A World Leader in Household, Health and Personal Care

25 July 2011

STRONG HY 2011 RESULTS
FY 2011 TARGETS CONFIRMED

Results at a glance (unaudited)	**Q2*** £m	% change actual exchange	% change constant exchange	**HY** £m	% change actual exchange	% change constant exchange
Net revenue	**2,338**	+13	+16	**4,621**	+14	+15
*- Like-for-like growth***	***+5%***			***+5%***		
Operating profit - reported	**557**	+11	+13	**1,049**	+9	+11
Operating profit – adjusted***	**573**	+14	+16	**1,103**	+14	+17
Net income - reported	**404**	+6	+9	**759**	+4	+6
Net income - adjusted	**418**	+10	+13	**802**	+10	+12
EPS (diluted) - reported	**54.9p**	+6		**103.2p**	+4	
EPS (diluted) - adjusted	**56.8p**	+10		**109.0p**	+10	

* 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 (including % change figures) exclude exceptional items (see page 2). There was an exceptional pre-tax charge of £56m in HY 2011 (Q2 2011: £17m) mainly relating to the acquisition of SSL International plc, of which £54m (Q2: £16m) is included in reported operating profit and £2m (Q2: £1m) is an exceptional finance cost. There were no exceptional items in HY 2010 (Q2 2010: £nil).

Half Year (HY) highlights:

- Total net revenue growth of +15% (constant exchange) to £4,621m. LFL growth +5% (+4% ex-RBP).
- Gross margin -70bp to 59.3%: adjusted operating margin +20bp to 23.9%.
- SSL integration on track: cost synergies of £33m delivered in the half year.
- Adjusted net income +10% (actual exchange, +12% constant): adjusted diluted EPS of 109.0p (+10%).
- Net working capital of minus £932m, reflecting a further improvement versus 31 December 2010.
- Net debt of £2,195m (31 December 2010: £2,011m), with strong free cash flow generation being more than offset by the payment of the final 2010 dividend, the acquisition of Paras Pharmaceuticals Limited and cash restructuring payments.
- The Board declares a +10% increase in the interim dividend to 55.0p per share.

Q2 highlights:

- Total net revenue +16% (constant exchange), of which LFL growth +5% (+3% ex-RBP).
- Gross margin -140bp to 59.1%: adjusted operating margin +10bp to 24.5%.
- Adjusted net income +10% (actual exchange, +13% constant): adjusted diluted EPS of 56.8p (+10%).

Commenting on these results, Bart Becht, Chief Executive Officer, said:

"Reckitt Benckiser delivered strong first half results, with net revenue growth of +15% and adjusted net income growth of +12% (both at constant) ahead of the Group's FY 2011 targets.

Growth in the base business was driven in particular by an excellent result in Developing Markets, and was boosted by innovations such as the continued roll out of the Dettol No Touch Hand Soap System into new markets, as well as a significant level of investment in media and promotional spend.

RBP made further progress in converting its U.S. business into the patent-protected and patient-preferred Suboxone sublingual film variant. As is well known, our Suboxone tablets can become subject to generic competition in the U.S. at any time, and moving more of our business into the film remains a key priority. At the end of June 2011, the Suboxone film had captured a 41% volume share of the U.S. market: as a result, Suboxone tablets in the U.S. now represent less than 50% of total RBP net revenue.

The integration of SSL is fully on track to deliver the targeted cost synergies and net revenue growth in 2011.

Given these strong first half results, we are well-positioned to achieve our FY 2011 targets of +12% net revenue growth and +10% adjusted net income growth (both at constant exchange), and with that to deliver another year of above industry-average growth."

Basis of Presentation and Exceptional Items

The results include the business of SSL International plc ("SSL") from 1 November 2010, the date of acquisition. Operating profit is not separately disclosed for SSL as, in the view of the Directors, it is not practicable to identify its operating profit due to its integration into the commercial infrastructure of Reckitt Benckiser.

Where appropriate, the term "like-for-like" describes the performance of the business on a comparable basis, excluding the impact of major acquisitions, disposals, discontinued operations and foreign exchange.

Where appropriate, the term "base business" represents the Europe, North America & Australia and Developing Markets geographic areas, and excludes RBP and SSL.

Where appropriate, the term "adjusted" excludes the impact of exceptional items. There was an exceptional pre-tax charge of £56m in HY 2011 mainly relating to integration and transaction costs arising from the acquisition of SSL. This exceptional pre-tax charge is reflected in reported operating profit (£54m, of which £2m relates to transaction fees) and net interest (£2m, being financing costs associated with the acquisition). There were no exceptional items in HY 2010. The tax effect of exceptional items in the period is £13m.

Detailed Operating Review: Total Group

Second quarter 2011

Q2 net revenue increased +13% (+16% at constant exchange) to £2,338m, with LFL growth of +5%. SSL contributed £222m net revenue in the quarter, representing a LFL growth rate of +3% versus the comparable quarter in 2010 and accelerating from negative growth in Q1.

The gross margin declined by -140bp to 59.1%, with mix benefits, savings from cost optimisation programmes and a positive transaction impact from foreign exchange being more than offset by higher input costs and increased investment in price and promotion to support volume shares, especially in Europe. Total marketing investment was higher, and pure media investment rose +12% (+14% constant) to a level of 11.5% of net revenue. Within this, pure media spend on the base business was up +20bp at 12.9% of net revenue. Operating profit as reported was £557m, +11% versus Q2 2010 (+13% constant), reflecting the impact of an exceptional pre-tax charge of £16m mainly relating to the acquisition of SSL. Cost synergies from the acquisition of SSL amounted to £22m in the quarter. On an adjusted basis, operating profit was ahead +14% (+16% constant) to £573m: the adjusted operating margin increased by +10bp to 24.5%.

Net finance expense was £5m (Q2 2010: net finance income of £4m), of which £1m is an exceptional charge in respect of financing costs associated with the acquisition of SSL. The tax rate was 26%.

Net income as reported was £404m, an increase of +6% (+9% constant) versus Q2 2010; on an adjusted basis, net income rose +10% (+13% constant). Diluted earnings per share of 54.9 pence were +6% higher on a reported basis; on an adjusted basis, the growth was +10% to 56.8 pence.

Half year 2011

HY net revenue increased +14% (+15% at constant exchange) to £4,621m, with LFL growth of +5%. SSL contributed £425m net revenue in the HY, representing a LFL growth rate of +0% versus the comparable period in 2010.

The gross margin declined by -70bp to 59.3%, with mix benefits, savings from cost optimisation programmes and a positive transaction impact from foreign exchange being more than offset by higher input costs and increased investment in price and promotion to support volume shares, especially in Europe. Total marketing investment was higher, and pure media investment rose +9% (+11% constant) to a level of 11.2% of net revenue. Within this, pure media spend on the base business was up +10bp at 12.7% of net revenue. Operating profit as reported was £1,049m, +9% versus HY 2010 (+11% constant), reflecting the impact of an exceptional pre-tax charge of £54m mainly relating to the acquisition of SSL. Cost synergies from the acquisition of SSL amounted to £33m in the period. On an adjusted basis, operating profit was ahead +14% (+17% constant) to £1,103m: the adjusted operating margin increased by +20bp to 23.9%.

Net finance expense was £11m (HY 2010: net finance income of £7m), of which £2m is an exceptional charge in respect of financing costs associated with the acquisition of SSL. The tax rate was 26%.

Net income as reported was £759m, an increase of +4% (+6% constant) versus HY 2010; on an adjusted basis, net income rose +10% (+12% constant). Diluted earnings per share of 103.2 pence were +4% higher on a reported basis; on an adjusted basis, the growth was +10% to 109.0 pence.

