GLAXOSMITHKLINE PLC
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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For period ending 23 October 2013

GlaxoSmithKline plc
(Name of registrant)

980 Great West Road, Brentford, Middlesex, TW8 9GS
(Address of principal executive offices)

Indicate by check mark whether the registrant files or
will file annual reports under cover Form 20-F or Form 40-F

Form 20-F x Form 40-F

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information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.

Yes No x

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Issued: Wednesday, 23 October 2013, London U.K.

Results Announcement for the third quarter 2013

GSK delivers Q3 core EPS of 28.9p (+16% CER) and dividend of 19p (+6%)

- Full year 2013 guidance reaffirmed

Core results*

	Q3 2013			9 months 2013		
	£m	CER%	£%	£m	CER%	£%
Turnover	6,510	1	-	19,599	-	-
Core operating profit	2,059	11	6	5,927	-	(1)
Core earnings per share	28.9p	16	10	82.1p	5	4

Total results

	Q3 2013			9 months 2013		
	£m	CER%	£%	£m	CER%	£%
Turnover	6,510	1	-	19,599	-	-
Operating profit	1,569	1	(5)	4,587	(14)	(15)
Earnings per share	20.0p	(4)	(12)	61.4p	(16)	(17)

Summary

Broadly-based sales growth with Group turnover +1% CER:

– Pharmaceuticals and Vaccines sales flat: US +2%, Europe +5%, Japan +2% offset by EMAP -9%, impacted by decline in China sales and Vaccines phasing
– Consumer Healthcare +4%
– Total Group turnover ex-divestments +1%

Further significant pipeline approvals and filings:

– 4 approvals; US: Tivicay for HIV and FluLaval Q-IV vaccine for flu; Europe: Tafinlar for metastatic melanoma; Japan: Relvar Ellipta for asthma
– Positive FDA Adcom recommendation for Anoro Ellipta in COPD and positive CHMP opinion for Relvar Ellipta in asthma & COPD
– 3 FDA filings: Arzerra for first-line CLL; dolutegravir-Trii for HIV; fluticasone furoate monotherapy for asthma

Continued delivery of operating and financial efficiencies, strong cash generation and returns to shareholders:

– Net cash inflow from operating activities of £2.1 billion; core tax rate 23.5%
–

- Core EPS 28.9p (+16%) benefiting from operating, financial and long-term cost efficiencies
- Q3 dividend: 19p (+6%)
- £1 billion of shares repurchased by the end of Q3; continue to target £1-2 billion for the year

Successful implementation of measures to drive strategic focus and improve growth outlook:

- Agreement to divest Lucozade and Ribena to Suntory for £1.35 billion and Arixtra/Fraxiparine and related manufacturing site to Aspen for £700 million

Full year 2013 guidance reaffirmed:

- Core EPS growth of 3-4% on sales growth of around 1% (both CER)

The full results are presented under 'Income Statements' on page 27 and Core results reconciliations are presented on pages 43 to 46.
*For explanations of the measures 'Core results', 'Adjusted net cash inflow from operating activities' and 'CER', see page 25.

GSK's strategic priorities

We have focused our business around the delivery of three strategic priorities, which aim to increase growth, reduce risk and improve our long term financial performance:

- Grow a diversified global business
- Deliver more products of value
- Simplify the operating model

Chief Executive Officer's review

This quarter marks continued delivery for GSK of broadly-based sales growth, significant new product output from the pipeline and further growth in returns to shareholders.

In R&D, we received four approvals and importantly, we are making substantive progress to expand our respiratory portfolio.

Total sales grew 1%, core operating profit was up 11% and core earnings per share was up 16% at 28.9p.

The increase in core operating profit was driven by continued strong cost control, including a reduction in R&D expenditure, and the delivery of a further benefit from a programme of initiatives we started in 2012 to re-shape and reduce certain long-term operating expenses. As we saw last year, contributions from this programme are unevenly phased. We will continue to look for more of these opportunities to help deliver sustained reductions in costs and balance sheet liabilities.

As far as full year 2013 is concerned, we continue to expect core EPS growth of 3-4% on sales growth of around 1% (both at CER).

Contributions from across the Group helped to deliver sales growth in Q3 despite a significant decline in sales from our Chinese business and lower vaccine shipments in emerging markets due to the phasing of tender orders.

In the US, Pharmaceuticals and Vaccines sales grew 2%, negatively impacted by wholesaler and retailer de-stocking in the quarter. Excluding this impact, growth is estimated at 5%. This continues the momentum demonstrated by the US recently, and is encouraging given the intensifying price competition we are seeing. With our substantial new product flow and the changes we have made to our commercial model, we continue to be optimistic about future growth in this market.

I am also pleased with the performance of our European Pharmaceuticals and Vaccines business, with sales up 5%. Some of this improvement reflects the annualisation of government price cuts and it is clear that the commercial environment in Europe remains challenging. Nevertheless, I believe we are now seeing benefits from the measures we have taken to restructure and focus this business around core assets such as Seretide and key growth opportunities such as vaccines and our oncology portfolio.

