

Income statement

Three months ended 30 September 2018

	Total £m	Total \$m
TURNOVER	8,092	10,633
Cost of sales	(2,636)	(3,465)
Gross profit	5,456	7,168
Selling, general and administration	(2,527)	(3,316)
Research and development	(988)	(1,297)
Royalty income	94	125
Other operating income/(expense)	(125)	(142)
OPERATING PROFIT	1,910	2,538
Finance income	10	12
Finance expense	(233)	(307)
Profit on disposal of associates	3	4
Share of after tax profits of joint ventures and associates	15	20
PROFIT BEFORE TAXATION	1,705	2,267
Taxation	(193)	(251)
PROFIT AFTER TAXATION FOR THE PERIOD	1,512	2,016
Profit attributable to non-controlling interests	94	122
Profit attributable to shareholders	1,418	1,894
	1,512	2,016
EARNINGS PER SHARE	28.8p	37.7¢
Diluted earnings per share	28.5p	37.3¢

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

Income statement

Nine months ended 30 September 2018

	Total £m	Total \$m
TURNOVER	22,624	30,542
Cost of sales	(7,337)	(9,905)
Gross profit	15,287	20,637
Selling, general and administration	(7,295)	(9,848)
Research and development	(2,817)	(3,803)
Royalty income	220	297
Other operating income/(expense)	(1,466)	(1,979)
OPERATING PROFIT	3,929	5,304
Finance income	57	77
Finance expense	(589)	(795)
Profit on disposal of associates	3	4
Share of after tax profits of joint ventures and associates	26	35
PROFIT BEFORE TAXATION	3,426	4,625
Taxation	(680)	(918)
PROFIT AFTER TAXATION FOR THE PERIOD	2,746	3,707
Profit attributable to non-controlling interests	338	456
Profit attributable to shareholders	2,408	3,251
	2,746	3,707
EARNINGS PER SHARE	49.0p	66.2¢
Diluted earnings per share	48.5p	65.5¢

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Pharmaceuticals turnover – three months ended 30 September 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	1,666	846	351	469	2,184	1,113	458	613
<i>Seretide/Advair</i>	619	309	132	178	812	407	172	233
<i>Ellipta products</i>	500	308	110	82	657	405	145	107
<i>Anoro Ellipta</i>	115	77	24	14	151	101	31	19
<i>Arnuity Ellipta</i>	10	9	-	1	13	12	-	1
<i>Incruse Ellipta</i>	75	51	18	6	99	67	24	8
<i>Relvar/Breo Ellipta</i>	258	139	59	60	338	182	78	78
<i>Trelegy Ellipta</i>	42	32	9	1	56	43	12	1
<i>Nucala</i>	145	87	41	17	191	115	54	22
<i>Avamys/Veramyst</i>	60	-	15	45	77	-	19	58
<i>Flixotide/Flovent</i>	117	59	19	39	152	77	24	51
<i>Ventolin</i>	172	83	29	60	226	109	38	79
Other	53	-	5	48	69	-	6	63
HIV	1,209	754	290	165	1,587	990	379	218
<i>Epzicom/Kivexa</i>	24	1	9	14	31	1	11	19
<i>Juluca</i>	37	35	2	-	49	47	2	-
<i>Selzentry</i>	26	14	8	4	33	18	10	5
<i>Tivicay</i>	432	271	93	68	569	356	123	90
<i>Triumeq</i>	669	427	172	70	877	560	225	92
Other	21	6	6	9	28	8	8	12
Immuno-inflammation	122	108	9	5	161	142	12	7
<i>Benlysta</i>	121	108	10	3	159	142	13	4
Established Pharmaceuticals	1,224	185	301	738	1,602	242	393	967
Dermatology	109	1	40	68	143	2	52	89
Augmentin	133	-	40	93	173	-	52	121
Avodart	144	3	59	82	189	4	77	108
Coreg	9	9	-	-	12	12	-	-
<i>Eperzan/Tanzeum</i>	3	3	-	-	3	3	-	-
<i>Imigran/Imitrex</i>	33	13	13	7	43	17	17	9
<i>Lamictal</i>	148	74	30	44	193	96	39	58
<i>Requip</i>	19	-	6	13	25	-	8	17
<i>Serevent</i>	19	9	7	3	25	12	9	4
<i>Seroxat/Paxil</i>	42	-	9	33	54	-	11	43
<i>Valtrex</i>	32	6	8	18	43	8	11	24
<i>Zeffix</i>	18	1	1	16	24	1	2	21
Other	515	66	88	361	675	87	115	473
Pharmaceuticals	4,221	1,893	951	1,377	5,534	2,487	1,242	1,805