HY 2011 Business Review

Summary: % net revenue growth

HY 2011	Like-for-like	SSL Impact	Exchange	Reported
Europe	-1%	+18%	-1%	+16%
NAA	+2%	+3%	-3%	+2%
DvM	+14%	+9%	-1%	+22%
Group ex-RBP	**+4%**	**+11%**	**-1%**	**+14%**
RBP	+22%	+0%	-6%	+16%
TOTAL	**+5%**	**+10%**	**-1%**	**+14%**

The Business Review below is given at constant exchange rates.

Europe **44% of net revenue**

HY 2011 total net revenue increased +17% to £2,038m, with LFL growth of -1%. Volume shares improved in the first four months of the year behind significant media spend and increased investment in price and promotion. Increased investment in price and promotion was the key factor behind the LFL reduction in net revenue in both Q2 and HY 2011.

By category, in Healthcare, Nurofen and Strepsils delivered a strong result, supported by such new initiatives as Nuromol and Strepsils Warm, and benefiting from a more normal incidence of cold/'flu in Q1 2011. The increase in Personal Care was driven by the continued roll-out of the Dettol No Touch Hand Soap System, which has delivered a very encouraging early result. Growth in Surface Care came from Dettol and Harpic, with the result in Home Care being boosted by such recent initiatives as the Air Wick 100% natural propellant spray and Air Wick Odour Detect as well as continued growth in candles. Dishwashing was marginally down in a slower category, while the decline in Fabric Care was largely due to weakness in Laundry Detergents in southern Europe. Vanish, although still down year-on-year, is showing an improving net revenue and market share trend.

For the half year, adjusted operating profit was ahead +10% at £438m; the adjusted operating margin decreased -140bp, due to a combination of increased investment in price and promotion and higher input costs.

In Q2, net revenue rose +17% to £1,010m, with LFL growth of -2%. Adjusted operating profit was £218m, with the margin -140bp lower at 21.6%.

North America & Australia **24% of net revenue**

HY 2011 total net revenue increased +5% to £1,094m, with LFL growth of +2%. Growth came from Health & Personal Care, Dishwashing and Food. The increase in Health & Personal care was driven by Mucinex, which benefited from a more normal incidence of cold/'flu in Q1 2011. In Dishwashing, Finish Quantum and All-in-1 tablets and gel packs contributed to the performance. The increase in Food came from the consumer brands of French's Yellow Mustard and Frank's Red Hot Sauce, which was supported by additional marketing activity.

For the half year, adjusted operating profit increased +19% to £241m; the adjusted operating margin was +280bp higher at 22.0%.

Q2 net revenue rose +4% (+2% LFL) to £541m and adjusted operating profit was ahead by +17% to £115m, equating to a +280bp uplift in the margin to 21.3%.

Developing Markets **24% of net revenue**

HY 2011 total net revenue was ahead +23% (+14% LFL) to £1,129m, with growth evident across all regions. In Health & Personal Care, Dettol continued to grow well, particularly behind bar soaps, and was boosted by the recent introduction of a men's range. In addition, Strepsils, Gaviscon and Veet also delivered a strong result. The increase in Fabric Care was driven by Vanish and was helped by higher marketing, while Harpic was the key driver in Surface Care. In Home Care, both Air Care and Pest Control contributed to the performance.

For the half year, adjusted operating profit increased by +35% to £188m. This resulted in a +140bp improvement in the adjusted operating margin to 16.7%.

Q2 net revenue increased by +23% to £583m (+14% LFL). Adjusted operating profit improved +39% to £103m, with a +180bp uplift in the margin to 17.7%.

Pharmaceuticals **8% of net revenue**

HY 2011 total net revenue increased +22% to £360m. Growth came from continued growth in the U.S. and the impact of the buy back from Merck of the majority of sales, marketing and distribution rights to the buprenorphine-containing products Suboxone, Subutex and Temgesic in Europe and Rest of the World. In the U.S., the recently-launched and patent-protected Suboxone film variant continued to grow, and by the end of June had captured a 41% volume share of the market for buprenorphine-based products used for opioid dependence. Despite the lower price of the film variant compared to the Suboxone tablets, net revenue in the U.S. business grew by +8% to £273m, of which the film generated £114m.

Adjusted operating profit for the total RBP business increased +16% to £236m. The operating margin was down -380bp to 65.6%, due to the materially lower margins of the new film variant and lower margins in the acquired business in Europe and Rest of the World.

Suboxone has data exclusivity in Europe until 2016; in the U.S., Suboxone lost the exclusivity afforded by its Orphan Drug Status on 8 October 2009. As a result of the loss of exclusivity in the U.S., up to 80% of the revenue and profit of the Suboxone tablet business might be lost in the year following the launch of generic competitors, with the possibility of further erosion thereafter.

On 31 August 2010, the Group announced that it had received approval from the U.S. Food and Drug Administration for its New Drug Application to manufacture and market Suboxone sublingual film. Suboxone sublingual film is patent-protected beyond 2020 and is patient-preferred. As the Group is rapidly converting Suboxone tablets to the sublingual film, there is a short-term dilutive impact on net revenue and operating profit: however, due to the film's patent protection, this conversion much better protects the medium and long-term earnings stream from the Suboxone franchise in the U.S. Hence, in the event of generic competition to the tablet, the Group expects that the Suboxone film will materially mitigate the impact of generic tablet launches.

Q2 net revenue increased by +21% to £204m. Adjusted operating profit increased +13% to £137m, with the margin -490bp lower at 67.2%.

HY 2011 Category Review (at Constant Exchange Rates)

Health & Personal Care. Net revenue increased +45% (+11% LFL) to £1,536m, with durex and Scholl together contributing £344m in the period. In Healthcare, the result was driven by very good growth for Nurofen, Mucinex and Strepsils, boosted by such new initiatives as Strepsils Warm and also benefiting from a more normal incidence of cold/'flu in Q1 2011: Gaviscon was also a strong contributor. In Personal Care, Dettol continued to grow well both in Developing Markets, and in Europe where the continued roll-out of the No Touch Hand Soap System has been very encouraging.

In Q2, Health & Personal Care rose +45% (+9% LFL) to £778m.

Fabric Care. Net revenue decreased -5% to £757m, largely driven by weakness in Laundry Detergents in southern Europe. Vanish, while still down year-on-year, is showing an improving net revenue and market share trend.

Q2 net revenue declined -5% to £382m.

Surface Care. Net revenue grew +2% to £692m. There was good growth for Dettol/Lysol and Veja, with a strong result for Harpic being boosted by Power Plus and Max Power toilet liquids. Q2 net revenue increased +2% to £329m.

Home Care. Net revenue increased +3% to £569m, with growth in both Air Care and Pest Control. In Air Care, the result was supported by the launch of Air Wick 100% natural propellant spray and Air Wick Odour Detect, with continued good growth in candles. In Pest Control, a strong season and growth in automatic sprays contributed to the performance. Q2 growth was +4% to £286m.

Dishwashing. Net revenue increased +1% to £453m, behind continued success for Finish Quantum. Q2 net revenue was +1% at £218m.

Other. Net revenue increased to £105m (Q2: £61m), largely due to the inclusion of certain brands from the acquisition of SSL.

Total Household and Health & Personal Care. Net revenue was ahead by +15% (+3% LFL) to £4,112m. In Q2, total Household and Health & Personal Care grew +15% to £2,054m, with LFL growth of +3%.

