

Income statement

Three months ended 30th June 2008

	Statutory Q2 2008	Statutory Q2 2007 (restated)	Growth	
	£m	£m	CER%	£%
Turnover:				
Pharmaceuticals	4,923	4,759	(2)	3
Consumer Healthcare	951	915	(1)	4
TURNOVER	5,874	5,674	(2)	4
Cost of sales	(1,513)	(1,212)	(19)	(25)
Gross profit	4,361	4,462	(7)	(2)
Selling, general and administration	(1,796)	(1,841)	(7)	(2)
Research and development	(820)	(789)	1	4
Other operating income	194	97		
Operating profit:				
Pharmaceuticals	1,774	1,754	(7)	1
Consumer Healthcare	165	175	(16)	(6)
OPERATING PROFIT	1,939	1,929	(7)	1
Finance income	96	77		
Finance expense	(214)	(121)		
Share of after tax profits of associates and joint ventures	15	11		
PROFIT BEFORE TAXATION	1,836	1,896	(11)	(3)
Taxation	(529)	(541)		
<i>Tax rate %</i>	<i>28.8%</i>	<i>28.5%</i>		
PROFIT AFTER TAXATION FOR THE PERIOD	1,307	1,355	(11)	(4)
Profit attributable to minority interests	21	22		
Profit attributable to shareholders	1,286	1,333		
	1,307	1,355		
EARNINGS PER SHARE	24.6p	24.0p	(6)	3
Diluted earnings per share	24.4p	23.7p		

Income statement

Six months ended 30th June 2008

	Statutory Q2 2008 £m	Statutory Q2 2007 (restated) £m	Growth	
			CER%	£%
Turnover:				
Pharmaceuticals	9,690	9,545	(3)	2
Consumer Healthcare	1,870	1,721	3	9
TURNOVER	11,560	11,266	(2)	3
Cost of sales	(2,872)	(2,446)	12	17
Gross profit	8,688	8,820	(6)	(1)
Selling, general and administration	(3,541)	(3,514)	(3)	1
Research and development	(1,600)	(1,515)	3	6
Other operating income	355	304		
Operating profit:				
Pharmaceuticals	3,584	3,785	(11)	(5)
Consumer Healthcare	318	310	(9)	3
OPERATING PROFIT	3,902	4,095	(10)	(5)
Finance income	178	135		
Finance expense	(384)	(217)		
Share of after tax profits of associates and joint ventures	14	26		
PROFIT BEFORE TAXATION	3,710	4,039	(14)	(8)
Taxation	(1,071)	(1,151)		
<i>Tax rate %</i>	28.9%	28.5%		
PROFIT AFTER TAXATION FOR THE PERIOD	2,639	2,888	(14)	(9)
Profit attributable to minority interests	46	41		
Profit attributable to shareholders	2,593	2,847		
	2,639	2,888		
EARNINGS PER SHARE	49.0p	51.0p	(10)	(4)
Diluted earnings per share	48.7p	50.4p		

