Connecting...
In the field of innovative products, we are aiming to bring patients new medicines to help fight diseases including asthma and chronic obstructive pulmonary disease, diabetes, cancer, Alzheimer's disease, psychiatric illness and HIV/AIDS as well as vaccines to help prevent diseases.

Our research programme is capitalising on the exploration of the human genome to identify new drug targets, the first step towards creating novel medicines. We are working as well to understand the genetic basis for varying individual responses to medicines.

At the other end of a pharmaceutical product’s life, we are creating programmes to “switch” products from prescription to over-the-counter, thus boosting the opportunities to extend a product’s effectiveness and availability.

Our product pipeline is robust, full of potential and currently contains 56 new chemical entities and 21 new vaccines. We are committed to building the best new product portfolio in the industry by building the greatest possible value into our late-stage pipeline, by delivering our rich, early-stage pipeline and by serving as the partner of choice for other companies who will benefit from our drug development capabilities.

Our research and development programme is reinforcing existing areas of therapeutic leadership as well as allowing the Group to expand further into areas of unmet medical need.

At the same time, our R&D organisation is adding value to important marketed products by developing a range of convenient formulations and by demonstrating the value of these products in additional uses.
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Connecting healthcare consumers with a world of choice and information

Technology will never completely replace the traditional channels to health professionals and patients but there is no doubt that today’s consumers have access to and also demand far more information about medicines and treatments.

Today’s healthcare consumers want to know more about their healthcare concerns and take more control of their therapies. It is our challenge to respond to this growth in demand for knowledge. In the USA, in particular, the decision-taking process regarding an individual’s healthcare is moving much closer to the patient.

The growth in information and knowledge is being fuelled by the dramatic rise of the internet and associated technologies and the increase in direct-to-consumer advertising in the USA.

Our Consumer Healthcare division has a wealth of experience in these marketing areas and we are ensuring that the expertise is transferred into the pharmaceutical arena.

We are aiming to build a dialogue with the world’s healthcare consumers, creating greater knowledge and awareness of our products and listening to what consumers are saying about us and our products.

Only in this way will we become the most trusted source of information and the leading supplier of medicines.

With consumers becoming more and more informed about healthcare and medicines, dialogue and the willingness to listen to each consumer’s views are vital. We are committed to giving consumers their own voice, providing them with the means to make choices.
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GlaxoSmithKline is a globally-aligned organisation which values individual contribution within the context of global teamwork. Our employees value the opportunity to be working in a fast-moving, ambitious environment where their contributions, both individual and collective, are crucial to our success. GlaxoSmithKline supports, empowers and values people. Whilst working as part of a team, each individual should view the Group’s corporate mission as their personal quest.

This mission is to improve the quality of human life by enabling people to do more, feel better and live longer. At the heart of this is the GSK Spirit, a new culture we are creating, which will guide employees, keep them focused and will differentiate us from our competitors. We aim to be a global team of creative people, intent on always looking for and delivering new and better ways of doing things.

We will focus on performance but we recognise there is no achievement without integrity. GlaxoSmithKline’s success is driven by over 100,000 individuals dedicated to the mission of improving people’s lives.
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Connecting with our investors

The fundamental issues at stake in investment decisions are transparency, trust and performance.

GlaxoSmithKline has delivered and will continue to deliver the performance benefits that we promised would result from the merger of our previous two businesses.

During 2001, we increased our expected annual pre-tax merger savings to be delivered by 2003 from £1.0 billion to £1.2 billion. These, together with savings from the pre-existing manufacturing plans, will result in total annual merger and manufacturing savings of £1.8 billion by 2003.

Strong sales from our key products together with cost savings led to business performance earnings per share growth of 14 per cent at constant exchange rates, which was in line with our forecast. Business performance earnings per share is expected to grow at a mid-teens percentage rate in 2002 and low teens or better in 2003. These forecasts assume GlaxoSmithKline successfully defends its intellectual property rights to Augmentin and Paxil in the USA.

GlaxoSmithKline has a market value of approximately £105 billion – this represents around nine per cent of the FTSE 100 index.

GlaxoSmithKline has market strength, a track record of providing innovative products to meet patient needs, a strong and still improving new product pipeline and a research and development programme funded by £2.6 billion in 2001.

We are a market leader in four of the five largest therapeutic categories in the industry and our recently launched respiratory product, Advair, has become one of the most successful pharmaceutical product launches ever in the USA.

Our focus is on delivering medicines that patients need. By doing this, we also expect to deliver excellent returns for our investors.
A detail showing heart pulse rate traces. Communicating with investors, enabling them to see trends and understand our underlying performance and activity, is central to our operations.

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Our role as a corporate citizen is inseparable from every action we take. So the Spirit of GSK is reflected in our commitment to sustainability in terms of our economic, social and environmental impact.

As a global business, we have to consider carefully our effect on the communities in which we operate. We are also mindful of our impact in areas such as contributions to scientific advancement and as a global employer. Our aim is to be a valued corporate citizen wherever we operate.

A vital part of creating our new company has been to establish the values and operating principles that we follow while working towards our mission. One of our key values is to recognise performance achieved with integrity. We take seriously the impact our business operations can have on the environments in which we work and the social implications of our presence.

For example, as a major pharmaceutical company, we know we can have a positive impact on healthcare through our medicines and vaccines. We also recognise that not everyone has access to the standard of organised healthcare that exists in the developed world. We are therefore committed to doing what we can to make our medicines and vaccines available to everyone who would benefit from them, helping to tackle diseases such as HIV/AIDS, lymphatic filariasis and malaria.

The company has created a Corporate Social Responsibility Committee to advise the Board on social, ethical and environmental issues. In May 2002 we will be publishing a review of issues that are significant for the company as part of our ongoing commitment to corporate citizenship.
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Successful first year for GlaxoSmithKline

In line with our commitment to shareholders, we are pleased to report that we delivered business performance earnings per share growth for 2001 of 19 per cent, or 14 per cent at constant exchange rates.

Our confidence in the continued performance of our company has led us to expect business performance earnings per share growth in the mid-teens in 2002 and low-teens or better in 2003. This guidance assumes that GlaxoSmithKline successfully defends its intellectual property surrounding Augmentin and Paxil in the USA.

Delivering merger benefits

When we announced the merger, we informed shareholders that we expected to create a company with significant financial strength, enhanced marketing power and improved R&D productivity. We have made great progress during 2001 in turning these expectations into reality.

GlaxoSmithKline is in strong financial shape. In 2001, business performance profit before tax was up 12 per cent at constant exchange rates to £6.2 billion. In the USA, the Advair launch was one of the most successful ever in the US pharmaceutical industry.

The merger has helped to position GlaxoSmithKline – with our marketing power and development expertise – as the partner of choice for companies seeking a large pharmaceutical company to maximise the value of their new products. Our active in-licensing programme during 2001 delivered ten new products into clinical development. These agreements include exciting compounds such as vardenafil for erectile dysfunction, which we expect to launch with our partner Bayer in 2002. Further innovative agreements will provide access to the pipelines of two of the largest pharmaceutical companies in Japan, Shionogi and Tanabe.

We have reorganised and rejuvenated the entire R&D organisation, taking advantage of our size while still maintaining flexibility and efficiency through smaller, entrepreneurial Centres of Excellence for Drug Discovery (CEDDs). The current R&D expenditure of £2.6 billion is one of the largest in the industry and the merger will also enable us to save and reinvest a further £250 million in R&D by 2003.

Our confidence in the continued performance of our company has led us to expect business performance earnings per share growth in the mid-teens in 2002 and low-teens or better in 2003. This guidance assumes that GlaxoSmithKline successfully defends its intellectual property surrounding Augmentin and Paxil in the USA.

We currently have one of the strongest early-stage pipelines in the industry with 118 projects in clinical development, including 56 new chemical entities, 21 new vaccines and 41 line extensions.

Our discovery and development programme, together with our in-licensing activities, has given GlaxoSmithKline a strong start in achieving our ambition to build one of the best pipelines in the industry by 2005.

Block Drug has been successfully integrated into our Consumer Healthcare business which achieved sales of £3.3 billion last year. This acquisition added Sensodyne, Polident and Poligrip to our Oral care business and a number of significant brands to our over-the-counter medicines. As a result of the acquisition, GlaxoSmithKline has become the number two company globally in oral care and further critical mass has been added in the USA, Europe and the Rest of the World.

Positioned for success

As we begin our second year as GlaxoSmithKline, the company is in excellent shape and we are well positioned to realise continued future success.

Our strong portfolio is built on six core products of over $1 billion in global sales: Seroxy, Paxil for depression, Augmentin, an antibiotic, Flovent for asthma, Seretide/Advair for asthma, Imigran/Imitrex for migraine and Avandia for diabetes.

New products represent 22 per cent of total pharmaceutical sales and grew at
Our first year as a merged company was completed successfully, connecting over 100,000 employees together in what is now the world’s second largest pharmaceutical company, the largest pharmaceutical company in Europe and one of the fastest growing pharmaceutical companies in the key US market.

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GlaxoSmithKline is in strong financial shape. In 2001, business performance profit before tax was up 12 per cent at constant exchange rates to £6.2 billion while net operating cashflow was £6.5 billion, nearly £1.1 billion more than the previous year. We also achieved merger and manufacturing restructuring savings in excess of £750 million. During the year we increased our estimate of the annual savings from the merger by £200 million and we remain on track to deliver total annual merger and manufacturing restructuring savings of £1.8 billion by 2003.

This financial strength has enabled us to announce in 2001 a £4 billion share buy-back programme which at the year end was half way towards completion. The Group has the financial power to undertake this programme whilst retaining the flexibility to consider other investment opportunities that may arise.

At the same time, the enhanced marketing power made possible through our combined salesforces has given us the size, quality and flexibility to achieve a rapid uptake and acceptance of GlaxoSmithKline’s products. For example, Seretide/Advair, our newest asthma treatment, has enjoyed remarkable success around the world. It is now our fourth largest product globally and is number one in Europe, achieving £850 million in worldwide sales in 2001.

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It was disappointing to lose tranilast for migraine and Imigran/Imitrex, an antibiotic, Flixotide/Flovent for asthma, Seretide/Advair for asthma, imigran/mltrex for migraine and Avandia for diabetes.

New products represent 22 per cent of total pharmaceutical sales and grew at...
A message from Sir Richard Sykes
You will have seen the recent announcement that I have decided to retire from the Board of Directors with effect from this year’s Annual General Meeting on 20th May. At that time, Sir Christopher Hogg, currently a Non-Executive Director of GlaxoSmithKline, will become Chairman. I feel now is the right time to depart having oversown the successful merger of GlaxoSmithKline and as I approach my 60th birthday in August. I wish to devote my time and energy to my role as Rector of Imperial College and leave GlaxoSmithKline in great shape for the future. I would like to record my thanks to the company’s employees for all their dedication and hard work and also to thank shareholders for their support over many years.

A message from JP Garner
On behalf of the Board I would like to pay tribute to Sir Richard, who has made a tremendous contribution to Glaxo, Glaxo Wellcome and GlaxoSmithKline. He is a strong and committed ambassador for the pharmaceutical industry and a great champion of the UK science base. I wish him well for the future.

Sir Richard, who has made a tremendous contribution to Glaxo, Glaxo Wellcome and GlaxoSmithKline. His resignation marks a new chapter for the Group. Sir Christopher will become Chairman with effect from this year’s Annual General Meeting on 20th May. At that time, Sir Christopher Hogg, currently a Non-Executive Director of GlaxoSmithKline, will become Chairman. I feel now is the right time to depart having oversown the successful merger of GlaxoSmithKline and as I approach my 60th birthday in August. I wish to devote my time and energy to my role as Rector of Imperial College and leave GlaxoSmithKline in great shape for the future. I would like to record my thanks to the company’s employees for all their dedication and hard work and also to thank shareholders for their support over many years.

GlaxoSmithKline is in an exceptionally strong position. The results for 2001 clearly demonstrate the breadth and strength of the product portfolio with new products contributing £3.7 billion in sales, 22 per cent of total pharmaceutical sales.

Business operating review

<table>
<thead>
<tr>
<th>Business performance</th>
<th>£m</th>
<th>$m</th>
<th>CER Growth</th>
<th>£ Growth</th>
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</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>20,489</td>
<td>25,504</td>
<td>11%</td>
<td>13%</td>
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<tr>
<td>Pharmaceutical sales</td>
<td>17,205</td>
<td>24,775</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Consumer Healthcare sales</td>
<td>3,284</td>
<td>4,729</td>
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</tr>
<tr>
<td>Earnings per share/AIDS</td>
<td>72.4</td>
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Business performance, which is the primary performance measure used by management, is presented after excluding merger items, integration and restructuring costs and the disposal of subsidiaries. Management believes that exclusion of these non-recurring items provides a better comparison of business performance for the periods presented.

