30 July 2012

HY 2012 RESULTS ON TRACK - STRONG EM GROWTH
FY TARGETS REITERATED

Results at a glance (unaudited)	**Q2* £m**	**% change actual exchange**	**% change constant exchange**	**HY £m**	**% change actual exchange**	**% change constant exchange**
Net revenue	**2,312**	-1	+3	**4,669**	+1	+4
*- Like-for-like growth***			***+4***			***+4***
Operating profit – reported				**1,072**	+2	+4
Operating profit – adjusted***				**1,120**	+2	+4
Net income – reported				**779**	+3	+5
Net income – adjusted***				**818**	+2	+4
EPS (diluted) – reported				**105.8p**	+3	
EPS (diluted) – adjusted***				**111.1p**	+2	

* Q2 results were not subject to the independent review.
** Like-for-like ("LFL") growth excludes the impact of changes in exchange rates, major acquisitions and disposals.
*** Adjusted results exclude exceptional items (see page 2).

Highlights: Half Year (HY)

- LFL growth +4% (+4% ex-RBP) driven by strong Emerging Market (EM) growth.
- Q2 LFL growth +4% (+4% ex RBP). Similar trends to Q1.
- Gross margin -60bps to 56.3%: adjusted operating margin +10bps to 24.0%.
- Increased brand equity investment (BEI), ex RBP, of £40m* (+60bps) and within this media +40bps.
- Adjusted net income +2% (+4% constant): adjusted diluted EPS of 111.1p (+2%).
- Net working capital of minus £752m, reflecting a £51m improvement versus year end 2011.
- Net debt of £1,846m (31 December 2011: £1,795m), with strong free cash flow generation offset by final 2011 dividend payment and share repurchases.
- The Board declares a +2% increase in the interim dividend to 56p per share.

Commenting on these results, Rakesh Kapoor, Chief Executive Officer, said:

" Six months into our Purpose driven strategy, Reckitt Benckiser has delivered revenue growth well ahead of our market. On a LFL basis (ex RBP), Net revenue growth of 4% was driven by continued excellent performance from Emerging Market Areas and Hygiene Brands such as Dettol, Lysol and Finish. While the consumer and competitive environment in Europe and North America remains challenging, we are doing the right things for the long term by increasing our Brand Equity Investment.

Our H1 margins are in line with expectations with higher input costs and increased investment being partially offset by cost savings programmes. The new organisation structure is fully in place and we are seeing early benefits of increased operational focus: speed, scale and consistency of our execution. RBP continues to make very good progress with the Suboxone sublingual film now at 56% market volume share.

* at constant rates

These results and our exciting innovations for H2, backed by further increased Brand Equity Investment underpins our confidence in our FY 2012 target of 200bps above our market growth rate of 1-2%."

Basis of Presentation and Exceptional Items

Where appropriate, the term “like-for-like” (LFL) describes the performance of the business on a comparable basis, excluding the impact of major acquisitions, disposals and discontinued operations. It is measured on a constant exchange basis.

Where appropriate, the term “core business” represents the ENA, RUMEA and LAPAC geographic areas, and excludes RBP and RB Food.

Where appropriate, the term “adjusted” excludes the impact of exceptional items. There was an exceptional pre-tax charge of £48m in HY 2012 mainly relating to restructuring costs in respect of the new strategy reorganisation and integration costs arising from the acquisition of SSL. This exceptional pre-tax charge is reflected in reported operating profit. Exceptional items in HY 2011 were £54m in reported operating profit and £2m in net interest. The tax effect of exceptional items in the period is £9m (2011: £13m).

As communicated in RB's February 2012 "Strategy for Continued Outperformance" announcement, the Group now uses a number of new, or refined, measures to monitor progress. This includes a revised gross margin definition (discussed in note 3 to the Half Year Condensed Financial Statements), as well as a new definition of net working capital (inventories, trade and other receivables and trade and other payables) and a new measure of total brand equity building investment (BEI).

Detailed Operating Review: Total Group

Half year 2012

Total HY net revenue, at constant rates, increased +4% (LFL +4%) to £4,669m. Growth was driven by a very strong performance in both our LAPAC and RUMEA areas, with a stable, albeit still subdued result in ENA where weak market conditions and consumer sentiment continues. Health and Hygiene underpinned the performance from a category perspective with particularly strong performance from our major non seasonal Health powerbrands of Durex and Gaviscon, and from Hygiene powerbrands such as Dettol, Lysol, Finish and Harpic.

The gross margin declined by –60bps to 56.3%. As expected, this was primarily due to higher input costs versus last year. There were further impacts from adverse mix and foreign exchange, partially offset by savings from cost optimisation programmes (Project Fuel).

Our newly defined Brand Equity Investment (BEI) metric increased by +£40m (constant) or 60 bps to 13.6% of net revenue (ex RBP). Within this, pure media increased by 40bps to 12.5% of net revenue (ex RBP). BEI measures investment behind longer term equity building initiatives and includes TV and print, digital and social media, medical professional programmes and consumer educational programmes. The increase in equity investment is focused on power brands, power markets and new initiatives. We are on track to invest the additional £100m in BEI planned for 2012.

Operating profit as reported was £1,072m, +2% versus HY 2011 (+4% constant), reflecting the impact of an exceptional pre-tax charge of £48m (HY 2011: £54m). On an adjusted basis, operating profit was ahead +2% (+4% constant) to £1,120m: the adjusted operating margin increased by +10bps to 24.0%. Excluding RBP, the adjusted operating margin increased by +10bps to 20.4%.

Net finance expense was £8m (HY 2011: £11m, of which £2m was an exceptional charge in respect of financing costs associated with the acquisition of SSL). The tax rate was 26%, consistent with prior year.

Net income as reported was £779m, an increase of 3% (+5% constant) versus HY 2011; on an adjusted basis, net income rose +2% (+4% constant). Diluted earnings per share of 105.8 pence was +3% higher on a reported basis; on an adjusted basis, the growth was +2% to 111.1 pence.

Second quarter 2012

Total Q2 net revenue, at constant rates, increased +3% (LFL +4%) to £2,312m. Growth trends in both Developed and Emerging Markets were similar to those in Q1. On a category basis, there was an improving trend on Health, whilst the Hygiene powerbrands of Dettol, Lysol, Cillit Bang, Harpic, Finish and Veet all performed well. Within Home, Vanish continues to gain market share in Emerging Markets and stabilize in Europe, although market growth in the category remains weak.

HY 2012 Business Review

Summary: % net revenue growth

HY 2012	**Like-for-like**	**Acquisitions & Disposals***	**Exchange**	**Reported**
ENA	-1%	-1%	-2%	-4%
LAPAC	+11%	+1%	-4%	+8%
RUMEA	+9%	-	-5%	+4%
Food	+4%	-	+2%	+6%
Group ex-RBP	**+4%**	**-**	**-3%**	**+1%**
RBP	+6%	-	+1%	+7%
TOTAL	**+4%**	**-**	**-3%**	**+1%**

* Reflects the acquisition of Paras (Jan-March), withdrawal from Private Label (Propack), disposal of Paras Personal Care and a number of minor businesses.

