

Income statement

Three months ended 30 June 2014

	Total £m	Total \$m
TURNOVER	5,561	9,343
Cost of sales	(1,722)	(2,893)
Gross profit	3,839	6,450
Selling, general and administration	(2,055)	(3,452)
Research and development	(809)	(1,360)
Royalty income	72	121
Other operating income	90	150
OPERATING PROFIT	1,137	1,909
Finance income	18	30
Finance expense	(177)	(296)
Share of after tax profits of associates and joint ventures	8	13
PROFIT BEFORE TAXATION	986	1,656
Taxation	(284)	(477)
PROFIT AFTER TAXATION FOR THE PERIOD	702	1,179
Profit attributable to non-controlling interests	48	80
Profit attributable to shareholders	654	1,099
	702	1,179
EARNINGS PER SHARE	13.6p	22.8¢
Diluted earnings per share	13.4p	22.5¢

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

Income statement

Six months ended 30 June 2014

	Total £m	Total \$m
TURNOVER	11,174	18,661
Cost of sales	(3,465)	(5,787)
Gross profit	7,709	12,874
Selling, general and administration	(4,026)	(6,723)
Research and development	(1,668)	(2,786)
Royalty income	142	237
Other operating income	46	77
OPERATING PROFIT	2,203	3,679
Finance income	36	60
Finance expense	(359)	(599)
Share of after tax profits of associates and joint ventures	9	15
PROFIT BEFORE TAXATION	1,889	3,155
Taxation	(468)	(782)
PROFIT AFTER TAXATION FOR THE PERIOD	1,421	2,373
Profit attributable to non-controlling interests	99	165
Profit attributable to shareholders	1,322	2,208
	1,421	2,373
EARNINGS PER SHARE	27.5p	45.9¢
Diluted earnings per share	27.1p	45.3¢

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

Turnover

Pharmaceuticals – Three months ended 30 June 2014

	Total £m	USA £m	Europe £m	Emerging Markets £m	Japan £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	Japan \$m
Respiratory	1,559	725	437	188	95	2,619	1,218	734	316	160
<i>Avamys/Veramyst</i>	58	7	23	18	7	98	12	38	30	13
<i>Flixotide/Flovent</i>	172	106	24	13	7	289	178	41	22	11
<i>Relvar/Breo</i>	11	5	3	1	2	18	8	5	2	3
<i>Seretide/Advair</i>	1,095	528	348	98	45	1,839	887	584	165	76
<i>Ventolin</i>	155	73	30	40	1	261	123	51	67	2
Other	68	6	9	18	33	114	10	15	30	55
Oncology	295	119	106	44	15	495	200	178	73	26
<i>Arzerra</i>	12	7	5	-	-	20	11	9	-	-
<i>Mekinist</i>	16	15	-	-	-	26	25	-	-	-
<i>Promacta</i>	55	21	18	7	7	92	35	30	12	12
<i>Tafinlar</i>	33	14	16	-	-	55	24	26	-	-
<i>Tyverb/Tykerb</i>	45	11	18	13	1	75	18	30	21	2
<i>Votrient</i>	101	42	39	12	4	171	72	66	19	7
Other	33	9	10	12	3	56	15	17	21	5
Cardiovascular, metabolic and urology (CVMU)	233	90	71	35	22	392	151	119	59	38
<i>Avodart</i>	199	67	70	27	22	335	112	117	46	38
Other	34	23	1	8	-	57	39	2	13	-
Immuno-inflammation	42	38	3	-	-	71	65	5	-	-
<i>Benlysta</i>	41	37	3	-	-	69	63	5	-	-
Other	1	1	-	-	-	2	2	-	-	-
Other pharmaceuticals	596	29	163	272	46	1,001	48	273	457	78
Dermatology	122	11	42	59	6	205	18	70	99	11
<i>Augmentin</i>	147	(1)	43	97	2	246	(2)	72	163	3
Other anti-bacterials	53	2	13	39	1	89	4	22	66	1
Rare diseases	99	9	34	12	38	166	15	57	20	64
Other	175	8	31	65	(1)	295	13	52	109	(1)
Innovative Pharmaceuticals	2,725	1,001	780	539	178	4,578	1,682	1,309	905	302
Vaccines	766	192	239	283	9	1,286	322	402	475	15
<i>Boostrix</i>	94	43	26	18	-	157	72	43	30	-
<i>Cervarix</i>	22	1	10	10	-	37	1	17	17	-
<i>Fluarix, FluLaval</i>	6	2	(1)	4	-	10	3	(2)	7	-
Hepatitis	142	56	47	30	-	238	94	79	50	-
<i>Infanrix, Pediarix</i>	202	66	93	31	-	340	111	157	52	-
<i>Rotarix</i>	103	24	15	51	9	173	41	25	86	15
<i>Synflorix</i>	105	-	9	94	-	176	-	15	158	-
Other	92	-	40	45	-	155	-	68	75	-
Innovative Pharmaceuticals and Vaccines	3,491	1,193	1,019	822	187	5,864	2,004	1,711	1,380	317
ViiV Healthcare (HIV)	352	151	131	34	13	590	254	220	57	21
<i>Combivir</i>	16	3	5	9	-	26	5	8	15	-
<i>Epzicom/Kivexa</i>	188	67	85	15	8	315	112	144	25	12
<i>Lexiva/Agenerase</i>	21	11	5	3	-	35	19	8	5	-
<i>Selzentry</i>	38	14	16	2	-	64	23	27	3	1
<i>Tivicay</i>	64	48	12	-	3	108	81	20	-	5
<i>Trizivir</i>	7	1	6	1	-	12	2	10	2	-
Other	18	7	2	4	2	30	12	3	7	3
Established products	696	183	151	243	106	1,171	308	254	409	178
<i>Coreg</i>	30	29	-	-	-	51	49	-	-	-
<i>Hepsera</i>	21	-	-	16	4	35	-	-	27	7
<i>Imigran/Imitrex</i>	44	22	15	1	4	74	38	25	2	6
<i>Lamictal</i>	124	60	26	18	18	209	101	44	30	30
<i>Lovaza</i>	27	27	-	-	-	45	46	-	-	-
<i>Requip</i>	26	2	11	4	11	44	4	19	7	19
<i>Serevent</i>	26	9	13	1	2	43	15	21	1	3
<i>Seroxat/Paxil</i>	49	-	10	13	24	82	-	17	22	40
<i>Valtrex</i>	37	8	8	7	12	63	13	13	12	20
<i>Zeffix</i>	40	1	2	33	3	67	1	4	56	5
Other	272	25	66	150	28	458	41	111	252	48
	4,539					7,625				