Pharmaceuticals
Total pharmaceutical sales in 2001 increased by nine per cent to £17.2 billion. Excluding products divested in 2000 as part of the regulatory approval for the merger of Glaxo Wellcome and SmithKline Beecham, sales grew 12 per cent.

In central nervous system, the anti-depressant products, Seroxat/Paxil and Wellbutrin continued to grow strongly, particularly in the USA where sales grew 13 per cent and 37 per cent respectively. During the year Paxil was approved by the US Food and Drug Administration (FDA) for the treatment of both generalised anxiety disorder and post-traumatic stress disorder. In the migraine sector sales of Imigran/Imitrex continued to grow helped by the successful launch in Japan of Imigran Tablets 50.

In respiratory, Serevent/Advair sales exceeded $1 billion following its successful launch in the USA. The speed at which patients have adopted Serevent/Advair in the USA makes it one of the most successful launches ever. In January 2002, an FDA Advisory Committee recommended approval of Advair and Flonvent for the treatment of chronic obstructive pulmonary disease associated with bronchitis. In the anti-bacterials sector, Augmentin continued to be one of the highest selling products in the Group’s portfolio achieving 13 per cent growth worldwide.
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### Business operating review

**GlaxoSmithKline is in an exceptionally strong position.** The results for 2001 clearly demonstrate the breadth and strength of the product portfolio with new products contributing £3.7 billion in sales, 22 per cent of total pharmaceutical sales.

#### Business performance

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<tr>
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In the anti-bacterials sector, Augmentin continued to be one of the highest selling products in the Group’s portfolio achieving 13 per cent growth worldwide.

48 per cent at constant exchange rates to over £3.7 billion in 2001. GlaxoSmithKline is the global leader in three key therapy areas, anti-infectives, respiratory and central nervous system products. We expect several new product indications will further contribute to future growth. In 2001, we received US approval of Ariflo for generalised anxiety disorder and post-traumatic stress disorder, Coreg for severe heart failure, Augmentin ES for ear infections in children, and Tenivir, the first combination hepatitis A and B vaccine. In January 2002, a US FDA Advisory Committee recommended approval of Seretide/Advair for the treatment of chronic obstructive pulmonary disease (COPD) associated with bronchitis.

GlaxoSmithKline is planning to make several key regulatory filings in 2002: compound and other countries.

GlaxoSmithKline is involved in legal challenges in the USA and Europe regarding infringement of its patents relating to some of its major products. We will continue to defend our intellectual property rights in these and other countries.

**Commitment to communities**

The Group is delivering on its commitment to support communities globally. During 2001, GlaxoSmithKline continued to play an international leadership role for increasing access to HIV/AIDS treatments in developing countries. We maintained our commitment to reduce prices to governments through the United Nations AIDS Accelerating Access Initiative which we announced in May 2000. We outlined the full range of our activities to improve the quality of healthcare in developing countries in a publication called ‘Facing the Challenge’. This included extending our preferential pricing to more products, countries and customers, including global funds. All our anti-retrovirals and anti-malarials are now offered at fixed, not-for-profit prices to public sector customers and non-profit organisations in the least developed countries and sub-Saharan Africa.

Additionally, because of the gravity of the HIV/AIDS problem in sub-Saharan Africa, we offer these preferential prices for anti-retrovirals to employers who provide HIV/AIDS treatment to their staff through workplace clinics.

We have also reconformed our commitment to a global programme to eliminate lymphatic filariasis with what will become the industry’s largest donation programme. In addition to drug donation, GlaxoSmithKline provides an extensive programme of support to other partners working to prevent this disfiguring tropical disease.

The company also recognises that, even in the USA, some of the poorest citizens may not be able to afford the medicines they need. GlaxoSmithKline took a leadership position and launched the Orange Card programme in January 2002 to help people on low incomes who do not have public or private prescription drug coverage.

These programmes reflect our fundamental commitment to improving the quality of life for patients across the globe and connecting with the needs of those communities where our employees live and work.

In May 2002 we will publish a review of GlaxoSmithKline’s commitment to society entitled ‘Performance with Integrity’ which will incorporate information about the most pressing social and environmental issues that are core to our business.

### Acknowledgements

We want to thank our Board members and our employees for their support during this first year of our newly merged company. In particular, we would like to thank Sir Peter Walters and Mr John Young, who will retire as Non-Executive Directors of GlaxoSmithKline at the conclusion of the company’s Annual General Meeting in May for the invaluable service they have given to the Boards of both SmithKline Beecham and GlaxoSmithKline.

On behalf of the Board and the Corporate Executive Team, we also thank our shareholders for their support of our company. We hope you are as proud of us as our people and their achievements as we are and that you share our enthusiasm for the tremendous future prospects of GlaxoSmithKline.
In anti-virals, Trizivir, GlaxoSmithKline’s new triple combination medicine for HIV/AIDS, was launched in Canada and much of Europe and was a key driver of growth in this area. The Group continues to expand its leadership in HIV/AIDS with a current global market share of 40 per cent.

In metabolic and gastro-intestinal, Avandia, a treatment for type 2 diabetes, was the key driver of growth, particularly in the USA where increased acceptance of this revolutionary class of drugs led to growth of 37 per cent.

In vaccines, Infarix, GlaxoSmithKline’s combination vaccine for diphtheria, tetanus and pertussis (whooping cough), drove total vaccines sales growth of ten per cent.

In oncology and emesis, Zofran continued to drive the sales growth.

In addition, the Group markets products in the cardiovascular and arthritis sectors.

In 2001, sales of new products, those launched in a major market in the last five years, grew at 48 per cent at constant exchange rates to over £3.7 billion, representing 22 per cent of total pharamaceutical sales.

GlaxoSmithKline is the largest pharmaceutical company in Europe and the world’s second largest pharmaceutical company with a seven per cent market share.

GlaxoSmithKline has eight products in the world’s Top 50 products; Avandia, Augmentin, Flixotide, Imigran, Seretide, Seroxat/Paxil, Wellbutrin and Zofran.

Research and Development
In 2001, GlaxoSmithKline invested £2.6 billion in research and development. Costs will continue to increase as merger savings of £250 million are reinvested in this area. The company has 161 projects in development of which 118 are in clinical development including 56 new chemical entities, 21 new vaccines and 41 line extensions.

Earnings per share
Growth in business performance trading profit continues to exceed the growth in sales reflecting improved trading margins generated through cost savings arising from the merger integration. After other items, interest and tax, business performance earnings and earnings per share both increased by 14 per cent at constant exchange rates. GlaxoSmithKline expects business performance to deliver earnings per share growth in the mid-teens in 2002 and low-teens or better in 2003.

This guidance assumes that GlaxoSmithKline successfully defends its intellectual property surrounding Seroxat/Paxil in the USA. GlaxoSmithKline is engaged in legal proceedings regarding validity and infringement of the Group’s patents relating to Augmentin and Paxil/Seroxat.

GlaxoSmithKline’s corporate citizenship activities represent a commitment that will continue to recognise the challenges of leadership and the strength of partnership.

GlaxoSmithKline is a key member of the Global Alliance to eliminate lymphatic filariasis.

Citizenship & community partnerships

By creating a blend of traditional philanthropy and new partnerships, the company is working harder and more creatively than ever to enable people to do more, feel better and live longer.

HIV and AIDS
GlaxoSmithKline is working with United Nations agencies and other pharmaceutical companies to accelerate access to HIV/AIDS treatment and care in developing countries. We are a leader in developing preferential pricing programmes for use in international partnership initiatives with governments, not-for-profit organisations and employers in Africa who can offer HIV/AIDS care and treatment directly to their staff through their own workplace clinics.

Vaccines
The company is the leading provider of vaccines to the developing world and for nearly 20 years has been offering substantial discounts to governments, not-for-profit organisations and international agencies for public health programmes.

In 2001, we supplied 1.5 billion vaccine doses to 177 countries across the world, helping to protect against diseases such as polio and measles and preventing the death and disablement of millions of children.

Lymphatic filariasis
GlaxoSmithKline is providing funding, people and product as part of a global partnership to help eliminate the mosquito-borne disease, lymphatic filariasis (also known as LF or elephantiasis). In 2001, the company provided approximately 45 million preventative treatments of albendazole to 30 countries and also gave about $1 million in support grants to partners in the LF Global Alliance.

Malaria
The company is working to develop a new malaria community partnership programme.

Community programmes and corporate donations
In 2001, GlaxoSmithKline’s worldwide community investment and charitable donations totalled £72 million. Our global programme of community investment helps improve social environments by working with not-for-profit organisations whose skills and resources complement the contributions of the company.

We have a special commitment as one of the largest companies in the UK and we continue to support science education and medical research, healthcare charities, the environment and the arts through our corporate donations programme.
In anti-virals, Trizivir, GlaxoSmithKline’s new triple combination medicine for HIV/AIDS, was launched in Canada and much of Europe and was a key driver of growth in this area. The Group continues to expand its leadership in HIV/AIDS with a current global market share of 40 per cent.

In metabolic and gastro-intestinal, Avandia, a treatment for type 2 diabetes, was the key driver of growth, particularly in the USA where increased acceptance of this revolutionary class of drugs led to growth of 37 per cent. In vaccines, Infarrix, GlaxoSmithKline’s combination vaccine for diphtheria, tetanus and pertussis (whooping cough), drove total vaccines sales growth of ten per cent.

In oncology and emesis, Zofran continued to drive the sales growth. In addition, the Group markets products in the cardiovascular and arthritis sectors.

In 2001, sales of new products, those launched in a major market in the last five years, grew at 48 per cent at constant exchange rates to over £3.7 billion, representing 22 per cent of total pharmaceutical sales.

GlaxoSmithKline is the largest pharmaceutical company in Europe and the world’s second largest pharmaceutical company with a seven per cent market share.

GlaxoSmithKline has eight products in the world’s Top 50 products; Avandia, Augmentin, Flixotide, Imigran, Seretide, Seroxat/Paxil, Wellbutrin and Zofran.

Consumer Healthcare

The acquisition of Block Drug added a number of significant brands to the Oral care business, principally Sensodyne, Polident and Poligrip. As a result of the integration of Block Drug, GlaxoSmithKline is now the number two company globally in oral care. In Nutritional healthcare, Lucozade and Horlicks continued to grow strongly. Nicotinell Lozenge was launched in France and the UK, the most effective over-the-counter product yet to help smokers quit.

Manufacturing

GlaxoSmithKline operates a global network to manufacture and deliver its products to the point-of-sale. In 2001, GlaxoSmithKline had a large portfolio of products, ranging from tablets and toothpaste to inhalers and complex capsules, in over 36,000 different pack sizes and presentations.

Selling

GlaxoSmithKline’s investment in selling continues to grow with particular focus on new product launches. The salesforces have provided the size, quality and flexibility to achieve a quick uptake and acceptance of GlaxoSmithKline’s products as evidenced by the remarkable launch of SereisideAdvair around the world.

Research and Development

In 2001, GlaxoSmithKline invested £2.6 billion in research and development. Costs will continue to increase as merger savings of £250 million are reinvested in this area. The company has 161 projects in development of which 118 are in clinical development including 56 new chemical entities, 21 new vaccines and 41 line extensions.

Earnings per share

Growth in business performance trading profit continues to exceed the growth in sales reflecting improved trading margins generated through cost savings arising from the merger integration. After other items, interest and tax, business performance earnings per share both increased by 14 per cent at constant exchange rates. GlaxoSmithKline expects business performance to deliver earnings per share growth in the mid-teens in 2002 and low-teens or better in 2003.

This guidance assumes that GlaxoSmithKline successfully defends its intellectual property surrounding Augmentin and Paxil in the USA.

GlaxoSmithKline is engaged in legal proceedings regarding validity and infringement of the Group’s patents relating to Augmentin and Paxil/Seroxat.

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We have a special commitment as one of the largest companies in the UK and we continue to support science education and medical research, healthcare charities, the environment and the arts through our corporate donations programme.
Six of our core products, Seroxat/Paxil for depression, Flixotide/Flovent for asthma, Avandia for diabetes, Seretide/Advair for asthma, Imigran/Imitrex for migraine and the antibiotic Augmentin, exceeded sales of $1 billion each.

Our new products grew at 48 per cent to £3.7 billion.

GlaxoSmithKline is the global leader in three key therapy areas, anti-infectives, respiratory and central nervous system.
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Our new products grew by 48 per cent to £3.7 billion.

