

Income statement

Three months ended 30 June 2018

	Total £m	Total \$m
TURNOVER	7,310	9,870
Cost of sales	(2,310)	(3,116)
Gross profit	5,000	6,754
Selling, general and administration	(2,457)	(3,320)
Research and development	(925)	(1,249)
Royalty income	73	98
Other operating income/(expense)	(912)	(1,241)
OPERATING PROFIT	779	1,042
Finance income	27	37
Finance expense	(194)	(263)
Share of after tax profits of joint ventures and associates	2	3
PROFIT BEFORE TAXATION	614	819
Taxation	(139)	(183)
PROFIT AFTER TAXATION FOR THE PERIOD	475	636
Profit attributable to non-controlling interests	34	42
Profit attributable to shareholders	441	594
	475	636
EARNINGS PER SHARE	9.0p	12.2¢
Diluted earnings per share	8.9p	12.0¢

US dollar amounts shown above are a convenience translation of the sterling amounts. US dollar results for the six months ended 30 June 2018 are calculated using average rates for the period. US dollar results for the three months ended 30 June 2018 are calculated as the difference between these six months results translated into US dollars and US dollar results previously published for the three months ended 31 March 2018.

Income statement

Six months ended 30 June 2018

	Total £m	Total \$m
TURNOVER	14,532	19,909
Cost of sales	(4,701)	(6,440)
Gross profit	9,831	13,469
Selling, general and administration	(4,768)	(6,532)
Research and development	(1,829)	(2,506)
Royalty income	126	172
Other operating income/(expense)	(1,341)	(1,837)
OPERATING PROFIT	2,019	2,766
Finance income	47	65
Finance expense	(356)	(488)
Share of after tax profits of joint ventures and associates	11	15
PROFIT BEFORE TAXATION	1,721	2,358
Taxation	(487)	(667)
PROFIT AFTER TAXATION FOR THE PERIOD	1,234	1,691
Profit attributable to non-controlling interests	244	334
Profit attributable to shareholders	990	1,357
	1,234	1,691
EARNINGS PER SHARE	20.2p	27.7¢
Diluted earnings per share	20.0p	27.4¢

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Pharmaceuticals turnover – three months ended 30 June 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	1,696	837	379	480	2,292	1,133	512	647
<i>Seretide/Advair</i>	590	260	151	179	797	352	203	242
<i>Ellipta products</i>	509	317	109	83	689	430	147	112
<i>Anoro Ellipta</i>	120	83	24	13	162	113	32	17
<i>Arnuity Ellipta</i>	10	9	-	1	13	12	-	1
<i>Incruse Ellipta</i>	74	48	20	6	100	65	27	8
<i>Relvar/Breo Ellipta</i>	279	156	61	62	378	212	82	84
<i>Trelegy Ellipta</i>	26	21	4	1	36	28	6	2
<i>Nucala</i>	141	88	36	17	191	119	49	23
<i>Avamys/Veramyst</i>	69	-	22	47	93	-	30	63
<i>Flixotide/Flovent</i>	154	94	21	39	207	127	28	52
<i>Ventolin</i>	170	78	31	61	229	106	42	81
Other	63	-	9	54	85	-	12	73
HIV	1,189	744	288	157	1,608	1,007	389	212
<i>Epzicom/Kivexa</i>	26	(1)	10	17	34	(1)	13	22
<i>Juluca</i>	24	23	1	-	33	31	2	-
<i>Selzentry</i>	29	13	9	7	40	19	12	9
<i>Tivicay</i>	407	256	92	59	550	346	124	80
<i>Triumeq</i>	682	448	170	64	923	606	230	87
Other	21	5	6	10	28	6	8	14
Immuno-inflammation	114	102	9	3	154	138	12	4
<i>Benlysta</i>	114	102	8	4	154	138	11	5
Established Pharmaceuticals	1,230	188	308	734	1,659	254	415	990
Dermatology	104	-	39	65	140	(1)	53	88
Augmentin	127	-	37	90	171	-	49	122
Avodart	138	3	57	78	186	4	77	105
Coreg	12	12	-	-	16	16	-	-
<i>Eperzan/Tanzeum</i>	11	11	-	-	15	16	(1)	-
<i>Imigran/Imitrex</i>	36	14	15	7	49	20	20	9
<i>Lamictal</i>	164	82	27	55	222	111	37	74
<i>Requip</i>	22	2	7	13	30	2	10	18
<i>Serevent</i>	21	12	7	2	28	16	10	2
<i>Seroxat/Paxil</i>	42	-	10	32	57	-	14	43
<i>Valtrex</i>	30	5	8	17	40	7	10	23
<i>Zeffix</i>	16	-	2	14	22	-	3	19
Other	507	47	99	361	683	63	133	487
Pharmaceuticals	4,229	1,871	984	1,374	5,713	2,532	1,328	1,853