EMAP Pharmaceuticals and Vaccines sales were down 9%, impacted by the timing of vaccine tender shipments and a significant sales decline in China (-61%), where operations have been disrupted by the ongoing investigation into our business. We continue to co-operate with the authorities and we remain fully committed to supplying our products to patients in the country. At this stage, it is still too early for us to quantify the longer-term impact of the investigation on our performance in China. Excluding the decline in China sales, our EMAP Pharmaceuticals business grew 5%.

As we have previously highlighted, 2013 is a key year for R&D delivery.

Of the 6 assets we highlighted at the beginning of the year, 4 have now been approved. We have also received approvals for our quadrivalent flu vaccine, FluLaval, and significant new indications for 3 other products. These represent substantial new growth opportunities in key areas of our portfolio.

In Oncology, we have launched both Tafinlar and Mekinist for metastatic melanoma in the US and have started to launch Tafinlar in Europe as well. We also received European approval for use of Tyverb in combination with trastuzumab for metastatic breast cancer in the quarter, and filed Arzerra, one of several biologic medicines we are developing, for first-line chronic lymphocytic leukaemia, in the US and Europe.

This quarter also saw the launch of Tivicay, a new treatment for HIV. This is a positive step forward for a disease area in which new drug development has proved challenging and is testament to the success of ViiV Healthcare, the company we established to focus on HIV treatment and research in 2009. We have also filed a once-daily single tablet combination of dolutegravir, abacavir and lamivudine to offer an additional potential new treatment regimen for patients with HIV.

In Respiratory, I am pleased to report that last week we began the shipping to wholesalers in the US of Breo Ellipta for treatment of COPD. The medicine is now approved in Japan for the treatment of asthma and we received a positive opinion for both COPD and asthma in Europe. In the US, an FDA Advisory Committee also voted positively to recommend approval

of Anoro Ellipta for COPD and a regulatory decision is expected before the end of the year. Today, we have announced the US filing of fluticasone furoate monotherapy for treatment of asthma. All these milestones are clear indicators of our ability to expand our current respiratory portfolio with new medicines and inhaler technology to build on more than 40 years of leadership in this therapy area.

Of the 14 Phase III assets we highlighted at the beginning of this year, we have received all data on 5. Three of these assets have progressed to filing and 2 reported negative data: drisapersen for Duchenne's Muscular Dystrophy and vercirnon for Crohn's disease. Both of these were disappointing given the need for new treatments in these areas. As we previously highlighted, data with our Zoster vaccine is now expected to read-out in 2015. We continue to expect Phase III data on 8 more assets before the end of 2014.

Finally in R&D, we took another major step forward this month in development of the world's first vaccine to prevent malaria, with positive 18 month follow-up data generated for the candidate vaccine. This vaccine has the potential to make a significant contribution to public health in Africa and we now intend to file it for approval in 2014.

As we focus on launching our new pipeline, we continue to make progress on the sale of non-core assets and parts of the business where we can realise attractive value for our shareholders. This quarter we announced agreements for divestitures totalling more than £2 billion. We have agreed to sell Lucozade and Ribena to Suntory for £1.35 billion and have accepted an offer of £700 million from Aspen for our anticoagulant products Arixtra and Fraxiparine and their related manufacturing site.

We continue to improve shareholder returns through both dividend payments and our long-term share buy-back programme. Today, we announced a dividend of 19p, up 6%. By the end of the third quarter we had repurchased £1 billion of shares and we continue to target share repurchases of £1-2 billion by the end of 2013.

Sir Andrew Witty
Chief Executive Officer

A video interview with CFO Simon Dingemans discussing today's results is available on www.gsk.com

All forward looking statements are based on 2012 restated numbers adjusted for IAS 19R, at CER and barring unforeseen circumstances. See 'Cautionary statement regarding forward-looking statements' on page 25.

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Group performance

Group turnover by division, geographic region and segment

Group turnover by division

	Q3 2013		9 months 2013	
	£m	Growth CER%	£m	Growth CER%
Pharmaceuticals	4,210	(1)	13,177	-
Vaccines	987	3	2,453	(2)
Pharmaceuticals and Vaccines	5,197	-	15,630	-
Consumer Healthcare	1,313	4	3,969	2
	6,510	1	19,599	-

Group turnover by geographic region

	Q3 2013		9 months 2013	
	£m	Growth CER%	£m	Growth CER%
US	2,231	2	6,458	-
Europe	1,871	4	5,611	-
EMAP	1,590	(6)	4,991	1
Japan	420	3	1,365	(2)

Other	398	3	1,174	-
	6,510	1	19,599	-
Group turnover outside US and Europe	2,408	(3)	7,530	-