Analyses by operating segment of net revenue and adjusted operating profit, and of net revenue by product group are set out below. The Executive Committee of the Group assesses the performance of the operating segments based on net revenue and adjusted operating profit. This measurement basis excludes the effect of exceptional items.

Review by Operating Segment

Quarter ended 30 June 2012 £m	2011 £m	% change exch. Rates actual	const.		Half Year ended 30 June 2012 £m	2011 £m	% change exch. rates actual	const.
				Total Net revenue				
1,089	1,160	-6	-2	ENA	**2,257**	2,355	-4	-2
572	553	+3	+11	LAPAC	**1,152**	1,066	+8	+12
350	342	+2	+8	RUMEA	**719**	693	+4	+9
83	79	+5	+3	Food	**156**	147	+6	+4
2,094	2,134	-2	+3	**Total – ex RBP**	**4,284**	4,261	+1	+4
218	204	+7	+6	RBP	**385**	360	+7	+6
2,312	2,338	-1	+3	**Total**	**4,669**	4,621	+1	+4
				Operating profit – adjusted*				
				ENA	**460**	503	-9	-5
				LAPAC	**209**	191	+9	+13
				RUMEA	**140**	138	+1	+7
				Food	**36**	35	+3	-3
				Corporate**	**30**	-	n/a	n/a
				Total – ex RBP	**875**	867	+1	+4
				RBP	**245**	236	+4	+2
				Subtotal before exceptional items	**1,120**	1,103	+2	+4
				Exceptional items	**(48)**	(54)		
				Total	**1,072**	1,049	+2	+4
				Operating margin – adjusted*	**%**	%		
				ENA	**20.4**	21.4		
				LAPAC	**18.1**	17.9		
				RUMEA	**19.5**	19.9		
				Food	**23.1**	23.8		
				Corporate **	**n/a**	n/a		
				Total – ex RBP	**20.4**	20.3		
				RBP	**63.6**	65.6		
				Total	**24.0**	23.9		

* Adjusted to exclude the impact of exceptional items.

******Items of income and expense which are not part of the results and financial position of the reported segments, and therefore reported to the Chief Operating Decision Maker outside of the individual segment financial information, are shown in the Corporate segment. For the six months ended 30 June 2012, these items include profits on disposals of intangibles and the Paras Personal Care business, and corporate provisions. The net impact of these items is £30m (30 June 2011: £nil).

The Business Review below is given at constant exchange rates.

ENA **55% of core net revenue**

HY 2012 total net revenue decreased to £2,257m, with LFL growth of -1% (total, constant -2%). Volume shares improved during the year behind significant BEI, underpinned by media. However depressed market conditions, particularly in Southern Europe led to a subdued but stabilizing result for the period.

In Health, Gaviscon delivered a very strong result, though this was offset by weakness in seasonal brands such as Mucinex, Strepsils and certain products within Nurofen on the back of a lower incidence of cold/'flu this year. Hygiene brands of Lysol and Finish performed strongly, particularly in the US behind Lysol No-Touch Kitchen System, Finish Quantum and All-in-1 gel packs and tablets. In the Home category, Vanish shares showed positive momentum, although the market is still down. Within portfolio brands Laundry Detergents and Fabric Softeners in Southern Europe remain weak.

For the half year, adjusted operating profit declined -5% to £460m; the adjusted operating margin decreased -100bps, due primarily to a combination of unfavourable input costs and adverse mix. The increased investment in BEI was more than offset by savings, coming from SSL synergies and fixed cost containment.

LAPAC **28% of core net revenue**

HY 2012 total net revenue increased +12% to £1,152m, with LFL growth of +11%. Growth was broad based across LATAM, North and South East Asia, driven by distribution expansion, innovation and share gains. In Health, Paras in India and Durex in China grew well ahead of expectations, primarily as a result of increased distribution. In Hygiene, Dettol, Finish, and Harpic delivered strong growth behind initiatives such as Dettol Daily Care and Re-energize plus High Performance for Men soap and shower gels. Surface Cleaners continued to experience good growth. Vanish and Airwick performed well in the Home category.

For the half year, adjusted operating profit increased +13% to £209m; the adjusted operating margin was +20bps higher at 18.1%. Increased investment behind BEI was more than offset by volume leverage and fixed cost containment.

RUMEA **17% of core net revenue**

HY 2012 total net revenue of £719m was ahead +9% on both a total and LFL basis, with growth coming from all regions. In Health, growth was driven by Durex, Gaviscon, Nurofen and Strepsils. Hygiene performed particularly well behind Dettol, Finish, Harpic and Veet driven by initiatives such as Dettol Daily Care and Re-energize. Air Wick performed well in the Home category with growth driven by Freshmatic and Aqua Mist.

For the half year, adjusted operating profit increased by +7% to £140m. This resulted in a -40bps decline in the adjusted operating margin to 19.5%, due mainly to increased investment in BEI.

Food

HY 2012 total net revenue increased +4% to £156m underpinned by continued growth in French's Mustard and Frank's Red Hot Sauce. Operating margins fell by -70bps to 23.1% due to pricing benefits being more than offset by adverse mix and input costs.

Pharmaceuticals ("RBP")

HY 2012 total net revenue increased +6% to £385m. Growth came from continued strong volume growth in the US offset by dilution from increased Film penetration and higher Medicaid rebates. Conversion from tablets to film continues to increase with market volume share now 56%, up from 48% at the end of 2011, creating a significantly more sustainable business.

Operating profit for the total RBP business increased +2% to £245m. The operating margin was down -200bps to 63.6%, due to the materially lower margins of the new film variant and higher Medicaid rebates versus the prior year.

At this time the Group has no intelligence as to the exact timing of potential generic competition to the Suboxone tablets in the US. For further information surrounding exclusivity of Suboxone products, please refer to page 11 of the 2011 Annual Report and Financial Statements.

