	29	110
<i>Coreg</i>	76	75	-	-	1	123	121	-	-	2
<i>Fraxiparine</i>	114	-	81	32	1	185	-	131	52	2
<i>Lovaza</i>	272	270	-	-	2	441	438	-	-	3
<i>Vesicare</i>	61	61	-	-	-	99	99	-	-	-
<i>Volibris</i>	44	-	34	2	8	71	-	55	3	13
Metabolic	176	46	33	32	65	285	75	53	52	105
<i>Avandia products</i>	62	46	(2)	7	11	100	74	(3)	11	18
<i>Bonviva/Boniva</i>	34	-	26	1	7	55	-	42	2	11
Anti-bacterials	712	35	278	313	86	1,153	57	450	507	139
<i>Augmentin</i>	329	2	131	156	40	533	3	212	253	65
Oncology and emesis	315	116	121	32	46	510	188	196	52	74
<i>Arzerra</i>	20	14	6	-	-	32	22	10	-	-
<i>Hycamtin</i>	27	-	21	3	3	44	-	34	5	5
<i>Promacta</i>	29	14	9	1	5	47	23	14	2	8
<i>Tyverb/Tykerb</i>	111	28	51	16	16	180	45	83	26	26
<i>Votrient</i>	39	24	13	1	1	63	38	21	2	2
Vaccines	1,545	333	516	372	324	2,503	539	836	603	525
<i>Boostrix</i>	85	42	21	4	18	138	68	34	7	29
<i>Cervarix</i>	174	3	29	16	126	282	5	47	26	204
<i>Fluarix, FluLaval</i>	17	6	(2)	6	7	28	10	(3)	10	11
<i>Flu Pandemic</i>	9	-	9	-	-	15	-	15	-	-
<i>Hepatitis</i>	349	152	118	36	43	565	246	191	58	70
<i>Infanrix, Pediarix</i>	317	71	191	20	35	514	115	310	32	57
<i>Rotarix</i>	152	60	20	58	14	246	97	32	94	23
<i>Synflorix</i>	176	-	25	141	10	285	-	41	228	16
Dermatologicals	538	139	128	172	99	872	225	207	279	161
<i>Bactroban</i>	58	22	14	15	7	94	36	23	24	11
<i>Dermovate</i>	41	-	12	16	13	66	-	19	26	21
<i>Duac</i>	53	29	12	5	7	86	47	20	8	11
<i>Soriatane</i>	34	34	-	-	-	55	55	-	-	-
<i>Zovirax</i>	58	10	13	13	22	94	16	21	21	36
Other	514	12	132	214	156	833	19	214	347	253
	9,975	3,327	2,912	1,758	1,978	16,159	5,390	4,717	2,848	3,204
ViiV Healthcare (HIV)	732	307	291	70	64	1,186	497	472	113	104
<i>Combivir</i>	142	60	52	21	9	230	97	84	34	15
<i>Epivir</i>	55	20	17	12	6	89	32	28	19	10
<i>Epzicom/Kivexa</i>	287	104	133	17	33	465	169	215	28	53
<i>Lexiva</i>	69	35	24	7	3	112	57	39	11	5
<i>Selzentry</i>	49	20	25	1	3	79	32	40	2	5
<i>Trizivir</i>	61	32	26	1	2	99	52	42	2	3
	10,707					17,345				

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 2011

	Total £m	Total \$m
Over-the-counter medicines	581	954
Oral healthcare	425	697
Nutritional healthcare	271	444
	<u>1,277</u>	<u>2,095</u>

	Total £m	Total \$m
USA	236	387
Europe	490	803
Rest of World	551	905
	<u>1,277</u>	<u>2,095</u>

Consumer Healthcare Six months ended 30th June 2011

	Total £m	Total \$m
Over-the-counter medicines	1,222	1,980
Oral healthcare	851	1,379
Nutritional healthcare	525	850
	<u>2,598</u>	<u>4,209</u>

	Total £m	Total \$m
USA	477	773
Europe	965	1,563
Rest of World	1,156	1,873
	<u>2,598</u>	<u>4,209</u>

Balance sheet

	30th June 2011 £m	30th June 2011 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	9,019	14,521
Goodwill	3,750	6,038
Other intangible assets	8,499	13,683
Investments in associates and joint ventures	641	1,032
Other investments	605	974
Deferred tax assets	2,563	4,126
Derivative financial instruments	90	145
Other non-current assets	602	969
Total non-current assets	25,769	41,488
Current assets		
Inventories	4,271	6,876
Current tax recoverable	55	89
Trade and other receivables	5,833	9,391
Derivative financial instruments	122	196
Liquid investments	166	267
Cash and cash equivalents	5,846	9,412
Assets held for sale	16	26
Total current assets	16,309	26,257
TOTAL ASSETS	42,078	67,745
LIABILITIES		
Current liabilities		
Short-term borrowings	(1,039)	(1,673)
Trade and other payables	(7,268)	(11,701)
Derivative financial instruments	(218)	(351)
Current tax payable	(1,529)	(2,462)
Short-term provisions	(3,567)	(5,743)
Total current liabilities	(13,621)	(21,930)
Non-current liabilities		
Long-term borrowings	(14,229)	(22,909)
Deferred tax liabilities	(719)	(1,157)
Pensions and other post-employment benefits	(2,651)	(4,268)
Other provisions	(802)	(1,291)
Derivative financial instruments	(6)	(10)
Other non-current liabilities	(615)	(990)
Total non-current liabilities	(19,022)	(30,625)
TOTAL LIABILITIES	(32,643)	(52,555)
NET ASSETS	9,435	15,190
EQUITY		
Share capital	1,400	2,254
Share premium account	1,504	2,421
Retained earnings	4,505	7,253
Other reserves	1,272	2,048
Shareholders' equity	8,681	13,976
Non-controlling interests	754	1,214
TOTAL EQUITY	9,435	15,190

US dollar amounts shown above are a convenience transaction of the sterling amounts using the period end rate of £1/\$1.61.