

Income statement

Year ended 31 December 2017

	Total £m	Total \$m
TURNOVER	30,186	39,242
Cost of sales	(10,342)	(13,445)
Gross profit	19,844	25,797
Selling, general and administration	(9,672)	(12,574)
Research and development	(4,476)	(5,819)
Royalty income	356	463
Other operating income/(expense)	(1,965)	(2,554)
OPERATING PROFIT	4,087	5,313
Finance income	65	85
Finance expense	(734)	(954)
Profit on disposal of interest in associates	94	122
Share of after tax profits of joint ventures and associates	13	17
PROFIT BEFORE TAXATION	3,525	4,583
Taxation	(1,356)	(1,763)
PROFIT AFTER TAXATION FOR THE YEAR	2,169	2,820
Profit attributable to non-controlling interests	637	828
Profit attributable to shareholders	1,532	1,992
	2,169	2,820
EARNINGS PER SHARE	31.4p	40.8¢
Diluted earnings per share	31.0p	40.3¢

US dollar amounts shown above are a convenience translation of the sterling amounts. US dollar results for the year ended 31 December 2017 are calculated using average rates for the year. US dollar results for the three months ended 31 December 2017 are calculated as the difference between these full year results translated into US dollars and US dollar results previously published for the nine months ended 30 September 2017.

Income statement

Three months ended 31 December 2017

	Total £m	Total \$m
TURNOVER	7,639	10,382
Cost of sales	(2,558)	(3,482)
Gross profit	5,081	6,900
Selling, general and administration	(2,533)	(3,436)
Research and development	(1,209)	(1,637)
Royalty income	69	96
Other operating income/(expense)	(896)	(1,186)
OPERATING PROFIT	512	737
Finance income	16	22
Finance expense	(154)	(211)
Profit on disposal of interest in associates	66	86
Share of after tax profits of joint ventures and associates	2	3
PROFIT BEFORE TAXATION	442	637
Taxation	(805)	(1,058)
LOSS AFTER TAXATION FOR THE PERIOD	(363)	(421)
Profit attributable to non-controlling interests	183	247
Loss attributable to shareholders	(546)	(668)
	(363)	(421)
LOSS PER SHARE	(11.2)p	(15.2)¢
Diluted loss per share	(11.2)p	(15.2)¢

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Pharmaceuticals turnover - year ended 31 December 2017

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	6,991	3,556	1,458	1,977	9,088	4,623	1,895	2,570
<i>Anoro Ellipta</i>	342	234	69	39	445	304	90	51
<i>Armuity Ellipta</i>	35	32	-	3	46	42	-	4
<i>Avamys/Veramyst</i>	281	1	76	204	365	1	99	265
<i>Flixotide/Flovent</i>	596	323	95	178	775	420	124	231
<i>Incruse Ellipta</i>	201	134	51	16	261	174	66	21
<i>Nucala</i>	344	236	70	38	447	307	91	49
<i>Relvar/Breo Ellipta</i>	1,006	602	202	202	1,307	782	262	263
<i>Seretide/Advair</i>	3,130	1,610	736	784	4,069	2,093	957	1,019
<i>Trelegy Ellipta</i>	2	2	-	-	3	3	-	-
<i>Ventolin</i>	767	380	132	255	997	494	171	332
Other	287	2	27	258	373	3	35	335
HIV	4,350	2,697	1,114	539	5,655	3,506	1,448	701
<i>Epzicom/Kivexa</i>	234	27	114	93	304	35	148	121
<i>Juluca</i>	5	5	-	-	7	7	-	-
<i>Selzentry</i>	128	66	42	20	166	86	54	26
<i>Tivicay</i>	1,404	923	315	166	1,825	1,200	409	216
<i>Triumeq</i>	2,461	1,632	606	223	3,199	2,121	788	290
Other	118	44	37	37	154	57	49	48
Immuno-inflammation	377	339	27	11	490	441	35	14
<i>Benlysta</i>	375	338	27	10	488	440	35	13
Established Pharmaceuticals	5,558	976	1,384	3,198	7,226	1,269	1,799	4,158
Dermatology	456	7	162	287	593	9	211	373
Augmentin	587	-	182	405	764	-	237	527
Avodart	613	15	297	301	797	20	386	391
Coreg	134	134	-	-	174	174	-	-
<i>Eperzan/Tanzeum</i>	87	83	3	1	113	108	4	1
<i>Imigran/Imitrex</i>	168	77	65	26	218	100	84	34
<i>Lamictal</i>	650	332	107	211	845	432	139	274
<i>Requip</i>	110	12	29	69	143	15	38	90
<i>Serevent</i>	96	52	33	11	125	68	43	14
<i>Seroxat/Paxil</i>	184	-	39	145	239	-	50	189
<i>Valtrex</i>	128	20	29	79	166	26	37	103
<i>Zeffix</i>	89	1	6	82	116	1	8	107
Other	2,256	243	432	1,581	2,933	316	562	2,055
Pharmaceuticals	17,276	7,568	3,983	5,725	22,459	9,839	5,177	7,443