Pharmaceuticals turnover – six months ended 30 June 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	3,271	1,499	767	1,005	4,481	2,053	1,051	1,377
<i>Seretide/Advair</i>	1,156	489	317	350	1,584	670	434	480
<i>Ellipta products</i>	895	524	212	159	1,226	718	290	218
<i>Anoro Ellipta</i>	217	143	48	26	297	196	66	35
<i>Arnuity Ellipta</i>	21	19	-	2	29	26	-	3
<i>Incruse Ellipta</i>	122	75	36	11	167	103	49	15
<i>Relvar/Breo Ellipta</i>	498	256	123	119	682	351	168	163
<i>Trelegy Ellipta</i>	37	31	5	1	51	42	7	2
<i>Nucala</i>	245	147	67	31	336	201	92	43
<i>Avamys/Veramyst</i>	167	-	42	125	229	-	58	171
<i>Flixotide/Flovent</i>	312	180	48	84	427	246	66	115
<i>Ventolin</i>	350	159	65	126	479	218	89	172
<i>Other</i>	146	-	16	130	200	-	22	178
HIV	2,237	1,373	587	277	3,065	1,881	805	379
<i>Epzicom/Kivexa</i>	63	2	24	37	86	3	33	50
<i>Juluca</i>	34	33	1	-	47	45	2	-
<i>Selzentry</i>	58	28	18	12	80	39	25	16
<i>Tivicay</i>	755	484	180	91	1,034	663	246	125
<i>Triumeq</i>	1,288	814	352	122	1,765	1,115	483	167
<i>Other</i>	39	12	12	15	53	16	16	21
Immuno-inflammation	214	191	17	6	293	262	23	8
<i>Benlysta</i>	214	191	17	6	293	262	23	8
Established Pharmaceuticals	2,516	378	640	1,498	3,447	518	877	2,052
<i>Dermatology</i>	211	1	78	132	289	1	107	181
<i>Augmentin</i>	291	-	92	199	399	-	126	273
<i>Avodart</i>	279	6	121	152	382	8	166	208
<i>Coreg</i>	27	27	-	-	37	37	-	-
<i>Eperzan/Tanzeum</i>	24	23	1	-	33	32	1	-
<i>Imigran/Imitrex</i>	68	26	30	12	93	36	41	16
<i>Lamictal</i>	310	153	53	104	425	210	73	142
<i>Requip</i>	43	4	13	26	59	5	18	36
<i>Serevent</i>	41	22	15	4	56	30	21	5
<i>Seroxat/Paxil</i>	82	-	20	62	113	-	28	85
<i>Valtrex</i>	58	8	15	35	79	11	20	48
<i>Zeffix</i>	35	-	3	32	48	-	4	44
<i>Other</i>	1,047	108	199	740	1,434	148	272	1,014
Pharmaceuticals	8,238	3,441	2,011	2,786	11,286	4,714	2,756	3,816

Vaccines turnover – three months ended 30 June 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	184	77	76	31	249	105	102	42
<i>Bexsero</i>	124	37	70	17	167	50	94	23
<i>Menveo</i>	49	40	4	5	67	55	5	7
<i>Other</i>	11	-	2	9	15	-	3	12
Influenza	17	(1)	1	17	23	(2)	2	23
<i>Fluarix, FluLaval</i>	17	(1)	1	17	23	(2)	2	23
Shingles	167	150	-	17	226	203	-	23
<i>Shingrix</i>	167	150	-	17	226	203	-	23
Established Vaccines	885	260	316	309	1,194	349	427	418
<i>Infanrix, Pediarix</i>	149	49	72	28	200	65	97	38
<i>Boostrix</i>	121	61	45	15	164	82	62	20
Hepatitis	210	119	60	31	284	161	81	42
<i>Rotarix</i>	105	17	25	63	141	22	34	85
<i>Synflorix</i>	100	-	12	88	135	-	16	119
<i>Priorix, Priorix Tetra, Varilrix</i>	83	-	45	38	112	-	60	52
<i>Cervarix</i>	16	-	7	9	21	-	9	12
<i>Other</i>	101	14	50	37	137	19	68	50
Vaccines	1,253	486	393	374	1,692	655	531	506

