

Issued: 30th July 2013, London, U.K.

GlaxoSmithKline Capital plc

Results Announcement and Interim Management Report for the half year ended 30th June 2013

Performance

GlaxoSmithKline Capital plc (the "Company"), a wholly owned indirect subsidiary of GlaxoSmithKline plc, issues US and Euro Medium Term Notes and provides financing and financial services to fellow subsidiaries of GlaxoSmithKline plc and its subsidiaries (the "Group"). During the period the Company made a profit on ordinary activities after taxation of £3,128,000 (H1 2012: £1,742,000).

The Company seeks to denominate borrowings in the currencies of its principal assets and cash flows. These are primarily denominated in Euros, US Dollars and Sterling.

The policy on interest rate risk management limits the amount of floating interest payments to a prescribed percentage of trading profit.

After making certain enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing this document, due to ongoing support from the intermediate parent undertaking, GlaxoSmithKline Finance plc.

Outlook

The Directors are of the opinion that the current level of activity and the period end financial position are satisfactory and will remain so in the foreseeable future.

GlaxoSmithKline Capital plc, 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.
Registered in England and Wales. Registered number: 2258699

GlaxoSmithKline Capital plc

Profit and loss account

Six months ended 30th June 2013

	Period ended 30th June 2013 £'000	Period ended 30th June 2012 £'000	Year ended 31st December 2012 £'000
Net administrative income (including foreign exchange gains and losses)	<u>149</u>	<u>107</u>	<u>51</u>
Interest payable and similar charges	(208,773)	(205,823)	(426,275)
Interest receivable and similar income	212,765	208,058	431,976
Net interest receivable	<u>3,992</u>	<u>2,235</u>	<u>5,701</u>
Profit on ordinary activities before taxation	4,141	2,342	5,752
Taxation	(1,013)	(600)	(1,437)
Profit on ordinary activities after taxation	<u>3,128</u>	<u>1,742</u>	<u>4,315</u>

Statement of total recognised gains and losses

Six months ended 30th June 2013

	Period ended 30th June 2013 £'000	Period ended 30th June 2012 £'000	Year ended 31st December 2012 £'000
Profit for the period	<u>3,128</u>	<u>1,742</u>	<u>4,315</u>
Movements in cash flow hedge reserve	298	206	418
Fair value loss on cash flow hedges	<u>-</u>	<u>-</u>	(4,880)
Total recognised gains and losses relating to the period	<u>3,426</u>	<u>1,948</u>	<u>(147)</u>

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Balance sheet

As at 30th June 2013

	30th June 2013 £'000	31st December 2012 £'000
Debtors: amounts due after one year	10,331,331	9,963,297
Debtors: amounts due within one year	190,733	159,141
	<u>10,522,064</u>	<u>10,122,438</u>
Cash at bank	3	2
Current assets	<u>10,522,067</u>	<u>10,122,440</u>
Creditors: amounts due within one year	<u>(153,042)</u>	<u>(131,863)</u>
Net current assets	<u>10,369,025</u>	<u>9,990,577</u>
Creditors: amounts due after one year	<u>(10,368,950)</u>	<u>(9,993,928)</u>
Net assets / (liabilities)	<u>75</u>	<u>(3,351)</u>
Capital and reserves		
Called up share capital	100	100
Profit and loss account	11,168	8,040
Other reserves	(11,193)	(11,491)
Equity shareholders' funds / (deficit)	<u>75</u>	<u>(3,351)</u>

Reconciliation of movements in shareholders' funds / (deficit)

	Period ended 30th June 2013 £'000	Period ended 30th June 2012 £'000	Year ended 31st December 2012 £'000
Equity shareholders' deficit at beginning of period	(3,351)	(3,204)	(3,204)
Profit for the period	3,128	1,742	4,315
Movement in cash flow hedge reserve	298	206	(4,462)
Equity shareholders' funds / (deficit) at end of period	<u>75</u>	<u>(1,256)</u>	<u>(3,351)</u>

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Taxation	Period ended 30th June 2013 £'000	Period ended 30th June 2012 £'000	Year ended 31st December 2012 £'000
Current tax	963	547	1,304
Deferred tax	50	53	133
	<u>1,013</u>	<u>600</u>	<u>1,437</u>
<i>Current tax rate</i>	23.25%	24.5%	24.5%

The effective tax rate is based on the anticipated charge for taxation for the year to 31st December 2013.