Pharmaceuticals

HY 2011 total net revenue for the Group's Subutex and Suboxone prescription drug business grew +22% to £360m. Within the Pharmaceuticals division, the U.S. business generated net revenue of £273m. Suboxone film continued to grow and had captured a 41% market volume share by the end of June, generating net revenue of £114m in the half year. In Europe and Rest of the World, the result was helped by the full inclusion of a number of countries from 1 July 2010, as a result of the majority of sales, marketing and distribution rights to the buprenorphine-containing products Suboxone, Subutex and Temgesic being bought back by the Group.

Adjusted operating profit for the total RBP business increased +16% to £236m. The adjusted operating margin was down by -380bp to 65.6%, due to the materially lower margins of the new film variant and lower margins in the acquired business in Europe and Rest of the World.

Q2 net revenue was ahead +21% to £204m, with adjusted operating profit up +13% to £137m; this equated to a -490bp decline in the margin to 67.2%.

Food. Net revenue grew +8% to £149m, with a good performance from the consumer brands of French's Yellow Mustard and Frank's Red Hot Sauce, boosted by additional marketing investment. Adjusted operating profit increased +12% to £38m.

Q2 net revenue grew +8% and adjusted operating profit was £22m (+10%).

New Product Initiatives: H2 2011

The Group has announced a number of new product initiatives for the second half of 2011:

In Health & Personal Care:

- Launch of Mucinex Multi-Symptom, a range of liquids which provide relief from multiple-symptom colds and not just a cough alone.
- Launch of Strepsils Children 6+, providing specific sore throat relief for children aged six years and over.
- Launch of Strepsils Sore Throat & Cough, offering effective relief for a dry, tickly cough on top of soothing a sore throat.
- Launch of durex Performax Intense condoms, designed to give a more intense experience for both men and women.
- Launch of Dettol Healthy Touch moisturising hand sanitiser, which effectively kills germs without drying hands.
- Launch of Dettol High Performance for Men, a new range of soaps and shower gels specifically designed for an active male lifestyle.

In Fabric Care:

- Launch of Vanish Sensitive, which delivers the same amazing Oxi Action stain removal while being dermatologically tested to leave laundry gentle to the skin.

In Surface Care:

- Launch of Cillit Bang Active Foam, a super-wide foam spray which thoroughly penetrates and dissolves soapscum, for fast, easy and effective cleaning of large bathroom surfaces.

In Home Care:

- Launch of Air Wick Flip & Fresh. By flipping over the device, this easy-to-adjust slow-release air freshener contains 100% perfume oil and is available in a range of fresh scents.
- Launch of Air Wick Touch of Luxury fragranced candles. Once lit, a soft glow illuminates through the wax, which slowly keeps changing colour to create a comforting and relaxing mood.

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 2011. These are not materially different from those set out in the Group's 2010 Annual Report and Accounts.

In line with the requirements of IFRS 3 (Revised), the balance sheet at 31 December 2010 has been restated to reflect updated provisional fair value adjustments for the acquisition of SSL International plc made within the hindsight period (see Note 15a for further details).

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 growth of the Group.

Net finance expense. Net finance expense was £11m (2010: net finance income of £7m), reflecting the acquisition of SSL and Paras Pharmaceuticals Limited ("Paras"). The HY 2011 net finance expense includes a £2m exceptional charge in respect of financial costs associated with the acquisition of SSL.

Tax. The overall effective tax rate is 26% (2010: 25%).

Net working capital (inventories, short-term receivables and short-term liabilities excluding borrowings and provisions) of minus £932m was a £18m improvement versus the 31 December 2010 level (see Note 15a for further details).

Cash flow. Cash generated from operations was +7% higher at £1,167m (2010: £1,090m), and net cash flow from operations was £745m, +8% (2010: £692m). Net interest paid was £12m higher at £5m (2010: net interest received of £7m) and tax payments decreased by £23m to £363m (2010: £386m) following the settlement of a number of outstanding matters in the prior year. Net capital expenditure (including intangibles) was £55m higher than the prior year at £74m (2010: £19m), largely owing to the disposal of a minor brand in the prior year.

Net debt at the end of the half year was £2,195m (31 December 2010: £2,011m), an increase of £184m. This reflected net cash flow from operations of £745m, which was more than offset by the payment of the final 2010 dividend of £472m and the acquisition of businesses (principally Paras) for £460m. The Group regularly reviews its banking arrangements and currently has adequate facilities available to it.

Restructuring charge. A total pre-tax exceptional charge of around £250m is expected to be incurred in respect of the acquisition of SSL and further reconfiguration of the enlarged Group, of which approximately £216m relates to restructuring and c.£34m to transaction costs. In FY 2010, there was an exceptional pre-tax charge of £104m, reflected in reported operating profit (£101m, of which £22m related to transaction fees) and net interest (£3m, being financing costs associated with the acquisition).

For the full year 2011, an exceptional pre-tax charge in the region of £150m is expected to be incurred, of which around £4m will be exceptional financing costs. 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.

Balance sheet. At 30 June 2011, the Group had shareholders' funds of £5,512m (31 December 2010: £5,130m), an increase of +7%. Net debt was £2,195m (31 December 2010: £2,011m) and total capital employed in the business was £7,707m (31 December 2010: £7,141m).

This finances non-current assets of £11,361m (31 December 2010: £10,732m), of which £725m (31 December 2010: £738m) is tangible fixed assets, 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 £932m (31 December 2010: minus £914m), current provisions of £70m (31 December 2010: £164m) and long-term liabilities other than borrowings of £2,648m (31 December 2010: £2,511m).

Dividends. The Board of Directors declares an interim dividend of 55.0p (2010: 50.0p), an increase of +10%. The ex-dividend date will be 3 August 2011 and the dividend will be paid on 29 September 2011 to shareholders on the register at the record date of 5 August 2011. The last date for election for the share alternative to the dividend is 8 September 2011.

Contingent liabilities. The Group is involved in a number of investigations by competition authorities in Europe 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 disputes 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.

On 23 February 2011, the Group 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 although it is at an early stage, the Directors do not believe that any potential impact would be material to the Group financial statements.

2011 Targets

The HY 2011 results position the Group well to achieve its FY 2011 financial targets.

For the Group excluding SSL, the target is for +4% like-for-like net revenue growth.

For SSL, the Group is also targeting around +4% net revenue growth on a like-for-like basis (base: £762m): in addition, the Group is aiming to add 50% of the £100m cost synergies to the 2010 profit level. An exceptional pre-tax charge in the region of £150m is expected to be incurred in 2011, of which around £4m will be exceptional financing costs.

For RBP, the Group continues to target further market share growth for the film variant. At this time, the Group has no new intelligence as to the timing of potential generic competition to the Suboxone tablets in the U.S.

Taking all of the above into consideration, the targets for the total Group remain +12% net revenue growth (base: £8,453m) and +10% adjusted net income growth (base: £1,661m*), both at constant exchange. These targets exclude the potential impact of generic competition to the Suboxone tablets in the U.S., and will be adjusted downwards in the event that generic competition emerges.

* 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 2011 are the same as described on pages 6 and 7 of the Annual Report and Financial Statements for the year ended 31 December 2010. These include:

- **Market risks:**
  - Demand for the Group's products adversely affected due to changes in consumer preference.
  - Customer de-listing of the Group's brands.
  - Competition may reduce market share and margins.
  - Competition from private label and unbranded products may intensify.
  - The expiry of the Group's exclusive licence for Suboxone in the U.S. in 2009 and in the rest of the world in 2016 could expose the business to competition from generic variants.
- **Operational risks:**
  - Unfavourable economic or business conditions in the markets in which the Group operates.
  - New product innovation declines or becomes less relevant to consumers.
  - Increased costs resulting from shortages of raw materials.
  - Disruption to the supply chain.
  - Adverse changes in the regulatory environment.
  - Fluctuations in foreign exchange and interest rates.
  - Disruption or failure of the Group's information technology systems.
  - Departure or increased turnover of key management.
  - Integration of acquisitions.
- **Environmental, social and governance risks:**
  - Industry sector and regulatory risks.
  - Product quality and safety risks to consumers.
  - Potential reputational risks around the supply chain.
- **Financial risks:**
  - Risk exposures in relation to tax, treasury, financial controls and reporting.

