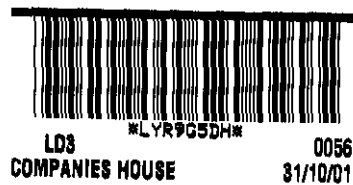


SmithKline Beecham Liaison Services Limited
(Registered Number: 210520)

Directors' Report and Accounts

31 December 2000



SmithKline Beecham Liaison Services Limited

Index

	Page
Report of the Directors	1
Report of the Auditors	5
Profit and Loss Account	6
Balance Sheet	7
Accounting Policies	8
Notes to the Accounts	9

SmithKline Beecham Liaison Services Limited

Report of the Directors for the Year Ended 31 December 2000

Registered Office Four New Horizons Court
Harlequin Avenue
Brentford
Middlesex
TW8 9EP

The directors submit their annual report together with the audited accounts for the year ended 31 December 2000.

Principal Activities

The principal activity of the company is to provide liaison and technical services in Cyprus.

Review of the Business and Future Developments

The Directors consider the state of affairs to be satisfactory and the Directors believe that the Company will continue to perform satisfactorily for the foreseeable future.

Results and Dividends

The profit and loss account is shown on page 6. The Directors do not recommend the payment of a dividend (1999: £nil) and accordingly the profit for the year after tax of £12,000 (1999: £14,000) has been transferred to reserves.

Fixed Assets

Details of fixed assets are summarised in Note 6 to the financial statements.

European Monetary Union

The European Union introduced a single European currency, the Euro, on 1 January 1999. The Group is preparing for the transition to the Euro by testing and where necessary updating information systems. From 1 January 1999 the Company has been able to make and receive payments in Euros and all relevant systems have been updated to accommodate the new currency. All costs in connection with the introduction of the Euro have been borne by the Group.

Merger of Glaxo Wellcome plc (which changed its name to GlaxoSmithKline Services plc on 1 October 2001) and SmithKline Beecham plc

On 27 December 2000, Glaxo Wellcome plc (which changed its name to GlaxoSmithKline Services plc on 1 October 2001) and SmithKline Beecham plc were acquired under a scheme of arrangement by GlaxoSmithKline plc. Accordingly GlaxoSmithKline plc became the ultimate holding company.

SmithKline Beecham Liaison Services Limited

Report of the Directors for the Year Ended 31 December 2000 (Continued)

Directors

The directors of the Company who served during the year or who are now directors are as follows:

P M Barrett	(resigned 14 March 2001)
R M Bondy	(appointed 28 January 2000, resigned 14 March 2001)
A R Curl	(resigned 14 March 2001)
I B Hunter	(resigned 14 March 2001)
C A McClintock	(appointed 28 January 2000, resigned 22 February 2001)
S L Roberts	(resigned 14 March 2001)
Edinburgh Pharmaceutical Industries Limited	(appointed 13 March 2001)
Glaxo Group Limited	(appointed 13 March 2001)

Directors' and officers' liability insurance, paid by SmithKline Beecham plc, the ultimate parent undertaking prior to 27 December 2000, was in place during the period.

None of the Directors has a beneficial interest in the shares of the Company, or any other group company, other than GlaxoSmithKline plc.

The following interests of the Directors in the shares of the ultimate parent undertaking, GlaxoSmithKline plc (SmithKline Beecham plc prior to 27 December 2000), have been notified to the Company. Interests in SmithKline Beecham plc prior to 27 December 2000 have been converted into GlaxoSmithKline plc equivalents at the relevant merger ratios:

	Ordinary Shares of 25 pence each	
	1 Jan 2000*	31 Dec 2000
P M Barrett	8,430	10,497
R. M. Bondy	1,425	4,923
A R Curl	2,915	3,031
I B Hunter	14,689	16,808
C.A. McClintock	1,854	2,139
S L Roberts	396	645

* Opening balance has been restated in GlaxoSmithKline plc equivalents converted at a rate of 0.4552 of a GSK share for each SB share

	As at 1 Jan 2000*	Options over Ordinary Shares		
		Granted	Exercised	As at 31 Dec 2000
P M Barrett	141,024	-	49,993	91,031
R.M. Bondy	70,328	1,855	-	72,183
A.R Curl	80,015	2,031	5,944	76,102
I B Hunter	159,930	-	-	159,930
C.A. McClintock	11,785	-	-	11,785
S L Roberts	9,467	-	-	9,467

* Opening balance has been restated in GlaxoSmithKline plc equivalents converted at a rate of 0.4552 of a GSK share for each SB share

The options for the purchase of shares may be exercised at a variety of prices. Details of option prices and market prices of shares during the year, together with full details of the SmithKline Beecham Senior Executive Share Option Plans are disclosed in the accounts of GlaxoSmithKline plc. All options vested at the date of the SmithKline Beecham Court Meeting to approve the merger. This had no financial effect on the Company.