HY 2012 Category Review

Quarter ended 30 June					Half Year ended 30 June			
2012 £m	2011 £m	% change exch. rates actual	% change exch. rates const.		**2012 £m**	2011 £m	% change exch. rates actual	% change exch. rates const.
				Net revenue by category				
443	448	-1	+3	Health	**904**	908	0	+2
915	907	+1	+6	Hygiene	**1,879**	1,821	+3	+7
474	503	-6	-1	Home	**960**	983	-2	+1
179	197	-9	-2	Portfolio Brands	**385**	402	-4	+1
83	79	+5	+3	Food	**156**	147	+6	+4
2,094	2,134	-2	+3	**Total – ex RBP**	**4,284**	4,261	+1	+4
218	204	+7	+6	RBP	**385**	360	+7	+6
2,312	2,338	-1	+3	**Total**	**4,669**	4,621	+1	+4

Operating profit – adjusted				
Health, Hygiene, Home & Portfolio	**809**	832	-3	+1
Food	**36**	35	+3	-3
Corporate	**30**	-	n/a	n/a
Total – ex RBP	**875**	867	+1	+4
RBP	**245**	236	+4	+2
Total	**1,120**	1,103	+2	+4
Exceptional items	**(48)**	(54)		
Total	**1,072**	1,049	+2	+4

Operating margin – adjusted	**%**	%
Health, Hygiene, Home & Portfolio	**19.6**	20.2
Food	**23.1**	23.8
Corporate	**n/a**	n/a
Total – ex RBP	**20.4**	20.3
RBP	**63.6**	65.6
Total	**24.0**	23.9

The Category Review below is given at constant exchange rates.

Health 22% of core net revenue

Net revenue increased +2% (+3% LFL) to £904m. A poor ‘flu season impacted Mucinex, Strepsils and certain products within Nurofen. Other brands not susceptible to the ‘flu season continued to perform well with particularly strong performances from Durex, Paras brands and Gaviscon. New initiatives such as Performax Intense condoms, plus increased distribution in China drove Durex growth, and the roll out and support of Double Action in a number of Emerging Markets underpinned the strong performance in Gaviscon.

Hygiene 46% of core net revenue

Net revenue increased +7% on both a constant and LFL basis to £1,879m, largely driven by strong growth in the Dettol / Lysol franchise in all our three areas. New initiatives such as Dettol Daily care and Re-energize in Emerging Markets and the Lysol No-Touch Kitchen System in ENA underpinned this strong performance. Finish continues to perform well in a number of markets globally, and particularly in the US where Quantum and All-In-1 tablets and gel packs continue to gain market share. Veet delivered good growth behind initiatives such as the Veet Easy Wax Electrical Roll-On. Harpic enjoyed very strong growth in LAPAC and RUMEA by driving category penetration via consumer education and increased distribution, backed by the continued success of Harpic Powerplus and Harpic Hygienic blocks in all geographies.

Home **23% of core net revenue**

Net revenue increased +1% at both constant and LFL to £960m. Growth came from Vanish where there has been excellent growth in a number of emerging market countries, combined with more stable market shares in ENA where we have lapped competitive entries. Air Wick produced a robust performance behind Freshmatic, candles and initiatives such as Flip & Fresh.

Portfolio **9% of core net revenue**

Net revenue increased +1% (LFL -1%) to £385m, largely due to the inclusion of Paras personal care products which were acquired in April 2011. The sale of these products was however completed in May 2012. On a LFL basis, net revenue declined slightly (-1%) due to continued weakness in Laundry Detergents and Fabric Softeners in Southern Europe.

New Product Initiatives: H2 2012

The Group has announced a number of new product initiatives for the second half of 2012:

In Health:

- Launch of Mucinex Fast-Max caplets. Multi-symptom relief from your worst cold symptoms, now in a caplet.
- Launch of Nurofen Express Period Pain capsules. New soft cap painkillers. Targets period pain fast and lasts up to 8 hours.
- Launch of Durex B Closer. Our 1st global crowd-sourced design to drive relevance of Durex products with younger people. Designed for Youth, by Youth.
- Launch of new Cepacol. New range of cooling, warming and hydra sensations with long-lasting and gentle numbing relief for sore throats.

In Hygiene:

- Launch of Finish Quantum Gel, a new concentrated gel format of Quantum that leaves nothing behind but the shine, even in short cycles.
- Launch of Dettol, Touch of Foam Handwash, a range of Manual Foaming Hand Soaps - differentiated format in a highly competitive market. A range of manual foaming hand soaps giving superior efficacy versus liquids and better moisturizing for hands.
- Launch of Harpic Thick Bleach Multi Purpose Gel – new thick bleach and multi-purpose gel. Innovation that takes Harpic beyond the toilet and delivers superiority versus the competition.
- Launch of Cillit Bang Turbo Power, New Turbo Power that acts in seconds without scrubbing.

In Home:

- Launch of Air Wick Filter & Fresh with a carbon activated filter which breathes in odours and a perfume that breathes out clean, fresh fragrance.
- Launch of Air Wick Black Edition Candles. Extends the highly successful glowing candles Franchise with elegant designs.

Financial Review

Basis of preparation. The unaudited financial information is prepared in accordance with IFRSs as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board, and with the accounting policies to be applied in the financial statements for the year ending 31 December 2012. These are not materially different from those set out in the Group's 2011 Annual Report and Accounts, unless separately disclosed.

Constant exchange. Movements in exchange rates relative to sterling affect actual results as reported. The constant exchange rate basis adjusts the comparative to exclude such movements, to show the underlying results of the Group.

Net finance expense. Net finance expense was £8m (2011: £11m, which included an exceptional charge of £2m in respect of financial costs associated with the acquisition of SSL).

Tax. The overall effective tax rate is 26% (2011: 26%).

Net working capital (inventories, trade and other receivables and trade and other payables) of minus £752m was a £51m improvement versus the 31 December 2011 level.

Cash flow. Cash generated from operations was £1,106m (2011: £1,167m), and net cash flow from operations was £784m, +5%. Net interest paid was £4m higher at £9m and tax payments decreased by £125m to £238m. Net capital expenditure (including intangibles) was £3m lower than the prior year at £71m. During the period the Group acquired the non controlling interests in Medcom for £104m and undertook share repurchases of £352m.

Net debt at the end of the half year was £1,846m (31 December 2011: £1,795m), an increase of £51m. This reflected net cash flow from operations of £784m, which was more than offset by the payment of the final 2011 dividend of £511m, the acquisition of the non controlling interests in Medcom, and share repurchases. The Group regularly reviews its banking arrangements and has adequate facilities available to it.

Restructuring charge. A total pre-tax exceptional charge of around £125m is expected to be incurred in 2012 in respect of costs to implement the new strategy announced in February (£75m) and the remainder of the SSL acquisition and integration costs (£50m).

In HY 2012 the exceptional pre-tax charge incurred was £48m. In HY 2011, an exceptional pre-tax charge of £56m was incurred, of which £54m is reflected in reported operating profit (of which £2m relates to transaction fees) and £2m is included in net interest.

The amount incurred to date is £248m, out of the total restructuring announced of £325m.

Balance sheet. At 30 June 2012, the Group had shareholders' funds of £5,469m (31 December 2011: £5,781m), a decrease of -5%. Net debt was £1,846m (31 December 2011: £1,795m) and total capital employed in the business was £7,315m (31 December 2011: £7,576m).