The Group's Annual Report and Financial Statements for the year ended 31 December 2010 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	
2011 £m	2010 £m		**2011 £m**	2010 £m
2,338	2,061	**Net revenue – total**	**4,621**	4,064
+5%	+6%	Net revenue growth – like-for-like	**+5%**	+6%
+16%	+6%	Net revenue growth – constant	**+15%**	+6%
+13%	+10%	Net revenue growth – total	**+14%**	+7%
59.1%	60.5%	Gross margin	**59.3%**	60.0%
613	532	EBITDA – adjusted*	**1,183**	1,025
26.2%	25.8%	EBITDA margin – adjusted*	**25.6%**	25.2%
557	503	EBIT	**1,049**	964
573	503	EBIT – adjusted*	**1,103**	964
23.8%	24.4%	EBIT margin	**22.7%**	23.7%
24.5%	24.4%	EBIT margin – adjusted*	**23.9%**	23.7%
552	507	Profit before tax	**1,038**	971
404	380	Net income	**759**	728
418	380	Net income – adjusted*	**802**	728
55.5p	52.4p	EPS, basic, as reported	**104.4p**	100.7p
56.8p	51.8p	EPS, adjusted and diluted*	**109.0p**	99.2p

* Adjusted to exclude the impact of exceptional items.

Group balance sheet data	30 June 2011 £m	31 December 2010 £m
Net working capital *	(932)	(914)
Net debt	2,195	2,011

* Net working capital is defined as inventories, short-term receivables and short-term liabilities, excluding borrowings and provisions. See Note 15a for further details

Shares in issue

	First half Millions
31 December 2010	**725.9**
Issued	0.3
31 March 2011	**726.2**
Issued	2.2
30 June 2011	**728.4**

Group Income Statement Analysis (Unaudited)

Quarter ended 30 June				Half year ended 30 June		
2011 £m	2010 £m	% change		**2011 £m**	2010 £m	% change
2,338	2,061	+13	**Net revenue**	**4,621**	4,064	+14
(957)	(815)		Cost of sales	**(1,882)**	(1,627)	
1,381	1,246	+11	Gross profit	**2,739**	2,437	+12
(824)	(743)		Net operating expenses	**(1,690)**	(1,473)	
557	503	+11	**Operating profit**	**1,049**	964	+9
573	503	+14	Operating profit before exceptional items	**1,103**	964	+14
(16)	-		Exceptional items	**(54)**	-	
(15)	-		- Exceptional restructuring charge	**(52)**	-	
(1)	-		- Transaction costs in respect of acquisitions	**(2)**	-	
557	503	+11	Operating profit	**1,049**	964	+9
(5)	4		**Net financial (expense) / income ***	**(11)**	7	
552	507	+9	**Profit on ordinary activities before taxation**	**1,038**	971	+7
(145)	(127)		Tax on profit on ordinary activities	**(274)**	(243)	
407	380	+7	**Net income for the period**	**764**	728	+5
3	-		Attributable to non-controlling interests	**5**	-	
404	380	+6	Attributable to ordinary equity shareholders of the parent	**759**	728	+4
407	380	+7	**Net income**	**764**	728	+5
			Earnings per ordinary share:			
55.5p	52.4p		On net income for the period, basic	**104.4p**	100.7p	
54.9p	51.8p		On net income for the period, diluted	**103.2p**	99.2p	
			Earnings per ordinary share – adjusted**			
57.5p	52.4p		On net income for the period, basic	**110.4p**	100.7p	
56.8p	51.8p		On net income for the period, diluted	**109.0p**	99.2p	

* HY 2011 includes an exceptional charge of £2m in respect of financial costs associated with the acquisition of SSL (Q2 2011: £1m). There were no exceptional charges in HY 2010 (Q2 2010: £nil).
** Adjusted to exclude the impact of exceptional items.

		Average common shares outstanding: (millions)		
727.5	724.9	Basic	**726.7**	722.9
736.0	733.5	Diluted	**735.7**	734.0

Segment Information (Unaudited)

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.

Operating segment

Quarter ended 30 June					Half year ended 30 June			
2011 £m	2010 £m	% change exch. rates actual	% change exch. rates const.		**2011 £m**	2010 £m	% change exch. rates actual	% change exch. rates const.
				Net revenue				
1,010	846	+19	+17	Europe	**2,038**	1,752	+16	+17
541	545	-1	+4	North America & Australia	**1,094**	1,073	+2	+5
583	491	+19	+23	Developing Markets	**1,129**	929	+22	+23
204	179	+14	+21	Pharmaceuticals	**360**	310	+16	+22
2,338	2,061	+13	+16		**4,621**	4,064	+14	+15
				Operating profit – adjusted*				
218	195	+12	+10	Europe	**438**	401	+9	+10
115	101	+14	+17	North America & Australia	**241**	206	+17	+19
103	78	+32	+39	Developing Markets	**188**	142	+32	+35
137	129	+6	+13	Pharmaceuticals	**236**	215	+10	+16
573	503	+14	+16	Sub-total before exceptional items	**1,103**	964	+14	+17
(16)	-			Exceptional items	**(54)**	-		
557	503	+11	+13		**1,049**	964	+9	+11
%	%			**Operating margin – adjusted***	**%**	%		
21.6	23.0			Europe	**21.5**	22.9		
21.3	18.5			North America & Australia	**22.0**	19.2		
17.7	15.9			Developing Markets	**16.7**	15.3		
67.2	72.1			Pharmaceuticals	**65.6**	69.4		
24.5	24.4				**23.9**	23.7		

* Adjusted to exclude the impact of exceptional items.

Segment Information (Unaudited), continued

Product segment

Quarter ended 30 June 2011 £m	2010 £m	% change exch. rates actual	const.		Half year ended 30 June 2011 £m	2010 £m	% change exch. rates actual	const.
				Net revenue by category				
778	546	+42	+45	Health & Personal Care	**1,536**	1,070	+44	+45
382	398	-4	-5	Fabric Care	**757**	805	-6	-5
329	343	-4	+2	Surface Care	**692**	686	+1	+2
286	268	+7	+4	Home Care	**569**	562	+1	+3
218	216	+1	+1	Dishwashing	**453**	453	+0	+1
61	31	+97	+97	Other	**105**	32	n/m	n/m
2,054	1,802	+14	+15	Household and Health & Personal Care	**4,112**	3,608	+14	+15
204	179	+14	+21	Pharmaceuticals	**360**	310	+16	+22
80	80	+0	+8	Food	**149**	146	+2	+8
2,338	2,061	+13	+16		**4,621**	4,064	+14	+15

Net revenue of £365m in HY 2011 in respect of the SSL business is included within Health & Personal Care (Q2 2011: £193m). On a LFL basis, net revenue growth in Health & Personal Care is +11% for HY 2011 and +9% for Q2 2011.

Net revenue of £60m in HY 2011 in respect of the SSL business is included within Other (Q2 2011: £29m).