Product portfolio

Seroxat/Paxil £1.86bn/$2.67bn Central Nervous System (CNS) A selective serotonin re-uptake inhibitor for the treatment of depression and anxiety disorders.

Augmentin £1.42bn/$2.05bn Anti-bacterials An antibiotic for the treatment of most common respiratory tract infections.

Flixotide/Flovent £915m/$1.32bn Respiratory An inhaled steroid for the treatment of inflammation associated with respiratory diseases.

Seretide/Advair £850m/$1.20bn Respiratory A combination of Seretide and Fluticasone that offers a long-acting bronchodilator and an anti-inflammatory in a single inhaler.

Imigran/Imitrex £776m/$1.09bn CNS A 5HT1 receptor agonist for the treatment of severe and frequent migraine and cluster headache.

Avandia £701m/$1.02bn Metabolic & Glucose Regulatory A member of a new class of medicines for the treatment of type 2 diabetes.

Wellbutrin £641m/$932m CNS An anti-depressant available in the USA in normal tablet or sustained release tablet formulations.

Seromucoid £631m/$926m Respiratory A long-acting bronchodilator for the treatment of respiratory diseases.

Combivir £600m/$872m Anti-virals A combination of Retinol and Epibar which reduces the “pail burden” faced by HIV patients with multiple anti-HIV regimens.
Corporate executive team

1 JP Garnier
Chief Executive Officer
Formerly Chief Executive Officer of SmithKline Beecham, JP joined SmithKline Beecham in 1990 as President of its pharmaceutical business in North America and was Chairman, Pharmaceuticals, from 1994 until his appointment as Chief Operating Officer in 1995. He was elected to SmithKline Beecham’s Board of Directors in 1992.

2 Rupert Bondy
Senior Vice President & General Counsel
Rupert joined SmithKline Beecham in 1995 as Senior Counsel for Corporate and in 1998 was appointed head of the Corporate Legal and Secretarial group. Before joining SmithKline Beecham, he was a lawyer in private practice. Rupert is responsible for legal matters across GlaxoSmithKline.

3 Ford Calhoun
Senior Vice President, Information Technology
Ford joined SmithKline & French in 1984 from the faculty of Mount Sinai School of Medicine. He has doctoral training in Microbial Genetics and post-doctoral training in Biomathematics and Computer Science. Notable accomplishments at SmithKline Beecham were in bioinformatics, drug development processes, collaborative computing, healthcare information products and internet products and services.

4 John Coombe
Chief Financial Officer
Joining Glaxo in 1986 as Group Financial Controller, John was appointed to the Board in 1992 as Executive Director responsible for Finance. Investor Relations was later added to his responsibilities. He was Group Finance Director for Glaxo Wellcome plc.

5 Bob Ingram
Chief Operating Officer & President, Pharmaceutical Operations
Bob was Chief Executive of Glaxo Wellcome plc and Chairman of Glaxo Wellcome Inc, the US subsidiary. He joined Glaxo Inc in 1990 from Merck and was appointed to the Board of Glaxo Wellcome in 1995. He became Chief Executive of Glaxo Wellcome in 1997.

6 James Palmer
Senior Vice President, New Product Development, Pharmaceuticals R&D
James is responsible for GlaxoSmithKline’s New Product Development including worldwide responsibility for Medical, Regulatory and Product Strategy. He held a similar position in Glaxo Wellcome and was a member of the Glaxo Wellcome Executive Committee. A physician by training, he joined Glaxo in 1985.

7 Dan Phelan
Senior Vice President, Human Resources
Dan joined SmithKline Beecham in 1981 as Manager of Labour Relations and in 1989 became Vice President and Director, Personnel – US, Pharmaceuticals. In 1994, he was appointed Senior Vice President and Director, Human Resources. He was a member of the Glaxo Wellcome Executive Committee.

8 Howard Pien
President, Pharmaceuticals International
Having worked at Abbott Laboratories and Merck, Howard joined SmithKline Beecham in 1991, held commercial positions in the USA, UK and Asia, and in 1998 he became President, Pharmaceuticals, with responsibility for the commercial operations of the worldwide pharmaceuticals and vaccines business.

9 David Stout
President, US Pharmaceuticals
David became President, Pharmaceuticals, North America, at SmithKline Beecham in 1998, having joined in 1996 as Senior Vice President and Director, Sales and Marketing – USA. Before that he was President of Schering Laboratories with responsibilities that included US pharmaceutical operations and worldwide manufacturing.

10 Tim Tyson
President, Global Manufacturing & Supply
Tim joined Glaxo in 1988 and was appointed Senior Vice President and Director, Worldwide Manufacturing & Supply, Glaxo Wellcome, in 1998. Previously he was Vice President and General Manager of Business Operations and Marketing for Glaxo Wellcome Inc. He was a member of the Glaxo Wellcome Executive Committee.

11 Chris Viehbacher
President, Pharmaceuticals Europe
As Regional Director for Europe, Chris was a member of the Glaxo Wellcome Executive Committee. In addition to his role as Chairman and Chief Executive (President Directeur General) of Glaxo Wellcome France, he became Director, Continental Europe in 1999. He joined Wellcome in 1988.

12 Tachi Yamada
Chairman, Research & Development
At SmithKline Beecham, Tachi was appointed Chairman, Research and Development, Pharmaceuticals, in 1999. Previously he was President, SmithKline Beecham Healthcare Services. He joined SmithKline Beecham as a Non-Executive member of the Board of Directors in 1994.

13 Jennie Younger
Senior Vice President, Corporate Communications & Community Partnerships
Jennie was appointed to her current post in December 2001. She joined Glaxo Wellcome in 1996 as Director of Investor Relations after three years at British Gas as Head of Investor Relations. Before that Jennie was a financial analyst with Kleinwort Benson and Barclays de Zoete Wedd.

14 Jack Ziegler
President, Consumer Healthcare
Jack was appointed President of Consumer Healthcare, SmithKline Beecham, in 1998. He joined SmithKline Beecham in 1991 as head of the North American Consumer Healthcare division, became President of the North America Division, and in 1996 was appointed Executive Vice President.
executive team

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### Summary financial statements

#### For the year to 31st December 2001

<table>
<thead>
<tr>
<th>Summary consolidated profit and loss account</th>
<th>2001</th>
<th>2000</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>17,205</td>
<td>13,901</td>
<td>9</td>
<td>2001</td>
</tr>
<tr>
<td>Consumer Healthcare</td>
<td>5,324</td>
<td>4,732</td>
<td>22</td>
<td>2000</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td>20,489</td>
<td>18,633</td>
<td>11</td>
<td>2000</td>
</tr>
<tr>
<td>Manufacturing, selling and administration</td>
<td>(11,881)</td>
<td>(10,543)</td>
<td>(11)</td>
<td>(2,325)</td>
</tr>
<tr>
<td>Research and development</td>
<td>(2,555)</td>
<td>(2,510)</td>
<td>1</td>
<td>(96)</td>
</tr>
<tr>
<td><strong>Trading profit</strong></td>
<td>6,053</td>
<td>5,089</td>
<td>16</td>
<td>(1,356)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>37</td>
<td>274</td>
<td>96</td>
<td>274</td>
</tr>
<tr>
<td>Income from associates</td>
<td>167</td>
<td>209</td>
<td>96</td>
<td>209</td>
</tr>
<tr>
<td>Business disposals and other divestments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Merger transaction costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(88)</td>
<td>(182)</td>
<td>96</td>
<td>(88)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>6,169</td>
<td>5,327</td>
<td>12</td>
<td>(1,652)</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(1,647)</td>
<td>(1,444)</td>
<td>320</td>
<td>(245)</td>
</tr>
<tr>
<td><strong>Profit after taxation</strong></td>
<td>4,522</td>
<td>3,883</td>
<td>(1,332)</td>
<td>457</td>
</tr>
<tr>
<td>Minority interests and preference share dividends</td>
<td>(131)</td>
<td>(176)</td>
<td>–</td>
<td>(131)</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>4,391</td>
<td>3,697</td>
<td>14</td>
<td>(1,332)</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>72.4p</td>
<td>61.0p</td>
<td>14</td>
<td>50.4p</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>2,356</td>
<td>2,097</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To illustrate “Business performance”, which is the primary measure used by management, merger items, integration and restructuring costs and disposal of subsidiaries have been excluded and an adjusted EPS presented. Business performance growth is at constant exchange rates.

The profit and loss account for 2001 includes turnover of £594 million and operating profit of £131 million in respect of Block Drug Inc.

### Summary consolidated balance sheet

<table>
<thead>
<tr>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>11,920</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>9,897</td>
</tr>
<tr>
<td>Creditors: amounts due within one year</td>
<td>(4,430)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>567</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>12,487</td>
</tr>
<tr>
<td>Creditors: amounts due after one year</td>
<td>(2,298)</td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>(1,810)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>8,379</td>
</tr>
<tr>
<td>Equity shareholders’ funds</td>
<td>7,517</td>
</tr>
<tr>
<td>Minority interests</td>
<td>862</td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td>8,379</td>
</tr>
</tbody>
</table>

### Summary consolidated cash flow statement

<table>
<thead>
<tr>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>6,507</td>
</tr>
<tr>
<td>Dividends from joint ventures and associated undertakings</td>
<td>–</td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td>(191)</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(1,717)</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td>(1,727)</td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>(657)</td>
</tr>
<tr>
<td>Equity dividends paid</td>
<td>(2,325)</td>
</tr>
<tr>
<td>Management of liquid resources and financing</td>
<td>(410)</td>
</tr>
<tr>
<td><strong>Decrease/increase in cash in the year</strong></td>
<td>(612)</td>
</tr>
</tbody>
</table>

For the year to 31st December 2001

<table>
<thead>
<tr>
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<th>2001</th>
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<td>13,901</td>
<td>9</td>
<td>2001</td>
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<tr>
<td>Pharmaceuticals</td>
<td>24,775</td>
<td>23,452</td>
<td>9</td>
<td>2000</td>
</tr>
<tr>
<td>Consumer Healthcare</td>
<td>4,729</td>
<td>4,028</td>
<td>22</td>
<td>2000</td>
</tr>
<tr>
<td><strong>Total sales</strong></td>
<td>29,504</td>
<td>27,480</td>
<td>11</td>
<td>2000</td>
</tr>
<tr>
<td>Manufacturing, selling and administration</td>
<td>(17,109)</td>
<td>(16,025)</td>
<td>(11)</td>
<td>(1,084)</td>
</tr>
<tr>
<td>Research and development</td>
<td>(3,679)</td>
<td>(3,815)</td>
<td>1</td>
<td>(138)</td>
</tr>
<tr>
<td><strong>Trading profit</strong></td>
<td>8,716</td>
<td>7,640</td>
<td>16</td>
<td>(1,053)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>54</td>
<td>416</td>
<td>96</td>
<td>54</td>
</tr>
<tr>
<td>Income from associates</td>
<td>240</td>
<td>318</td>
<td>96</td>
<td>240</td>
</tr>
<tr>
<td>Business disposals and other divestments</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Merger transaction costs</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(127)</td>
<td>(277)</td>
<td>96</td>
<td>(127)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>8,883</td>
<td>8,097</td>
<td>12</td>
<td>(2,379)</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(2,371)</td>
<td>(2,210)</td>
<td>461</td>
<td>(72)</td>
</tr>
<tr>
<td><strong>Profit after taxation</strong></td>
<td>6,512</td>
<td>5,887</td>
<td>(1,918)</td>
<td>695</td>
</tr>
<tr>
<td>Minority interests and preference share dividends</td>
<td>(189)</td>
<td>(268)</td>
<td>–</td>
<td>(189)</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>6,323</td>
<td>5,619</td>
<td>14</td>
<td>(1,918)</td>
</tr>
<tr>
<td><strong>Earnings per ADS</strong></td>
<td>$2.09</td>
<td>$1.85</td>
<td>14</td>
<td>–</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>3,393</td>
<td>3,187</td>
<td></td>
<td></td>
</tr>
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To illustrate “Business performance”, which is the primary measure used by management, merger items, integration and restructuring costs and disposal of subsidiaries have been excluded and an adjusted EPS presented. Business performance growth is at constant exchange rates.