Group turnover by segment	Q3 2013		9 months 2013	
	£m	Growth CER%	£m	Growth CER%
Pharmaceuticals and Vaccines				
-US	1,856	2	5,342	-
-Europe	1,274	5	3,836	-
-EMAP	1,068	(9)	3,392	-
-Japan	360	2	1,190	(4)
-ViiV Healthcare	344	(5)	1,001	(5)
-Other trading and unallocated pharmaceuticals	295	3	869	-
Pharmaceuticals and Vaccines	5,197	-	15,630	-
Consumer Healthcare	1,313	4	3,969	2
	6,510	1	19,599	-

Turnover – Q3 2013

Total Group turnover for Q3 2013 was £6,510 million, up 1%, with growth across all geographic regions except EMAP. Disposals did not materially affect the reported growth rate for the Group in the quarter. Pharmaceuticals and Vaccines turnover was flat. Pharmaceuticals turnover declined 1%, as lower sales in the US, EMAP and ViiV Healthcare were partly offset by growth in Europe and Japan. Vaccines turnover grew 3%, as strong performances in the US and Europe were partially offset by lower reported sales in EMAP and Japan. Consumer Healthcare turnover increased 4% to £1,313 million.

In the US, Pharmaceuticals and Vaccines turnover grew 2% to £1,856 million, with Pharmaceuticals down 3% and Vaccines up 24%. Pharmaceuticals turnover in the quarter was impacted by wholesaler and retailer de-stocking, which is estimated to have reduced reported turnover growth by approximately 3 percentage points. US Respiratory sales were down 3%, reflecting the wholesaler and retailer de-stocking but also stronger competitive pricing pressure. Advair sales were down 1%, Flovent sales were down 8% and Ventolin was down 10%. Newer products continued to contribute strongly, with Oncology sales up 14% to £99 million, led by Votrient, up 38% to £36 million, and Promacta, up 27% to £19 million. Tafinlar and Mekinist were both launched in late Q2 2013. Benlysta also reported strong growth, with sales doubling to £39 million. Lovaza sales fell 12% to £134 million, due to the combined effect

of market contraction and increased competition. Generic competition impacted Lamictal, down 16% to £70 million, and Dermatology sales, which declined 18% to £40 million. The 24% increase in Vaccines sales primarily resulted from a 69% increase in Infanrix/Pediarix sales to £100 million, which continued to benefit from a competitor supply shortage, and a 29% increase in Fluarix/FluLaval sales to £104 million following the launch of the Quadrivalent flu formulation.

Europe Pharmaceuticals and Vaccines turnover grew 5% to £1,274 million. Pharmaceutical sales grew 5% to £1,001 million reflecting the annualisation of a number of government price cuts and other austerity measures together with the impact of the recent restructuring and refocusing of the business. The reported growth in the quarter also benefited from a number of one-off product contracting adjustments. Seretide volumes were flat, but continued pricing pressures led to a sales decline of 1% to £344 million. Oncology reported strong growth, up 32% to £91 million, led by Votrient and Promacta. Sales of Avodart increased 17% to £67 million. Vaccines sales grew 4%, largely due to the combination of an improved tender performance and some beneficial tender phasing.

EMAP Pharmaceuticals and Vaccines turnover declined 9% to £1,068 million, with Pharmaceuticals down 7% and Vaccines down 14%, reflecting vaccine tender phasing and the impact of the ongoing investigation in China. Pharmaceuticals and Vaccines sales in China were down 61%. Respiratory and Hepatitis products were particularly affected with Seretide down 56%, Zeffix down 73% and Hepsera down 76%. Excluding China, EMAP Pharmaceuticals and Vaccines turnover grew 2%, with Pharmaceuticals up 5%, reflecting continued growth from Seretide, up 6%, and Oncology up 29%. There were strong contributions from Latin America, up 7% to £162 million and Russia, up 26% to £43 million but India was down 15% to £49 million due to the impact of recent price reductions and wholesaler negotiations. EMAP Vaccines sales were down 14% to £263 million, largely reflecting the phasing of tender orders and a challenging comparison with Q3 2012, which benefited from strong tender deliveries, particularly of Rotarix and Infanrix/Pediarix.

Japan Pharmaceuticals and Vaccines turnover grew 2% to £360 million, with Pharmaceuticals sales increasing 7% and Vaccines sales declining by 75%. The growth in Pharmaceuticals reflected stronger sales of Respiratory products, up 5%, particularly Adoair, up 8%, and Xyzal, up 23%. Lamictal grew 30% and Avodart was up 30%. This was partly offset by a 5% decline in Paxil sales. The decline in Vaccines sales reflected the impact on Cervarix of the suspension of the positive recommendation for use of HPV vaccines in Japan. There was also increased competitive pressure to Rotarix.

ViiV Healthcare turnover fell 5% to £344 million as the growth generated by Epzicom and Selzentry was more than offset by the impact of continued competition to older products and the phasing of tenders. Tivicay was launched in the quarter.

