GlaxoSmithKline Agrees To Settle Augmentin Anti-trust Litigation

LONDON and PHILADELPHIA, PA, July 8, 2004 -- GlaxoSmithKline (NYSE: GSK) today announced that that it has agreed to settle US anti-trust cases involving the antibiotic product Augmentin. GSK will pay $92 million (£50 million) in settlement of class action lawsuits brought on behalf of direct purchasers, including pharmaceutical wholesalers, and indirect purchasers such as consumers and third party payers.* The settlements are being submitted for review to the U.S. District Court for the Eastern District of Virginia, where the cases have been pending since 2002. GSK continues to believe that its actions were appropriate in obtaining and enforcing its patents for Augmentin.

GSK is also progressing towards settlement of certain other legal matters for which additional provision is required.

The settlement of all these legal matters will be covered using existing provisions together with an additional legal charge which will be taken in the Company's earnings in the second quarter of 2004. This legal charge is expected to be approximately £170 million and will be largely offset by gains realised from the sale of equity investments and other income. Taken together, these items are therefore expected to have minimal impact on the second quarter’s earnings.

GSK’s 2004 earnings guidance remains unchanged with the Company expecting to deliver EPS (at constant exchange rates) at least in line with business performance EPS in 2003.

GlaxoSmithKline one of the world's leading research-based pharmaceutical and healthcare companies is committed to improving the quality of human life by enabling people to do more, feel better, and live longer. For company information and a copy of the company's product development pipeline, visit GSK at www.gsk.com.

* Further details of the case are available in the company’s 2003 Annual Report (page 119).
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