This finances non-current assets of £10,911m (31 December 2011: £11,188m), of which £716m (31 December 2011: £732m) is property, plant and equipment, the remainder being goodwill, other intangible assets, deferred tax, available for sale financial assets and other receivables. The Group has net working capital of minus £752m (31 December 2011: minus £701m), current provisions of £53m (31 December 2011: £60m) and long-term liabilities other than borrowings of £2,524m (31 December 2011: £2,642m).

Dividends. The Board of Directors declares an interim dividend of 56.0p (2011: 55.0p), an increase of +2%. The ex-dividend date will be 8 August 2012 and the dividend will be paid on 27 September 2012 to shareholders on the register at the record date of 10 August 2012. The last date for election for the share alternative to the dividend is 6 September 2012.

Contingent liabilities. The Group is involved in a number of investigations by government authorities and has made provisions for such investigations, where appropriate. Where it is too early to determine the likely outcome of these matters, the Directors have made no provision for such potential liabilities.

The Group has received a civil claim for damages from the Department of Health and others in the United Kingdom, regarding alleged anti-competitive activity involving the Gaviscon brand. The claim is under review and at this time the Directors do not believe that any potential impact would be material to the Group financial statements.

The Group from time to time is involved in discussions in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, the Directors make provisions based on their assessment of each case.

2012 Targets

The HY 2012 results position the Group well to achieve its FY 2012 financial targets.

For the Group excluding RBP, the target is for like-for-like net revenue growth of +200 basis points ahead of our market growth. We continue to expect the market to grow at 1-2%. We also expect to maintain margins on an adjusted basis* (ex RBP) as we invest behind brand equity building initiatives.

* Adjusted to exclude the impact of exceptional items.

Principal Risks and Uncertainties

The Directors consider that the principal risks and uncertainties which could have a material impact on the Group's performance in the remaining six months of 2012 are the same as described on pages 13 and 14 of the Annual Report and Financial Statements for the year ended 31 December 2011. These include:

- **Market risks:**
  - Competition, economic conditions and customer consolidation translates into increasing pressure on pricing and promotion levels and market growth rates, especially in Europe.
  - The expiry of the Group's exclusive licence for Suboxone in the US in 2009 and in the rest of the world in 2016 could expose the business to competition from generic variants.
- **Operational risks:**
  - Business continuity plans prove insufficient to protect the business in the face of a significant and unforeseen supply disruption.
  - The successful integration into the Group of businesses acquired with non-controlling interests through recent acquisitions.
  - Key senior management leave the Group or management turnover increases significantly.
  - Non-delivery of expected benefits from the Group ERP programme.
  - The combination of the Group's strategic reorganization, and the systems and operational changes, could result in sub-optimal implementations and reduced focus due to conflicting demands for management attention.
  - Information technology systems may be disrupted or may fail, interfering with the Group's ability to conduct its business.
  - Product quality failures could potentially result in the undermining of consumer confidence in the Group's products and brands.
  - Regulatory decisions and changes in the legal and regulatory environment could limit business activities.

- **Financial risks:**
  - Tax authorities are becoming more aggressive in disputing historically accepted tax structures and pursuing compensation for retroactive changes to tax law.
- **Environmental, social and governance risks:**
  - Industry sector and regulatory risks.
  - Product quality and safety risks to consumers.
  - Potential reputational risks around the supply chain.

The Group's Annual Report and Financial Statements for the year ended 31 December 2011 are available on the Group's website at www.rb.com.

The Group at a Glance (Unaudited)

Quarter ended 30 June			Half year ended 30 June	
2012 £m	2011 £m		**2012 £m**	2011 £m
2,312	2,338	**Net revenue – total**	**4,669**	4,621
+4%	+5%	Net revenue growth – like-for-like	**+4%**	+5%
+3%	+16%	Net revenue growth – constant	**+4%**	+15%
-1%	+13%	Net revenue growth – total	**+1%**	+14%
		Gross margin	**56.3%**	56.9%
		EBITDA – adjusted*	**1,192**	1,183
		EBITDA margin – adjusted*	**25.5%**	25.6%
		EBIT	**1,072**	1,049
		EBIT – adjusted*	**1,120**	1,103
		EBIT margin	**23.0%**	22.7%
		EBIT margin – adjusted*	**24.0%**	23.9%
		Profit before tax	**1,064**	1,038
		Net income	**779**	759
		Net income – adjusted*	**818**	802
		EPS, basic, as reported	**107.1p**	104.4p
		EPS, adjusted and diluted*	**111.1p**	109.0p

* Adjusted to exclude the impact of exceptional items.

Group balance sheet data	**30 June 2012 £m**	31 December 2011 £m
Net working capital *	(752)	(701)
Net debt	(1,846)	(1,795)

* Net working capital is defined as inventories, trade and other receivables and trade and other payables.

Shares in issue

	Millions
31 December 2011	**728.6**
Issued or transferred from Treasury	4.5
Repurchased and transferred to Treasury	(10.0)
30 June 2012	**723.1**

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Notice to shareholders

Cautionary note concerning forward-looking statements

This document contains statements with respect to the financial condition, results of operations and business of Reckitt Benckiser and certain of the plans and objectives of the Group with respect to these items. These forward-looking statements are made pursuant to the “Safe Harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to the Company, anticipated cost savings or synergies and the completion of strategic transactions are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors discussed in this report, that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including many factors outside Reckitt Benckiser’s control. Past performance cannot be relied upon as a guide to future performance.

Half Year Condensed Financial Statements

Group Income Statement
For the six months ended 30 June 2012

	note	Unaudited Six months ended 30 June 2012 £m	Unaudited Six months ended 30 June 2011 (restated)[a] £m	Audited Year ended 31 December 2011 (restated)[a] £m
Net revenue	4	**4,669**	4,621	9,485
Cost of sales		**(2,039)**	(1,991)	(4,036)
Gross profit		**2,630**	2,630	5,449
Net operating expenses		**(1,558)**	(1,581)	(3,054)
Operating profit	4	**1,072**	1,049	2,395
Operating profit before exceptional items		**1,120**	1,103	2,487
Exceptional items	5	**(48)**	(54)	(92)
Operating profit		**1,072**	1,049	2,395
Finance income		**12**	10	23
Finance expense[b]		**(20)**	(21)	(42)
Net finance expense		**(8)**	(11)	(19)
Profit on ordinary activities before taxation		**1,064**	1,038	2,376
Tax on profit on ordinary activities	6	**(281)**	(274)	(622)
Net income for the period		**783**	764	1,754
Attributable to non-controlling interests		**4**	5	9
Attributable to owners of the parent		**779**	759	1,745
Net income for the period		**783**	764	1,754
Earnings per ordinary share:				
Basic earnings per share	7	**107.1p**	104.4p	239.8p
Diluted earnings per share	7	**105.8p**	103.2p	237.1p

[a] see note 3 for further details.