The table above includes the sales by product reported in Other trading and unallocated pharmaceuticals segment (which includes Canada, Puerto Rico, Australasia, central vaccines tender sales and contract manufacturing sales) in the total column only. US dollar amounts shown above are a convenience translation of the sterling amounts.

Turnover

Pharmaceuticals – Six months ended 30 June 2014

	Total £m	USA £m	Europe £m	Emerging Markets £m	Japan £m	Total \$m	USA \$m	Europe \$m	Emerging Markets \$m	Japan \$m
Respiratory	3,113	1,404	879	374	243	5,199	2,345	1,468	625	406
<i>Avamys/Veramyst</i>	128	15	41	35	30	214	25	68	58	51
<i>Flixotide/Flovent</i>	365	229	54	25	14	610	382	91	42	23
<i>Relvar/Breo</i>	14	6	5	1	3	23	10	8	2	5
<i>Seretide/Advair</i>	2,134	983	700	195	112	3,564	1,642	1,169	326	187
<i>Ventolin</i>	328	165	62	78	3	548	276	104	130	5
Other	144	6	17	40	81	240	10	28	67	135
Oncology	556	227	201	80	29	928	379	336	133	49
<i>Arzerra</i>	28	17	10	-	1	47	28	17	-	2
<i>Mekinist</i>	29	28	-	-	-	48	47	-	-	-
<i>Promacta</i>	103	39	34	12	15	172	65	57	20	25
<i>Tafinlar</i>	55	25	26	-	-	92	42	43	-	-
<i>Tyverb/Tykerb</i>	87	21	36	23	4	145	35	60	38	7
<i>Votrient</i>	188	79	76	21	6	314	132	127	35	10
Other	66	18	19	24	3	110	30	32	40	5
Cardiovascular, metabolic and urology (CVMU)	474	173	152	68	53	792	289	253	114	89
<i>Avodart</i>	398	126	141	53	53	665	210	235	89	89
Other	76	47	11	15	-	127	79	18	25	-
Immuno-inflammation	88	80	6	1	-	147	134	10	2	-
<i>Benlysta</i>	79	71	6	1	-	132	119	10	2	-
Other	9	9	-	-	-	15	15	-	-	-
Other pharmaceuticals	1,197	75	326	517	133	1,999	125	544	863	222
Dermatology	249	24	84	120	12	416	40	140	200	21
<i>Augmentin</i>	299	-	101	183	5	499	-	168	306	8
Other anti-bacterials	111	3	34	73	2	185	5	57	122	3
Rare diseases	205	33	67	20	75	342	55	112	33	125
Other	333	15	40	121	39	557	25	67	202	65
Innovative Pharmaceuticals	5,428	1,959	1,564	1,040	458	9,065	3,272	2,611	1,737	766
Vaccines	1,424	364	479	473	14	2,378	608	800	790	23
<i>Boostrix</i>	154	73	41	28	-	257	122	68	47	-
<i>Cervarix</i>	56	2	25	29	-	93	3	42	48	-
<i>Fluarix, FluLaval</i>	15	2	(1)	10	-	25	3	(2)	17	-
Hepatitis	262	100	93	49	-	437	167	155	82	-
<i>Infanrix, Pediarix</i>	404	137	185	54	-	675	229	309	90	-
<i>Rotarix</i>	189	50	33	85	14	316	84	55	142	23
<i>Synflorix</i>	167	-	21	143	-	279	-	35	239	-
Other	177	-	82	75	-	296	-	138	125	-
Innovative Pharmaceuticals and Vaccines	6,852	2,323	2,043	1,513	472	11,443	3,880	3,411	2,527	789
ViiV Healthcare (HIV)	663	273	256	64	26	1,107	456	428	107	43
<i>Combivir</i>	32	6	11	14	1	53	10	18	23	2
<i>Epzicom/Kivexa</i>	365	126	167	30	17	609	210	280	50	27
<i>Lexiva/Agenerase</i>	43	22	11	7	1	72	37	18	12	2
<i>Selzentry</i>	71	26	31	3	1	119	43	52	5	2
<i>Tivicay</i>	95	74	16	-	3	159	124	27	-	5
<i>Trizivir</i>	18	4	12	1	-	30	7	20	2	-
Other	39	15	8	9	3	65	25	13	15	5
Established products	1,510	439	318	507	222	2,522	733	531	847	371
<i>Coreg</i>	62	61	-	-	-	104	102	-	-	-
<i>Hepsera</i>	44	-	-	33	10	73	-	-	55	17
<i>Imigran/Imitrex</i>	90	46	30	3	8	150	77	50	5	13
<i>Lamictal</i>	250	116	54	36	40	418	194	90	60	67
<i>Lovaza</i>	132	131	-	-	-	220	219	-	-	-
<i>Requip</i>	54	4	22	7	22	90	7	37	12	37
<i>Serevent</i>	53	18	26	2	5	88	30	43	3	8
<i>Serostat/Paxil</i>	104	-	22	30	49	174	-	37	50	82
<i>Valtrex</i>	74	14	15	16	26	124	23	25	27	43
<i>Zeffix</i>	85	2	4	71	6	142	3	7	119	10
Other	562	47	145	309	56	939	78	242	516	94
	9,025					15,072				