Consumer Healthcare turnover grew 4%, with growth in Oral care and Nutrition; turnover in Total wellness and Skin health was flat. In the US, a strong performance from Sensodyne was partially offset by a decrease in Smoking control sales. Growth in Europe was primarily driven by strong performances from Nutrition and Total wellness products, which also included some beneficial wholesaler and retailer stocking patterns. In the Rest of World markets, strong growth in India, Japan and Asia was partly offset by the continuing impact in China of the new shelving requirements for Contac and adverse wholesaler and retailer stocking patterns on Fenbid in advance of mandatory price reductions.

Turnover – 9 months 2013

Total Group turnover for the nine months was flat at £19,599 million. Excluding the impact of disposals, primarily the conclusion of the Vesicare co-promotion agreement in the US in Q1 2012 and the non-core OTC brands divested in H1 2012, turnover grew 2%. Reported Pharmaceuticals and Vaccines turnover was flat, but grew 1% excluding disposals. Pharmaceuticals turnover was flat, but excluding disposals, grew 1%, as growth in EMAP, Japan and an improved performance in Europe were offset by lower sales in the US and ViiV Healthcare. Vaccines turnover fell 2%, reflecting the adverse comparison with strong Cervarix sales in Japan in the first nine months of 2012 that benefited from the final stage of the HPV catch-up vaccination programme. Excluding Cervarix in Japan, Vaccines sales grew 3%, reflecting the strong growth in the US of Infanrix/Pediarix, which benefited from a competitor supply issue, and Fluarix/FluLaval, as well as better performance in Europe, partly offset by the net negative impact of tender phasing in EMAP. Consumer Healthcare turnover increased 2% to £3,969 million; excluding the non-core OTC brands divested in H1 2012, turnover grew 5%.

In the US, Pharmaceuticals and Vaccines turnover was flat, with Pharmaceuticals down 2% and Vaccines up 15%. Pharmaceuticals turnover was significantly impacted by the loss of sales of Vesicare following the conclusion of the co-promotion agreement in Q1 2012. Excluding Vesicare, US Pharmaceuticals turnover grew 4%. Sales of Respiratory products grew 4% to £2,680 million, led by 5% growth in Advair. Oncology products also performed well, growing 16% to £278 million, led by strong performances from Votrient and Promacta. Benlysta sales more than doubled to £101 million. These gains were partially offset by the impact of generic competition to Lamictal, down 19% to £199 million, and Dermatology sales, down 30% to £119 million. The 15% increase in Vaccines sales primarily resulted from the increase in Infanrix/Pediarix sales of 38% to £210 million, which continued to benefit from a competitor supply shortage, and the increase in Fluarix/FluLaval sales of 35% following the launch of the Quadrivalent flu formulation.

Europe Pharmaceuticals and Vaccines turnover was £3,836 million, flat compared with the first nine months of 2012, as the benefits of the restructuring and refocusing of the business began to come through. Pharmaceutical sales were down 1% to £3,062 million. Seretide sales declined 1% to £1,090 million, reflecting price and volume reductions. Oncology products, particularly Votrient and Promacta, performed well, as did Avodart, but growth from these products was more than offset by lower sales of a number of older products, particularly impacted by continued austerity measures. Vaccines sales grew 4%, largely due to the combination of an improved tender performance and some beneficial tender phasing.

EMAP Pharmaceuticals and Vaccines turnover was flat at £3,392 million in the nine months, with Pharmaceuticals up 3% to £2,657 million and Vaccines down 8% to £735 million. The Pharmaceuticals business was adversely affected by the ongoing investigation in China. Excluding China, Pharmaceuticals and Vaccines sales grew 3%, with Pharmaceuticals up 5% reflecting growth in Latin America, Russia and Brazil partially offset by declines in India and Korea. Vaccines sales fell 8% to £735 million, largely reflecting the phasing of tenders, particularly of Synflorix and tough comparators with strong growth in the same period in 2012.

Japan Pharmaceuticals and Vaccines turnover fell 4% to £1,190 million, as a 5% growth in Pharmaceuticals sales was more than offset by the 79% decline in Vaccines sales. Strong growth in Respiratory products as well as for Avodart, Lamictal and Relenza was partly offset by generic erosion of Paxil sales. Vaccines sales were impacted by the impact on Cervarix of the

suspension of the recommendation for the use of HPV vaccines in Japan and the adverse comparison with the first nine months of 2012, which benefited from the final stages of the catch-up HPV vaccination programme.

ViiV Healthcare turnover fell 5% to £1,001 million as the growth generated by Epzicom and Selzentry was more than offset by the impact of continued competition to older products.

Consumer Healthcare turnover, excluding the non-core OTC brands divested in H1 2012, grew 5%, with growth in all four categories. Growth in both the US and Europe primarily arose from Sensodyne and the re-stocking of alli, which was out of stock for most of the first nine months of 2012. In the Rest of World markets, strong growth in India, the Middle East and Asia was partly offset by a decline in sales in China, driven by the impact of Contac and Fenbid. Reported Consumer Healthcare turnover grew 2% to £3,969 million.