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<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td>17,284</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>14,496</td>
</tr>
<tr>
<td>Creditors: amounts due within one year</td>
<td>(13,674)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>822</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>18,106</td>
</tr>
<tr>
<td>Creditors: amounts due after one year</td>
<td>(3,332)</td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>(3,024)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>12,150</td>
</tr>
<tr>
<td>Equity shareholders’ funds</td>
<td>10,900</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,250</td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td>12,150</td>
</tr>
</tbody>
</table>

### Summary consolidated cash flow statement

<table>
<thead>
<tr>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>9,370</td>
</tr>
<tr>
<td>Dividends from joint ventures and associated undertakings</td>
<td>–</td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td>(275)</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(2,472)</td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td>(2,270)</td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>(946)</td>
</tr>
<tr>
<td>Equity dividends</td>
<td>(3,348)</td>
</tr>
<tr>
<td>Management of liquid resources and financing</td>
<td>(4,330)</td>
</tr>
<tr>
<td><strong>Decrease/increase in cash in the year</strong></td>
<td>(881)</td>
</tr>
</tbody>
</table>

The financial statements above have been provided in US$ for the convenience of US shareholders. The profit and loss account and cash flow statement have been translated at average exchange rates (£1/US$1.44) and the balance sheet at year end exchange rates (£1/US$1.45).
### Summary financial statements

For the year to 31st December 2001

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td></td>
</tr>
<tr>
<td><strong>Summary consolidated profit and loss account</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>17,205</td>
<td>15,429</td>
<td>9</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Healthcare</td>
<td>3,284</td>
<td>2,650</td>
<td>22</td>
</tr>
<tr>
<td>Total sales</td>
<td>20,489</td>
<td>18,079</td>
<td>11</td>
</tr>
<tr>
<td>Manufacturing, selling and administration</td>
<td>(11,881)</td>
<td>(10,543)</td>
<td>(11)</td>
</tr>
<tr>
<td>Research and development</td>
<td>(2,555)</td>
<td>(2,510)</td>
<td>1</td>
</tr>
<tr>
<td>Trading profit</td>
<td>6,053</td>
<td>5,026</td>
<td>16</td>
</tr>
<tr>
<td>Other operating income</td>
<td>37</td>
<td>274</td>
<td>–</td>
</tr>
<tr>
<td>Income from associates</td>
<td>167</td>
<td>209</td>
<td>–</td>
</tr>
<tr>
<td>Business disposals and other investments</td>
<td>–</td>
<td>(296)</td>
<td>1,402</td>
</tr>
<tr>
<td>Merger transaction costs</td>
<td>–</td>
<td>(123)</td>
<td>–</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(88)</td>
<td>(182)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>6,169</td>
<td>5,327</td>
<td>12</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(1,647)</td>
<td>(1,454)</td>
<td></td>
</tr>
<tr>
<td><strong>Minority interests and preference share dividends</strong></td>
<td>4,522</td>
<td>3,873</td>
<td>(1,332)</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>4,391</td>
<td>3,697</td>
<td>14</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>72.4p</td>
<td>61.0p</td>
<td>14</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>2,356</td>
<td>2,097</td>
<td></td>
</tr>
</tbody>
</table>

To illustrate "Business performance", which is the primary measure used by management, merger items, integration and restructuring costs and disposal of subsidiaries have been excluded and an adjusted EPS presented. Business performance growth is at constant exchange rates.

The profit and loss account for 2001 includes turnover of £594 million and operating profit of £131 million in respect of Block Drug Inc.

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td></td>
</tr>
<tr>
<td><strong>Summary consolidated balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>11,920</td>
<td>10,322</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>9,997</td>
<td>11,268</td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts due within one year</td>
<td>(2,430)</td>
<td>(2,094)</td>
<td></td>
</tr>
<tr>
<td>Net current assets</td>
<td>567</td>
<td>2,184</td>
<td></td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td>12,487</td>
<td>12,506</td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts due after one year</td>
<td>(2,298)</td>
<td>(1,894)</td>
<td></td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>(1,810)</td>
<td>(1,657)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>8,379</td>
<td>8,955</td>
<td></td>
</tr>
<tr>
<td>Equity shareholders' funds</td>
<td>7,517</td>
<td>7,711</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>862</td>
<td>1,244</td>
<td></td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td>8,379</td>
<td>8,955</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td></td>
</tr>
<tr>
<td><strong>Summary consolidated cash flow statement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>6,507</td>
<td>5,441</td>
<td></td>
</tr>
<tr>
<td>Dividends from joint ventures and associated undertakings</td>
<td>–</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td>(191)</td>
<td>(322)</td>
<td></td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(1,717)</td>
<td>(1,240)</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td>(1,279)</td>
<td>(327)</td>
<td></td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>(657)</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>Equity dividends paid</td>
<td>(2,325)</td>
<td>(2,028)</td>
<td></td>
</tr>
<tr>
<td>Management of liquid resources and financing</td>
<td>(450)</td>
<td>(769)</td>
<td></td>
</tr>
<tr>
<td><strong>Decrease/increase in cash in the year</strong></td>
<td>(612)</td>
<td>322</td>
<td></td>
</tr>
</tbody>
</table>

### Summary financial statements in US Dollars

For the year to 31st December 2001

<table>
<thead>
<tr>
<th></th>
<th>2001 $</th>
<th>2000 $</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>$m</td>
<td></td>
</tr>
<tr>
<td><strong>Summary consolidated profit and loss account</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>24,775</td>
<td>22,452</td>
<td>9</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer Healthcare</td>
<td>4,729</td>
<td>4,028</td>
<td>22</td>
</tr>
<tr>
<td>Total sales</td>
<td>29,504</td>
<td>26,480</td>
<td>11</td>
</tr>
<tr>
<td>Manufacturing, selling and administration</td>
<td>(17,109)</td>
<td>(16,025)</td>
<td>(11)</td>
</tr>
<tr>
<td>Research and development</td>
<td>(3,679)</td>
<td>(3,815)</td>
<td>1</td>
</tr>
<tr>
<td>Trading profit</td>
<td>8,716</td>
<td>7,640</td>
<td>16</td>
</tr>
<tr>
<td>Other operating income</td>
<td>54</td>
<td>416</td>
<td>–</td>
</tr>
<tr>
<td>Income from associates</td>
<td>240</td>
<td>318</td>
<td>–</td>
</tr>
<tr>
<td>Business disposals and other investments</td>
<td>–</td>
<td>(426)</td>
<td>2,131</td>
</tr>
<tr>
<td>Merger transaction costs</td>
<td>–</td>
<td>(184)</td>
<td>–</td>
</tr>
<tr>
<td>Net interest payable</td>
<td>(127)</td>
<td>(277)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td>8,883</td>
<td>8,097</td>
<td>12</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(2,371)</td>
<td>(2,210)</td>
<td></td>
</tr>
<tr>
<td><strong>Minority interests and preference share dividends</strong></td>
<td>6,512</td>
<td>5,887</td>
<td>(1,918)</td>
</tr>
<tr>
<td><strong>Earnings</strong></td>
<td>6,323</td>
<td>5,619</td>
<td>14</td>
</tr>
<tr>
<td><strong>Earnings per ADS</strong></td>
<td>$2.09</td>
<td>$1.85</td>
<td>14</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td>3,393</td>
<td>3,187</td>
<td></td>
</tr>
</tbody>
</table>

To illustrate "Business performance", which is the primary measure used by management, merger items, integration and restructuring costs and disposal of subsidiaries have been excluded and an adjusted EPS presented. Business performance growth is at constant exchange rates.

The profit and loss account for 2001 includes turnover of $855 million and trading profit of $189 million in respect of Block Drug Inc.

<table>
<thead>
<tr>
<th></th>
<th>2001 $</th>
<th>2000 $</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>$m</td>
<td></td>
</tr>
<tr>
<td><strong>Summary consolidated balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>17,284</td>
<td>15,380</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>14,496</td>
<td>16,790</td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts due within one year</td>
<td>(3,674)</td>
<td>(3,636)</td>
<td></td>
</tr>
<tr>
<td>Net current assets</td>
<td>822</td>
<td>3,254</td>
<td></td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td>18,106</td>
<td>18,634</td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts due after one year</td>
<td>(3,332)</td>
<td>(2,822)</td>
<td></td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>(3,252)</td>
<td>(2,489)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>12,150</td>
<td>13,343</td>
<td></td>
</tr>
<tr>
<td>Equity shareholders' funds</td>
<td>10,900</td>
<td>11,489</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>1,250</td>
<td>1,854</td>
<td></td>
</tr>
<tr>
<td><strong>Capital employed</strong></td>
<td>12,150</td>
<td>13,343</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001 $</th>
<th>2000 $</th>
<th>CER %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary consolidated cashflow statement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>9,370</td>
<td>8,271</td>
<td></td>
</tr>
<tr>
<td>Dividends from joint ventures and associated undertakings</td>
<td>2</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Returns on investments and servicing of finance</td>
<td>(275)</td>
<td>(490)</td>
<td></td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(2,472)</td>
<td>(1,885)</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure and financial investment</td>
<td>(2,526)</td>
<td>(497)</td>
<td></td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td>(946)</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Equity dividends paid</td>
<td>(3,348)</td>
<td>(3,083)</td>
<td></td>
</tr>
<tr>
<td>Management of liquid resources and financing</td>
<td>(445)</td>
<td>(1,169)</td>
<td></td>
</tr>
<tr>
<td><strong>Decrease/increase in cash in the year</strong></td>
<td>(881)</td>
<td>1,249</td>
<td></td>
</tr>
</tbody>
</table>

The financial statements above have been provided in US$ for the convenience of US shareholders. The profit and loss account and cash flow statement have been translated at average exchange rates ($1/£1.44) and the balance sheet at year end exchange rates ($1/£1.45).
Summary remuneration report
For the year to 31 December 2001

<table>
<thead>
<tr>
<th>Directors of GlaxoSmithKline</th>
<th>2001 £000</th>
<th>2002 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average and total compensation 2001</td>
<td>Average and total compensation 2002</td>
</tr>
<tr>
<td>Dr J P Garner</td>
<td>991</td>
<td>3,509</td>
</tr>
<tr>
<td>Mr J D Coombe</td>
<td>475</td>
<td>1,026</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>1,466</td>
<td>4,535</td>
</tr>
<tr>
<td>Sir Richard Sykes</td>
<td>411</td>
<td>1,414</td>
</tr>
<tr>
<td>Sir Roger Hurn</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>Sir Peter Walters</td>
<td>135</td>
<td>136</td>
</tr>
<tr>
<td>Mr A A Akam</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Dr M Barzach</td>
<td>63</td>
<td>102</td>
</tr>
<tr>
<td>Mr D C Bonham</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Sir Christopher Hogg</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Sir Peter Job</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Mr J H McGrath</td>
<td>68</td>
<td>73</td>
</tr>
<tr>
<td>Mr D McKenzie</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Sir Ian Prosser</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>Dr R Schmitz</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Dr L Shapiro</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Mr J A Young</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>1,284</td>
<td>1,432</td>
</tr>
<tr>
<td>Total compensation</td>
<td>2,850</td>
<td>6,267</td>
</tr>
</tbody>
</table>

Special deferred bonuses were awarded to members of the Corporate Executive Team (CET) in recognition of their extraordinary effort in successfully integrating the two legacy companies, while at the same time delivering improved business performance. The amount awarded is equivalent to the salary on 31 December 2001 of each CET member. The bonuses payable are indexed to movements in GlaxoSmithKline’s share price and payment is deferred until 2005. As members of the CET, both Dr J P Garner and Mr J D Coombe were awarded such bonuses. The amounts awarded are included in the table above.

In addition to the bonuses shown above, Mr Coombe received £142,500 and Sir Richard Sykes £314,700. In addition, Dr J P Garnier is also a member of a money purchase scheme into which contributions of £4,722 were paid.

Annual Review

The Annual Review is a summary report and does not contain sufficient information to allow full understanding of the results and state of affairs of the Group as is provided by the full Annual Report. Shareholders requiring more detailed information may obtain, free of charge, a copy of the Annual Report for 2001 and may also elect to receive a copy of the Annual Report in future years – refer to Shareholder information.

The auditors’ report on the full financial statements of the Group for the year ended 31 December 2001 is unqualified and does not contain any statement which requires the auditor to make any adjustments to the accounts in order to be presented fairly. Full details of the accounting policies are set out in the Notes to the financial information and, if necessary, a reconciliation of accounting records or failure to obtain necessary information and explanations.

Summary financial statements

Under UK generally accepted accounting principles (GAAP), the financial statements of GlaxoSmithKline plc for the period to 31 December 2000 were prepared as a merger of Glaxo Wellcome plc and SmithKline Beecham plc. The comparative figures for the year to 31 December 2000 therefore include the results of Glaxo Wellcome plc and SmithKline Beecham plc.

A columnar presentation has been adopted in the Summary consolidated profit and loss account in order to illustrate business performance which is the primary measure used by management. For this purpose certain items are identified separately and are excluded from business performance. These comprise merger items, including merger related product divestments, costs relating to previously announced manufacturing and other restructurings, and disposal of subsidiaries. Business performance is discussed in the business operating review.

