

Report by the auditors

To the members of GlaxoSmithKline plc

We have audited the financial statements which comprise the profit and loss account, statement of total recognised gains and losses, cash flow statement, balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies. We have also examined the amounts disclosed relating to the emoluments, share options and long-term incentives of the Directors which form part of the Remuneration report.

Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report, the joint statement by the Chairman and the Chief Executive Officer, the operating and financial review and the corporate governance statement.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the company's or Group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the United Kingdom Auditing Practices Board and with Auditing Standards generally accepted in the United States. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

United Kingdom Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the Group at 31st December 2000 and of the profit, total recognised gains and losses and cash flow of the Group for the year then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.

United States Opinion

In our opinion the financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31st December 2000 and 1999 and the results of its operations and its cash flows for each of the three years in the period ended 31st December 2000 in conformity with accounting principles generally accepted in the United Kingdom.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States. The application of the latter would have affected the determination of net income expressed in sterling for each of the three years in the period ended 31st December 2000 and the determination of shareholders' equity also expressed in sterling at 31st December 2000 and 1999 to the extent summarised in Note 37 to the financial statements.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London, England
22nd March 2001