Net interest receivable	Period ended 30th June 2013 £'000	Period ended 30th June 2012 £'000	Year ended 31st December 2012 £'000
Interest payable and similar charges			
Cash flow hedge recycling from equity	(298)	(206)	(418)
On US Medium Term Notes and European Medium Term Notes	(203,095)	(201,115)	(415,794)
Amortisation of bond expenses	(5,380)	(4,502)	(10,063)
	<u>(208,773)</u>	<u>(205,823)</u>	<u>(420,675)</u>
Interest receivable and similar income			
On loans with Group undertakings	212,765	208,058	431,976
	<u>3,992</u>	<u>2,235</u>	<u>5,701</u>

Debtors	30th June 2013 £'000	31st December 2012 £'000
Amounts due within one year		
Amounts owed by Group undertakings – loans	32,632	26,214
Amounts owed by Group undertakings – current accounts	158,101	132,927
	<u>190,733</u>	<u>159,141</u>
Amounts due after one year		
Amounts owed by Group undertakings – loans	10,331,083	9,962,999
Deferred tax	248	298
	<u>10,331,331</u>	<u>9,963,297</u>
	<u>10,522,064</u>	<u>10,122,438</u>

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Creditors	30th June 2013 £'000	31st December 2012 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings – current accounts	22	3,223
Tax	2,267	1,304
Accruals and deferred income	150,753	127,336
	153,042	131,863
Amounts falling due after one year		
US Medium Term Notes	3,266,452	3,043,877
European Medium Term Notes	7,102,498	6,950,051
	10,368,950	9,993,928
	10,521,992	10,125,791

Amounts owed to Group undertakings are unsecured and repayable on demand.

The corporation tax creditor contains amounts which will be paid to fellow Group companies.

Accruals and deferred income relates to accrued interest payable on US Medium Term Notes and Euro Medium Term Notes.

Debt is unsecured and there are no debt covenants in relation thereto.

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Related party transactions

The Company's significant related parties are other members of the Group. Advantage has been taken of the exemption afforded by FRS 8 'Related Party Disclosures' not to disclose any related party transactions within the Group. There are no other related party transactions.

Accounting presentation and policies

This unaudited Results Announcement containing condensed financial information for the six months ended 30th June 2013 is prepared under UK GAAP in accordance with the Listing Rules of the UK Listing Authority, pronouncements on interim reporting issued by the Accounting Standards Board (ASB) and the accounting policies set out in the Company's audited Financial Statements 2012.

This unaudited Results Announcement does not constitute statutory accounts of the Company within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The balance sheet at 31st December 2012 has been derived from the full accounts published in the Financial Statements 2012, which have been delivered to the Registrar of Companies and on which the report of the independent auditors was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

Principal risks and uncertainties

The Directors of GlaxoSmithKline plc manage the risks of the Group at a group level, rather than at an individual business unit level.

For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business.

The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2012 Annual Report which does not form part of this report.

In addition to the Financial Risk Management disclosed in the Treasury Policy Note of Company's Director's Report and Financial Statements for the year ended 31st December 2012, at a Company level, the principal risks and uncertainties relevant to the Group and the Company's business and financial condition and results would include risks from Global and Political Economic Conditions, Reliance on Information Technology, and the potential impact of new or revised Accounting Standards.

Global and Political Economic Conditions

Many of the world's largest economies, including the major markets in which the Group operates, and financial institutions have recently faced extreme financial difficulty, including a decline in asset prices, liquidity problems and limited availability of credit. The economic uncertainty of 2012 has continued into 2013, particularly in Europe. It is uncertain how long these effects will last, or whether economic and financial trends will worsen or improve. The Group has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting it or the Company, or the possibility of legal and regulatory changes in jurisdictions in which the Group or the Company operates.

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Reliance on Information Technology

The Group is increasingly dependent on information technology systems, including Internet-based systems, for internal communication as well as communication with financial counterparties. Any significant disruption of these systems, whether due to computer viruses or other outside incursions, could materially and adversely affect the Group's and Company's operations.

Impact of New or Revised Accounting Standards

New or revised accounting standards, rules and interpretations circulated from time to time by the standard setting board could result in changes to the recognition of income and expense that may adversely impact the Group's and the Company's reported financial results. The Group believes that it complies with the appropriate regulatory requirements concerning their financial statements and disclosures.

Directors' responsibility statement

The Board of Directors approved this document on 30th July 2013.

The Directors confirm that to the best of their knowledge this unaudited condensed financial information has been prepared in accordance with pronouncements by the ASB and that the interim management report herein includes a true and fair view of the information required by DTR 4.2.7.

The Directors of GlaxoSmithKline Capital plc are Edinburgh Pharmaceutical Industries Limited, Glaxo Group Limited and Simon Dingemans.

By order of the Board
Paul Blackburn on behalf of Glaxo Group Limited
(Corporate Director)
30th July 2013

Internet

This Announcement and other information about the GSK Group are available on the website at:
<http://www.gsk.com>.