

1258142

GLAXOSMITHKLINE plc

INTERIM ACCOUNTS
under Section 270 of the Companies Act 1985

Six months ended 30th June 2006



GLAXOSMITHKLINE plc

INTERIM ACCOUNTS

for the six months ended 30th June 2006

Company Profit and Loss Account	1
Company Balance Sheet	2
Reconciliation of Movements in Equity Shareholders' Funds	3
<i>Notes on the Accounts</i>	4-5

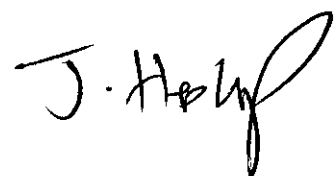
The Accounts have been prepared in accordance with the Company's accounting policies as set out in the Annual Report for the year ended 31st December 2005.

COMPANY PROFIT AND LOSS ACCOUNT

	Notes	Six months to 30.06.06 £m	Year ended 31.12.05 £m
Income from shares in Group undertakings	1	3,300	1,400
Administration costs		(2)	(5)
OPERATING PROFIT		3,298	1,395
Amounts written off investments		-	(24)
PROFIT BEFORE INTEREST		3,298	1,371
Net interest		(236)	(419)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		3,062	952
Taxation		71	127
PROFIT FOR THE PERIOD	5	3,133	1,079

COMPANY BALANCE SHEET

	Notes	30.06.06 £m	31.12.05 £m
FIXED ASSETS	2	<u>18,785</u>	<u>18,727</u>
CURRENT ASSETS			
Debtors	3	198	237
Cash at bank		-	5
		<u>198</u>	<u>242</u>
CREDITORS: Amounts falling due within one year	4	<u>(7,332)</u>	<u>(8,862)</u>
NET CURRENT LIABILITIES		<u>(7,134)</u>	<u>(8,620)</u>
NET ASSETS		<u>11,651</u>	<u>10,107</u>
CAPITAL AND RESERVES			
Called up share capital	5	1,496	1,491
Share premium account	5	768	549
Other reserves	5	960	902
Profit and loss account	5	<u>8,427</u>	<u>7,165</u>
EQUITY SHAREHOLDERS' FUNDS		<u>11,651</u>	<u>10,107</u>



JS Heslop
Chief Financial Officer
26th July 2006

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Six months to 30.06.06 £m	Year ended 31.12.05 £m
Equity shareholders' funds at the beginning of the period	10,107	12,031
Profit attributable to shareholders for the period	3,133	1,079
Dividends paid	(1,359)	(2,390)
Ordinary shares issued under share option schemes	224	252
Ordinary shares purchased and held as Treasury shares	(512)	(1,000)
Capital contribution relating to share based payments	58	135
Equity shareholders' funds at the end of the period	<u>11,651</u>	<u>10,107</u>

NOTES ON THE ACCOUNTS

	Six months to 30.6.06 £m	Year ended 31.12.05 £m
1. Income from shares in Group undertakings		
The Company has received the following dividends from its subsidiaries:		
GlaxoSmithKline Holdings Limited	3,300	-
GlaxoSmithKline Finance plc	-	1,400
	<u>3,300</u>	<u>1,400</u>
	At 30.06.06 £m	At 31.12.05 £m
2. Fixed assets		
Shares in GlaxoSmithKline Finance plc – at cost	-	17,888
Shares in GlaxoSmithKline Services Unlimited (formerly GlaxoSmithKline Services plc) - at cost	-	-
Shares in GlaxoSmithKline Holdings (one) Limited - at cost	18	18
Shares in GlaxoSmithKline Holdings Limited	<u>17,888</u>	<u>-</u>
	17,906	17,906
Capital contribution relating to share based payments	879	821
	<u>18,785</u>	<u>18,727</u>
During the period, GlaxoSmithKline Holdings Limited issued new shares to the Company in consideration for the sale of the entire share capital of GlaxoSmithKline Finance plc.		
3. Debtors		
Corporation tax	198	127
Amounts owed by Group undertakings	-	110
Amounts due within one year	<u>198</u>	<u>237</u>

NOTES ON THE ACCOUNTS

	At 30.06.06 £m	At 31.12.05 £m
4. CREDITORS: Amounts falling due within one year		
Dividends payable	5	4
Other payables	8	1
Amounts owed to Group undertakings	7,319	8,857
	<u>7,332</u>	<u>8,862</u>

5. Capital and Reserves

	Share capital £m	Share premium £m	Other reserves £m	Profit and loss account £m
At 1st January 2006	1,491	549	902	7,165
Ordinary shares issued under share option schemes	5	219	-	-
Ordinary shares purchased and held as Treasury shares	-	-	-	(512)
Profit attributable to shareholders	-	-	-	3,133
Dividends paid	-	-	-	(1,359)
Capital contribution relating to Share based payments	-	-	58	-
At 30th June 2006	<u>1,496</u>	<u>768</u>	<u>960</u>	<u>8,427</u>

The share premium and the other reserves are not distributable. At 30th June 2006, £4,096 million (31st December 2005 - £4,096 million) of the profit and loss account reserve was also undistributable following the recognition of an unrealised profit on a capital reduction in 2002.

At 30th June 2006, the Company held 176.6 million Treasury shares at a value of £2,311 million.