

GlaxoSmithKline says annual profits triple to £5.26 bln

February 7 2012

British drugmaker GlaxoSmithKline said Tuesday that net profits more than tripled in 2011 compared with the previous year, as large efficiency savings offset falling revenues.

Earnings after tax surged to £5.261 billion (6.34 billion euros, \$8.32 billion) in 2011, which compared with £1.634 in the previous year, GSK said in a results statement.

GSK added that it bounced back into the black in the fourth quarter, or three months to December, when net profit hit £1.25 billion. That compared with a net loss of £690 million a year earlier, when GSK took £2.17 billion in legal charges linked to its former diabetes drug Avandia.

The drug was pulled from European shelves in 2010 on fears that it increased the risk of heart attack and strokes.

GSK added Tuesday that revenues fell to £27.387 billion last year, reflecting lower sales of Avandia, anti-viral medicine Valtrex and pandemic flu vaccines.

Chief executive Andrew Witty cautioned about the fragile global economic outlook but predicted the group would increase shareholder returns this year as a result of ongoing efficiency measures.

"As we go into 2012, we are mindful of the potential pressures we face given the current global political and economic environment," Witty said

in the [earnings](#) release.

"However, we continue to expect to drive further shareholder returns as we seek to grow sales across our broadly based business and improve operational leverage and financial efficiency to deliver strong cash generation.

"We will also continue to invest appropriately in the business to generate sustainable and profitable sales growth," he added.

In early afternoon deals, GSK's share price fell 1.87 percent to 1,393 pence on London's FTSE 100 index of leading companies, which was 0.68 percent lower at 5,852.10 points.

Witty, who took the top job in 2008, has sought to diversify into consumer health care, emerging markets and biotechnology, as the pharmaceuticals industry faces competition from generic drugmakers.

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