Information is provided for US shareholders in accordance with the requirements of the New York Stock Exchange. The summary financial statements under UK GAAP are presented in US$ as well as in sterling. Earnings and shareholders’ funds are restated in accordance with US GAAP.

Under US GAAP, the financial statements of GlaxoSmithKline plc for the period to 31 December 2000 were prepared as an acquisition of SmithKline Beecham plc by Glaxo Wellcome plc at 27th December 2000. Accordingly, the results of SmithKline Beecham plc for all periods prior to that date are not consolidated.

Summary remuneration report

The Directors of GlaxoSmithKline plc received remuneration in 2001 in accordance with the remuneration policies. The Summary remuneration report sets out the annual compensation and annual performance considerations in 2001, together with the gains under long-term incentive arrangements.

Cautionary statement

Under the ‘safe harbor’ provisions of the US Private Securities Litigation Reform Act of 1995, the Company cautions investors that any forward-looking statements or projections made by the company, including those made in this Annual Review, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Factors that may affect the Group’s operations are described under Risk Factors in the Operating and Financial Review in the company’s Annual Report. The company’s Annual Report on Form 20-F for 2001, filed with the US Securities and Exchange Commission.

Responsibility statements

Annual Review

The Annual Review 2001 is the summary Directors’ Report and includes the Summary financial statements of GlaxoSmithKline plc for the year ended 31 December 2001. The business operating review, the summary financial statements, the Summary remuneration report and the statement on corporate governance are summaries of information in the Annual Report.

Corporate governance

The Combined Code – Principles of Good Governance and Code of Best Practice is issued by the Listing Rules of the Financial Services Authority for the guidance of listed companies. The Board considers that throughout 2001 and up to the date of approval of this review, the company applied the principles of the Combined Code and, with the exception of matters where the company’s position is described in the Annual Report, complied with the provisions of the Combined Code, and the guidance on internal control issued by the Turnbull Committee.

Annual Review

The Annual Review, including Summary financial statements, has been approved by the Board of Directors and signed on its behalf by Sir Richard Sykes, Chairman.

Independent auditors’ statement to the members of GlaxoSmithKline plc

We have examined the summary financial statements which comprises the Summary consolidated profit and loss account, balance sheet and cash flow statement and the summarised Directors’ report including the summarised remuneration report.

Responsible responsibilities of Directors and auditors

The Directors are responsible for preparing the Annual Review in accordance with applicable law. Our responsibility is to report to you our opinion on the consistency of the Summary financial statements within the Annual Review with the Annual financial statements and Directors’ report and their compliance with the relevant requirements of section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, “The auditors’ statement to the summary financial statements”, issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the Summary financial statements are consistent with the Annual financial statements and the Directors’ report of GlaxoSmithKline plc for the year ended 31 December 2001 and comply with the applicable requirements of Section 251 of the Companies Act 1985, and the regulations made thereunder.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Summary information under US GAAP
For the year to 31st December 2001

2001
£m
2000
£m

Reduction in earnings before income under US GAAP (3,202) (9,382)
Increase in shareholders’ funds/equity under US GAAP 32,590 37,284
Net loss (143) (5,228)
Net loss per Ordinary Share (2.4p) (145.6p)
Shareholders’ equity 40,107 44,995

Summary remuneration report
For the year to 31st December 2001

Directors of GlaxoSmithKline

<table>
<thead>
<tr>
<th>Directors of GlaxoSmithKline</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>fixes and salary</td>
<td>Other allowances and benefits</td>
</tr>
<tr>
<td>Dr J P Garner</td>
<td>991</td>
<td>101</td>
</tr>
<tr>
<td>Mr J D Coombe</td>
<td>475</td>
<td>3</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>1,466</td>
<td>104</td>
</tr>
<tr>
<td>Sir Richard Sykes</td>
<td>411</td>
<td>3</td>
</tr>
<tr>
<td>Sir Roger Hurn</td>
<td>135</td>
<td>–</td>
</tr>
<tr>
<td>Sir Peter Walters</td>
<td>135</td>
<td>1</td>
</tr>
<tr>
<td>Mr A A Akers</td>
<td>68</td>
<td>–</td>
</tr>
<tr>
<td>Dr M Barzach</td>
<td>63</td>
<td>39</td>
</tr>
<tr>
<td>Dr M D Bonham</td>
<td>29</td>
<td>–</td>
</tr>
<tr>
<td>Mr J H English</td>
<td>94</td>
<td>–</td>
</tr>
<tr>
<td>Sir Christopher Hogg</td>
<td>63</td>
<td>–</td>
</tr>
<tr>
<td>Sir Peter Job</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Mr J H McGuinness</td>
<td>68</td>
<td>5</td>
</tr>
<tr>
<td>Dr F McNally</td>
<td>68</td>
<td>–</td>
</tr>
<tr>
<td>Dr J Posser</td>
<td>63</td>
<td>–</td>
</tr>
<tr>
<td>Dr R Schmitz</td>
<td>70</td>
<td>–</td>
</tr>
<tr>
<td>Dr L Shapiro</td>
<td>68</td>
<td>–</td>
</tr>
<tr>
<td>Mr J A Young</td>
<td>80</td>
<td>–</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>1,884</td>
<td>48</td>
</tr>
<tr>
<td>Total compensation</td>
<td>2,850</td>
<td>152</td>
</tr>
</tbody>
</table>

Special deferred bonus were awarded to members of the Corporate Executive Team (CET) in recognition of their extraordinary effort in successfully integrating the two legacy companies, while at the same time delivering improved business performance. The amount awarded is equivalent to the salary of 31st December 2001 of each CET member. The bonuses payable are indexed to movements in GlaxoSmithKline’s share price and payment is deferred until 2005. As members of the CET, both Dr J P Garner and Mr J D Coombe were awarded such bonuses. The amounts awarded are included in the table above.

In addition to the bonuses shown above Mr Coombe received £142,500 and Sir Richard Sykes £314,700, awarded in respect of the second half of 2000 but not paid until 2001.

In addition to annual compensation, GlaxoSmithKline operates share-based schemes to provide incentives to Executive Directors to achieve longer-term growth in shareholder value. Gains under such schemes are recognised on exercisable or award, but reflect value earned over a period of years. The timing of exercise is normally at the discretion of the Director. Realised gains in 2001 on exercise of options were share option schemes £2,408,992 (2000 - £936,315); annual incentive plan £1,197,566 (2000 - £1,307,203) (2000 – £1,652,953); stock appreciation rights £1,815,717.

During the year the following pension benefits accrued under the defined benefit schemes operated by the Group: Dr J P Garner £78,472; Mr J D Coombe £8,170; Sir Richard Sykes £21,812. In addition, Dr J P Garner is also a member of a money purchase scheme into which contributions of £4,722 were paid.

Mr Bonham resigned as a Non-Executive Director of GlaxoSmithKline on 21st May 2001.

The following statutory disclosures is in respect of Directors’ remuneration attributable to Directors of GlaxoSmithKline plc in 2000: ‘The proportion of the aggregate remuneration of Directors of GlaxoSmithKline earned from Glaxo Wellcome plc or SmithKline Beecham plc attributable to the period from completion of the merger on 27th December 2000 to 31st December 2000 was £851,000.

Responsibility statements

Annual Review

The Annual Review is a summary report and does not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group as is provided by the full Annual Report. Shareholders requiring more detailed information may obtain, free of charge, a copy of the Annual Report for 2001 and may also elect to receive a copy of the Annual Report in future years – refer to Shareholder information.

The auditors’ report on the full financial statements of the Group for the year ended 31st December 2001 is unqualified and does not contain any statement concerning inadequate accounting records or failure to obtain necessary information and explanations.

Summary financial statements

Under UK generally accepted accounting principles (GAAP), the financial statements of GlaxoSmithKline plc for the period to 31st December 2000 were prepared as a merger of Glaxo Wellcome plc and SmithKline Beecham plc. The comparative figures for the year to 31st December 2000 therefore include the results of Glaxo Wellcome plc and SmithKline Beecham plc.

A columnar presentation has been adopted in the Summary consolidated profit and loss account in order to illustrate business performance which is the primary measure used by management. For this purpose certain items are identified separately and are excluded from business performance. These comprise profit items, including merger related product divestments, costs relating to previously announced manufacturing and other restructurings, and disposal of subsidiaries. Business performance is discussed in the business operating review.

Information is provided for US shareholders in accordance with the requirements of the New York Stock Exchange. The summary financial statements under UK GAAP are presented in US$ as well as in sterling. Earnings and shareholders’ funds are restated in accordance with US GAAP.

Under GAAP, the financial statements of GlaxoSmithKline plc for the period to 31st December 2000 were prepared as an acquisition of SmithKline Beecham plc by Glaxo Wellcome plc at 27th December 2000. Accordingly, the results of SmithKline Beecham for all periods prior to that date are not consolidated.

Summary remuneration report

The Directors of GlaxoSmithKline plc received remuneration in 2001 in accordance with the remuneration policies. The Summary remuneration report sets out the annual compensation and annual performance-related contributions in 2001, together with the gains under long-term incentive arrangements.

Cautionary statement

Under the ‘safe harbor’ provisions of the US Private Securities Litigation Reform Act of 1995, the Company cautions investors that any forward-looking statements or projections made by the company, including those made in this Annual Review, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Factors that may affect the Group’s operations are described under Risk Factors in the Operating and Financial Review in the company’s Annual Report on Form 20-F for 2001, filed with the US Securities and Exchange Commission.

Statement by the Directors

The Annual Review 2001 is the summary Directors’ Report and includes the Summary financial statements of GlaxoSmithKline plc for the year ended 31st December 2001. The Business operating review, the Summary financial statements, the Summary remuneration report and the statement on corporate governance are summaries of information in the Annual Report.

Corporate governance

The Combined Code – Principles of Good Governance and Code of Best Practice is issued by the Listing Rules of the Financial Services Authority for the guidance of listed companies. The Board considers that throughout 2001 and up to the date of approval of this review, the company applied the principles of the Combined Code and, with the exception of matters where the company’s position is described in the Annual Report, complied with the provisions of the Combined Code, and the guidance on internal control issued by the Turnbull Committee.

Annual Review

The Annual Review, including Summary financial statements, has been approved by the Board of Directors and signed on its behalf by Sir Richard Sykes,
Chairman
12th March 2002

Independent auditors’ statement to the members of GlaxoSmithKline plc

We have examined the Summary financial statements which comprises the Summary consolidated profit and loss account, balance sheet and cash flow statement and the summarised Directors’ report including the summarised remuneration report.

Responsible authorities of Directors and auditors

The Directors are responsible for preparing the Annual Review in accordance with applicable law. Our responsibility is to report to our opinion on the consistency of the Summary financial statements within the Annual Review with the Annual financial statements and Directors’ report and their compliance with the relevant requirements of section 251 of the United Kingdom Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6, “The auditors’ statement to the Summary financial statement” issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the Summary financial statements are consistent with the Annual financial statements and the Directors’ report of GlaxoSmithKline plc for the year ended 31st December 2001 and comply with the applicable requirements of Section 251 of the Companies Act 1985, and the regulations made thereunder.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
The Board and Executive

The Board meets regularly throughout the year. It has a formal session at the Annual General Meeting in May 2002. The Board comprises Executive and Non-Executive Directors. The role of Non-Executive Directors is to bring independent judgement to Board deliberations and decisions.

Sir Richard Sykes is Non-Executive Chairman and Dr Jean-Pierre Garnier is Chief Executive Officer.

Sir Roger Hurn and Sir Peter Walters are Non-Executive Deputy Chairmen.

Sir Richard Sykes was employed by GlaxoSmithKline Services plc (formerly Glaxo Wellcome plc) as Executive Chairman until completion of the merger. All of the other Non-Executive Directors are considered by the Board to be independent. Given that two Non-Executive Deputy Chairmen have been appointed, each independent, the company does not consider it necessary to appoint either one as senior independent director.

Sir Richard Sykes is a Non-Executive Director of SmithKline Beecham plc since 1989 and a Non-Executive Director of Cazenove Group plc. He is also a Non-Executive Director of Rio Tinto plc.

Sir Richard Sykes was employed by GlaxoSmithKline Services plc (formerly Glaxo Wellcome plc) as Executive Chairman until completion of the merger. All of the other Non-Executive Directors are considered by the Board to be independent. Given that two Non-Executive Deputy Chairmen have been appointed, each independent, the company does not consider it necessary to appoint either one as senior independent director.