Pharmaceuticals turnover – three months ended 31 December 2017

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Respiratory	1,896	1,006	382	508	2,566	1,359	518	689
<i>Anoro Ellipta</i>	109	77	20	12	147	103	27	17
<i>Arnuity Ellipta</i>	12	10	-	2	17	14	-	3
<i>Avamys/Veramyst</i>	65	-	17	48	88	-	23	65
<i>Flixotide/Flovent</i>	162	91	26	45	219	123	36	60
<i>Incruse Ellipta</i>	61	41	15	5	82	55	20	7
<i>Nucala</i>	121	83	24	14	162	111	32	19
<i>Relvar/Breo Ellipta</i>	296	181	54	61	398	243	73	82
<i>Seretide/Advair</i>	787	407	184	196	1,070	553	251	266
<i>Trelegy Ellipta</i>	2	2	-	-	3	3	-	-
<i>Ventolin</i>	215	111	36	68	290	150	48	92
Other	66	3	6	57	90	4	8	78
HIV	1,156	714	292	150	1,567	968	396	203
<i>Epzicom/Kivexa</i>	42	4	17	21	58	5	24	29
<i>Juluca</i>	5	5	-	-	7	7	-	-
<i>Selzentry</i>	30	16	10	4	41	22	13	6
<i>Tivicay</i>	399	256	87	56	539	347	117	75
<i>Triumeq</i>	653	427	166	60	885	579	225	81
Other	27	6	12	9	37	8	17	12
Immuno-inflammation	97	87	7	3	132	119	9	4
<i>Benlysta</i>	97	87	7	3	132	119	9	4
Established Pharmaceuticals	1,391	225	355	811	1,892	308	482	1,102
Dermatology	117	5	40	72	159	6	55	98
Augmentin	143	-	46	97	195	-	63	132
Avodart	149	3	64	82	203	4	88	111
Coreg	23	23	-	-	32	32	-	-
<i>Eperzan/Tanzeum</i>	14	13	-	1	20	19	-	1
<i>Imigran/Imitrex</i>	36	15	15	6	49	21	20	8
<i>Lamictal</i>	168	85	26	57	228	116	35	77
<i>Requip</i>	28	2	9	17	38	2	12	24
<i>Serevent</i>	24	13	8	3	33	18	11	4
<i>Seroxat/Paxil</i>	47	-	10	37	63	-	13	50
<i>Valtrex</i>	31	4	6	21	42	5	8	29
<i>Zeffix</i>	20	-	2	18	28	-	3	25
Other	591	62	129	400	802	85	174	543
Pharmaceuticals	4,540	2,032	1,036	1,472	6,157	2,754	1,405	1,998

Vaccines turnover - year ended 31 December 2017

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	890	339	391	160	1,157	441	508	208
<i>Bexsero</i>	556	152	342	62	723	198	445	80
<i>Menveo</i>	274	187	34	53	356	243	44	69
<i>Other</i>	60	-	15	45	78	-	19	59
Influenza	488	361	49	78	634	469	64	101
<i>Fluarix, FluLaval</i>	488	361	49	78	634	469	64	101
Shingles	22	22	-	-	29	29	-	-
<i>Shingrix</i>	22	22	-	-	29	29	-	-
Established Vaccines	3,760	1,147	1,160	1,453	4,888	1,491	1,508	1,889
<i>Infanrix, Pediarix</i>	743	330	315	98	966	429	410	127
<i>Boostrix</i>	560	262	185	113	728	340	241	147
Hepatitis	693	379	201	113	901	493	261	147
<i>Rotarix</i>	524	132	95	297	681	172	123	386
<i>Synflorix</i>	509	-	67	442	662	-	87	575
<i>Priorix, Priorix Tetra, Varilrix</i>	301	-	164	137	391	-	213	178
<i>Cervarix</i>	134	-	29	105	174	-	38	136
<i>Other</i>	296	44	104	148	385	57	135	193
Vaccines	5,160	1,869	1,600	1,691	6,708	2,430	2,080	2,198