Quarter 2011 £m	2010 £m	actual	const.	**Operating profit – adjusted***	Half year 2011 £m	2010 £m	actual	const.
414	352	+18	+18	Household and Health & Personal Care	**829**	712	+16	+17
137	129	+6	+13	Pharmaceuticals	**236**	215	+10	+16
22	22	+0	+10	Food	**38**	37	+3	+12
573	503	+14	+16		**1,103**	964	+14	+17
(16)	-			Exceptional items	**(54)**	-		
557	503	+11	+13		**1,049**	964	+9	+11

%	%	**Operating margin – adjusted***	**%**	%
20.2	19.5	Household and Health & Personal Care	**20.2**	19.7
67.2	72.1	Pharmaceuticals	**65.6**	69.4
27.5	27.5	Food	**25.5**	25.3
24.5	24.4		**23.9**	23.7

* Adjusted to exclude the impact of exceptional items.

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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 (Unaudited)

Group Income Statement (Unaudited)
For the six months ended 30 June

	Notes	**At 30 June 2011 £m**	At 30 June 2010 £m	Full Year 2010 £m
Net revenue	4	4,621	4,064	8,453
Cost of sales		(1,882)	(1,627)	(3,332)
Gross profit		2,739	2,437	5,121
Net operating expenses		(1,690)	(1,473)	(2,991)
Operating profit	4	1,049	964	2,130
Operating profit before exceptional items		1,103	964	2,231
Exceptional items	5	(54)	-	(101)
Operating profit		1,049	964	2,130
Finance income		10	8	21
Finance expense *		(21)	(1)	(15)
Net finance (expense) / income		(11)	7	6
Profit on ordinary activities before taxation		1,038	971	2,136
Tax on profit on ordinary activities	7	(274)	(243)	(566)
Net income for the period		764	728	1,570
Attributable to non-controlling interests		5	-	2
Attributable to ordinary equity shareholders of the parent		759	728	1,568
Net income for the period		764	728	1,570
Earnings per ordinary share:				
On net income for the period, basic	8	104.4p	100.7p	216.5p
On net income for the period, diluted	8	103.2p	99.2p	213.8p

* HY 2011 includes an exceptional charge of £2m in respect of financial costs associated with the acquisition of SSL.

Group Statement of Comprehensive Income (Unaudited)
For the six months ended 30 June

	30 June 2011	30 June 2010	Full Year 2010
	£m	£m	£m
Net income for the period	**764**	728	1,570
Other comprehensive income			
Net exchange adjustments on foreign currency translation, net of tax	**57**	80	103
Actuarial gains and losses, net of tax	**3**	(23)	4
(Losses) / gains on cash flow hedges, net of tax	**(1)**	2	(2)
Other comprehensive income for the period, net of tax	**59**	59	105
Total comprehensive income for the period	**823**	787	1,675
Attributable to non-controlling interests	**7**	-	3
Attributable to ordinary equity shareholders of the parent	**816**	787	1,672
	823	787	1,675

Group Balance Sheet (Unaudited)

	Notes	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 Restated* £m
ASSETS				
Non-current assets:				
Goodwill and other intangible assets		**10,415**	6,244	9,789
Property, plant and equipment	10	**725**	630	738
Deferred tax assets		**181**	122	164
Available for sale financial assets		**11**	11	12
Other receivables		**29**	26	29
		11,361	7,033	10,732
Current assets:				
Inventories		**743**	479	643
Trade and other receivables		**1,582**	1,086	1,363
Derivative financial instruments		**31**	-	34
Available for sale financial assets		**49**	12	11
Cash and cash equivalents		**581**	653	588
		2,986	2,230	2,639
Total assets		**14,347**	9,263	13,371
LIABILITIES				
Current liabilities:				
Borrowings	11	**(2,849)**	(85)	(2,641)
Provisions for liabilities and charges	13	**(70)**	(60)	(164)
Trade and other payables		**(2,968)**	(2,570)	(2,627)
Tax liabilities		**(297)**	(236)	(295)
		(6,184)	(2,951)	(5,727)
Non-current liabilities:				
Borrowings	11	**(3)**	(3)	(3)
Deferred tax liabilities		**(1,859)**	(1,183)	(1,735)
Retirement benefit obligations	6	**(430)**	(430)	(478)
Provisions for liabilities and charges	13	**(142)**	(42)	(112)
Tax liabilities		**(178)**	(158)	(178)
Other non-current liabilities		**(39)**	(6)	(8)
		(2,651)	(1,822)	(2,514)
Total liabilities		**(8,835)**	(4,773)	(8,241)
Net assets		**5,512**	4,490	5,130
EQUITY				
Capital and reserves:				
Share capital	14	**73**	73	73
Share premium		**81**	46	59
Merger reserve		**(14,229)**	(14,229)	(14,229)
Hedging reserve		**(5)**	-	(4)
Foreign currency translation reserve		**386**	309	331
Retained earnings		**19,127**	18,289	18,828
		5,433	4,488	5,058
Non-controlling interests		**79**	2	72
Total equity		**5,512**	4,490	5,130

* See note 15a for further details

Group Cash Flow Statement (Unaudited)
For the six months ended 30 June

	Notes	30 June 2011 £m	30 June 2010 £m	Full Year 2010 £m
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash generated from operations:				
Operating profit		**1,049**	964	2,130
Depreciation of property, plant & equipment, amortisation and impairment of intangible assets		**80**	61	144
Fair value gains		**(2)**	-	(3)
Profit on sale of property, plant and equipment and intangible assets		**-**	(29)	(32)
Other non-cash movements		**-**	-	4
(Increase) / decrease in inventories		**(83)**	16	(50)
Increase in trade and other receivables		**(55)**	(181)	(243)
Increase in payables and provisions		**147**	227	203
Share award expense		**31**	32	62
Cash generated from operations:		**1,167**	1,090	2,215
Interest paid		**(14)**	(2)	(11)
Interest received		**9**	9	19
Tax paid		**(363)**	(386)	(679)
Net cash generated from operating activities		**799**	711	1,544
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		**(58)**	(53)	(170)
Purchase of intangible assets		**(22)**	-	(197)
Disposal of property, plant and equipment and intangible assets		**6**	34	42
Acquisition of businesses, net of cash acquired	15	**(460)**	-	(2,466)
Purchase of short-term investments		**(38)**	(8)	(7)
Maturity of long-term investments		**1**	7	8
Net cash used in investing activities		**(571)**	(20)	(2,790)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of ordinary shares		**22**	67	80
Proceeds from borrowings		**622**	-	2,966
Repayments of borrowings		**(400)**	(102)	(802)
Dividends paid to the Company's shareholders	9	**(472)**	(411)	(773)
Dividends paid to non-controlling interests		**(1)**	-	-
Net cash (used in) / generated from financing activities		**(229)**	(446)	1,471
Net (decrease) / increase in cash and cash equivalents		**(1)**	245	225
Cash and cash equivalents at beginning of period		**568**	334	334
Exchange gains		**1**	5	9
Cash and cash equivalents at end of period		**568**	584	568
Cash and cash equivalents comprise				
Cash and cash equivalents		**581**	653	588
Overdrafts		**(13)**	(69)	(20)
		568	584	568

RECONCILIATION OF NET CASH FLOW FROM OPERATIONS

Net cash generated from operating activities	**799**	711	1,544
Net purchases of property, plant and equipment	**(54)**	(19)	(158)
Net cash flow from operations	**745**	692	1,386

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

Group Statement of Changes in Equity (Unaudited)
For the six months ended 30 June

