

GlaxoSmithKline Pharmaceuticals Limited

Registered Office: Dr. Annie Besant Road, Mumbai - 400 030.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2007

(Rs. lakhs)

Unaudited			Audited	
3 months ended 31.12.2007	3 months ended 31.12.2006		Year ended 31.12.2007	Year ended 31.12.2006
36785	34889	Sales	171284	167757
2858	2862	Less: Excise Duty on Sales	13570	12465
33927	32027	Net Sales	157714	155292
1785	1209	Other Income (net) [includes treasury income Rs. 2539 lakhs (previous year Rs. 1506 lakhs)]	4461	3567
1082	1007	Interest Income (net)	4523	3426
36794	34243	Total Income	166698	162285
		Expenditure		
(707)	(2221)	(Increase) / decrease in stock-in-trade and work in progress	3273	(1253)
6533	6743	Consumption of raw and packing materials	32152	29700
7798	7590	Purchase of traded goods	29365	35010
-	-	Transfer of stock pursuant to sale of businesses	(1944)	(1005)
13624	12112	Total materials consumed	62846	62452
4	838	Excise duty on samples and (increase) / decrease in stock-in-trade	684	1450
2882	3526	Employees cost	15126	15367
502	411	Depreciation	1616	1585
8201	7677	Other expenditure	30008	29428
(80)	(260)	Recovery of expenses (net)	(673)	(1001)
(946)	(784)	Expenses relating to service income	(4027)	(2591)
10563	11408	Total Operating Expenses	42734	44238
24187	23520	Total	105580	106690
12607	10723	Profit before Tax and Exceptional Items	61118	55595
		Tax Expense		
3735	3481	Current tax (including fringe benefits tax)	19930	18890
585	426	Deferred tax	1216	533
4320	3907	Total	21146	19423
8287	6816	Net Profit after Tax before Exceptional Items	39972	36172
(197)	(37)	Exceptional Items (net of tax)	13794	18379
8090	6779	Net Profit	53766	54551
8470	8470	Paid-up Equity Share Capital (Face value per share Rs. 10)	8470	8470
		Reserves excluding Revaluation Reserves	127621	111001
		Earnings Per Share (EPS)		
9.8	8.0	Basic and diluted EPS before exceptional items (Rs.)	47.2	42.7
9.6	8.0	Basic and diluted EPS after exceptional items (Rs.)	63.5	64.4
		Public Shareholding		
41785529	41785529	Number of shares	41785529	41785529
49.3%	49.3%	Percentage of shareholding	49.3%	49.3%

1. "The growth in Sales (excluding the Animal Health and Fine Chemicals businesses) was 7.8% and in Profit before Tax and Exceptional Items was 13.8% for the year ended 31st December 2007 on a comparable basis. The growth in sales and profits was primarily driven by sales of priority products which registered a double digit growth, improvement in the gross margin and expense control. The figures for the current period are not comparable with those of the previous period, in view of the sale of the Fine Chemicals business on 30th September 2007 and of the Animal Health business on 31st July 2006.

Sales for the continuing businesses grew by 14% and Profit before Tax and Exceptional Items by 25.2% during the quarter ended 31st December 2007."

- The Board of Directors, at its meeting held on 26th July, 2007, approved the proposal for sale of the Fine Chemicals business as a going concern to Thermo Electron LLS India Private Limited for a total consideration of Rs. 24000 lakhs. Shareholders of the Company approved the proposal by postal ballot on 19th September, 2007. The sale has been completed effective from the close of business hours of 30th September, 2007 at a profit of Rs. 18091 lakhs (net of provision for completion covenants and expenses incidental to sale). Exceptional items (net of tax) amounting to Rs. 13794 lakhs are mainly in respect of such profit, net of current tax thereon. Fine Chemicals business forms part of the Company's 'Other Businesses' segment.
- The Company has, with effect from 1st January, 2007, adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India. Consequently, the additional liability for employee benefits based on actuarial valuation as at 1st January, 2007, amounting to Rs. 1470 lakhs (net of deferred tax credit of Rs. 746 lakhs), has been adjusted against General Reserve as at 1st January, 2007.
- Other income for the year ended 31st December, 2007, is net of expenses of Rs. 4027 lakhs (previous year Rs. 2591 lakhs) relating to service income.
- There were no investor complaints pending as at the beginning of the quarter. The Company has received 6 complaints from the investors during the quarter and all of them have since been resolved, leaving no investor complaints unresolved at the end of the quarter.
- The Board of Directors recommends a Dividend of Rs. 18 per equity share (Previous year Rs. 17 per equity share) and a special additional Dividend of Rs. 18 per equity share (Previous year Rs. 14 per equity share).
- The above Results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their respective meetings held on 22nd February, 2008.
- The figures for 2006 have been regrouped wherever necessary to facilitate comparison.

By Order of the Board

Dr. Hasit B. Joshipura
Managing Director

22nd February, 2008