SmithKline Beecham Liaison Services Limited

Report of the Directors for the Year Ended 31 December 2000 (Continued)

Directors (continued)

Mid-Term Incentive Plan

Directors have acquired interests on a nil price basis in the following participations under the SmithKline Beecham Mid-Term Incentive Plan (MTIP). Under the terms of the MTIP the number of shares actually awarded was determined following the end of the relevant measurement period and depended on SmithKline Beecham plc's relative performance during that period.

	As at 1 Jan 2000*	Granted	During the year Vested	Lapsed	As at 31 Dec 2000
P M Barrett	10,924	-	2,649	82	8,193
R.M.Bondy	8,012	-	1,855	57	6,100
A R Curl	9,013	-	2,031	62	6,920
I B Hunter	10,928	-	2,650	82	8,196

* Opening balance has been restated in GlaxoSmithKline plc equivalents converted at a rate of 0.4552 of a GSK share for each SB share

On the vesting of an MTIP award the Director may choose to receive the shares or be granted a nil price option. Where the Director has chosen to receive an option this is shown as a grant in the table above.

The measurement period, relating to participations granted in November 1996 and March 1997, ended on 31 December 1999 and an award equivalent to 97% of the participations then granted was made on 9 March 2000, when the market price of a GlaxoSmithKline share (restated to reflect the merger) was £15.59.

As a result of the merger, the performance conditions in respect of grants made in 1997 (after March 1997), 1998 and 1999 were waived. The measurement period, relating to participations granted in November 1997, ended on 31 December 2000 and a final award of 100% of the target shares in that grant was confirmed on 8 February 2001. At that time the market price of a GlaxoSmithKline share was £18.38.

Full details of the SmithKline Beecham MTIP are disclosed in the accounts of GlaxoSmithKline plc.

SmithKline Beecham Liaison Services Limited

Report of the Directors for the Year Ended 31 December 2000 (Continued)

Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Company has adopted the elective regime permitting it to dispense with the requirement to re-appoint auditors annually. Accordingly, PricewaterhouseCoopers, who have indicated their willingness to continue in office, shall be deemed to have been re-appointed annually until such time as notice proposing their removal is received.

By order of the Board



K J Bryant
Secretary

29 October 2001

Auditors' Report to the Members of SmithKline Beecham Liaison Services Limited

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes the responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

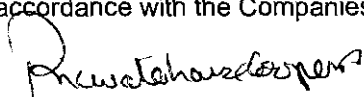
Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

29 October

2001

SmithKline Beecham Liaison Services Limited

Profit and Loss Account For the Year Ended 31 December 2000

	Note	2000 £'000	Year ended 1999 £'000
Turnover	1	616	483
Administrative Expenses		(584)	(460)
Operating Profit and profit on ordinary activities before taxation	2	32	23
Taxation on profit on ordinary activities	5	(20)	(9)
Profit for the Financial Year		12	14

All activity arises from continuing operations.

There were no recognised gains and losses other than those passing through the profit and loss account for the period.

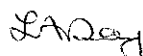
The accounting policies on page 8 and the notes on pages 9 to 12 form part of these accounts.

SmithKline Beecham Liaison Services Limited

Balance Sheet as at 31 December 2000

	Note	2000 £'000	At 31 December 1999 £'000
Fixed Assets			
Tangible Assets	6	24	42
Current assets			
Debtors	7	1,860	1,860
Cash at bank & in hand		65	115
		1,925	1,975
Creditors: amounts falling due within one year	8	(1,891)	(1,971)
Net Current Assets		34	4
Total assets less current liabilities		58	46
Capital and Reserves			
Called up share capital	9	16	16
Profit and loss account	10	42	30
Total shareholders' funds - equity interests	11	58	46

Approved by the Board on 27 October 2001 and signed on their behalf by:



L A Day

For and on behalf of Edinburgh Pharmaceutical Industries Limited - Director

The accounting policies on page 8 and the notes on pages 9 to 12 form part of these accounts.

SmithKline Beecham Liaison Services Limited

Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Accounting convention

The accounts are prepared under the historical cost convention and comply with all applicable UK Accounting Standards which have been applied consistently.