Turnover

Pharmaceuticals including vaccines Three months ended 30th June 2008

	Total			USA			Europe			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
Respiratory	1,383	4	10	616	4	4	497	-	12	270	12	22
<i>Seretide/Advair</i>	964	6	11	473	2	1	355	4	15	136	31	43
<i>Flixotide/Flovent</i>	158	(3)	5	68	5	5	43	(7)	5	47	(9)	4
<i>Serevite</i>	66	(11)	(6)	16	(11)	(11)	34	(11)	(3)	16	(12)	(6)
<i>Veramyst</i>	17	89	89	14	56	56	1	-	-	2	-	-
<i>Flixonase/Flonase</i>	65	13	18	33	32	32	16	(13)	7	16	7	7
Anti-virals	751	(5)	-	355	(2)	(3)	218	(12)	(1)	178	(2)	6
HIV	361	(6)	(1)	142	(10)	(11)	164	(2)	11	55	(7)	(4)
<i>Epzicom/Kivexa</i>	104	24	32	39	6	8	54	33	50	11	71	57
<i>Combivir</i>	104	(15)	(11)	41	(18)	(18)	44	(19)	(6)	19	-	(5)
<i>Trizivir</i>	50	(23)	(17)	23	(25)	(28)	24	(13)	4	3	(60)	(40)
<i>Agenerase, Lexiva</i>	38	9	15	18	-	(5)	16	8	23	4	>100	>100
<i>EpiVir</i>	34	(20)	(15)	11	(8)	(8)	15	(19)	(6)	8	(33)	(33)
<i>Ziagen</i>	26	(7)	(4)	11	-	-	10	-	11	5	(29)	(29)
<i>Valtrex</i>	277	19	23	195	22	21	36	10	24	46	14	28
<i>Zeffix</i>	47	-	7	4	33	33	6	20	20	37	(6)	3
<i>Relenza</i>	3	(97)	(96)	2	(94)	(94)	1	(96)	(96)	-	-	-
Central nervous system	818	(4)	(1)	547	(6)	(7)	143	1	13	128	1	10
<i>Lamictal</i>	323	18	19	268	22	21	38	(3)	9	17	-	13
<i>Imigran/Imitrex</i>	173	2	4	139	2	2	24	-	9	10	-	11
<i>Seroxat/Paxil</i>	127	(18)	(9)	16	(47)	(53)	31	(13)	-	80	(7)	7
<i>Wellbutrin</i>	97	(27)	(27)	89	(30)	(30)	3	-	-	5	-	25
<i>Requip</i>	58	(37)	(31)	18	(69)	(69)	31	27	41	9	>100	>100
<i>Treximet</i>	8	-	-	8	-	-	-	-	-	-	-	-
Cardiovascular and	435	(5)	(1)	251	(14)	(14)	129	12	29	55	15	17
<i>Avodart</i>	92	33	37	55	38	38	28	19	33	9	50	50
<i>Lovaza</i>	67	-	-	66	-	-	-	-	-	1	-	-
<i>Coreg</i>	44	(78)	(78)	43	(78)	(78)	-	-	-	1	(100)	(67)
<i>Coreg CR</i>	39	>100	>100	38	>100	>100	-	-	-	1	(100)	-
<i>Coreg IR</i>	5	(97)	(97)	5	(97)	(97)	-	-	-	-	-	(100)
<i>Fraxiparine</i>	58	13	29	-	-	-	46	3	21	12	71	71
<i>Arixtra</i>	36	31	38	16	21	14	17	50	70	3	-	50
<i>Vesicare</i>	16	25	33	16	25	33	-	-	-	-	-	-
<i>Levitra</i>	13	18	18	13	18	18	-	-	-	-	-	-
Metabolic	285	(35)	(32)	139	(44)	(45)	73	(19)	(8)	73	(23)	(17)
<i>Avandia products</i>	194	(46)	(44)	104	(54)	(54)	49	(31)	(21)	41	(33)	(33)
<i>Avandia</i>	125	(51)	(50)	72	(57)	(57)	20	(40)	(33)	33	(36)	(34)
<i>Avandamet</i>	61	(33)	(28)	25	(44)	(44)	28	(23)	(10)	8	(11)	(11)
<i>Bonviva/Boniva</i>	56	47	56	36	38	38	18	60	80	2	-	-
Anti-bacterials	329	(1)	6	39	(20)	(20)	140	(2)	11	150	7	12
<i>Augmentin</i>	129	(1)	8	8	(47)	(53)	57	-	14	64	13	21
<i>Altabax</i>	4	(20)	(20)	4	(20)	(20)	-	-	-	-	-	-
Oncology and emesis	117	(11)	(7)	57	(24)	(24)	41	6	21	19	12	12
<i>Hycamtin</i>	35	18	25	19	19	19	12	-	20	4	100	100
<i>Zofran</i>	31	(49)	(44)	4	(84)	(84)	16	(13)	-	11	(29)	(21)
<i>Tykerb</i>	22	75	83	11	20	10	8	>100	>100	3	-	-
Vaccines	577	34	45	124	19	18	276	41	59	177	37	48
<i>Hepatitis</i>	167	23	30	66	43	40	72	3	24	29	35	26
<i>Infanrix/Pediarix</i>	167	13	24	49	(4)	(4)	94	26	45	24	16	26
<i>Fluarix, FluLaval</i>	5	25	25	-	100	100	(1)	-	-	6	-	-
<i>Flu-prepandemic</i>	34	-	-	-	-	-	35	-	-	(1)	-	-
<i>Cervarix</i>	15	-	-	-	-	-	11	-	-	4	-	-
<i>Rotarix</i>	35	>100	>100	-	-	-	10	33	67	25	>100	>100
<i>Boostrix</i>	18	21	29	9	29	29	7	20	40	2	-	-
Other	228	(6)	1	1	(67)	(89)	81	19	31	146	(12)	(5)
	4,923	(2)	3	2,129	(8)	(9)	1,598	4	17	1,196	4	12

Pharmaceutical turnover includes co-promotion income.