Core operating profit and margin

Core operating profit	Q3 2013			9 months 2013		
	£m	% of turnover	Growth CER %	£m	% of turnover	Growth CER %
Turnover	6,510	100	1	19,599	100	-
Cost of sales	(1,878)	(28.8)	2	(5,543)	(28.3)	5
Selling, general and administration	(1,876)	(28.8)	(6)	(5,923)	(30.2)	-
Research and development	(791)	(12.2)	(10)	(2,495)	(12.7)	(7)
Royalty income	94	1.4	1	289	1.4	24
Core operating profit	2,059	31.6	11	5,927	30.2	-
Core profit before tax	1,895		12	5,422		-
Core profit after tax	1,449		13	4,158		3
Core profit attributable to shareholders	1,400		15	3,977		3
Core earnings per share	28.9p		16	82.1p		5

Core operating profit by division	Q3 2013			9 months 2013		
	£m	Margin %	Growth CER %	£m	Margin %	Growth CER %
Pharmaceuticals	1,409	33.5	(2)	4,859	36.9	-
Vaccines	359	36.4	(2)	787	32.1	(14)
Pharmaceuticals and Vaccines	1,768	34.0	(2)	5,646	36.1	(3)
Consumer Healthcare	239	18.2	6	688	17.3	2

	2,007		(1)	6,334		(2)
Corporate & other unallocated costs	52			(407)		
Core operating profit	2,059	31.6	11	5,927	30.2	-

Core operating profit by segment	Q3 2013			9 months 2013		
	£m	Margin %	Growth CER %	£m	Margin %	Growth CER %
Pharmaceuticals and Vaccines						
-USA	1,253	67.5	3	3,708	69.4	2
-Europe	708	55.6	9	2,132	55.6	5
-EMAP	283	26.5	(22)	995	29.3	(7)
-Japan	207	57.5	5	679	57.1	(4)
-ViiV Healthcare	228	66.3	-	662	66.1	(3)
-Pharmaceutical R&D	(697)		2	(2,088)		-
-Other trading and unallocated pharmaceuticals	(214)	(72.5)	35	(442)	(50.9)	80
Pharmaceuticals and Vaccines	1,768	34.0	(2)	5,646	36.1	(3)
Consumer Healthcare	239	18.2	6	688	17.3	2
	2,007		(1)	6,334		(2)
Corporate & other unallocated costs	52			(407)		
Core operating profit	2,059	31.6	11	5,927	30.2	-

Core operating profit – Q3 2013

Core operating profit was £2,059 million, an 11% increase on a turnover increase of 1% CER. Compared with Q3 2012, the core operating margin increased by 1.8 percentage points to 31.6%. The reported margin also reflects the impact of net exchange losses, principally on settled intercompany transactions, of £49 million (Q3 2012: £2 million gain). Excluding currency effects, the operating margin increased 3.1 percentage points, as the negative impact of an expected increase in cost of sales was more than offset by a decline in SG&A and R&D. Cost performance in the quarter also benefited from the delivery of further specific improvements to the cost structure of the company as part of GSK's ongoing programme of initiatives to re-shape and reduce long-term operating expenses. Changes to future employment costs through the restructuring of post-retirement medical obligations contributed savings of £267 million in the quarter and will deliver further ongoing service cost savings going forward. The Group continues to look for such opportunities. The restructuring contributed to reducing cost of sales and R&D, but primarily benefited SG&A.

Cost of sales was 28.8% of turnover compared with 28.4% in Q3 2012 as the expected impact of the unwinding of prior year costs of manufacturing volume shortfalls and negative mix effects was partly offset by ongoing cost management, lower write-offs, better pricing and restructuring benefits.

SG&A costs as a percentage of sales were 28.8% compared with 29.8% in Q3 2012. Excluding currency effects, SG&A decreased 1.9 percentage points, reflecting restructuring benefits and ongoing cost management, partly offset by continued investments in growth businesses and new product launches.

R&D expenditure declined 10% to £791 million (12.2% of turnover) compared with £871 million in Q3 2012 (13.3% of turnover) reflecting the completion of a number of programmes and phasing of ongoing project spending, one-off items and continuing cost management.

Royalty income was £94 million (Q3 2012: £92 million).

Core operating profit – 9 months to September 2013
Core operating profit was £5,927 million, flat in CER terms on flat turnover. The core operating margin decreased by 0.2 percentage points to 30.2% compared with the nine months to September 2012. Excluding currency effects, the margin was flat, reflecting the negative impact of the expected increase in cost of sales, flat SG&A, lower R&D expenditure and higher royalty income. Operating profit also benefited from the restructuring of future post-retirement medical obligations that contributed savings of £267 million in the period. The contribution from the restructuring was recognised across all expense lines, with the majority in SG&A and continues the programme of restructuring GSK's cost base that also delivered one-off benefits of around £100 million in the first nine months of 2012 from an adjustment due to a change in the basis of future discretionary pension increases.

