PRESS RELEASE

GlaxoSmithKline

18th February 2009, Mumbai, India

GlaxoSmithKline Pharmaceuticals Net Sales up 10%, PBT grows by 15% for FY 2008

GlaxoSmithKline Pharmaceuticals Limited posted improved results for the year ended 31st December, 2008. The growth in Net Sales (net of Excise duty), excluding the Fine Chemicals business which was divested last year, was 10.1 % and in Profit before Tax and Exceptional Items was 14.6% for the year ended 31st December 2008 on a comparable basis.

The continued focus on sales of priority products, new product introductions and tight expense control helped improve profits. This was achieved despite cost escalations of certain imported ingredients and inflationary pressures on utilities and freight costs. Higher income from investments contributed further to the improvement in profits.

During the year, the Company launched its flagship patented product in the field of Oncology, Tykerb that heralded it's entry in this segment. The Company also signed two in-licensing deals with leading Japanese companies. The deal with Daiichi Sankyo for Olmesartan, a latest Angiotensin Receptor Blocker for treating hypertension, resulted in the launch of Benitec in the fourth quarter of 2008. The agreement with Astellas for Micafungin, a critical care anti-fungal, aligned well with the Company's critical care and hospital portfolio.

Commenting on the performance, Dr. Hasit B. Joshipura, Managing Director, said "The year has seen creation of new capabilities for the business through the entry into oncology and the cardiovascular therapeutic areas. New vaccine launches have added to the vaccine portfolio of GSK India thereby impacting our ability to improve healthcare outcomes in India."

The Board recommended a dividend of Rs. 22 per Equity Share for the year (previous year Rs. 18 per Equity Share). If approved by the shareholders at the Annual General Meeting, the Dividend will absorb Rs. 218 crores inclusive of the Dividend Distribution Tax.

Having regard to the Company's surplus cash position and the Exceptional Income earned during the year from the profit on sale of investments, the Board is of the view that a portion of the surplus cash be returned to the shareholders. The Directors have therefore recommended a special additional Dividend of Rs. 18 per Equity Share. If approved by the Shareholders at the Annual General Meeting, the special additional Dividend will absorb Rs. 152 crores. The Dividend Distribution Tax borne by the Company on this dividend will amount to Rs. 26 crores.

About GlaxoSmithKline:

GlaxoSmithKline Pharmaceuticals Limited is a subsidiary of GlaxoSmithKline plc, one of the world's leading research-based pharmaceutical and healthcare companies, committed to improving the quality of human life by enabling people to do more, feel better and live longer. For more information, visit www.gsk-india.com.

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