[b] Finance expense for the six months ended 30 June 2011 and year ended 31 December 2011 includes an exceptional charge of £2m and £4m respectively, relating to financial costs associated with the acquisition of SSL.

Group Statement of Comprehensive Income
For the six months ended 30 June 2012

	Unaudited Six months ended **30 June 2012** **£m**	Unaudited Six months ended 30 June 2011 £m	Audited Year ended 31 December 2011 £m
Net income for the period	783	764	1,754
Other comprehensive income			
Net exchange adjustments on foreign currency translation, net of tax	(204)	57	(226)
Actuarial (losses) / gains, net of tax	(28)	3	(49)
(Losses) / gains on cash flow hedges, net of tax	-	(1)	3
Reclassification of foreign currency translation reserves on disposal of subsidiary, net of tax	9	-	-
Other comprehensive income for the period, net of tax	(223)	59	(272)
Total comprehensive income for the period	560	823	1,482
Attributable to non-controlling interests	2	7	4
Attributable to owners of the parent	558	816	1,478
	560	823	1,482

Group Balance Sheet
As at 30 June 2012

	note	Unaudited 30 June 2012 £m	Unaudited 30 June 2011 (restated)[c] £m	Audited 31 December 2011 £m
ASSETS				
Non-current assets:				
Goodwill and other intangible assets		**10,005**	10,501	10,258
Property, plant and equipment		**716**	722	732
Deferred tax assets		**115**	163	150
Available for sale financial assets		**10**	11	10
Retirement benefit surplus		**27**	22	32
Other receivables		**38**	7	6
		10,911	11,426	11,188
Current assets:				
Inventories		**739**	742	758
Trade and other receivables		**1,355**	1,450	1,442
Derivative financial instruments		**36**	31	67
Current tax receivables		**1**	128	21
Available for sale financial assets		**7**	49	11
Cash and cash equivalents		**1,063**	581	639
		3,201	2,981	2,938
Total assets		**14,112**	14,407	14,126
LIABILITIES				
Current liabilities:				
Borrowings		**(2,948)**	(2,849)	(2,505)
Provisions for liabilities and charges		**(53)**	(70)	(60)
Trade and other payables		**(2,846)**	(2,967)	(2,901)
Derivative financial instruments		**(4)**	(8)	(7)
Current tax liabilities		**(265)**	(297)	(227)
		(6,116)	(6,191)	(5,700)
Non-current liabilities:				
Borrowings		**(3)**	(3)	(3)
Deferred tax liabilities		**(1,659)**	(1,847)	(1,772)
Retirement benefit obligations		**(494)**	(431)	(502)
Provisions for liabilities and charges		**(125)**	(175)	(118)
Non-current tax liabilities		**(211)**	(209)	(211)
Other non-current liabilities		**(35)**	(39)	(39)
		(2,527)	(2,704)	(2,645)
Total liabilities		**(8,643)**	(8,895)	(8,345)
Net assets		**5,469**	5,512	5,781
EQUITY				
Capital and reserves:				
Share capital	10	**73**	73	73
Share premium		**155**	81	86
Merger reserve		**(14,229)**	(14,229)	(14,229)
Hedging reserve		**(1)**	(5)	(1)
Foreign currency translation reserve		**(83)**	386	110
Retained earnings		**19,548**	19,127	19,672
		5,463	5,433	5,711
Non-controlling interests		**6**	79	70
Total equity		**5,469**	5,512	5,781

[c] See note 13 for further details.

Group Statement of Changes in Equity
For the six months ended 30 June 2012

Unaudited	Share capital	Share Premium	Merger reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2011	**73**	**59**	**(14,229)**	**(4)**	**331**	**18,828**	**5,058**	**72**	**5,130**
Net income						759	759	5	764
Other comprehensive income				(1)	55	3	57	2	59
Total comprehensive income	**-**	**-**	**-**	**(1)**	**55**	**762**	**816**	**7**	**823**
Transactions with owners									
Proceeds from share issue		22					22		22
Share based payments						31	31		31
Deferred tax on share awards						2	2		2
Current tax on share awards						5	5		5
Dividends						(472)	(472)	(1)	(473)
Non-controlling interest arising on business combination								1	1
Put option issued to non-controlling interest						(29)	(29)		(29)
Total transactions with owners	**-**	**22**	**-**	**-**	**-**	**(463)**	**(441)**	**-**	**(441)**
Balance at 30 June 2011	**73**	**81**	**(14,229)**	**(5)**	**386**	**19,127**	**5,433**	**79**	**5,512**
Net income						986	986	4	990
Other comprehensive income				4	(276)	(52)	(324)	(7)	(331)
Total comprehensive income	**-**	**-**	**-**	**4**	**(276)**	**934**	**662**	**(3)**	**659**
Transactions with owners									
Proceeds from share issue		5					5		5
Share based payments						30	30		30
Deferred tax on share awards						(15)	(15)		(15)
Current tax on share awards						(3)	(3)		(3)
Dividends						(401)	(401)	(6)	(407)
Total transactions with owners	**-**	**5**	**-**	**-**	**-**	**(389)**	**(384)**	**(6)**	**(390)**
Balance at 31 December 2011	**73**	**86**	**(14,229)**	**(1)**	**110**	**19,672**	**5,711**	**70**	**5,781**
Net income						779	779	4	783
Other comprehensive income					(193)	(28)	(221)	(2)	(223)
Total comprehensive income	**-**	**-**	**-**	**-**	**(193)**	**751**	**558**	**2**	**560**
Transactions with owners									
Proceeds from share issue		69					69		69
Share based payments						28	28		28
Deferred tax on share awards						-	-		-
Current tax on share awards						11	11		11
Shares repurchased and held in Treasury						(352)	(352)		(352)
Dividends						(511)	(511)	(4)	(515)
Acquisition of non-controlling interest (note 14)						(51)	(51)	(53)	(104)
Reclassification of non-controlling interest following loss of control (note 2)								(9)	(9)
Total transactions with owners	**-**	**69**	**-**	**-**	**-**	**(875)**	**(806)**	**(66)**	**(872)**
Balance at 30 June 2012	**73**	**155**	**(14,229)**	**(1)**	**(83)**	**19,548**	**5,463**	**6**	**5,469**