Pharmaceuticals turnover – nine months ended 30 September 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	4,937	2,345	1,118	1,474	6,665	3,166	1,509	1,990
<i>Seretide/Advair</i>	1,775	798	449	528	2,396	1,077	606	713
<i>Ellipta products</i>	1,395	832	322	241	1,883	1,123	435	325
<i>Anoro Ellipta</i>	332	220	72	40	448	297	97	54
<i>Arnuity Ellipta</i>	31	28	-	3	42	38	-	4
<i>Incruse Ellipta</i>	197	126	54	17	266	170	73	23
<i>Relvar/Breo Ellipta</i>	756	395	182	179	1,020	533	246	241
<i>Trelegy Ellipta</i>	79	63	14	2	107	85	19	3
<i>Nucala</i>	390	234	108	48	527	316	146	65
<i>Avamys/Veramyst</i>	227	-	57	170	306	-	77	229
<i>Flixotide/Flovent</i>	429	239	67	123	579	323	90	166
<i>Ventolin</i>	522	242	94	186	705	327	127	251
<i>Other</i>	199	-	21	178	269	-	28	241
HIV	3,446	2,127	877	442	4,652	2,871	1,184	597
<i>Epzicom/Kivexa</i>	87	3	33	51	117	4	44	69
<i>Juluca</i>	71	68	3	-	96	92	4	-
<i>Selzentry</i>	84	42	26	16	113	57	35	21
<i>Tivicay</i>	1,187	755	273	159	1,603	1,019	369	215
<i>Triumeq</i>	1,957	1,241	524	192	2,642	1,675	708	259
<i>Other</i>	60	18	18	24	81	24	24	33
Immuno-inflammation	336	299	26	11	454	404	35	15
<i>Benlysta</i>	335	299	27	9	452	404	36	12
Established Pharmaceuticals	3,740	563	941	2,236	5,049	760	1,270	3,019
<i>Dermatology</i>	320	2	118	200	432	3	159	270
<i>Augmentin</i>	424	-	132	292	572	-	178	394
<i>Avodart</i>	423	9	180	234	571	12	243	316
<i>Coreg</i>	36	36	-	-	49	49	-	-
<i>Eperzan/Tanzeum</i>	27	26	1	-	36	35	1	-
<i>Imigran/Imitrex</i>	101	39	43	19	136	53	58	25
<i>Lamictal</i>	458	227	83	148	618	306	112	200
<i>Requip</i>	62	4	19	39	84	5	26	53
<i>Serevent</i>	60	31	22	7	81	42	30	9
<i>Seroxat/Paxil</i>	124	-	29	95	167	-	39	128
<i>Valtrex</i>	90	14	23	53	122	19	31	72
<i>Zeffix</i>	53	1	4	48	72	1	6	65
<i>Other</i>	1,562	174	287	1,101	2,109	235	387	1,487
Pharmaceuticals	12,459	5,334	2,962	4,163	16,820	7,201	3,998	5,621

Vaccines turnover – three months ended 30 September 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	329	192	83	54	437	257	108	72
<i>Bexsero</i>	207	109	77	21	275	146	101	28
<i>Menveo</i>	102	83	4	15	136	111	5	20
<i>Other</i>	20	-	2	18	26	-	2	24
Influenza	304	252	33	19	409	340	44	25
<i>Fluarix, FluLaval</i>	304	252	33	19	409	340	44	25
Shingles	286	276	1	9	381	368	1	12
<i>Shingrix</i>	286	276	1	9	381	368	1	12
Established Vaccines	1,005	340	285	380	1,320	447	373	500
<i>Infanrix, Pediarix</i>	160	66	61	33	209	86	79	44
<i>Boostrix</i>	157	94	43	20	207	126	55	26
Hepatitis	213	124	66	23	279	162	87	30
<i>Rotarix</i>	152	37	28	87	201	48	37	116
<i>Synflorix</i>	119	-	12	107	156	-	16	140
<i>Priorix, Priorix Tetra, Varilrix</i>	81	-	42	39	107	-	56	51
<i>Cervarix</i>	55	-	3	52	73	-	4	69
<i>Other</i>	68	19	30	19	88	25	39	24
Vaccines	1,924	1,060	402	462	2,547	1,412	526	609

