

Ratios	Co.	Sector	Market
PER (pr)	x	10.2	12.7
DY (pr)	%	5.24	3.88
PEG (pr)	f	2.43	0.53
ROCE	%	38.6	53.1
Op. Margin	%	32.6	14.6
EPS Growth	%	4.19	4.86
EV/EBITDA	x	7.92	7.40
Net Gearing	%	133	94.6
NTAV PS	p	-0.75	-1.06
PTBV	x	-1,650	-8.13
PCF	x	9.47	8.54
PSR	x	2.65	2.61

### Company Overview

#### Activities

Engaged in the creation and discovery, development, manufacture and marketing of pharmaceutical and health-related consumer products



3rd Quarter	Latest	2008	2007
Turnover	£m	20,274	17,442
Pre-tax	£m	5,641	5,263
Norm. EPS	p	82.9	77.5
DPS	p	45.0	38.0

Growth	Latest	2008	2007
Turnover	%	+16.2	+4.18
Pre-tax	%	+7.18	-11.1
Norm. EPS	%	+6.96	+4.91
DPS	%	+7.14	+10.5

Borrowings	Latest	2007	2006
Total Debt	£m	16,187	10,571
Due < 1yr	£m	956	3,504
1-2 yrs	£m		1,202
2-5 yrs	£m		399
> 5 yrs	£m		3,171

Net Gearing	%	133	74.9	37.1
Gross Gearing	%	204	110	58.5
Cash	%	70.9	35.2	21.4
Interest Cover	x	12.8	26.0	33.5
Quick Ratio	r	1.32	1.02	1.18
Current Ratio	r	1.72	1.32	1.51

### Turnover Analysis

Geographical	Latest (%)	Last (%)	Product	Latest (%)	Last (%)
USA	40.0	44.8	Pharmaceuticals	83.7	84.7
Europe	33.9	31.3	Consumer healthcare	16.3	15.3
Rest of World	26.0	24.0			

Diary Dates	
Latest Div Pay	7-Jan-10
Next Yr End	31-Dec-09
Latest Div Rec	6-Nov-09

**Outlook Statement**  
28/10/2009 ceo - "...I believe that the progress we have made so far provides us with a strong platform to realise our long-term objective of delivering sustainable growth for shareholders"

Major Shareholders	%
Barclays Investors	3.59
<b>Total</b>	<b>3.59</b>

Advisers	
Broker	UBS Investment Bank
	RBS Hoare Govett Ltd
Auditor	PricewaterhouseCoopers LLP
Solicitor	Slaughter and May
Financial PR	Maitland
Property Advisor	King Sturge

Yr End 31-Dec		2001	2002	2003	2004	2005	2006	2007	2008
Turnover	£m	20,489	21,212	21,441	19,986	21,660	23,225	22,716	24,352
Non-UK	£m				19,986	21,660			
EBITDA	£m	6,390	6,917	7,667	6,625	7,659	8,747	8,949	9,466
EBIT	£m	5,589	6,093	6,820	5,766	6,755	7,789	7,927	8,235
Operating Profit	£m	4,734	5,551	6,376	5,756	6,874	7,808	7,593	7,141
Norm. Pre-tax	£m	6,328	6,655	6,972	5,694	6,688	7,832	7,831	7,813
Reported Pre-tax	£m	4,517	5,506	6,313	5,779	6,732	7,799	7,452	6,659
Norm. EPS	p	74.2	80.3	86.3	66.5	81.2	95.1	101	110
Norm. EPS Growth	%	+49.2	+8.19	+7.49	-23.0	+22.1	+17.0	+5.71	+9.62
Reported EPS	p	49.9	66.0	76.9	68.0	82.0	94.5	93.7	88.1
Reported EPS Growth	%	-25.4	+32.3	+16.5	-11.6	+20.6	+15.2	-0.85	-5.98
DPS	p	39.0	40.0	41.0	43.0	42.0	46.0	50.0	55.0
DPS Growth	%	+2.63	+2.56	+2.50	+4.88	-2.33	+9.52	+8.70	+10.0
DY	%								4.43
Div Cover	x	1.90	2.01	2.11	1.55	1.93	2.07	2.01	2.00
Operating Margin	%	30.9	31.7	32.8	29.0	31.4	33.1	33.9	32.6
ROCE	%	50.2	52.6	59.4	47.4	49.8	55.5	45.3	38.6
ROE	%	46.6	50.6	62.1	40.8	39.7	42.2	43.3	43.2
PER	x								11.3
PEG	f								1.17
NTAV PS	p	87.6	76.5	51.8	46.8	52.3	85.8	65.8	-0.75
Cashflow PS	p	75.8	91.1	83.7	80.1	98.3	75.4	109	131
CAPEX PS	p	19.7	18.3	16.7	14.8	16.0	24.3	36.7	33.9
Net Borrowings	£m	3,516	3,591	4,141	3,496	2,262	3,485	7,192	10,564
Net Assets	£m	8,252	7,388	5,804	5,937	7,570	9,648	9,910	8,318

Figures from 2004 in accordance with IFRS

Latest News	Directors Info	Cmtee	Shares	3m
<b>Newsflow</b> 03/11/2009: Goldman Sachs International and Morgan Stanley are no longer named as lead Financial Advisers to the company as of 03 November 2009	Andrew Witty	ceo	230 k	→
	Julian Heslop	cfo	190 k	→
	Dr Moncef Slaoui		71.0 k	↑
02/11/2009: The company and Human Genome Sciences Inc announce that BENLYSTA met the primary endpoint in BLISS-76, the second of two pivotal Phase 3 trials in seropositive patients with systemic lupus erythematosus. BLISS-76 study results through 52 weeks showed that belimumab 10.0 mg/kg plus standard of care achieved a statistically significant improvement in patient response rate as measured by the SLE Responder Index at Week 52, compared with placebo plus standard of care	Sir Christopher Gent	ch*	89.0 k	→
	Sir Robert Wilson	*	25.6 k	→
	Sir Crispin Davis	*	77.1 k	→
	Larry Culp	*	67.9 k	→
	Sir Deryck Maughan	*	61.3 k	→
	Tom De Swaan	*	14.2 k	→
	Dr Daniel Podolsky	*	28.4 k	→
	Prof Sir Roy Anderson	*	8.71 k	→
	Dr Stephanie Burns	*	18.2 k	→
	James Murdoch	*	1.58 k	↑
28/10/2009: ceo - "...I believe that the progress we have made so far provides us with a strong platform to realise our long-term objective of delivering sustainable growth for shareholders"	<b>Total</b>		<b>883 k</b>	<b>↑</b>
<b>Buy Backs</b> 19/12/2008: 0.67m Ords at 1,243p 17/12/2008: 1.20m Ords at 1,193p 16/12/2008: 1.10m Ords at 1,206p 15/12/2008: 1.30m Ords at 1,196p				