

Drugs giant GSK says net profits plummet in 2014

February 4 2015

GlaxoSmithKline's net profits almost halved last year, hit partly by a large Chinese fine following a bribery probe, the British drugmaker said Wednesday.

Profit after tax dived to £2.76 billion (\$4.20 billion, 3.67 billion euros) in 2014, compared with £5.436 billion a year earlier, GSK said in a results statement.

The 2013 performance was however skewed by the £1.3-billion sale of drinks brands Lucozade and Ribena to Japan's Suntory Holdings.

GSK added that revenues declined three percent to £23 billion last year, hurt by "challenging" trade in the United States.

Legal costs more than doubled to £548 million in 2014, after Chinese authorities fined GSK 3.0 billion yuan last September after a nearly year-long [bribery](#) probe.

"Legal charges of £548 million included a £301 million fine paid to the Chinese government," GSK saidon Wednesday.

The group also took a £750 million restructuring charge last year, up from £517 million in 2013.

GSK is seeking to move on from a damaging scandal, which resulted in a Chinese court fining the company over alleged bribery.

The firm's former head of China operations, Mark Reilly, and four other ex-officials were given suspended sentences of between two and four years in prison.

© 2015 AFP

Citation: Drugs giant GSK says net profits plummet in 2014 (2015, February 4) retrieved 16 July 2024 from <https://medicalxpress.com/news/2015-02-drugs-giant-gsk-net-profits.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.