Cost of sales was 28.3% of turnover compared with 26.9% in the nine months to September 2012, which benefited by 0.4 percentage points due to the settlement in H1 2012 of a royalty agreement and the conclusion of the Vesicare agreement. Net of these items, the cost of sales margin increased 1.0 percentage point as the expected impact of the unwinding of costs of manufacturing volume shortfalls, mix together with a number of one-off favourable items recorded in the nine months to September 2012, more than offset ongoing cost management and restructuring benefits.

SG&A costs as a percentage of sales were 30.2% compared with 30.4% in the nine months to September 2012 as the net favourable year-on-year impact of one-offs and ongoing cost management were broadly offset by investments in growth businesses and new product launches.

R&D expenditure declined 7% to £2,495 million (12.7% of turnover) compared with £2,648 million in the nine months to September 2012 (13.5% of turnover) reflecting the completion of a number of programmes and the phasing of ongoing project spending as well as continuing cost management.

Royalty income was £289 million (2012: £230 million) and included a prior year royalty catch-up adjustment.

Core net income and core earnings per share – Q3 2013
Net finance expense was £178 million, the same as in Q3 2012, despite an increase in net debt since June 2012 of £5.5 billion, reflecting GSK's strategy to improve the funding profile of the

Group. Net debt in the quarter decreased by £0.6 billion, primarily due to favourable exchange movements, particularly the translation of US dollar debt into Sterling.

Tax on core profit amounted to £446 million and reflected an effective core tax rate of 23.5% (Q3 2012: 24.2%).

Core EPS of 28.9p increased 16% in CER terms and 10% at actual exchange rates.

Core net income and core earnings per share – 9 months to September 2013
Net finance expense was £537 million compared with £530 million in the nine months to September 2012, despite an increase in net debt since January 2012 of £6.1 billion. Net debt in the nine months to September 2013 increased by £1.1 billion, of which £0.2 billion was due to exchange movements, particularly the translation of US dollar debt into Sterling. A further £0.8 billion of the increase arose from consideration paid for the acquisition of further shares in GlaxoSmithKline Consumer Healthcare Ltd in India and the acquisition of Okairos AG.

Tax on core profit amounted to £1,264 million and included the recognition of US R&D credits which are reflected in the effective core tax rate of 23.3% (2012: 25.2%).

Core EPS of 82.1p increased 5% in CER terms and 4% at actual exchange rates.

Revision of IAS 19 'Employee benefits'
IAS 19 (Revised) has been implemented by GSK from 1 January 2013. The main effect is that the expected returns on pension scheme assets have been replaced by income calculated using the same discount rate as that used to measure the pension obligations. This discount rate is based on market rates for high quality corporate bonds. As a consequence, pension scheme costs in the income statement will be higher under IAS 19 (Revised) and this impacted Q3 2013 core operating profit by £40 million and core EPS by 0.6p. Core operating profit for the nine months was impacted by £120 million and core EPS by 1.8p. The results for 2012 have been restated, and the effect of the change on Q3 2012 results was to reduce core operating profit for the quarter by £23 million and the nine months by £69 million (full year 2012: £92 million) and core EPS for the quarter by 0.3p and the nine months by 1.0p (full year 2012: 1.3p).

Outlook for 2013
In 2013, GSK continues to expect core EPS growth of 3-4% CER on turnover growth of around 1% CER. This is calculated off the restated IAS 19 (Revised) base of 111.4p for 2012 and includes the impact of IAS 19 (Revised) in 2013.

Currency impact
The Q3 2013 results are based on average exchange rates, principally £1/$1.55, £1/€1.18 and £1/Yen 155. Comparative exchange rates are given on page 40. The period end exchange rates were £1/$1.62, £1/€1.20 and £1/Yen 159.

In the quarter, turnover grew 1% CER and was flat at actual exchange rates. Core EPS for the quarter of 28.9p was up 16% in CER terms and up 10% at actual rates. The negative currency impact reflected exchange losses on settled intercompany transactions during the quarter and the strengthening of Sterling against the Japanese Yen partially offset by the weakening of Sterling against the US Dollar, the Euro and a number of other currencies. Excluding the losses on settled intercompany transactions, the EPS for Q3 2013 was 29.7p, up 13% at actual rates.

Turnover for the nine months was flat in CER terms and at actual rates. Core EPS for the nine months of 82.1p was up 5% in CER terms and 4% at actual rates.

If exchange rates for the major currencies were to hold at the Q3 2013 period end rates for the rest of 2013, the estimated negative impact on 2013 sterling turnover would be around 1%, and if there were no further exchange gains or losses, the estimated negative impact on 2013 sterling core EPS would be around 1%.