Group Cash Flow Statement
For the six months ended 30 June 2012

	note	Unaudited Six months ended **30 June 2012 £m**	30 June 2011 £m	Audited Year ended 31 December 2011 £m
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations:				
Operating profit		**1,072**	1,049	2,395
Depreciation of property, plant & equipment, and amortisation & impairment of intangible assets		**72**	80	157
Fair value (gains) / losses		**(1)**	(2)	1
Gain on sale of property, plant & equipment and intangible assets		**(13)**	-	(9)
Gain on sale of businesses	13	**(32)**	-	-
(Increase) in inventories		**(8)**	(83)	(131)
Decrease / (Increase) in trade and other receivables		**23**	(55)	(113)
(Decrease) / Increase in payables and provisions		**(35)**	147	69
Share based payments		**28**	31	61
Cash generated from operations:		**1,106**	1,167	2,430
Interest paid		**(21)**	(14)	(35)
Interest received		**12**	9	22
Tax paid		**(238)**	(363)	(677)
Net cash generated from operating activities		**859**	799	1,740
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		**(76)**	(58)	(164)
Purchase of intangible assets		**(5)**	(22)	(41)
Disposal of property, plant and equipment		**1**	4	5
Disposal of intangible assets		**9**	2	12
Acquisition of businesses, net of cash acquired		**-**	(460)	(460)
Disposal of businesses, net of cash disposed		**81**	-	-
Maturity / (Purchase) of short-term investments		**3**	(38)	(2)
Maturity of long-term investments		**7**	1	2
Net cash outflow on deconsolidation of a subsidiary	2	**(6)**	-	-
Net cash generated from / (used in) investing activities		**14**	(571)	(648)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of ordinary shares		**69**	22	27
Shares purchased and held as Treasury shares	10	**(352)**	-	-
Proceeds from borrowings		**475**	622	249
Repayments of borrowings		**-**	(400)	(400)
Dividends paid to owners of the parent	11	**(511)**	(472)	(873)
Dividends paid to non-controlling interests		**(4)**	(1)	(7)
Acquisition of non-controlling interest	14	**(104)**	-	-
Net cash used in financing activities		**(427)**	(229)	(1,004)
Net increase / (decrease) in cash and cash equivalents		**446**	(1)	88
Cash and cash equivalents at beginning of period		**634**	568	568
Exchange (losses) / gains		**(18)**	1	(22)
Cash and cash equivalents at end of period		**1,062**	568	634
Cash and cash equivalents comprise				
Cash and cash equivalents		**1,063**	581	639
Overdrafts		**(1)**	(13)	(5)
		1,062	568	634
RECONCILIATION OF NET CASH FLOW FROM OPERATIONS				
Net cash generated from operating activities		**859**	799	1,740
Net purchases of property, plant and equipment		**(75)**	(54)	(159)
Net cash flow from operations		**784**	745	1,581

Management uses net cash flow from operations as a performance measure.

Notes to the Half Year Condensed Financial Statements
For the six months ended 30 June 2012

1. General Information

Reckitt Benckiser Group plc is a public limited company listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 103-105 Bath Road, Slough, Berkshire SL1 3UH.

The Half Year Condensed Financial Statements were approved by the Board of Directors on 27 July 2012. The Half Year Condensed Financial Statements have been reviewed, not audited.

2. Basis of Preparation

The Half Year Condensed Financial Statements for the six months ended 30 June 2012 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS 34, 'Interim financial reporting' as endorsed by the European Union. The Half Year Condensed Financial Statements should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2011, which have been prepared in accordance with European Union endorsed International Financial Reporting Standards (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These Half Year Condensed Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2011 were approved by the Board of Directors on 9 March 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The Group has considerable financial resources together with a diverse customer and supplier base across different geographical areas and categories. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of accounting in preparing its Half Year Condensed Financial Statements.

The balance sheet at 30 June 2011 has been restated to reflect updated final fair value adjustments for the acquisition of SSL International Plc (SSL) and Paras Pharmaceuticals Limited (Paras) made within the hindsight period allowed by IFRS 3 (Revised) 'Business Combinations'. See note 13 for further details.

Following a deterioration in the relationship between the Group and the local management of TTK-LIG Limited (TTK), the Group considers it no longer has the power to govern the financial and operating policies of TTK. Effective from 1 January 2012 the results, non-controlling interests and net assets of TTK have been deconsolidated from the Group results. The remaining investment in TTK is held as an available for sale investment. Results for the six months to 30 June 2011 and year to 31 December 2011 and its balance sheets as at those dates were not significant.

3. Accounting Policies and Estimates

Except as described below, the accounting policies applied are consistent with those described on pages 41-44 of the Annual Report and Financial Statements for the year ended 31 December 2011.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit. Refer to note 6 for further details.

The income statement for the six months ended 30 June 2011 and year ended 31 December 2011 has been restated to reflect a change in the Group's accounting policy for certain consumer promotional costs. The Group now treats certain consumer promotional costs as cost of sales where previously these were classified as marketing. The Directors believe that this change provides more relevant information about the performance of the Group and aligns the Group's accounting policies with common industry practice. This restatement had no impact on the balance sheet and the following impact on the income statement.

Notes to the Half Year Condensed Financial Statements continued
For the six months ended 30 June 2012

3. Accounting Policies and Estimates (continued)

	Unaudited Six months ended 30 June 2011 £m	Audited Year ended 31 December 2011 £m
Increase in cost of sales	109	213
Decrease in gross profit	**(109)**	**(213)**
Decrease in net operating expenses	(109)	(213)
Net impact on operating profit	**-**	**-**

There were no new standards, amendments and interpretations that were adopted by the Group and effective for the first time for the period beginning 1 January 2012 that were material to the Group. Furthermore, there are no standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

In preparing these Half Year Condensed Financial Statements the significant estimates and judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

4. Operating Segments

The Executive Committee is the Group's Chief Operating Decision Maker (CODM). Management has determined the operating segments based on the reports reviewed by the Executive Committee for the purposes of making strategic decisions. The Executive Committee considers the business principally from a geographical perspective, but with the Pharmaceuticals (RBP) and Food businesses being managed separately given the significantly different nature of these businesses and the risks and rewards associated with them.

As a result of the Group's strategy for continued outperformance, announced in February 2012, the geographical segments have changed from those reported in the Annual Report and Financial Statements for the year ended 31 December 2011 to reflect the Group's increased focus on high growth emerging market clusters. The new geographical segments comprise Europe and North America (ENA); Latin America, North Asia, South East Asia and Australia & New Zealand (LAPAC); and Russia & CIS, Middle East, North Africa, Turkey and Sub-Saharan Africa (RUMEA). Comparative information has been restated on a consistent basis.

The geographical segments derive their revenue primarily from the manufacture and sale of branded products in the Health, Home & Hygiene categories. RBP derives its revenue exclusively from the sales of buprenorphine-based prescription drugs used to treat opiate dependence and Food derives its revenue from food products sold in ENA.

The Executive Committee assesses the performance of the operating segments based on net revenue and adjusted operating profit. This measurement basis excludes the effects of exceptional items. Finance income and expense are not allocated to segments, as they are managed on a central Group basis.