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Dr Jean-Pierre Garnier (Aged 54) Chief Executive Officer. Dr Garnier was appointed an Executive Director of SmithKline Beecham plc in 1992. He served as Chairman, Pharmaceuticals from 1994 until his appointment as Chief Operating Officer in 1995 and became Chief Executive Officer in April 2000. He is a Non-Executive Director of United Technologies Corporation and a member of the Board of Trustees of the Eisenhower Exchange Fellowships. He holds a PhD in pharmacology from the University of Pennsylvania and an MBA from Stanford University, in the USA.

Sir Richard Sykes (Aged 59) Non-Executive Chairman. Sir Richard was Chairman of Glaxo Wellcome plc from 1997 until the completion of the merger to form GlaxoSmithKline plc. He is a Non-Executive Director of Imperial College, Science, Technology & Medicine. He has a Doctorate in Microbial Biology from Bristol University and a Doctor of Science degree from the University of London. A Fellow of the Royal Society, he sits on a number of government and scientific committees. He received his knighthood for services to the pharmaceutical industry. He is also a Non-Executive Director of Rio Tinto plc.

Sir Roger Hurn (Aged 63) Non-Executive Deputy Chairman. Sir Roger was appointed a Non-Executive Director of Glaxo Wellcome plc in 1996 and Deputy Chairman in 1997. He is Non-Executive Chairman of Prudential plc and a Non-Executive Director of Coats Group plc. He is also Chairman of the Board of Governors of Henley Management Centre.

Sir Peter Walters (Aged 71) Non-Executive Deputy Chairman. Sir Peter had been a Non-Executive Director of SmithKline Beecham plc since 1989 and Chairman from 1994 until completion of the merger. He is also Chairman of the Institute of Economic Affairs.

Dr Jean-Pierre Garnier (Aged 54) Chief Executive Officer. Dr Garnier was appointed an Executive Director of SmithKline Beecham plc in 1992. He served as Chairman, Pharmaceuticals from 1994 until his appointment as Chief Operating Officer in 1995 and became Chief Executive Officer in April 2000. He is a Non-Executive Director of United Technologies Corporation and a member of the Board of Trustees of the Eisenhower Exchange Fellowships. He holds a PhD in pharmacology from the University of Pennsylvania and an MBA from Stanford University, in the USA.

John Coombe (Aged 56) Non-Executive Chairman. John Coombe was formerly an Executive Director of Glaxo Wellcome plc where he was responsible for Finance and Investor Relations. He is a member of the UK Accounting Standards Board and the Code Committee of the UK Takeover Panel.

Paul Allaire (Aged 63) Non-Executive Director. Mr Allaire was formerly an Executive Director of SmithKline Beecham plc. He is a Non-Executive Director of Lumentum Technologies Inc., Sara Lee Corporation and priceline.com Inc. He is Chairman of The Ford Foundation and was Chairman of Xerox Corporation. Mr Allaire will succeed Mr Young as Chairman of the Remuneration & Nominations Committee.

Sir Richard Sykes (Aged 59) Non-Executive Chairman. Sir Richard was Chairman of Glaxo Wellcome plc from 1997 until the completion of the merger to form GlaxoSmithKline plc. He is a Non-Executive Director of Imperial College, Science, Technology & Medicine. He has a Doctorate in Microbial Biology from Bristol University and a Doctor of Science degree from the University of London. A Fellow of the Royal Society, he sits on a number of government and scientific committees. He received his knighthood for services to the pharmaceutical industry. He is also a Non-Executive Director of Rio Tinto plc.

Sir Roger Hurn (Aged 63) Non-Executive Deputy Chairman. Sir Roger was appointed a Non-Executive Director of Glaxo Wellcome plc in 1996 and Deputy Chairman in 1997. He is Non-Executive Chairman of Prudential plc and a Non-Executive Director of Coats Group plc. He is also Chairman of the Board of Governors of Henley Management Centre.

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Dr Jean-Pierre Garnier (Aged 54) Chief Executive Officer. Dr Garnier was appointed an Executive Director of SmithKline Beecham plc in 1992. He served as Chairman, Pharmaceuticals from 1994 until his appointment as Chief Operating Officer in 1995 and became Chief Executive Officer in April 2000. He is a Non-Executive Director of United Technologies Corporation and a member of the Board of Trustees of the Eisenhower Exchange Fellowships. He holds a PhD in pharmacology from the University of Pennsylvania and an MBA from Stanford University, in the USA.

Dr Ronaldo Schmitz (Aged 50) Non-Executive Director. Dr Schmitz was formerly a Non-Executive Director of GlaxoWellcome plc. He is a Non-Executive Director of SmithKline Beecham plc. He is a Non-Executive Director of Air Liquide S.A. and the AEG Corporation.

John Coombe (Aged 56) Non-Executive Chairman. John Coombe was formerly an Executive Director of Glaxo Wellcome plc where he was responsible for Finance and Investor Relations. He is a member of the UK Accounting Standards Board and the Code Committee of the UK Takeover Panel.

Paul Allaire (Aged 63) Non-Executive Director. Mr Allaire was formerly an Executive Director of SmithKline Beecham plc. He is a Non-Executive Director of Lumentum Technologies Inc., Sara Lee Corporation and priceline.com Inc. He is Chairman of The Ford Foundation and was Chairman of Xerox Corporation. Mr Allaire will succeed Mr Young as Chairman of the Remuneration & Nominations Committee.

Dr Michelle Barzach (Aged 58) Non-Executive Director. Dr Barzach was formerly a Non-Executive Director of Glaxo Wellcome plc. She is Chairman of the External Advisory Panel for Health, Nutrition and Population for the World Bank and Director of the Board of International AIDS Vaccine Initiative. Under her leadership, this strategy was formerly French Minister of Health and the Family.

Sir Christopher Hogg (Aged 65) Non-Executive Director. Sir Christopher was formerly a Non-Executive Director of SmithKline Beecham plc. He is Non-Executive Chairman of Reuters Group PLC and, until 31st March 2002, Allied Domecq PLC and a Non-Executive Director of Air Liquide S.A. and Chairman of The Royal National Theatre Board.

Sir Peter Job (Aged 60) Non-Executive Director. Sir Peter was formerly a Non-Executive Director of GlaxoWellcome plc. He is the former Chief Executive of Reuters Group PLC and is a Non-Executive Director of Schroders plc, Shell Transport and Trading Company plc, TBCO Software Inc and Instinet Group LLC.

John McArthur (Aged 67) Non-Executive Director. Mr McArthur was formerly a Non-Executive Director of Glaxo Wellcome plc. He is a former Dean of the Harvard Business School, and is a Non-Executive Director of BCE Inc., Cabot Corporation, Rohm and Haas Company, Springs Industries Inc. and The AES Corporation.

Donald McHenry (Aged 65) Non-Executive Director. Mr McHenry was formerly a Non-Executive Director of SmithKline Beecham plc. He is a Distinguished Professor in the Practice of Diplomacy at the School of Foreign Service at Georgetown University and President of the IIC Group, LLC. He is a Non-Executive directorships include Coca-Cola Company, FleetBoston Financial Corporation and AT&T Corporation. He previously served as Ambassador and US Permanent Representative to the United Nations.

Sir Ian Prosser (Aged 58) Non-Executive Director. Sir Ian was formerly a Non-Executive Director of SmithKline Beecham plc. He is Chairman of Six Continents PLC and Non-Executive Deputy Chairman of BP plc. He is also Chairman of the Executive Committee of the World Travel & Tourism Council and a member of the CBI President’s Committee.

Dr Ronaldo Schmitz (Aged 50) Non-Executive Director. Dr Schmitz was formerly a Non-Executive Director of GlaxoWellcome plc. He is a Non-Executive Director of SmithKline Beecham plc. He is a Non-Executive Director of Air Liquide S.A. and the AEG Corporation.

Dr Lucy Shapiro (Aged 61) Non-Executive Director. Dr Shapiro was formerly a Non-Executive Director of SmithKline Beecham plc. She is Professor in the Department of Developmental Biology and Director of the Beckman Centre at the University of London School of Medicine. She holds a PhD in molecular biology from Albert Einstein College of Medicine.

John Young (Aged 69) Non-Executive Director and Chairman of the Remuneration & Nominations Committee. Mr Young was formerly Non-Executive Vice Chairman of SmithKline Beecham plc. His other Non-Executive appointments include: CHEVRONTEXACO Corp., Lucent Technologies Inc., AFFMETIX INC., Perlegen Sciences Inc., Ciphergen Biosystems, Fluidigm, Grassroots Enterprise and Agere Systems.

Sir Richard Sykes, Sir Peter Walters and Mr Young will be retiring from the Board at the Annual General Meeting in May 2002.

Membership of Board committees is indicated by the following symbols:

- Audit
- Finance
- Remuneration & Nominations
- Corporate Social Responsibility

Sir Richard Sykes, Sir Peter Walters and Mr Young will be retiring from the Board at the Annual General Meeting in May 2002.

Sir Richard Sykes, Sir Peter Walters and Mr Young will be retiring from the Board at the Annual General Meeting in May 2002.

Membership of Board committees is indicated by the following symbols:

- Audit
- Finance
- Remuneration & Nominations
- Corporate Social Responsibility
The Board of GlaxoSmithKline plc is responsible for the Group's system of corporate governance and is ultimately accountable for the Group's activities, strategy and financial performance.

The Board comprises Executive and Non-Executive Directors. The role of Non-Executive Directors is to bring independent judgement to Board deliberations and decisions.

Sir Richard Sykes is Non-Executive Chairman and Dr Jean-Pierre Garnier is Chief Executive Officer.

Sir Roger Hurn and Sir Peter Walters are Non-Executive Deputy Chairmen.

Sir Richard Sykes was employed by GlaxoSmithKline Services plc (formerly Glaxo Wellcome plc) as Executive Chairman until completion of the merger. All of the other Non-Executive Directors are considered by the Board to be independent. Given that two Non-Executive Deputy Chairmen have been appointed, each independent, the company does not consider it necessary to appoint either one as senior independent director.

The Board meets regularly throughout the year. It has a formal review of external issues that have the potential for serious impact upon the Group’s business and reputation. It meets twice a year and otherwise as necessary.

Sir Richard Sykes (Aged 59)
Non-Executive Chairman. Sir Richard was Chairman of Glaxo Wellcome plc from 1997 until the completion of the merger to form GlaxoSmithKline plc. He is a Non-Executive Director of GlaxoSmithKline plc. He is the former Chief Executive of Glaxo Wellcome plc. He is a former Dean of the Harvard Business School, and is a Non-Executive Director of BCE Inc., Cabot Corporation, Rohm and Haas Company, Springs Industries Inc. and The AES Corporation.

Sir Roger Hurn (Aged 63)
Non-Executive Deputy Chairman. Sir Roger was appointed a Non-Executive Director of Glaxo Wellcome plc in 1996 and Deputy Chairman in 1997. He is Non-Executive Chairman of Prudential plc and a Non-Executive Director of Centiro Group plc. He is also Chairman of the Court of Governors of Henley Management Centre.

Sir Peter Walters (Aged 71)
Non-Executive Deputy Chairman. Sir Peter had been a Non-Executive Director of SmithKline Beecham plc since 1989 and Chairman from 1994 until completion of the merger. He is also Chairman of the Institute of Economic Affairs.

Dr Jean-Pierre Garnier (Aged 54)
Chief Executive Officer. Dr Garnier was appointed an Executive Director of SmithKline Beecham plc in 1992. He served as Chairman, Pharmaceuticals from 1994 until his appointment as Chief Operating Officer in 1995 and became Chief Executive Officer in April 2000. He is a Board Executive Director of United Technologies Corporation and a member of the Board of Trustees of the Eisenhower Exchange Fellowships. He holds a PhD in pharmacology from the University of Louis Pasteur in France and an MBA from Stanford University, in the USA.

John Coome (Aged 56)
Chairman, Legal & Regulatory. Mr Coome was formerly an Executive Director of Glaxo Wellcome plc where he was responsible for Finance and Investor Relations. He is a member of the UK Accounting Standards Board and the Code Committee of the UK Takeover Panel.

Paul Allaire (Aged 63)
Non-Executive Director. Mr Allaire was formerly a Non-Executive Director of SmithKline Beecham plc. He is a Non-Executive Director of Lucent Technologies Inc., Sara Lee Corporation and priceline.com Inc. He is Chairman of The Ford Foundation and was Chairman of Xerox Corporation. Mr Allaire will succeed Mr Young as Chairman of the Remuneration & Nominations Committee.