Core adjustments

The adjustments that reconcile core operating profit, profit after tax and earnings per share to total results are as follows:

	Q3 2013			Q3 2012		
	Operating profit £m	Profit after tax £m	EPS p	Operating profit (restated) £m	Profit after tax (restated) £m	EPS (restated) p
Core results	2,059	1,449	28.9	1,947	1,347	26.2
Intangible asset amortisation	(130)	(95)	(2.0)	(126)	(84)	(1.7)
Intangible asset impairment	(152)	(115)	(2.4)	(140)	(109)	(2.2)
Major restructuring costs	(83)	(127)	(2.6)	(177)	(141)	(3.1)
Legal costs	(73)	(59)	(1.2)	(115)	(95)	(1.9)
Acquisition accounting and other	(52)	(43)	(0.7)	267	261	5.3
	(490)	(439)	(8.9)	(291)	(168)	(3.6)
Total results	1,569	1,010	20.0	1,656	1,179	22.6

	9 months 2013			9 months 2012		
	Operating profit £m	Profit after tax £m	EPS p	Operating profit (restated) £m	Profit after tax (restated) £m	EPS (restated) p
Core results	5,927	4,158	82.1	5,974	4,086	79.2
Intangible asset amortisation	(397)	(289)	(6.1)	(346)	(241)	(4.9)
Intangible asset impairment	(286)	(214)	(4.4)	(400)	(281)	(5.7)
Major restructuring costs	(342)	(311)	(6.4)	(312)	(246)	(5.2)
Legal costs	(163)	(137)	(2.8)	(345)	(192)	(3.8)
Acquisition accounting and other	(152)	(84)	(1.0)	812	729	14.4
	(1,340)	(1,035)	(20.7)	(591)	(231)	(5.2)
Total results	4,587	3,123	61.4	5,383	3,855	74.0

Full reconciliations between core results and total results are set out on pages 43 to 46 and the definition of core results is set out on page 25.

Total operating profit and total earnings per share – Q3 2013
Total operating profit was £1,569 million compared with £1,656 million in Q3 2012. The non-core items resulted in total charges of £490 million in the quarter (Q3 2012: £291 million). The 2012 charges included a gain of £233 million arising on the revaluation of pre-existing collaborations as part of the HGS acquisition.

The intangible asset amortisation of £130 million (Q3 2012: £126 million) included £24 million (Q3 2012: £16 million) related to the amortisation of the Benlysta intangible asset acquired as part of the HGS acquisition.

Major restructuring charges of £83 million (Q3 2012: £177 million) comprised £41 million under the Operational Excellence programme and £42 million under the Major Change programme.

Legal charges were £73 million in the quarter (Q3 2012: £115 million) and included adjustments to provisions for existing product liability matters.

Acquisition accounting and other charges of £52 million (Q3 2012: £267 million credit) included items related to major acquisitions, equity investment and asset disposals, one-off required regulatory charges in R&D and certain other adjusting items. The credit in Q3 2012 primarily reflected a gain of £233 million arising on the revaluation of pre-existing collaborations as part of the HGS acquisition.

The charge for taxation on total profits amounted to £392 million and represented a total effective tax rate of 28.0% (Q3 2012: 20.7%), reflecting the differing tax effects of the various non-core items. It also included a deferred tax charge of £63 million related to the unwinding of deferred profit in inventory, as existing inventory produced prior to the 2012 restructuring of the supply chain is sold. See ‘Taxation’ on page 39.

Total EPS was 20.0p for the quarter, compared with 22.6p in Q3 2012 a decline of 2.6p. Non-core items totalled 8.9p (Q3 2012: 3.6p). The increased charges reflected the gain of £233 million (4.8p) in 2012 arising on the revaluation of pre-existing collaborations as part of the HGS acquisition.

Total operating profit and total earnings per share – 9 months 2013
Total operating profit was £4,587 million compared with £5,383 million in the nine months to September 2012. The non-core items resulted in total charges of £1,340 million in the nine months to September 2013 (2012: £591 million). The 2013 charges include gains on the disposal of business of £75 million (2012: £846 million). The 2012 gains predominantly related to the profit on disposal of the non-core OTC brands of £581 million and the gain of £233 million arising on the revaluation of pre existing collaborations as part of the HGS acquisition. The Group expects to conclude the previously announced sale of its Lucozade and Ribena business to Suntory and divestment of two anticoagulant products and related manufacturing site to the Aspen Group in Q4 2013, the gains from which will be recognised in non-core.

The intangible asset amortisation of £397 million (2012: £346 million) included £72 million related to the amortisation of the Benlysta intangible asset acquired as part of the HGS acquisition.

Major restructuring charges of £342 million (2012: £312 million) comprised £192 million under the Operational Excellence programme, £132 million under the Major Change programme and £18 million related to the acquisition of HGS. The Operational Excellence restructuring programme has delivered approximately £2.6 billion of annual savings and remains on track to deliver £2.8 billion of annual savings by 2014. The Major Change programme focuses on opportunities to simplify our supply chain processes, build the Group's capabilities in manufacturing and R&D, and restructure our European Pharmaceuticals business. The programme is expected to cost £1.5 billion, of which the non-cash charge will be £350 million, and is expected to deliver annual pre-tax savings of at least £1.0 billion by 2016.

Legal charges of £163 million (2012: £345 million) principally related to provisions for existing product liability matters.

