GLAXOSMITHKLINE plc

INTERIM ACCOUNTS
under Section 270 of the Companies Act 1985

Six months ended 30th June 2006

GLAXOSMITHKLINE plc

INTERIM ACOUNTS
for the six months ended 30th June 2006

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	**18,785**	18,727
CURRENT ASSETS			
Debtors	3	**198**	237
Cash at bank		**-**	5
		198	242
CREDITORS: Amounts falling due within one year	4	**(7,332)**	(8,862)
NET CURRENT LIABILITIES		**(7,134)**	(8,620)
NET ASSETS		**11,651**	10,107
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	**8,427**	7,165
EQUITY SHAREHOLDERS' FUNDS		**11,651**	10,107

J. Heslop

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	**11,651**	10,107

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
	3,300	1,400

	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	**17,888**	-
	17,906	17,906
Capital contribution relating to share based payments	**879**	821
	18,785	18,727

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.

	At 30.06.06 £m	At 31.12.05 £m
3. Debtors		
Corporation tax	**198**	127
Amounts owed by Group undertakings	-	110
Amounts due within one year	**198**	237

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
	7,332	8,862

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	**1,496**	**768**	**960**	**8,427**

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.