	Share capital	Share Premium	Merger reserve	Hedging reserve	Foreign currency translation reserve	Retained earnings	Total attributable to equity shareholders	Non-controlling interest	Total
Balance at 1 January 2010	**72**	**-**	**(14,229)**	**(2)**	**229**	**17,942**	**4,012**	**2**	**4,014**
Net income						728	728		728
Other comprehensive income				2	80	(23)	59		59
Total comprehensive income	**-**	**-**	**-**	**2**	**80**	**705**	**787**	**-**	**787**
Transactions with owners									
Share based payments						32	32		32
Deferred tax on share awards						1	1		1
Proceeds from share issue	1	46					47		47
Treasury shares re-issued						20	20		20
Dividends						(411)	(411)		(411)
Total transactions with owners	**1**	**46**	**-**	**-**	**-**	**(358)**	**(311)**	**-**	**(311)**
Balance at 30 June 2010	**73**	**46**	**(14,229)**	**-**	**309**	**18,289**	**4,488**	**2**	**4,490**
Net income						840	840	2	842
Other comprehensive income				(4)	22	27	45	1	46
Total comprehensive income	**-**	**-**	**-**	**(4)**	**22**	**867**	**885**	**3**	**888**
Transactions with owners									
Proceeds from share issue		13					13		13
Share based payments						30	30		30
Deferred tax on share awards						(8)	(8)		(8)
Current tax on share awards						12	12		12
Dividends						(362)	(362)		(362)
Non-controlling interest arising on business combination								67	67
Total transactions with owners	**-**	**13**	**-**	**-**	**-**	**(328)**	**(315)**	**67**	**(248)**
Balance at 31 December 2010	**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
Current tax on share awards						5	5		5
Deferred tax on share awards						2	2		2
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**

* See note 15c for further details

Notes to the Half Year Condensed Financial Statements (Unaudited)

1. General Information

Reckitt Benckiser Group plc is a public limited company incorporated and domiciled in the UK. The address of its registered office is 103-105 Bath Road, Slough, Berkshire SL1 3UH. The Company is listed on the London Stock Exchange. The Half Year Condensed Financial Statements were approved by the Board of Directors on 22 July 2011.

This condensed consolidated interim financial information has been reviewed, not audited.

2. Basis of Preparation

The Half Year Condensed Financial Statements for the six months ended 30 June 2011 have been prepared in accordance with IAS 34, 'Interim financial reporting' as adopted by the European Union and as issued by the International Accounting Standards Board and with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. The Half Year Condensed Financial Statements should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2010, which have been prepared in accordance with IFRSs as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board.

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 2010 were approved by the Board of Directors on 11 March 2011 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 (as detailed in note 11) 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. Thus they continue to adopt the going concern basis of accounting in preparing the Half Year Condensed Financial Statements.

In line with the requirements of IFRS 3 (Revised) the balance sheet at 31 December 2010 has been restated to reflect updated provisional fair value adjustments for the acquisition of SSL International Plc made within the hindsight period, see note 15a for further details.

3. Accounting Policies and Estimates

Except as described below, the accounting policies applied are consistent with those described on pages 34-37 of the Annual Report & Financial Statements for the year ended 31 December 2010.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The results and net assets of the Group's subsidiary in Zimbabwe have been included within the consolidated Group results with effect from 1 January 2011. The one-off impact on reported results is immaterial.

The following standards, amendments and interpretations became effective for the first time for the financial year beginning 1 January 2011 but either have no material impact or are not relevant to the Group:

- IFRS 1 (Amendment) – "First time adoption" on financial instrument disclosures
- IAS 24 (Revised) – "Related party disclosures"
- IAS 32 (Amendment) – "Financial instruments presentation" on classification of rights issues
- IFRIC 14 (Amendment) – "Prepayments of a minimum funding requirement"
- IFRIC 19 – "Extinguishing financial liabilities with equity instruments"

There are also a number of changes to accounting standards as a result of the annual improvements to IFRSs 2010, mainly effective for the financial year beginning 1 January 2011. These had no material impact on the Group.

New standards, amendments and interpretations that have been issued but are not yet effective and have not been early adopted are not expected to have a material impact to the Group except for the amendment to IAS 19 Employee Benefits. The Group is currently assessing the full impact of this amendment and will apply the amended standard from 1 January 2013.

In preparing these Half Year Condensed Financial Statements the significant estimates and judgements 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 2010.

4. Operating Segments

Management has determined the operating segments based on the reports reviewed by the Executive Committee, which is considered the Chief Operating Decision Maker (CODM), that are used to make strategic decisions. The Executive Committee considers the business principally from a geographical perspective, but with the Pharmaceuticals business (RBP) being managed separately given the significantly different nature of the business and the risks and rewards associated with it. The geographical segments, being Europe, NAA and Developing Markets, derive their revenue primarily from the manufacture and sale of branded products in Household Cleaning and Health & Personal Care, whilst RBP derives its revenue exclusively from the sales of buprenorphine-based prescription drugs used to treat opiate dependence.

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.

Inter segment revenues are charged according to internally agreed pricing terms that are designed to be equivalent to an arm's length basis, and have been consistently applied throughout 2010 and 2011.

Half Year Ended 30 June

	Europe	**NAA**	**Developing Markets**	**RBP**	**Elimination**	**Total**
2011	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Total gross segment net revenue	**2,136**	**1,094**	**1,146**	**360**	**(115)**	**4,621**
Inter-segment revenue	**(98)**	**-**	**(17)**	**-**	**115**	**-**
Net revenue	**2,038**	**1,094**	**1,129**	**360**	**-**	**4,621**
Operating profit – adjusted*	**438**	**241**	**188**	**236**	**-**	**1,103**
Exceptional items	**(37)**	**(1)**	**(16)**	**-**	**-**	**(54)**
Operating profit	**401**	**240**	**172**	**236**	**-**	**1,049**
Net finance expense						**(11)**
Profit before tax						**1,038**

* adjusted to exclude exceptional items

	Europe	NAA	Developing Markets	RBP	Elimination	Total
2010	£m	£m	£m	£m	£m	£m
Total gross segment net revenue	1,813	1,073	934	310	(66)	4,064
Inter-segment revenue	(61)	-	(5)	-	66	-
Net revenue	1,752	1,073	929	310	-	4,064
Operating profit	401	206	142	215	-	964
Net finance income						7
Profit before tax						971

Items of income and expense which are not part of the results and financial position of the reported segments, and therefore reported to the CODM outside of the individual segment financial information, are shown as reconciling items between the segmental information and the Group totals presented in the consolidated financial statements. These items principally include corporate items that are not allocated to specific segments. For the six months ended 30 June 2011, these items include expenses relating to legal matters and other miscellaneous items (2010: a profit on disposal of intangibles and an expense relating to legal matters). The net impact of these items is £nil (30 June 2010: £nil).

SSL has now been reported as part of the Group's existing geographical segments, accordingly this has resulted in re-allocation of assets and liabilities reported as SSL at 31 December 2010, the majority of which have now been reported under Europe.

Net revenue by product segment
The Group also analyses its revenue by product group as follows:

	Half Year Ended 30 June	
	2011	2010
	£m	£m
Net revenue by category		
Health & Personal Care	**1,536**	1,070
Fabric Care	**757**	805
Surface Care	**692**	686
Home Care	**569**	562
Dishwashing	**453**	453
Other	**105**	32
Household and Health & Personal Care	**4,112**	3,608
Pharmaceuticals	**360**	310
Food	**149**	146
	4,621	4,064

5. Exceptional Items

Exceptional items recognised in operating profit for period ended 30 June 2011 consist of restructuring charges and acquisition costs of £54m (£52m as a result of the integration of SSL International Plc and £2m as a result of Paras Pharmaceuticals Limited). In addition, an exceptional finance charge of £2m is included within net finance expense. The tax effect of exceptional items in the period is £13m. There were no exceptional items in the first half of 2010. For the year ended 31 December 2010 the Group incurred £79m of restructuring costs and £22m of acquisition costs in relation to SSL.