Dr Michele Barzach (Aged 58)
Non-Executive Director. Dr Barzach was formerly a Non-Executive Director of Glaxo Wellcome plc. She is Chairman of the External Advisory Panel for Health, Nutrition and Population for the World Bank and Director of the Board of International AIDS Vaccine Initiative. She served on a health strategy, she was formerly French Minister of Health and the Family.

Sir Christopher Hogg (Aged 65)
Non-Executive Director. Sir Christopher was formerly a Non-Executive Director of SmithKline Beecham plc. He is Non-Executive Chairman of Reuters Group PLC and, until 31st March 2002, Allied Domecq PLC and a Non-Executive Director of Air Liquide S.A. and Chairman of The Royal National Theatre Board.

Dr Ronaldo Schmitz (Aged 57)
Non-Executive Director. Dr Schmitz was a Non-Executive Director of GlaxoSmithKline plc. He is the former Chief Executive of Bayer HealthCare, Germany. He is currently Founder and Director of the Brazil Institute, which works to promote greater understanding of Brazil among the American public.

Donald McHenry (Aged 65)
Non-Executive Director. Mr McHenry was formerly an Executive Director of SmithKline Beecham plc. He is a Distinguished Professor in the Practice of Diplomacy at the School of Foreign Service at Georgetown University and President of the IRC Group, LLC. His other Non-Executive directorships include Coca-Cola Company, FleetBoston Financial Corporation and AT&T Corporation. He previously served as Ambassador and US Permanent Representative to the United Nations.

Sir Ian Prosser (Aged 58)
Non-Executive Director. Sir Ian was formerly a Non-Executive Director of SmithKline Beecham plc. He is Chairman of Six Continents PLC and Non-Executive Deputy Chairman of BP plc. He is also Chairman of the Executive Committee of the World Travel & Tourism Council and a member of the CBI President's Committee.

Dr Ronald Schmitz (Aged 63)
Non-Executive Director and Chairman of the Audit Committee. Dr Schmitz was formerly a Non-Executive Director of Glaxo Wellcome plc. He is a Non-Executive Director of Legal & General Group plc and a member of the Board of Directors of Rohm and Haas Company and Cabot Corporation. He was formerly a member of the Board of Executive Directors of Deutsche Bank AG.

Dr Lucy Shapiro (Aged 61)
Non-Executive Director. Dr Shapiro was formerly a Non-Executive Director of SmithKline Beecham plc. She is Professor in the Department of Developmental Biology and Director of the Beckman Centre at the University of London School of Medicine. She holds a PhD in molecular biology from Albert Einstein College of Medicine.

John Young (Aged 69)
Non-Executive Director and Chairman of the Remuneration & Nominations Committee. Mr Young was formerly Non-Executive Vice Chairman of SmithKline Beecham plc. His other Non-Executive appointments include directorships of ChevronTexaco Corp., Lucent Technologies Inc., Affymetrix Inc., Perlegen Sciences Inc., Ciphergen Biosystems, Fluidigm, Grassroots Enterprise and Agere Systems.

Sir Richard Sykes, Sir Peter Walters and Mr Young will be retiring from the Board at the Annual General Meeting in May 2002.

Summary remuneration report on page 22.
Shareholder return

Dividends – GlaxoSmithKline

GlaxoSmithKline pays dividends quarterly. At present it is expected that there will be a level dividend for each of the first three quarters, with a higher dividend in the fourth quarter. Each quarter’s dividend is announced at the time of the quarterly Results Announcement.

GlaxoSmithKline’s dividend payout policy was set out in the documents for the Glaxo Wellcome/SmithKline Beecham merger issued to shareholders during 2000. Assuming earnings continue to grow, GlaxoSmithKline will at least maintain an annual dividend of 38 pence per share, in line with Glaxo Wellcome’s 2000 dividend of 38 pence per Glaxo Wellcome share, whilst building towards higher dividend cover (the ratio between distributable profits and dividends).

The Board has declared dividends for 2001 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>GSK(£)</th>
<th>GW(£)</th>
<th>SB(£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1.11</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2000</td>
<td>–</td>
<td>1.10</td>
<td>0.87</td>
</tr>
<tr>
<td>1999</td>
<td>–</td>
<td>1.14</td>
<td>0.86</td>
</tr>
<tr>
<td>1998</td>
<td>–</td>
<td>1.19</td>
<td>0.81</td>
</tr>
<tr>
<td>1997</td>
<td>–</td>
<td>1.17</td>
<td>0.78</td>
</tr>
</tbody>
</table>

The dividends paid in 2000 represent dividends paid to Glaxo Wellcome and SmithKline Beecham shareholders expressed as dividends per GlaxoSmithKline Share.

Dividends 2000

In respect of the financial year ended on 31st December 2000:

Glaxo Wellcome paid an interim dividend of 15p per ordinary share and a second interim dividend of 23p per ordinary share. The total dividend per Glaxo Wellcome share for the year was 38p. The total dividend paid per GlaxoSmithKline ordinary share was 38p.

SmithKline Beecham paid a first, second and third interim dividend of 3p per ordinary share and a fourth interim dividend of 4.5p per ordinary share. The total dividend per share for the year was 13.5p. The total equivalent dividend per GlaxoSmithKline ordinary share was 29.66p.

Dividends – GlaxoSmithKline continued

Dividends (ADs)

As a guide to holders of ADRs, the tables below set out the dividends paid per ADS in US dollars in the last five years. The dividends are adjusted for UK tax credit less withholding tax, where applicable, and are translated into US dollars at applicable exchange rates.

Since 6th April 1999, claims for refunds of tax credits or dividends from the UK tax authorities are of negligible benefit to US shareholders.

The table sets out the middle market quotations for shares on the London Stock Exchange, as derived from its Daily Official List.

Dividend Calendar

First quarter 2002

Results Announcement 24th April 2002
Ex-dividend date 1st May 2002
Record date 3rd May 2002
Payable 4th July 2002

Second quarter 2002

Results Announcement 24th July 2002
Ex-dividend date 31st July 2002
Record date 2nd August 2002
Payable 3rd October 2002

Third quarter 2002

Results Announcement 23rd October 2002
Ex-dividend date 30th October 2002
Record date 1st November 2002
Payable 3rd January 2003

Dividends paid to Glaxo Wellcome and SmithKline Beecham ADR holders are expressed as dividends per GlaxoSmithKline ADS.

Dividends (ADSs)

<table>
<thead>
<tr>
<th>Year</th>
<th>GSK($)</th>
<th>GW($)</th>
<th>SB($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1.11</td>
<td>1.10</td>
<td>0.87</td>
</tr>
<tr>
<td>2000</td>
<td>–</td>
<td>1.14</td>
<td>0.86</td>
</tr>
<tr>
<td>1999</td>
<td>–</td>
<td>1.19</td>
<td>0.81</td>
</tr>
<tr>
<td>1998</td>
<td>–</td>
<td>1.17</td>
<td>0.78</td>
</tr>
<tr>
<td>1997</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Share price

<table>
<thead>
<tr>
<th>Year</th>
<th>GSK(£)</th>
<th>GW(£)</th>
<th>SB(£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>18.90</td>
<td>–</td>
<td>7.90</td>
</tr>
<tr>
<td>2000</td>
<td>20.32</td>
<td>–</td>
<td>9.55</td>
</tr>
</tbody>
</table>

Dividends expressed per GlaxoSmithKline ADS.

Share price for the GlaxoSmithKline at 31st December 2001 was £106 billion. At that date GlaxoSmithKline was the third largest company by market capitalisation on the FTSE index.

SmithKline Beecham plc Floating Rate Unsecured Loan Stock 1990/2010

The loan stock is not listed on any exchange but holders may require SmithKline Beecham plc to redeem their loan stock at par, i.e. £1 for every £1 of loan stock held, on the first business day of March, June, September and December. Holders wishing to redeem all or part of their loan stock should complete the notice on the back of their loan stock certificate and return it to the registrar, to arrive at least 30 days before the relevant redemption date.

The Board of Glaxo Wellcome and SmithKline Beecham announced on 17th January 2000 that they had agreed the terms of a proposed merger of equals of the two companies, subject to shareholder approval and regulatory clearance. Based on the relative stock market valuations of Glaxo Wellcome and SmithKline Beecham in the months preceding the announcement of the merger, shareholders of Glaxo Wellcome would hold approximately 58.75 per cent and shareholders of SmithKline Beecham approximately 41.25 per cent of the combined Group.

Following shareholder approvals, and clearance from regulatory authorities, the merger became effective on 27th December 2000.

The merger was implemented by way of a scheme of arrangement. A new holding company, GlaxoSmithKline plc, acquired Glaxo Wellcome and SmithKline Beecham. In accordance with the agreed merger terms, shareholders of Glaxo Wellcome and SmithKline Beecham Beecham received, in exchange for their existing shares, shares in GlaxoSmithKline as follows:

- for each Glaxo Wellcome ordinary share – 1 GlaxoSmithKline ordinary share for each SmithKline Beecham ordinary share – 0.4552 GlaxoSmithKline ordinary shares.

In the case of shares held as American Depositary Shares (ADs), evidenced by American Depositary Receipts (ADRs), each Glaxo Wellcome ADS represented two Glaxo Wellcome ordinary shares and each SmithKline Beecham ADS represented five SmithKline Beecham ordinary shares. Accordingly holders of Glaxo Wellcome ADs and holders of SmithKline Beecham ADs received:

- for each Glaxo Wellcome ADS – 1 GlaxoSmithKline ADS
- for each SmithKline Beecham ADS – 1.138 GlaxoSmithKline ADS

As a guide to holders of ADRs, the tables below set out the dividends paid per ADS in US dollars in the last five years. The dividends are adjusted for UK tax credit less withholding tax, where applicable, and are translated into US dollars at applicable exchange rates.

Since 6th April 1999, claims for refunds of tax credits or dividends from the UK tax authorities are of negligible benefit to US shareholders.

The table sets out the middle market quotations for shares on the London Stock Exchange, as derived from its Daily Official List.

The company’s share price declined by nine per cent in 2001 from a price of £18.90 at 1st January 2001 to £17.23 at 31st December 2001. This decline compares to a decrease in the FTSE 100 index of 16 per cent during the year. The relative outperformance of GlaxoSmithKline in 2001 was due to investor preference for the defensive growth characteristics of the pharmaceutical sector during an uncertain economic period, together with GlaxoSmithKline’s strong business performance during the year.

Market capitalisation

The market capitalisation of GlaxoSmithKline at 31st December 2001 was £106 billion. At that date GlaxoSmithKline was the third largest company by market capitalisation on the FTSE index.

The loan stock is not listed on any exchange but holders may require SmithKline Beecham plc to redeem their loan stock at par, i.e. £1 for every £1 of loan stock held, on the first business day of March, June, September and December. Holders wishing to redeem all or part of their loan stock should complete the notice on the back of their loan stock certificate and return it to the registrar, to arrive at least 30 days before the relevant redemption date.
Shareholder return

Merger of Glaxo Wellcome and SmithKline Beecham

The Boards of Glaxo Wellcome and SmithKline Beecham announced on 17th January 2000 that they had agreed the terms of a proposed merger of equals of the two companies, subject to shareholder approval and regulatory clearance. Based on the relative stock market valuations of Glaxo Wellcome and SmithKline Beecham in the months preceding the announcement of the merger, shareholders of Glaxo Wellcome would hold approximately 58.75 per cent and shareholders of SmithKline Beecham approximately 41.25 per cent of the combined Group.

Following shareholder approvals, and clearance from regulatory authorities, the merger became effective on 27th December 2000.

The merger was implemented by way of a scheme of arrangement. A new holding company, GlaxoSmithKline plc, acquired Glaxo Wellcome and SmithKline Beecham. In accordance with the agreed merger terms, shareholders of Glaxo Wellcome and SmithKline Beecham received, in exchange for their existing shares, shares in GlaxoSmithKline as follows:

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- for each SmithKline Beecham ordinary share – 0.4552 GlaxoSmithKline ordinary shares.

In the case of shares held as American Depositary Shares (ADRs), evidenced by American Depositary Receipts (ADRs), each Glaxo Wellcome ADR represented two Glaxo Wellcome ordinary shares and each SmithKline Beecham ADR represented five SmithKline Beecham ordinary shares. Each GlaxoSmithKline ADR represents two GlaxoSmithKline ordinary shares. Accordingly holders of Glaxo Wellcome ADRs and holders of SmithKline Beecham ADRs received:

- for each Glaxo Wellcome ADS – 1 GlaxoSmithKline ADS
- for each SmithKline Beecham ADS – 1.138 GlaxoSmithKline ADSs


Taxation

As a general guide to shareholders, GlaxoSmithKline has received advice that the merger should not have any direct effect on the tax position of UK resident shareholders or US resident shareholders. Further information is contained in the Scheme Document issued to shareholders on 5th July 2000. Shareholders who are in any doubt about their taxation position should consult their own professional advisers.