Vaccines turnover – nine months ended 30 September 2018

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	693	324	258	111	936	438	348	150
<i>Bexsero</i>	470	177	239	54	635	239	323	73
<i>Menveo</i>	188	147	13	28	254	199	17	38
<i>Other</i>	35	-	6	29	47	-	8	39
Influenza	330	250	35	45	445	337	47	61
<i>Fluarix, FluLaval</i>	330	250	35	45	445	337	47	61
Shingles	563	528	1	34	760	713	1	46
<i>Shingrix</i>	563	528	1	34	760	713	1	46
Established Vaccines	2,829	933	890	1,006	3,819	1,259	1,202	1,358
<i>Infanrix, Pediarix</i>	515	221	206	88	695	298	278	119
<i>Boostrix</i>	378	201	125	52	510	272	168	70
Hepatitis	618	355	185	78	834	479	250	105
<i>Rotarix</i>	387	101	82	204	523	136	111	276
<i>Synflorix</i>	318	-	37	281	429	-	50	379
<i>Priorix, Priorix Tetra, Varilrix</i>	241	-	127	114	326	-	172	154
<i>Cervarix</i>	123	-	15	108	166	-	20	146
<i>Other</i>	249	55	113	81	336	74	153	109
Vaccines	4,415	2,035	1,184	1,196	5,960	2,747	1,598	1,615

Consumer Healthcare turnover – three months ended 30 September 2018

	Total £m	Total \$m
Wellness	1,017	1,334
Oral health	624	817
Nutrition	167	219
Skin health	139	182
	<hr/> 1,947	<hr/> 2,552

	Total £m	Total \$m
US	452	592
Europe	599	785
International	896	1,175
	<hr/> 1,947	<hr/> 2,552

Consumer Healthcare turnover – nine months ended 30 September 2018

	Total £m	Total \$m
Wellness	2,935	3,962
Oral health	1,873	2,528
Nutrition	489	660
Skin health	453	612
	<hr/> 5,750	<hr/> 7,762

	Total £m	Total \$m
US	1,339	1,807
Europe	1,797	2,426
International	2,614	3,529
	<hr/> 5,750	<hr/> 7,762

Balance sheet

	30 September 2018 £m	30 September 2018 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	10,923	14,200
Goodwill	5,848	7,602
Other intangible assets	17,263	22,442
Investments in associates and joint ventures	221	287
Other investments	1,393	1,811
Deferred tax assets	3,412	4,436
Derivative financial instruments	51	66
Other non-current assets	2,075	2,698
Total non-current assets	41,186	53,542
Current assets		
Inventories	5,788	7,524
Current tax recoverable	257	334
Trade and other receivables	7,292	9,480
Derivative financial instruments	56	73
Liquid investments	80	104
Cash and cash equivalents	3,793	4,931
Assets held for sale	152	198
Total current assets	17,418	22,644
TOTAL ASSETS	58,604	76,186
LIABILITIES		
Current liabilities		
Short-term borrowings	(2,902)	(3,773)
Contingent consideration liabilities	(818)	(1,063)
Trade and other payables	(13,093)	(17,021)
Derivative financial instruments	(63)	(82)
Current tax payable	(813)	(1,057)
Short-term provisions	(706)	(918)
Total current liabilities	(18,395)	(23,914)
Non-current liabilities		
Long-term borrowings	(24,808)	(32,250)
Corporation tax payable	(272)	(354)
Deferred tax liabilities	(1,223)	(1,590)
Pensions and other post-employment benefits	(3,079)	(4,003)
Other provisions	(652)	(848)
Contingent consideration liabilities	(5,414)	(7,038)
Other non-current liabilities	(1,038)	(1,349)
Total non-current liabilities	(36,486)	(47,432)
TOTAL LIABILITIES	(54,881)	(71,346)
NET ASSETS	3,723	4,840
EQUITY		
Share capital	1,344	1,747
Share premium account	3,049	3,964
Retained earnings	(2,081)	(2,705)
Other reserves	2,164	2,813
Shareholders' equity	4,476	5,819
Non-controlling interests	(753)	(979)
TOTAL EQUITY	3,723	4,840

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