The table above includes the sales by product reported in Other trading and unallocated pharmaceuticals segment (which includes Canada, Puerto Rico, Australasia, central vaccines tender sales and contract manufacturing sales) in the total column only. US dollar amounts shown above are a convenience translation of the sterling amounts.

Turnover

Consumer Healthcare – Three months ended 30 June 2014

	Total £m	Total \$m
Total wellness	366	615
Oral health	434	729
Nutrition	151	254
Skin health	71	120
	<u>1,022</u>	<u>1,718</u>

	Total £m	Total \$m
USA	195	328
Europe	291	489
Rest of World	536	901
	<u>1,022</u>	<u>1,718</u>

Turnover

Consumer Healthcare – Six months ended 30 June 2014

	Total £m	Total \$m
Total wellness	782	1,306
Oral health	891	1,488
Nutrition	321	536
Skin health	155	259
	<u>2,149</u>	<u>3,589</u>

	Total £m	Total \$m
USA	397	663
Europe	619	1,034
Rest of World	1,133	1,892
	<u>2,149</u>	<u>3,589</u>

Balance sheet

	30 June 2014 £m	30 June 2014 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	8,667	14,821
Goodwill	3,666	6,269
Other intangible assets	8,413	14,386
Investments in associates and joint ventures	319	545
Other investments	1,283	2,194
Deferred tax assets	2,108	3,605
Other non-current assets	841	1,438
Total non-current assets	25,297	43,258
Current assets		
Inventories	4,111	7,030
Current tax recoverable	120	205
Trade and other receivables	5,000	8,550
Derivative financial instruments	93	159
Liquid investments	64	109
Cash and cash equivalents	3,163	5,409
Assets held for sale	1,002	1,714
Total current assets	13,553	23,176
TOTAL ASSETS	38,850	66,434
LIABILITIES		
Current liabilities		
Short-term borrowings	(3,143)	(5,374)
Trade and other payables	(6,949)	(11,883)
Derivative financial instruments	(96)	(164)
Current tax payable	(1,215)	(2,078)
Short-term provisions	(849)	(1,452)
Total current liabilities	(12,252)	(20,951)
Non-current liabilities		
Long-term borrowings	(14,507)	(24,807)
Deferred tax liabilities	(698)	(1,194)
Pensions and other post-employment benefits	(2,264)	(3,871)
Other provisions	(515)	(881)
Derivative financial instruments	(23)	(39)
Other non-current liabilities	(1,755)	(3,001)
Total non-current liabilities	(19,762)	(33,793)
TOTAL LIABILITIES	(32,014)	(54,744)
NET ASSETS	6,836	11,690
EQUITY		
Share capital	1,338	2,288
Share premium account	2,706	4,627
Retained earnings	(158)	(270)
Other reserves	2,232	3,817
Shareholders' equity	6,118	10,462
Non-controlling interests	718	1,228
TOTAL EQUITY	6,836	11,690

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