Dividends – GlaxoSmithKline

GlaxoSmithKline pays dividends quarterly. At present it is expected that there will be a level dividend for each of the first three quarters, with a higher dividend in the fourth quarter. Each quarter’s dividend is announced at the time of the quarterly Results Announcement.

GlaxoSmithKline’s dividend payout policy was set out in the documents for the Glaxo Wellcome/SmithKline Beecham merger issued to shareholders during 2000. Assuming earnings continue to grow, GlaxoSmithKline will at least maintain an annual dividend of 38 pence per share, in line with Glaxo Wellcome’s 2000 dividend of 38 pence per Glaxo Wellcome share, whilst building towards higher dividend cover (the ratio between distributable profits and dividends).

The Board has declared dividends for 2001 as follows:

<table>
<thead>
<tr>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>pence</td>
<td>pence</td>
</tr>
<tr>
<td>First interim</td>
<td>9</td>
</tr>
<tr>
<td>Second interim</td>
<td>9</td>
</tr>
<tr>
<td>Third interim</td>
<td>12</td>
</tr>
<tr>
<td>Fourth interim</td>
<td>39</td>
</tr>
</tbody>
</table>

The dividends paid in 2000 represent dividends paid to Glaxo Wellcome and SmithKline Beecham shareholders expressed as dividends per GlaxoSmithKline Share.

**Dividends 2000**

In respect of the financial year ended on 31st December 2000:

- Glaxo Wellcome paid an interim dividend of 15p per ordinary share and a second interim dividend of 23p per ordinary share. The total dividend per Glaxo Wellcome share for the year was 38p. The total equivalent dividend per GlaxoSmithKline ordinary share was 38p.
- SmithKline Beecham paid a first, second and third interim dividend of 3p per ordinary share and a fourth interim dividend of 4.5p per ordinary share. The total dividend per share for the year was 13.5p. The total equivalent dividend per GlaxoSmithKline ordinary share was 29.66p.

**Dividends – GlaxoSmithKline continued**

### Dividends (ADRs)

As a guide to holders of ADRs, the tables below set out the dividends paid per ADS in US dollars in the last five years. The dividends are adjusted for UK tax credit less withholding tax, where applicable, and are translated into US dollars at applicable exchange rates.

Since 6th April 1999, claims for refunds of tax credits or dividends from the UK tax authorities are of negligible benefit to US shareholders.

<table>
<thead>
<tr>
<th>Year</th>
<th>GSK(£)</th>
<th>GSK(£)</th>
<th>GW(£)</th>
<th>SB(£)</th>
</tr>
</thead>
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<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2000</td>
<td>–</td>
<td>1.10</td>
<td>0.87</td>
<td>–</td>
</tr>
<tr>
<td>1999</td>
<td>–</td>
<td>1.14</td>
<td>0.86</td>
<td>–</td>
</tr>
<tr>
<td>1998</td>
<td>–</td>
<td>1.19</td>
<td>0.81</td>
<td>–</td>
</tr>
<tr>
<td>1997</td>
<td>–</td>
<td>1.17</td>
<td>0.75</td>
<td>–</td>
</tr>
</tbody>
</table>

Dividends paid to Glaxo Wellcome and SmithKline Beecham ADR holders are expressed as dividends per GlaxoSmithKline ADS.

### Dividend Calendar

**First quarter 2002**

- Results Announcement: 24th April 2002
- Ex-dividend date: 1st May 2002
- Record date: 3rd May 2002
- Payable: 4th July 2002

**Second quarter 2002**

- Results Announcement: 24th July 2002
- Ex-dividend date: 31st July 2002
- Record date: 2nd August 2002
- Payable: 3rd October 2002

**Third quarter 2002**

- Results Announcement: 23rd October 2002
- Ex-dividend date: 30th October 2002
- Record date: 1st November 2002
- Payable: 3rd January 2003

**Share price**

<table>
<thead>
<tr>
<th>Share price</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSK(£)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSK(£)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GW(£)</td>
<td>18.90</td>
<td>17.50</td>
</tr>
<tr>
<td>SB(£)</td>
<td>7.90</td>
<td>9.55</td>
</tr>
<tr>
<td>Low during the year</td>
<td>16.26</td>
<td>14.40</td>
</tr>
<tr>
<td>High during the year</td>
<td>20.32</td>
<td>21.10</td>
</tr>
<tr>
<td>At 26th December</td>
<td>18.42</td>
<td>8.33</td>
</tr>
<tr>
<td>At 31st December</td>
<td>17.23</td>
<td>8.33</td>
</tr>
<tr>
<td>Increase/decrease over year</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>

The table sets out the middle market quotations for shares on the London Stock Exchange, as derived from its Daily Official List.

The company’s share price declined by nine per cent in 2001 from a price of £18.90 at 1st January 2001 to £17.23 at 31st December 2001. This decline compares to a decrease in the FTSE 100 index of 16 per cent during the year.

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**SmithKline Beecham plc Floating Rate Unsecured Loan Stock 1990/2010**

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Shareholder information

Ordinary shares

The company’s shares are listed on the London Stock Exchange.

Registrar

The company’s share register is administered by Lloyds TSB Registrars, who also provide the following services:

• GlaxoSmithKline Investment Plan
  The plan enables shareholders to reinvest quarterly dividends and/or make monthly investments in the company’s ordinary shares using a special dealing arrangement.

• GlaxoSmithKline Individual Savings Account
  The GlaxoSmithKline Individual Savings Account (ISA) is a tax-efficient way to invest in the company’s ordinary shares.

• GlaxoSmithKline Corporate Sponsored Nominee
  The corporate sponsored nominee provides a facility for shareholders to hold shares without the need for share certificates. Shareholders’ details will not be held on the main share register, and so will remain confidential.

• Shareview service
  The shareview portfolio service provides shareholders with information on their investment in the company. Shareholders may register for this service at www.shareview.co.uk.

Share dealing facility

NatWest Stockbrokers Limited offers a share-dealing service on behalf of the company to shareholders wishing to buy or sell the company’s shares.

Share price information

Share price information is available on the company’s web site at www.gsk.com. Information is also available on Ceefax, Teletext, and from FT Cityline by calling 0906 003 5694 or 0906 843 5694 (calls charged at 60p a minute at all times).

American Depositary Shares

The company’s shares are listed on the New York Stock Exchange in the form of American Depositary Shares (ADSs) and these are evidenced by American Depositary Receipts (ADRs), each one of which represents two ordinary shares.

ADR programme administrator

The ADR programme is administered by The Bank of New York, which represents two ordinary shares.

• GlaxoSmithKline Investment Plan
  The plan enables shareholders to reinvest quarterly dividends and/or make monthly investments in the company’s ordinary shares using a special dealing arrangement.

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  The GlaxoSmithKline Individual Savings Account (ISA) is a tax-efficient way to invest in the company’s ordinary shares.

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ADR programme administrator

The ADR programme is administered by The Bank of New York, who also provide the following services:

• Global BuyDIRECT
  Global BuyDIRECT is a direct ADS purchase/hadle and dividend reinvestment plan for ADR holders.

Annual General Meeting 2002

The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE

The AGM is the company’s principal forum for communication with private shareholders. In addition to the formal resolutions to be put to the meeting, there will be a presentation by the Chief Executive Officer on the performance of the business and its future development. There will be opportunity for questions to the Board, and the Chairman of the Board’s committees will take questions on matters relating to those committees.

Investors holding shares in the company through a nominee service should arrange with that nominee service to be appointed a proxy in respect of their shareholding in order to attend and vote at the meeting.

ADR holders wishing to attend the meeting must obtain a proxy from The Bank of New York which will enable them to attend the meeting and vote on the business to be transacted. ADR holders may instruct The Bank of New York as to how the ordinary shares represented by their ADRs should be voted by completing and returning the voting card provided by The Bank of New York in accordance with the instructions given.

Financial reporting

Financial reporting calendar 2002

Announcement of 1st Quarter Results 24th April 2002

Announcement of 2nd Quarter Results 24th July 2002

Publication of Half-Year Report/Review August 2002

Announcement of 3rd Quarter Results 23rd October 2002

Preliminary Announcement of Annual Results Publication of Annual Report/Review March 2003

Results announcements

The Results announcements are made to the London Stock Exchange (LSE), and made available on the LSE news service, and at the same time, or shortly afterwards, are issued to the media, are made available on the company’s web site and are filed in the USA with the Securities and Exchange Commission (SEC) and the New York Stock Exchange.

Financial reports

The company publishes an Annual Report and, for the investor not needing the full detail of the Report, an Annual Review. An interim Report and Review are published at the half-year.

The financial reports are sent to shareholders on the date of publication and are available from the same date on the company’s web site. Shareholders are provided with the Review and may also elect to receive the Report.

Copies of previous, financial reports are available on the company’s web site. Printed copies can be obtained from the company’s registrar in the UK and from the company’s Customer Response Center in the USA.

Publications

For the first time, GlaxoSmithKline is producing a social and environmental review entitled ‘Performance with Integrity’ which will incorporate information about core issues such as medicines for the developing world, community involvement and environmental health and safety. The publication will be available from the Secretariat at the company’s head office and on the company web site at www.gsk.com in May. Information made available on the web site does not constitute part of this document.

Contact details

Internet

Information for investors and about the company is available on GlaxoSmithKline’s corporate web site:

Visit ‘Corporate Home’ at www.gsk.com

Head Office and Registered Office

GlaxoSmithKline plc
BBS Great West Road
Brentford
Middlesex TW8 9GS
Tel: +44 (0)20 8047 5000

United Kingdom

Investor Relations – Europe
GlaxoSmithKline plc
BBS Great West Road
Brentford
Middlesex TW8 9GS
Tel: +44 (0)20 8047 5557 / 5558
Fax: +44 (0)20 8047 7807

Registrar
Lloyds TSB Registrars
The Causeway
Woking
Surrey KT1 2RN

General enquiries, Annual Report ordeline and Corporate Nominees service
Tel: 0870 600 3991 inside the UK
Tel: +44 (0)121 433 8000 outside the UK

Shareholder Investment Plans
Dividend Re-investment queries
Tel: 0800 241 3018 inside the UK
Tel: +44 (0)1903 854 295 outside the UK

Monthly Savings Plan queries
Tel: 0870 600 0268 inside the UK
Tel: +44 (0)181 527 3555 outside the UK

ISA enquiries
Tel: 0870 242 4244 inside the UK
Tel: +44 (0)1903 604 564 outside the UK

Glaxo Wellcome and SmithKline Beecham corporate PEPs
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Corporate share dealing facility

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Tel: +44 (0)20 7835 0503 outside the UK

United States of America

Investor Relations
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PO Box 7878
Philadelphia
Tel: 1 215 751 7903
Fax: 1 215 751 3233

ADR programme administrator

The Bank of New York
Shareholder Relations
PO Box 11258
Church Street Station
New York NY 10286-1258
Tel: 1 877 353 1154 toll free
Tel: (7) 610 312 5315 outside the USA

Customer Response Center
Tel: 1 888 825 5249 toll free

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Design consultancy by salterbaxter.

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Shareholder information

Ordinary shares

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ADR programme administrator

The ADR programme is administered by The Bank of New York, ADR programme administrator.

- **American Depositary Receipts (ADRs)**
  ADRs represent two ordinary shares.

- **American Depositary Shares**
  American Depositary Shares (ADSs) and these are evidenced by American Depositary Receipts (ADRs), each one of which represents two ordinary shares.

- **Evidenced by American Depositary Receipts (ADRs)**
  The ordinary shares represented by the ADRs should be voted by completing and returning the voting card provided by The Bank of New York in accordance with the instructions given.

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**Financial reporting calendar 2002**

- **Announcement of 1st Quarter Results**
  24th April 2002

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  24th July 2002

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**United Kingdom**

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BBB Great West Road

Brentford

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Fax: +44 (0)20 8047 7807

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ISA enquiries:

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Fax: +44 (0)1903 604 556 outside the UK

**Glaxo Wellcome and SmithKline Beecham corporate PEPs**

The Share Centre Limited

55 Mansell Street

London E1 8AN

Tel: +44 (0)20 7895 5923 outside the UK

Fax: +44 (0)20 8047 7807

**Corporate share dealing facility**

NatWest Stockbrokers

Corporate & Employee Service

SS Manville Street

London E1 RAN

Tel: 0870 800 3080 inside the UK

Fax: +44 (0)20 7198 5523 outside the UK

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