6. Defined Benefit Pension Schemes

The Group operates a number of defined benefit and defined contribution pension schemes around the world covering many of its employees. The Group's most significant defined benefit pension schemes (UK) are funded by the payment of contributions to separately administered trust funds. The Group also operates a number of other post-retirement schemes in certain countries.

As at 30 June 2011, the present value of the Group's scheme liabilities less the fair value of plan assets was a deficit of £405m (31 December 2010: deficit of £452m).

	At 30 June 2011	At 30 June 2010	At 31 December 2010 Restated*
	£m	£m	£m
Total equities	**538**	435	549
Total bonds	**458**	312	432
Total other assets	**89**	60	73
Fair value of plan assets	**1,085**	807	1,054
Present value of scheme liabilities	**(1,490)**	(1,218)	(1,506)
Net liability recognised in the balance sheet	**(405)**	(411)	(452)

* Balances at 31 December 2010 have been restated as a result of the additional SSL fair value adjustments made within the hindsight period to opening net assets. See note 15a.

The net pension liability is recognised in the balance sheet as follows:

	At 30 June 2011	At 30 June 2010	At 31 December 2010 Restated*
	£m	£m	£m
Non-current asset:			
Funded scheme surplus	**25**	19	26
Non-current liability:			
Funded scheme deficit	**(210)**	(223)	(257)
Unfunded scheme liability	**(220)**	(207)	(221)
Retirement benefit obligations	**(430)**	(430)	(478)
Net pension liability	**(405)**	(411)	(452)

* Balances at 31 December 2010 have been restated as a result of the additional SSL fair value adjustments made within the hindsight period to opening net assets. See note 15a.

7. 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 2011 is 26% (the estimated tax rate for the six months ended 30 June 2010 was 25%).

The March 2011 Budget Statement contained the announcement of a reduction to the UK corporation tax rate from 28% to 26% from 1 April 2011 with further reductions of 1% per annum to 23% by 1 April 2014. The rate reduction to 26% has been substantively enacted and this change is reflected in these financial statements.

The Finance (No.3) Bill 2011 includes legislation to reduce the rate by 1% to 25% from 1 April 2012, whilst the further reductions are 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.

8. Earnings per Share

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company (2011: £759m; 2010: £728m) by the weighted average number of ordinary shares in issue during the period (2011: 726,743,834; 2010: 722,938,221).

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. The options only dilute earnings per share when they result in the issue of shares at an exercise price below the market price of the share and when all performance criteria (if applicable) have been met. As at 30 June 2011, there were 3.6m (2010: nil) of Executive Options not included within the dilution because the exercise price for the options was greater than the average share price for the year.

Reported Basis

The reconciliation between profit for the half year and the weighted average number of shares used in the calculations of the diluted earnings per share is set out below:

	2011			2010		
	Profit for the half year, £m	**Average number of shares**	**Earnings per share, pence**	Profit for the half year, £m	Average number of shares	Earnings per share, pence
Profit attributable to shareholders	**759**	**726,743,834**	**104.4**	728	722,938,221	100.7
Dilution for Executive options outstanding and Executive Restricted Share Plan		**8,161,717**			10,173,766	
Dilution for Employee Sharesave Scheme options outstanding		**787,471**			888,394	
On a diluted basis	**759**	**735,693,022**	**103.2**	728	734,000,381	99.2

Adjusted Basis

The reconciliation between profit for the half year and the weighted average number of shares used in the calculations of the diluted earnings per share is set out below:

	2011			2010		
	Profit for the half year, £m	**Average number of shares**	**Earnings per share, pence**	Profit for the half year, £m	Average number of shares	Earnings per share, pence
Profit attributable to shareholders *	**802**	**726,743,834**	**110.4**	728	722,938,221	100.7
Dilution for Executive options outstanding and Executive Restricted Share Plan		**8,161,717**			10,173,766	
Dilution for Employee Sharesave Scheme options outstanding		**787,471**			888,394	
On a diluted basis	**802**	**735,693,022**	**109.0**	728	734,000,381	99.2

* adjusted to exclude exceptional items

9. Dividends

A final dividend in respect of the financial year ended 31 December 2010 of 65.0 pence per share amounting to £472m was paid on 26 May 2011 to shareholders who were on the register on 25 February 2011.

The Directors are proposing an interim dividend in respect of the financial year ending 31 December 2011 of 55.0 pence per share which will absorb an estimated £401m of shareholders' funds. It will be paid on 29 September 2011 to shareholders who are on the register on 5 August 2011. The expected tax impact of this dividend is £nil (2010: £nil).

10. Property, Plant and Equipment

During the period there were additions of £58m (2010: £53m) and disposals of £4m (2010: £5m). The additions and disposals were across all categories of property, plant and equipment. There was no significant capital expenditure which was contracted but not capitalised at 30 June 2011 or 2010.

11. Financial Liabilities – Borrowings

Current	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 £m
Bank loans and overdrafts [(a)]	**37**	83	444
Commercial paper [(b)]	**2,811**	-	2,195
Finance lease obligations	**1**	2	2
	2,849	85	2,641

Non-current	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 £m
Finance lease obligations	**3**	3	3
	3	3	3

a) Bank loans are denominated in a number of currencies; all are unsecured and bear interest based on relevant LIBOR equivalent.
b) Commercial paper was issued in US Dollars, all unsecured and bearing interest based on relevant LIBOR equivalent.

Maturity of debt	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 £m
Bank loans and overdrafts repayable:			
Within one year or on demand	**37**	83	444
Other borrowings repayable:			
Within one year or on demand:			
Commercial paper	**2,811**	-	2,195
Finance leases	**1**	2	2
Between two and five years :			
Finance leases (payable by instalments)	**3**	3	3
	2,815	5	2,200
Gross borrowings (unsecured)	**2,852**	88	2,644

Borrowing facilities
The Group has various borrowing facilities available to it. The undrawn committed facilities available, in respect of which all conditions precedent have been met at the balance sheet date, were as follows:

Undrawn committed facilities	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 £m
Expiring within one year	**-**	900	-
Expiring between one and two years	**1,725**	-	1,725
Expiring in more than two years	**1,275**	750	1,275
	3,000	1,650	3,000

12. Reconciliation of Net Debt

Analysis of net debt	**At 30 June 2011 £m**	At 30 June 2010 £m	At 31 December 2010 £m
Cash and cash equivalents	**581**	653	588
Overdrafts	**(13)**	(69)	(20)
Borrowings	**(2,839)**	(19)	(2,624)
Other	**76**	12	45
	(2,195)	577	(2,011)

Reconciliation of net debt	**At 30 June 2011 £m**	At 30 June 2010 £m	At 31 December 2010 £m
Net (debt)/cash at beginning of period	**(2,011)**	220	220
Net (decrease)/increase in cash and cash equivalents	**(1)**	245	225
Repayment of borrowings	**400**	102	802
Proceeds from borrowings	**(622)**	-	(2,966)
Borrowings acquired in business combination	**-**	-	(311)
Exchange and other adjustments	**39**	10	19
Net (debt)/cash at end of period	**(2,195)**	577	(2,011)

13. Provisions for Liabilities and Charges

	Restructuring provision £m	**Other provisions £m**	**Total £m**
At 1 January 2010	52	72	124
Charged to the income statement	-	6	6
Utilised during the year	(19)	(11)	(30)
Exchange adjustments	1	1	2
At 30 June 2010	34	68	102
Charged to the income statement	86	70	156
Additional provisions on acquisition of SSL	-	30	30
Utilised during the year	(26)	(4)	(30)
Exchange adjustments	(1)	-	(1)
At 31 December 2010 (as reported)	93	164	257
Restatement (see note 15a)	-	19	19
At 31 December 2010 (restated)	93	183	276
Charged to the income statement	**53**	**17**	**70**
Utilised during the year	**(114)**	**(18)**	**(132)**
Exchange adjustments	**-**	**(2)**	**(2)**
At 30 June 2011	**32**	**180**	**212**

Provisions have been analysed between current and non-current as follows:

	At 30 June 2011 £m	At 30 June 2010 £m	At 31 December 2010 Restated* £m
Current	**70**	60	164
Non-current	**142**	42	112
	212	102	276

* Balances at 31 December 2010 have been restated as a result of the additional SSL fair value adjustments made within the hindsight period to opening net assets. See note 15a.