Turnover

Pharmaceuticals including vaccines Six months ended 30th June 2008

	Total			USA			Europe			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
Respiratory	2,738	5	10	1,232	6	5	983	2	13	523	9	19
<i>Seretide/Advair</i>	1,918	8	12	972	6	5	700	6	17	246	25	37
<i>Flixotide/Flovent</i>	320	(2)	5	143	6	5	87	(7)	6	90	(8)	2
<i>Serevent</i>	133	(8)	(1)	33	(11)	(11)	71	(3)	6	29	(16)	(6)
<i>Veramyst</i>	30	>100	>100	26	>100	>100	2	-	-	2	-	-
<i>Flixonase/Flonase</i>	111	(12)	(6)	37	(26)	(26)	29	(7)	4	45	3	13
Anti-virals	1,490	(6)	(2)	702	(6)	(7)	427	(14)	(4)	361	2	10
HIV	719	(6)	(1)	294	(8)	(9)	321	(4)	7	104	(2)	3
<i>Epzicom/Kivexa</i>	203	25	32	79	11	11	102	33	48	22	50	57
<i>Combivir</i>	209	(14)	(10)	86	(13)	(14)	86	(20)	(9)	37	(3)	-
<i>Trizivir</i>	104	(20)	(15)	50	(20)	(22)	48	(16)	(4)	6	(38)	(25)
<i>Agenerase, Lexiva</i>	73	3	7	36	(5)	(8)	31	8	19	6	67	100
<i>EpiVir</i>	68	(21)	(16)	22	(15)	(15)	30	(21)	(12)	16	(29)	(24)
<i>Ziagen</i>	51	(8)	(4)	21	(5)	(5)	19	(6)	6	11	(15)	(15)
<i>Valtrex</i>	526	14	17	368	14	13	71	13	27	87	13	26
<i>Zeffix</i>	93	4	11	7	17	17	13	9	18	73	1	9
<i>Relenza</i>	32	(82)	(80)	10	(87)	(87)	1	(98)	(98)	21	(22)	(9)
Central nervous system	1,647	(1)	1	1,141	-	(1)	272	(4)	8	234	(3)	6
<i>Lamictal</i>	613	17	18	508	22	21	71	(9)	1	34	3	13
<i>Imigran/Imitrex</i>	338	-	2	273	1	-	47	(2)	9	18	(6)	-
<i>Seroxat/Paxil</i>	248	(16)	(9)	47	(31)	(34)	59	(18)	(9)	142	(8)	3
<i>Wellbutrin</i>	223	(15)	(16)	210	(17)	(18)	6	>100	>100	7	(14)	-
<i>Requip</i>	152	(12)	(7)	78	(31)	(32)	60	26	40	14	100	>100
<i>Treximet</i>	8	-	-	8	-	-	-	-	-	-	-	-
Cardiovascular and	833	(9)	(5)	483	(18)	(19)	245	9	24	105	16	22
<i>Avodart</i>	177	32	36	104	30	28	56	28	44	17	60	70
<i>Lovaza</i>	117	-	-	116	-	-	-	-	-	1	-	-
<i>Coreg</i>	92	(78)	(78)	91	(78)	(78)	-	-	-	1	(80)	(80)
<i>Coreg CR</i>	74	>100	>100	73	>100	>100	-	-	-	1	-	-
<i>Coreg IR</i>	18	(95)	(95)	18	(95)	(95)	-	-	-	-	-	(100)
<i>Fraxiparine</i>	109	4	18	-	-	-	87	(3)	13	22	40	47
<i>Arixtra</i>	71	48	54	35	44	40	31	42	63	5	>100	>100
<i>Vesicare</i>	30	30	30	30	30	30	-	-	-	-	-	-
<i>Levitra</i>	27	8	8	26	8	8	1	-	-	-	-	-
Metabolic	557	(40)	(38)	272	(52)	(52)	146	(13)	(2)	139	(26)	(21)
<i>Avandia products</i>	385	(51)	(50)	203	(61)	(61)	103	(23)	(13)	79	(39)	(36)
<i>Avandia</i>	247	(57)	(56)	143	(64)	(64)	42	(38)	(31)	62	(42)	(39)
<i>Avandamet</i>	123	(31)	(27)	49	(47)	(47)	59	(9)	4	15	(21)	(21)
<i>Bonviva/Boniva</i>	105	49	54	69	43	41	33	53	74	3	-	-
Anti-bacterials	692	(2)	6	84	(17)	(18)	315	(6)	6	293	9	14
<i>Augmentin</i>	285	(1)	7	25	(37)	(39)	136	-	13	124	11	17
<i>Altabax</i>	6	20	20	6	20	20	-	-	-	-	-	-
Oncology and emesis	230	(19)	(16)	115	(34)	(34)	78	6	20	37	6	12
<i>Hycamtin</i>	65	7	12	36	6	3	23	5	21	6	25	50
<i>Zofran</i>	60	(61)	(58)	7	(91)	(91)	32	(22)	(11)	21	(20)	(16)
<i>Tykerb</i>	41	>100	>100	21	69	62	15	>100	>100	5	-	-
Vaccines	1,013	23	32	233	26	25	476	23	38	304	19	29
<i>Hepatitis</i>	306	20	27	119	52	51	128	-	13	59	14	20
<i>Infanrix/Pediarix</i>	320	10	19	100	7	6	175	12	28	45	8	18
<i>Fluarix, FluLaval</i>	5	-	-	-	-	100	(1)	-	-	6	(14)	(14)
<i>Flu-prepandemic</i>	39	-	-	-	-	-	39	-	-	-	-	-
<i>Cervarix</i>	27	-	-	-	-	-	21	-	-	6	-	-
<i>Rotarix</i>	62	100	>100	-	-	-	19	60	90	43	>100	>100
<i>Boostrix</i>	31	7	15	14	-	-	12	11	33	5	25	25
Other	490	3	9	5	(85)	(88)	152	20	31	333	9	14
	9,690	(3)	2	4,267	(9)	(10)	3,094	1	13	2,329	5	13

