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GLAXOSMITHKLINE plc

INTERIM ACCOUNTS
under Section 270 of the Companies Act 1985

Six months to 30th June 2002

GLAXOSMITHKLINE plc

INTERIM ACCOUNTS
for the six months ended 30th June 2002

The Accounts have been prepared in accordance with the Company's accounting policies as set out in the Annual Report for the year ended 31st December 2001, except that the Company has implemented the following new Financial Reporting Standard: FRS 19 : "Deferred tax". No restatement of the prior year figures is required.

COMPANY PROFIT AND LOSS ACCOUNT

	Notes	**6 months to 30.6.02 £m**	Year ended 31.12.01 £m
Income from shares in Group undertakings		**6,758**	4,327
PROFIT BEFORE INTEREST		**6,758**	4,327
Net interest		**(103)**	5
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**6,655**	4,332
Taxation		**31**	(1)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**6,686**	4,331
Dividend		**(1,065)**	(2,356)
RETAINED PROFIT FOR THE PERIOD	4	**5,621**	1,975

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		6 months to 30.6.02 £m	Year ended 31.12.01 £m
Profit for the period		**6,686**	4,331
Unrealised profit on capital reduction by subsidiary	5	**4,096**	-
Total recognised gains and losses relating to the period		**10,782**	4,331

COMPANY BALANCE SHEET

	Notes	**30.06.02 £m**	31.12.01 £m
FIXED ASSETS	1	**17,612**	1,574
CURRENT ASSETS			
Debtors	2	**1,472**	2,122
Cash at bank		**5**	-
		1,477	2,122
CREDITORS: Amounts falling due within one year	3	**8,625**	1,265
NET CURRENT (LIABILITIES)/ASSETS		**(7,148)**	857
NET ASSETS		**10,464**	2,431
CAPITAL AND RESERVES			
Called up share capital	4	**1,516**	1,543
Share premium account	4	**205**	170
Other reserves	4	**45**	17
Profit and loss account	4	**8,698**	701
EQUITY SHAREHOLDERS' FUNDS		**10,464**	2,431

J.D. Coombe
Chief Financial Officer
23rd July 2002

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	6 months to 30.6.02 £m	Year ended 31.12.01 £m
Equity shareholders' funds at the beginning of the period	**2,431**	1,586
Total recognised gains and losses for the period	**10,782**	4,331
Dividend	**(1,065)**	(2,356)
Ordinary shares issued under share option schemes	**36**	144
Ordinary shares purchased and cancelled	**(1,720)**	(1,274)
Equity shareholders' funds at the end of the period	**10,464**	2,431

NOTES ON THE ACCOUNTS

		At 30.6.02 £m	At 31.12.01 £m
1.	**Fixed assets**		
	Shares in Glaxo Group Limited - at cost	**7,391**	-
	Shares in Wellcome Limited - at cost	**9,537**	-
	Shares in GlaxoSmithKline Services Unlimited (formerly GlaxoSmithKline Services plc) - at cost	**24**	914
	Shares in SmithKline Beecham plc - at cost	**642**	642
	Shares in GlaxoSmithKline Holdings (one) Limited - at cost	**18**	18
		17,612	1,574
2.	**Debtors**		
	Corporation tax	**29**	-
	Amounts owed by Group undertakings	**1,443**	2,122
	Amounts due within one year	**1,472**	2,122
3.	**CREDITORS: Amounts falling due within one year**		
	Dividends proposed	**1,065**	1,264
	Corporation tax	-	1
	Amounts owed to Group undertakings	**7,428**	-
	Other creditors	**132**	-
		8,625	1,265

NOTES ON THE ACCOUNTS

4. Capital and Reserves

	Share capital £m	Share premium £m	Other reserves £m	Profit and loss account £m
At 1st January 2002	1,543	170	17	701
Ordinary shares issued under share option schemes	1	35	-	-
Ordinary shares purchased and cancelled	(28)	-	28	(1,720)
Retained profit for the period	-	-	-	9,717
At 30th June 2002	**1,516**	**205**	**45**	**8,698**

The share premium and the other reserves are non-distributable. As at 30th June 2002, £4,096m (31st December 2001 - £nil) of the profit and loss account reserve is also undistributable.

5. Group re-organisation

On 27th March 2002 the Company acquired all the issued share capital of Glaxo Group Limited and Wellcome Limited from its subsidiary, GlaxoSmithKline Services plc. GlaxoSmithKline Services plc then re-registered as a private limited liability company, capitalised part of its reserves, re-registered as an unlimited liability company, and made a capital repayment of £4,986 million. The Company has recognised an unrealised profit on this capital reduction of £4,096 million which is recorded in the Statement of Total Recognised Gains and Losses.