The Executive Committee do not review inter-segment revenue information nor is it included in the measure of segment profit or loss reviewed by the Executive Committee. As such this is no longer included in the Group's operating segments disclosures.

Items of income and expense which are not part of the results and financial position of the operating segments, and therefore reported to the Executive Committee outside of the individual segment financial information, are shown in the Corporate segment. For the six months ended 30 June 2012 this includes profit on disposals of intangible assets and the Paras Personal Care business and other corporate provisions with a net effect of £30m. For the six months ended 30 June 2011 this included miscellaneous items and regulatory costs with a net effect of £nil; and for the year ended 31 December 2011 a profit on disposal of intangibles, miscellaneous items and regulatory costs with a net effect of £10m.

4. Operating Segments (continued)

Six months ended 30 June 2012	ENA	LAPAC	RUMEA	Food	Corporate	Total ex RBP	RBP	Total
Unaudited	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Net revenue	**2,257**	**1,152**	**719**	**156**	**-**	**4,284**	**385**	**4,669**
Operating profit before exceptional items	**460**	**209**	**140**	**36**	**30**	**875**	**245**	**1,120**
Exceptional items								**(48)**
Operating profit								**1,072**
Net finance expense								**(8)**
Profit on ordinary activities before taxation								**1,064**

Six months ended 30 June 2011- restated	ENA	LAPAC	RUMEA	Food[(d)]	Corporate	Total ex RBP	RBP	Total
Unaudited	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Net revenue	2,355	1,066	693	147	-	4,261	360	4,621
Operating profit before exceptional items	503	191	138	35	-	867	236	1,103
Exceptional items								(54)
Operating profit								1,049
Net finance expense								(11)
Profit on ordinary activities before taxation								1,038

Year ended 31 December 2011 - restated	ENA	LAPAC	RUMEA	Food[(d)]	Corporate	Total ex RBP	RBP	Total
Audited	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Net revenue	4,837	2,210	1,364	312	-	8,723	762	9,485
Operating profit before exceptional items	1,157	417	293	92	10	1,969	518	2,487
Exceptional items								(92)
Operating profit								2,395
Net finance expense								(19)
Profit on ordinary activities before taxation								2,376

Analysis of Product Groups
Following the new category focus announced in February 2012 the Group analyses its revenue by the following product groups: Health, Hygiene, Home, Portfolio Brands together with RBP and Food.

	Unaudited		Audited
	30 June 2012	30 June 2011 (restated)	31 December 2011 (restated)
	£m	£m	£m
Health	**904**	908	2,000
Hygiene	**1,879**	1,821	3,643
Home	**960**	983	2,009
Portfolio Brands	**385**	402	759
	4,128	4,114	8,411
Food[(d)]	**156**	147	312
RBP	**385**	360	762
	4,669	4,621	9,485

[(d)] Under the new category structure Food has been restated to exclude some minor brands sold predominantly in South East Asia. Food now comprises food products sold solely in ENA.

Notes to the Half Year Condensed Financial Statements continued
For the six months ended 30 June 2012

5. Exceptional Items

The Group incurred £48m of restructuring charges relating to the implementation of the Group's new area and category organisations, integration of SSL and further reconfiguration of the Group (six months ended 30 June 2011: £54m; year ended 31 December 2011: £92m). This consists primarily of redundancy, relocation and business integration costs which have been included within net operating expenses.

6. Income Taxes

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2012 is 26% (the estimated tax rate for the six months ended 30 June 2011 was 26%).

The March 2012 Budget Statement contained the announcement of a reduction to the UK corporation tax rate from 26% to 24% from 1 April 2012 with further reductions of 1% per annum to 22% by 1 April 2014. The rate reduction to 24% has been substantively enacted and this change is reflected in these financial statements.

The Finance Act 2012 includes legislation to reduce the rate by 1% to 23% from 1 April 2013, whilst the further reduction is expected to be included in future legislation. These changes have not been substantively enacted at the balance sheet date and, therefore, are not included in the Half Year Condensed Financial Statements.

7. Earnings per Share

Basic
Basic earnings per share is calculated by dividing the net income attributable to owners of the parent (six months to 30 June 2012: £779m; six months to 30 June 2011: £759m) by the weighted average number of ordinary shares in issue during the period (six months to 30 June 2012: 727,389,222; six months to 30 June 2011: 726,743,834).

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has two categories of dilutive potential ordinary shares: Executive Options and Employee Sharesave schemes. As at 30 June 2012 there are no Executive Share Options excluded from the dilution (30 June 2011: 4m were excluded due to the option exercise price exceeding the average share price for the period).

Reported Basis
The reconciliation between net income for the period and the weighted average number of shares used in the calculation of diluted earnings per share on a reported basis is set out below:

			Unaudited **30 June 2012**			Unaudited 30 June 2011
	Net income £m	**Average number of shares**	**Earnings per share pence**	Net income £m	Average number of shares	Earnings per share pence
Net income attributable to owners of the parent	**779**	**727,389,222**	**107.1**	759	726,743,834	104.4
Dilution for Executive options outstanding and Executive Restricted Share Plan		**8,292,794**			8,161,717	
Dilution for Employee Sharesave Scheme options outstanding		**677,949**			787,471	
On a diluted basis	**779**	**736,359,965**	**105.8**	759	735,693,022	103.2

7. Earnings per Share (continued)

Adjusted Basis
The reconciliation between net income and the weighted average number of shares used in the calculation of diluted earnings per share on an adjusted basis is set out below:

			Unaudited			Unaudited
			30 June 2012			30 June 2011
	Net income £m	**Average number of shares**	**Earnings per share pence**	Net income £m	Average number of shares	Earnings per share pence
Net income attributable to owners of the parent*	**818**	**727,389,222**	**112.5**	802	726,743,834	110.4
Dilution for Executive options outstanding and Executive Restricted Share Plan		**8,292,794**			8,161,717	
Dilution for Employee Sharesave Scheme options outstanding		**677,949**			787,471	
On a diluted basis	**818**	**736,359,965**	**111.1**	802	735,693,022	109.0

* adjusted to exclude exceptional items as follows:

	Unaudited	
	30 June 2012 £m	30 June 2011 £m
Net income attributable to owners of the parent	**779**	759
Exceptional items	**48**	54
Exceptional charge included in finance expense	**-**	2
Tax effect on exceptional items	**(9)**	(13)
Adjusted net income attributable to owners of the parent	**818**	802

The Directors believe that diluted earnings per ordinary share, adjusted for the impact of exceptional items after the appropriate tax amount, provides additional useful information on underlying trends to shareholders in respect of earnings per ordinary share.