Other provisions include provisions for onerous leases, various legal, regulatory, environmental and other obligations throughout the Group, the majority of which are expected to be utilised within five years.

The restructuring provision relates to the acquisition and integration of the SSL business and some further restructuring of the Group. The majority is expected to be utilised in 2011 with the remainder being utilised in 2012.

14. Share Capital

	Equity ordinary shares	Nominal value £m	Subscriber ordinary shares	Nominal value £m
Issued and fully paid				
At 1 January 2011	**725,853,970**	**73**	**2**	-
Allotments	**2,507,697**	**-**		
At 30 June 2011	**728,361,667**	**73**	**2**	-

15. Business Combinations

a. SSL International Plc (SSL)

On 29 October 2010 the Group obtained control of SSL by acquiring 100% of the issued share capital for a consideration of £2.5bn. SSL is a global manufacturer and distributor of healthcare products enabling RB to increase its presence in the Health & Personal Care sector through the acquisition.

The fair values of the identifiable assets and liabilities at the date of acquisition were provisionally estimated and disclosed in the 2010 Annual Report & Financial Statements. The measurement of fair values is still being completed and will be finalised in advance of 29 October 2011.

The table below sets out the movements from the provisional fair values detailed in the 2010 Annual Report & Financial Statements and the updated provisional fair values at acquisition date as estimated at 30 June 2011. The adjustments made to restate the balance sheet primarily relate to the impact of valuation assessments of certain property, plant and equipment and computer software, accruals for trade related expenses and returned inventory, provisions for legal matters and recognition of related deferred tax assets.

These adjustments have been recorded as a prior year restatement of the balance sheet of the Group at 31 December 2010. There is no material impact to the income statement for the year ended 31 December 2010.

	Provisional fair values at acquisition date (reported at December 2010) £m	Additional fair value adjustments £m	Updated provisional fair values at acquisition date (reported at June 2011) £m
Intangible assets	2,293	(7)	2,286
Property, plant and equipment	55	(2)	53
Inventories	98	(3)	95
Receivables	228	-	228
Payables	(195)	(11)	(206)
Provisions	(30)	(19)	(49)
Net cash	57	-	57
Deferred tax asset	34	23	57
Retirement benefit obligations	(86)	1	(85)
Borrowings	(311)	-	(311)
Long-term liabilities	(25)	-	(25)
Deferred tax on intangibles	(601)	-	(601)
Net assets acquired	1,517	(18)	1,499
Non-controlling interests	(67)	-	(67)
Goodwill	1,073	18	1,091
Total consideration transferred	2,523	-	2,523

b. Paras Pharmaceuticals Limited (Paras)

On 11 April 2011, the Group obtained control of Paras by acquiring 100% of the issued share capital for a consideration of INR 32.7 billion (Indian Rupees), approximately £455m. Paras was a privately owned Indian company with a portfolio of leading Indian over the counter Health & Personal Care brands enabling RB to advance its growth strategy in this market. This transaction has been accounted for by the acquisition method of accounting.

From the date of acquisition to 30 June 2011 the acquisition contributed £18m to net revenue. Had the acquisition taken place at 1 January 2011 the enlarged Group would show consolidated net revenue of £4,633m for the six months ended 30 June 2011.

The following table summarises the consideration paid and the provisional fair values of the assets acquired and liabilities assumed at the acquisition date.

	Provisional fair values at acquisition date £m
Intangible assets	305
Property, plant and equipment	5
Inventories	4
Receivables	2
Payables	(18)
Net cash	7
Deferred tax on intangibles	(92)
Net assets acquired	213
Goodwill	242
Total cash consideration transferred	455

Acquisition related costs of £2m are included in net operating expenses and disclosed as exceptional items in the income statement.

The fair value of receivables is £2m and includes trade receivables with a fair value of £1m. The gross contractual amount for trade receivables due is £1m which is expected to be collectible.

Goodwill represents the growth potential of the business, the creation of a material health care business in India's large and growing health care market and the global synergies available to RB. None of the goodwill is expected to be deductible for income tax purposes.

Intangible assets represent brands acquired. All assets and liabilities are included within the Developing Markets reportable segment.

The fair value of identifiable net assets contains provisional amounts which will be finalised in advance of 11 April 2012 when the permitted 12 month hindsight period will elapse. At 30 June 2011 these balances remain provisional.

Provisional fair value adjustments cover the recognition of acquired intangible assets and their associated deferred tax, accounting policy alignment and other fair value adjustments on net working capital & property, plant and equipment.

c. Shanghai Manon Trading Company Limited (Manon)

During the period the Group acquired a 50.1% interest in Manon for cash consideration of £8m. Manon has been determined to be a subsidiary undertaking of the Group from the date of acquisition of the initial 50.1% shareholding.

The Group has entered into a forward contract to purchase the remaining shares of Manon. This contract creates a financial liability at the date of acquisition which has been valued at £29m, being the present value of forecast cash outflow related to the purchase of remaining shares.

16. Contingent Liabilities

Contingent liabilities for the Group, comprising guarantees relating to subsidiary undertakings, at 30 June 2011 amounted to £4m (31 December 2010: £21m, 30 June 2010: £30m).

The Group is involved in a number of investigations by competition authorities in Europe 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 disputes 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.

On 23 February 2011, the Group 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 although it is at an early stage, the Directors do not believe that any potential impact would be material to the Group financial statements.

17. Post Balance Sheet Events

Share capital issued since 30 June 2011
In the period 30 June 2011 to 20 July 2011 the Company has issued 5,124 ordinary shares.

Interim Dividend
Details of the interim dividend proposed are given in note 9.

18. Seasonality

Demand for the majority of products sold by the Group is not subject to significant seasonal fluctuations. Within some categories such as Health & Personal Care and Pest Control, some products do exhibit seasonal fluctuations; however, peak demand in the northern hemisphere markets largely tends to counter that in the southern hemisphere markets. Other less significant seasonal relationships also occur within the Group, which do not have a material impact on overall performance of the Group in any one quarter.

19. Related Party Transactions

The Group's subsidiary in Zimbabwe (Reckitt Benckiser (Zimbabwe) (Private) Ltd) is now consolidated as described in note 3. Therefore transactions between the Group and Reckitt Benckiser (Zimbabwe) (Private) Ltd are no longer classified as related party transactions.

There have been no other changes in the related party transactions from those described in the Annual Report & Financial Statements 2010. There were no material related party transactions in the six months ended 30 June 2011.

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 as issued by the International Accounting Standards Board. The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, 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 2010 with the exception of the following changes in the period: Colin Day resigned on 8 February 2011 and Liz Doherty was appointed on 8 February 2011. A list of current Directors is maintained on the Reckitt Benckiser Group plc website: www.reckittbenckiser.com.

By order of the Board

Bart Becht
Chief Executive Officer

Adrian Bellamy
Director

22 July 2011

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 2011, which comprises the Group income statement, the Group statement of comprehensive income, the Group balance sheet, the Group cash flow statement, the Group statement of changes in equity 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 Half Year Condensed 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 2011 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
22 July 2011
London

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 Half Year Condensed 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.