Vaccines turnover – six months ended 30 June 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	364	132	175	57	499	181	240	78
<i>Bexsero</i>	263	68	162	33	360	93	222	45
<i>Menveo</i>	86	64	9	13	118	88	12	18
<i>Other</i>	15	-	4	11	21	-	6	15
Influenza	26	(2)	2	26	36	(3)	3	36
<i>Fluarix, FluLaval</i>	26	(2)	2	26	36	(3)	3	36
Shingles	277	252	-	25	379	345	-	34
<i>Shingrix</i>	277	252	-	25	379	345	-	34
Established Vaccines	1,824	593	605	626	2,499	812	829	858
<i>Infanrix, Pediarix</i>	355	155	145	55	486	212	199	75
<i>Boostrix</i>	221	107	82	32	303	146	113	44
Hepatitis	405	231	119	55	555	317	163	75
<i>Rotarix</i>	235	64	54	117	322	88	74	160
<i>Synflorix</i>	199	-	25	174	273	-	34	239
<i>Priorix, Priorix Tetra, Varilrix</i>	160	-	85	75	219	-	116	103
<i>Cervarix</i>	68	-	12	56	93	-	16	77
<i>Other</i>	181	36	83	62	248	49	114	85
Vaccines	2,491	975	782	734	3,413	1,335	1,072	1,006

Consumer Healthcare turnover – three months ended 30 June 2018

	Total £m	Total \$m
Wellness	901	1,214
Oral health	611	824
Nutrition	154	208
Skin health	162	219
	<u>1,828</u>	<u>2,465</u>

	Total £m	Total \$m
US	428	577
Europe	573	772
International	827	1,116
	<u>1,828</u>	<u>2,465</u>

Consumer Healthcare turnover – six months ended 30 June 2018

	Total £m	Total \$m
Wellness	1,918	2,628
Oral health	1,249	1,711
Nutrition	322	441
Skin health	314	430
	<u>3,803</u>	<u>5,210</u>

	Total £m	Total \$m
US	887	1,215
Europe	1,198	1,641
International	1,718	2,354
	<u>3,803</u>	<u>5,210</u>

Balance sheet

	30 June 2018 £m	30 June 2018 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	10,823	14,286
Goodwill	5,778	7,627
Other intangible assets	17,294	22,828
Investments in associates and joint ventures	202	267
Other investments	1,067	1,408
Deferred tax assets	3,472	4,583
Derivative financial instruments	36	48
Other non-current assets	1,919	2,533
Total non-current assets	40,591	53,580
Current assets		
Inventories	5,943	7,845
Current tax recoverable	252	332
Trade and other receivables	6,559	8,658
Derivative financial instruments	85	112
Liquid investments	81	107
Cash and cash equivalents	4,046	5,341
Assets held for sale	78	103
Total current assets	17,044	22,498
TOTAL ASSETS	57,635	76,078
LIABILITIES		
Current liabilities		
Short-term borrowings	(3,470)	(4,580)
Contingent consideration liabilities	(806)	(1,064)
Trade and other payables	(12,545)	(16,559)
Derivative financial instruments	(84)	(111)
Current tax payable	(771)	(1,018)
Short-term provisions	(522)	(689)
Total current liabilities	(18,198)	(24,021)
Non-current liabilities		
Long-term borrowings	(24,592)	(32,461)
Corporation tax payable	(394)	(520)
Deferred tax liabilities	(1,214)	(1,603)
Pensions and other post-employment benefits	(3,210)	(4,237)
Other provisions	(658)	(869)
Contingent consideration liabilities	(5,364)	(7,081)
Other non-current liabilities	(982)	(1,296)
Total non-current liabilities	(36,414)	(48,067)
TOTAL LIABILITIES	(54,612)	(72,088)
NET ASSETS	3,023	3,990
EQUITY		
Share capital	1,343	1,773
Share premium account	3,042	4,015
Retained earnings	(2,680)	(3,538)
Other reserves	1,974	2,606
Shareholders' equity	3,679	4,856
Non-controlling interests	(656)	(866)
TOTAL EQUITY	3,023	3,990

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