Pharmaceutical turnover includes co-promotion income

Turnover

Consumer Healthcare

Three months ended 30th June 2008

	Total			USA			Europe			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
OVER-THE-COUNTER	443	(9)	(4)	143	(30)	(31)	134	4	17	166	11	19
<i>Panadol</i> franchise	78	11	18	-	-	-	17	14	21	61	10	17
Smoking cessation	65	(15)	(13)	47	(8)	(8)	13	(33)	(28)	5	(17)	(17)
<i>Tums</i>	22	5	5	19	5	-	-	-	-	3	-	50
Cold sore franchise	19	20	27	9	50	50	9	14	29	1	(50)	(50)
<i>Breathe Right</i>	18	42	50	10	-	-	5	100	>100	3	-	-
<i>alli</i>	18	(76)	(76)	17	(76)	(78)	-	-	-	1	-	-
ORAL HEALTHCARE	298	3	12	50	(7)	(7)	169	5	17	79	7	16
<i>Aquafresh</i> franchise	107	(3)	6	18	(21)	(25)	66	4	16	23	-	15
<i>Sensodyne</i> franchise	87	9	18	15	7	7	43	8	19	29	13	21
Dental healthcare	66	7	20	15	-	-	27	9	23	24	11	33
NUTRITIONAL	210	11	12	-	-	-	134	6	7	76	21	23
<i>Lucozade</i>	107	11	14	-	-	-	95	9	10	12	25	50
<i>Horlicks</i>	48	14	14	-	-	-	5	-	-	43	16	16
<i>Ribena</i>	43	5	5	-	-	-	34	3	3	9	13	13
	951	(1)	4	193	(25)	(26)	437	5	14	321	13	19

Turnover

Consumer Healthcare

Six months ended 30th June 2008

	Total			USA			Europe			Rest of World		
	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
OVER-THE-COUNTER	880	(2)	3	268	(21)	(21)	278	5	16	334	14	21
<i>Panadol</i> franchise	158	15	23	-	-	-	36	14	24	122	15	23
Smoking cessation	123	(21)	(20)	85	(17)	(17)	29	(34)	(29)	9	(10)	(10)
<i>Tums</i>	43	-	-	37	(3)	(5)	-	-	-	6	25	50
Cold sore franchise	39	12	18	16	14	14	19	13	27	4	-	-
<i>Breathe Right</i>	35	27	35	19	(14)	(14)	10	>100	>100	6	>100	>100
<i>alli</i>	27	(64)	(64)	25	(66)	(67)	-	-	-	2	-	-
ORAL HEALTHCARE	587	6	14	100	(2)	(3)	328	6	18	159	11	20
<i>Aquafresh</i> franchise	214	2	10	38	(7)	(10)	130	3	15	46	8	15
<i>Sensodyne</i> franchise	173	14	23	30	11	11	84	15	25	59	15	26
Dental healthcare	126	6	17	29	(3)	(3)	51	10	24	46	11	24
NUTRITIONAL	403	12	15	-	-	-	244	7	8	159	22	27
<i>Lucozade</i>	193	14	16	-	-	-	171	12	14	22	31	38
<i>Horlicks</i>	104	16	21	-	-	-	11	(8)	(8)	93	20	26
<i>Ribena</i>	80	-	1	-	-	-	61	(2)	(2)	19	6	12
	1,870	3	9	368	(16)	(17)	850	6	14	652	15	22