8. Net Debt

	Unaudited		Audited
Analysis of net debt	**30 June 2012 £m**	30 June 2011 £m	31 December 2011 £m
Cash and cash equivalents	**1,063**	581	639
Overdrafts	**(1)**	(13)	(5)
Borrowings	**(2,950)**	(2,839)	(2,503)
Other	**42**	76	74
	(1,846)	(2,195)	(1,795)

	Unaudited		Audited
Reconciliation of net debt	**30 June 2012 £m**	30 June 2011 £m	31 December 2011 £m
Net debt at beginning of period	**(1,795)**	(2,011)	(2,011)
Net increase / (decrease) in cash and cash equivalents	**446**	(1)	88
Repayment of borrowings	**-**	400	400
Proceeds from borrowings	**(475)**	(622)	(249)
Exchange and other adjustments	**(22)**	39	(23)
Net debt at the end of the period	**(1,846)**	(2,195)	(1,795)

9. Provisions for Liabilities and Charges

Provisions for liabilities and charges include a restructuring provision totalling £32m relating to the acquisition and integration of the SSL business, implementation of the Group's new area and category organisations, and further reconfiguration of the Group. This is expected to be utilised in 2012.

Other provisions include onerous lease provisions and various legal, regulatory, environmental and other obligations throughout the Group, the majority of which is expected to be used within five years.

10. Share Capital

Unaudited	Equity ordinary shares	Nominal value £m	Subscriber ordinary shares	Nominal value £m
Issued and fully paid				
At 1 January 2012	728,621,602	73	2	-
Allotments	4,472,702	-	-	-
At 30 June 2012	**733,094,304**	**73**	**2**	**-**

Between 15 March 2012 and 30 May 2012 the Group acquired 9,991,643 of its own equity ordinary shares through purchases on the London Stock Exchange. The total amount paid to acquire the shares was £352m (including stamp duty) which has been deducted from shareholders' equity. The shares are now held as 'Treasury shares' and the Company has the right to re-issue these shares at a later date. All shares were fully paid.

11. Dividends

A final dividend of 70.0 pence per share for the year ended 31 December 2011 was paid on 31 May 2012 to shareholders who were on the register on 24 February 2012. This amounted to £511m.

The Directors are proposing an interim dividend in respect of the financial year ending 31 December 2012 of 56.0 pence per share which will absorb an estimated £405m of shareholders' funds. It will be paid on 27 September 2012 to shareholders who are on the register on 10 August 2012.

12. Contingent Liabilities

The Group is involved in a number of investigations by government authorities and has made provisions for such investigations, where appropriate. Where it is too early to determine the likely outcome of these matters, the Directors have made no provision for such potential liabilities.

The Group from time to time is involved in discussions in relation to ongoing tax matters in a number of jurisdictions around the world. Where appropriate, the Directors make provisions based on their assessment of each case.

There have been no significant changes to the contingent liabilities of the Group from those disclosed in the Annual Report and Financial Statements for the year ended 31 December 2011.

13. Business Combinations & Disposals

Acquisition fair value adjustments
The Group acquired SSL International plc (SSL) in October 2010 and Paras Pharmaceuticals Limited (Paras) in April 2011. As described in the Annual Report and Financial Statements for the year ended 31 December 2011 the initial acquisition values were restated to reflect updated final fair value adjustments made within the hindsight period allowed by IFRS 3 (Revised) *Business Combinations*.

The table below sets out the affect of these updated fair value adjustments on the balance sheet as at 30 June 2011. There is no impact to the Group income statement for the six months ended 30 June 2011 or the previously disclosed 31 December 2011 Group balance sheet or income statement.

Notes to the Half Year Condensed Financial Statements continued
For the six months ended 30 June 2012

13. Business Combinations & Disposals (continued)

	30 June 2011 [e]	Fair value adjustments	30 June 2011 Restated
	£m	£m	£m
Goodwill and other intangible assets	10,415	86	10,501
Property, plant and equipment	725	(3)	722
Deferred tax assets	181	(18)	163
Inventories	743	(1)	742
Trade and other receivables	1,454	(4)	1,450
Trade and other payables	(2,960)	(7)	(2,967)
Deferred tax liabilities	(1,859)	12	(1,847)
Retirement benefit obligations	(430)	(1)	(431)
Provisions for liabilities and charges	(142)	(33)	(175)
Non-current tax liabilities	(178)	(31)	(209)

[e] As disclosed in the Half Year Condensed Financial Statements for the six months ended 30 June 2011, adjusted for certain reclassifications to new captions within the balance sheet for 30 June 2011. This included separating current tax receivables (£128m) out of trade and other receivables, derivative financial instruments (£8m) out of trade and other payables, and retirement benefit surplus (£22m) out of other receivables. The Directors believe this provides more transparent information about the position of the Group and is consistent with the captions disclosed in the Annual Report and Financial Statements for the year ended 31 December 2011.

Disposal of Paras Personal Care

In May 2012 the Group sold the Paras Personal Care business for £81m, net of cash disposed. A gain of £32m is recognised in the income statement, of which £15m arises from deferred tax.

14. Transactions with Non-Controlling Interests

On 31 May 2012 the Group acquired the remaining non-controlling interest in Beleggingsmaatschappij Lemore BV (BLBV), the holding company of OOO Medcom MP (Medcom), for £104m including transaction costs. Medcom is the Group's Russian distributor of condoms, footcare products and medical gloves and devices.

15. Related Parties

There have been no changes in related party transactions from those described in the Annual Report and Financial Statements for the year ended 31 December 2011.

16. Seasonality

Demand for the majority of the Group's products is not subject to significant seasonal fluctuations. While some Health and pest control products do exhibit seasonal fluctuations; peak demand in the northern hemisphere markets tends to largely counter lower demand in the southern hemisphere markets and vice-versa.

Statement of Directors’ Responsibilities

The Directors confirm that, to the best of their knowledge, these Half Year Condensed Financial Statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the Half Year Condensed Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last annual report.

The Directors of Reckitt Benckiser Group plc are listed in the Reckitt Benckiser Group plc Annual Report and Financial Statements for 31 December 2011. A list of current Directors is maintained on the Reckitt Benckiser Group plc website: www.rb.com.

By order of the Board

Rakesh Kapoor
Chief Executive Officer

Adrian Bellamy
Director

27 July 2012

Independent Review Report to Reckitt Benckiser Group plc

Introduction

We have been engaged by the company to review the Half Year Condensed Financial Statements in the half-yearly financial report for the six months ended 30 June 2012, which comprise the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group statement of changes in equity, the Group cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board. The Half Year Condensed Financial Statements included in this half-yearly financial report have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union and as issued by the International Accounting Standards Board.

Our responsibility

Our responsibility is to express to the company a conclusion on the Half Year Condensed Financial Statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Half Year Condensed Financial Statements in the half-yearly financial report for the six months ended 30 June 2012 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and as issued by the International Accounting Standards Board, and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 July 2012

Notes:

(a) The maintenance and integrity of the Reckitt Benckiser Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.