Vaccines turnover - three months ended 31 December 2017

	Total £m	US £m	Europe £m	Inter- national £m	Total \$m	US \$m	Europe \$m	Inter- national \$m
Meningitis	201	67	86	48	275	93	117	65
<i>Bexsero</i>	115	16	77	22	159	24	106	29
<i>Menveo</i>	65	51	5	9	88	69	6	13
<i>Other</i>	21	-	4	17	28	-	5	23
Influenza	111	71	17	23	151	98	23	30
<i>Fluarix, FluLaval</i>	111	71	17	23	151	98	23	30
Shingles	22	22	-	-	29	29	-	-
<i>Shingles</i>	22	22	-	-	29	29	-	-
Established Vaccines	874	214	283	377	1,194	297	385	512
<i>Infanrix, Pediarix</i>	157	54	75	28	216	76	103	37
<i>Boostrix</i>	134	49	51	34	182	67	69	46
Hepatitis	161	77	49	35	220	107	66	47
<i>Rotarix</i>	126	28	25	73	172	39	33	100
<i>Synflorix</i>	111	-	25	86	153	-	33	120
<i>Priorix, Priorix Tetra, Varilrix</i>	66	-	39	27	90	-	53	37
<i>Cervarix</i>	62	-	6	56	82	-	9	73
<i>Other</i>	57	6	13	38	79	8	19	52
Vaccines	1,208	374	386	448	1,649	517	525	607

Consumer Healthcare turnover - year ended 31 December 2017

	Total £m	Total \$m
Wellness	4,001	5,201
Oral health	2,466	3,206
Nutrition	680	884
Skin health	603	784
	<hr/> 7,750	<hr/> 10,075

	Total £m	Total \$m
US	1,826	2,374
Europe	2,360	3,068
International	3,564	4,633
	<hr/> 7,750	<hr/> 10,075

Consumer Healthcare turnover - three months ended 31 December 2017

	Total £m	Total \$m
Wellness	992	1,350
Oral health	602	820
Nutrition	163	222
Skin health	134	184
	<hr/> 1,891	<hr/> 2,576

	Total £m	Total \$m
US	440	600
Europe	571	778
International	880	1,198
	<hr/> 1,891	<hr/> 2,576

Balance sheet

	31 December 2017 £m	31 December 2017 \$m
ASSETS		
Non-current assets		
Property, plant and equipment	10,860	14,661
Goodwill	5,734	7,741
Other intangible assets	17,562	23,709
Investments in associates and joint ventures	183	247
Other investments	918	1,239
Deferred tax assets	3,796	5,125
Derivative financial instruments	8	11
Other non-current assets	1,413	1,907
Total non-current assets	40,474	54,640
Current assets		
Inventories	5,557	7,502
Current tax recoverable	258	348
Trade and other receivables	6,000	8,100
Derivative financial instruments	68	92
Liquid investments	78	105
Cash and cash equivalents	3,833	5,174
Assets held for sale	113	153
Total current assets	15,907	21,474
TOTAL ASSETS	56,381	76,114
LIABILITIES		
Current liabilities		
Short-term borrowings	(2,825)	(3,814)
Contingent consideration liabilities	(1,076)	(1,453)
Trade and other payables	(20,970)	(28,309)
Derivative financial instruments	(74)	(100)
Current tax payable	(995)	(1,343)
Short-term provisions	(629)	(849)
Total current liabilities	(26,569)	(35,868)
Non-current liabilities		
Long-term borrowings	(14,264)	(19,256)
Corporation tax payable	(411)	(555)
Deferred tax liabilities	(1,396)	(1,885)
Pensions and other post-employment benefits	(3,539)	(4,778)
Other provisions	(636)	(858)
Contingent consideration liabilities	(5,096)	(6,880)
Other non-current liabilities	(981)	(1,324)
Total non-current liabilities	(26,323)	(35,536)
TOTAL LIABILITIES	(52,892)	(71,404)
NET ASSETS	3,489	4,710
EQUITY		
Share capital	1,343	1,813
Share premium account	3,019	4,076
Retained earnings	(6,477)	(8,744)
Other reserves	2,047	2,763
Shareholders' equity	(68)	(92)
Non-controlling interests	3,557	4,802
TOTAL EQUITY	3,489	4,710

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