Acquisition accounting and other charges of £152 million (2012: £812 million credit) included items related to major acquisitions, equity investment and asset disposals, one-off required regulatory charges in R&D and certain other adjusting items. The credit in the nine months to September 2012 primarily reflected the profit on the disposal of the non-core OTC brands and the gain arising on the revaluation of pre-existing collaborations as part of the HGS acquisition

The charge for taxation on total profits amounted to £978 million and represented a total effective tax rate of 23.8% (2012: 20.9%), reflecting the differing tax effects of the various non-core items. It also included a net deferred tax charge of £193 million related to the unwinding of deferred profit in inventory as existing inventory produced prior to the 2012 restructuring of the supply chain is sold, partly offset by a deferred tax credit of £147 million following restructuring of the supply chain. See 'Taxation' on page 39.

Total EPS was 61.4p for the nine months to September 2013, compared with 74.0p in the nine months to September 2012 a decline of 12.6p. Non-core charges totalled 20.7p compared with 5.2p in 2012, which benefited from significant asset disposal profits in the nine months to September 2012.

Cash generation and conversion

Cash flow and net debt

	Q3 2013	9 months 2013	9 months 2012
Net cash inflow from operating activities (£m)	2,077	5,035	2,461
Adjusted net cash inflow from operating activities* (£m)	1,923	4,982	4,935
Free cash flow* (£m)	1,511	3,223	1,003
Adjusted free cash flow* (£m)	1,357	3,170	3,477
Free cash flow growth (%)	>100%	>100%	(64)%
Free cash flow conversion* (%)	132%	102%	91%
Net debt (£m)	15,088	15,088	13,867

* Adjusted net cash inflow from operating activities, free cash flow, adjusted free cash flow and free cash flow conversion are defined on page 25.

The net cash inflow from operating activities for the quarter was £2,077 million (Q3 2012: £288 million outflow). Excluding legal (£154 million inflow; Q3 2012: £2,085 million outflow), the adjusted net cash inflow from operating activities was £1,923 million (Q3 2012: £1,797 million), a 7% increase in sterling terms over 2012. This primarily reflected the impact of higher profits and the phasing of tax payments.

The net cash inflow from operating activities for the nine months was £5,035 million (2012: £2,461 million). Excluding legal (£53 million inflow; 2012: £2,474 million outflow), the adjusted net cash inflow from operating activities was £4,982 million (2012: £4,935 million), a 1% increase in sterling terms over 2012. This primarily reflected the impact of lower tax payments, partially offset by a higher level of working capital investment.

Free cash flow was £3,223 million for the nine months. Excluding legal, adjusted free cash flow was £3,170 million (2012: £3,477 million), the decrease on last year primarily reflecting the impact of higher working capital requirements and increased expenditure on property, plant and equipment, largely offset by lower tax payments. The Group paid dividends to shareholders of £2,816 million, and spent £905 million on repurchasing shares.

At 30 September, net debt was £15.1 billion, compared with £14.0 billion at 31 December 2012, comprising gross debt of £18.4 billion and cash and liquid investments of £3.3 billion. The increase in net debt reflected the consideration paid to increase the shareholding in the Group's Indian Consumer Healthcare subsidiary from 43.2% to 72.5% at a cost of £588 million and to acquire Okairos AG for £205 million, together with the translation impact on US dollar denominated debt of a stronger US Dollar at the period end. At 30 September 2013, GSK had short-term borrowings (including overdrafts) repayable within 12 months of £2,752 million with loans of £1,946 million repayable in the subsequent year.

Working capital

	30 September 2013	30 June 2013	31 March 2013	31 December 2012	30 September 2012
Working capital conversion cycle* (days)	201	198	203	194	213
Working capital percentage of turnover (%)	22	22	22	21	23

* Working capital conversion cycle is defined on page 25.

Working capital increased by £102 million in the quarter compared with an increase of £135 million in Q3 2012. The working capital conversion cycle has improved by 8 days since Q3 2012 primarily reflecting some improvements in receivables and payables management. Inventory days remained broadly flat as supply chain improvements were offset by higher inventories in support of growth markets, tender phasing and new product

launches. The total reduction of 12 days reflected the benefit of excluding businesses targeted for divestment.

Returns to shareholders

GSK's commitment is to use free cash flow to support increasing dividends, undertake share repurchases or, where returns are more attractive, reinvest in the business, including bolt-on acquisitions.

Quarterly dividends
The Board has declared a third interim dividend of 19 pence per share (Q3 2012: 18 pence per share) making 55 pence for the nine months.

Payment of dividends
The equivalent interim dividend receivable by ADR holders is 61.6094 cents per ADS based on an exchange rate of £1/$1.6213. The ex-dividend date will be 13 November, with a record date of 15 November and a payment date of 9 January 2014.

	Paid/ payable	Pence per share	£m
2013			
First interim	11 July 2013	18	878
Second interim	3 October 2013	18	864
Third interim			