Turnover

Turnover represents service fee income from group companies net of value added tax and other sales taxes.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies entered into during the year are translated at the rate ruling at the date of the transaction.

Exchange differences arising on the revaluation of reserves in foreign currencies are taken to reserves. All other differences in exchange arising from the transactions of foreign currencies are taken to the profit and loss account.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis at the following annual rates:

Office fixtures & fittings	8 years
Residence furniture & fittings	10 years
Motor vehicles	5 years
Computer equipment	4 years

SmithKline Beecham Liaison Services Limited

Notes to the Accounts for the Year Ended 31 December 2000

1 Segmental information

Turnover and profit after taxation are derived from the one class of business which is the provision of services to associated undertakings.

2 Operating Profit

Operating profit is stated after charging:

	2000 £'000	1999 £'000
Auditors' fee for other services	4	-
Depreciation	26	21
Foreign exchange gain	3	-

The auditors remuneration incurred in the UK was borne by SmithKline Beecham plc, the ultimate parent undertaking prior to 27 December 2000

3 Employees

	2000 £'000	1999 £'000
Salaries and wages	349	242
Social security costs	16	13
	365	255

The average number of employees, all of whom work overseas, employed by the Company during the year was 5 (1999:5).

4 Directors' Emoluments

The Directors received no remuneration in relation to their services to the Company during the year (1999: nil).

SmithKline Beecham Liaison Services Limited

Notes to the Accounts for the Year Ended 31 December 2000

5 Taxation

	2000 £'000	1999 £'000
UK Corporation Tax at 30% (1999:30.25%)	15	9
Prior year adjustment	5	-
	20	9

6 Tangible Assets

	Office fixtures & fittings £'000	Residence furniture & fittings £'000	Office Machinery £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 January 2000	11	10	26	58	105
Additions	-	-	8		8
At 31 December 2000	11	10	34	58	113
Depreciation					
At 1 January 2000	5	2	19	37	63
Charge for year	1	-	8	17	26
At 31 December 2000	6	2	27	54	89
Net Book Amounts					
At 31 December 2000	5	8	7	4	24
At 31 December 1999	6	8	7	21	42

7 Debtors

	2000 £'000	1999 £'000
Amounts owed by group undertakings	1,860	1,859
Other debtors	-	1
	1,860	1,860

SmithKline Beecham Liaison Services Limited

Notes to the Accounts for the Year Ended 31 December 2000

8 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Bank overdraft	2	-
Amounts owed to group undertakings	1,811	1,914
Other creditors	1	-
Accruals	57	43
Taxation	20	14
	1,891	1,971

9 Called Up Share Capital

	2000 £	1999 £
Authorised : Ordinary shares of £1 each	16,500	16,500
Allotted and fully paid: Ordinary shares of £1 each	16,402	16,402

10 Reserves

	Profit and Loss account £'000
At 1 January 2000	30
Profit for the financial year	12
At 31 December 2000	42

11 Reconciliation of Movements in Shareholders' Funds

	2000 £'000	1999 £'000
Profit for Period	12	14
Net movement in shareholders' funds	12	14
Opening shareholders' funds	46	32
Closing shareholders' funds	58	46

SmithKline Beecham Liaison Services Limited

Notes to the Accounts for the Year Ended 31 December 2000

12 Ultimate Parent Undertaking

The Company is a wholly-owned subsidiary of GlaxoSmithKline plc which is registered in England.

This is the smallest and largest group into which the results of the company have been consolidated. Copies of GlaxoSmithKline plc's accounts can be obtained from The Secretary, GlaxoSmithKline plc, Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex, UB6 0NN.

13 Cash Flow Statement

A cash flow statement has been included in the consolidated financial statements of GlaxoSmithKline plc, the ultimate parent undertaking. The Company has therefore taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

14 Related Party Transactions

As a wholly owned subsidiary of GlaxoSmithKline plc advantage has been taken of the exemption afforded by Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the GlaxoSmithKline plc group. There are no other related party transactions.

15 Merger of Glaxo Wellcome plc (which changed its name to GlaxoSmithKline Services plc on 1 October 2001) and SmithKline Beecham plc

On 27 December 2000, Glaxo Wellcome plc (which changed its name to GlaxoSmithKline Services plc on 1 October 2001) and SmithKline Beecham plc were acquired under a scheme of arrangement by GlaxoSmithKline plc. Accordingly GlaxoSmithKline plc became the ultimate holding company.