

LISTING PARTICULARS DATED 27 MARCH 2002



**GlaxoSmithKline Capital plc**

*(Incorporated in England and Wales with limited liability under registered number 2258699)*

**£500,000,000 8.75% Bonds due 2005**

**unconditionally and irrevocably guaranteed on a joint and several basis**

by

**GlaxoSmithKline plc**

*(Incorporated in England and Wales with limited liability under registered number 3888792)*

- and -

**GlaxoSmithKline Services plc<sup>1</sup>**

*(Incorporated in England and Wales with limited liability under registered number 1047315)*

The original issue of the £500,000,000 in aggregate principal amount of 8.75% Bonds due 2005 (the "**Bonds**"), was authorised by a resolution of GlaxoSmithKline Services plc (formerly Glaxo Wellcome plc) (the "**Original Issuer**") passed on 12 April 1995. By a resolution of the Board of Directors of GlaxoSmithKline Capital plc (the "**Issuer**") passed on 25 March 2002, the Issuer resolved to become the principal debtor in respect of the Bonds in substitution for the Original Issuer subject to and in accordance with Condition 11(e) of the Bonds. By resolutions of the Boards of Directors of each of the Original Issuer and GlaxoSmithKline plc (each a "**Guarantor**" and, together, the "**Guarantors**") passed on 25 March 2002, each of the Guarantors resolved to irrevocably and unconditionally guarantee, on a joint and several basis, such Bonds. See "*Substitution and Credit Enhancement*".

The Bonds were constituted by a supplemental trust deed dated 1 June 1995 (the "**First Supplemental Trust Deed**") supplemental to a principal trust deed dated 31 May 1995 (the "**Principal Trust Deed**") in each case between the Original Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**"), as modified and restated by a fourth supplemental trust deed dated 26 March 2002 made between the Original Issuer, the Issuer, the Guarantors and the Trustee (the "**Fourth Supplemental Trust Deed**") and the Principal Trust Deed as so supplemented, modified and restated by the First Supplemental Trust Deed and the Fourth Supplemental Trust Deed, the "**Trust Deed**").

Unless previously redeemed or cancelled, the Bonds will be redeemed at their principal amount on 1 December 2005. The Bonds are subject to redemption in whole at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the United Kingdom. See "*Terms and Conditions of the Notes - Redemption and Purchase*".

The Bonds bear interest from 1 June 1995 at the rate of 8.75% per annum payable annually in arrear on 1 December in each year. Payments on the Notes will be made in Pounds Sterling without deduction for or on account of taxes imposed or levied by the United Kingdom to the extent described under "*Terms and Conditions of the Notes - Taxation*". Each of the Guarantors will unconditionally and irrevocably, and on a joint and

<sup>1</sup> GlaxoSmithKline Services plc will be re-registered as an unlimited liability company on or before 31 March 2002.

several basis, guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.

Application has been made to the Financial Services Authority in its capacity as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000 (the "FSMA") (the "UK Listing Authority") for the Bonds to be admitted to the Official List maintained by the UK Listing Authority, and to the London Stock Exchange plc (the "London Stock Exchange") for the Bonds to be admitted to trading. This document comprises listing particulars ("Listing Particulars") prepared in compliance with the listing rules (the "Listing Rules") made under section 74 of the FSMA by the UK Listing Authority. A copy of this document has been delivered to the Registrar of Companies in England and Wales as required by section 83 of the FSMA.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") and are subject to United States tax law requirements.

The Bonds are in definitive bearer form and in the denomination of £1,000, £10,000 and £100,000 each.

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Each of the Issuer and the Guarantors accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of each of the Issuer and the Guarantors (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to offer the import of such information.

Any reference in this document to Listing Particulars means this document excluding all information incorporated by reference. The Issuer and the Guarantors have confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been and does not need to be included in these Listing Particulars to satisfy the requirements of the FSMA or the Listing Rules. The Issuer and the Guarantors believe that none of the information incorporated by reference herein conflicts in any material respect with the information included in these Listing Particulars.

The Trustee has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Trustee as to the accuracy or completeness of the information in these Listing Particulars or any other information provided in connection with the Bonds. The Trustee does not accept any liability in relation to the information contained in these Listing Particulars or any other information provided in connection with the Bonds.

Neither the Issuer nor either or the Guarantors has authorised the making or provision of any representation or information regarding the Issuer, the Guarantors or the Bonds other than as contained in these Listing Particulars or as approved for such purpose by the Issuer and the Guarantors. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Guarantors or the Trustee.

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or either of the Guarantors since the date of these Listing Particulars.

These Listing Particulars does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

In these Listing Particulars, unless otherwise specified, references to "£" or "Pounds Sterling" are to the lawful currency of the United Kingdom and references to "U.S.\$", "dollars" and "U.S. dollars" are to the lawful currency of the United States of America. References to "billions" are to thousands of millions.

*Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.*

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## DESCRIPTION OF THE SUBSTITUTION AND CREDIT ENHANCEMENT

The original issue of the £500,000,000 in aggregate principal amount of 8.75% Bonds due 2005 (the "**Bonds**"), was authorised by a resolution of the Original Issuer passed on 12 April 1995.

### Background

As more particularly described in "*Description of the Issuer and the Guarantors*" below, each of the Original Issuer, the Issuer and the Guarantors are members of the GlaxoSmithKline group of companies (the "**Group**"). GlaxoSmithKline plc ("**GSK plc**") is a United Kingdom resident holding company of the Group formed on 27 December 2000 to facilitate the merger of the Original Issuer (then named Glaxo Wellcome plc) and SmithKline Beecham plc ("**SB plc**").

As at the date of these Listing Particulars, the Group is in the process of reorganising some of the assets, liabilities and activities of the Original Issuer and of various of its subsidiaries within the Group. This reorganisation will not involve the dissolution, legal merger or consolidation of any corporate entities. The reorganisation of the Group and will, *inter alia*, involve the following:

- (a) the holding company activities of the Original Issuer and the ownership of its current subsidiaries Glaxo Group Ltd and Wellcome Ltd will be transferred to GSK plc; and
- (b) in order to facilitate an anticipated reduction of capital (which is expected to occur on or before 31 March 2002), the Original Issuer will be re-registered as a private limited liability company and then will be re-registered as an unlimited liability company on or before 31 March 2002.

These internal reorganisations are intended to better enable the United Kingdom activities of the Group to be carried out under a single Group brand name with reduced regulatory cost, to create a common Group employer for all United Kingdom employees of the Group and to improve profit flows to GSK plc to enable it to continue its on-going share buy-back programme.

### The Substitution and Credit Enhancement

As part of the internal reorganisation described above, and by a resolution of the Board of Directors of the Issuer passed on 25 March 2002, the Issuer resolved to become the principal debtor in respect of the Bonds in substitution for the Original Issuer.

By respective resolutions of the Boards of Directors of GSK plc and GlaxoSmithKline Services plc passed on 25 March 2002, each of the Guarantors resolved to irrevocably and unconditionally guarantee, on a joint and several basis, such Bonds.

The Trustee has given its consent to the substitution of the Issuer for the Original Issuer as contemplated by Condition 11(e) of the Bonds and, as condition of such consent, to the addition of the Guarantors as obligors in respect of the Bonds. In particular, Clause 12(B)(1)(e) of the Principal Trust Deed requires the Original Issuer to provide a guarantee of any substitute obligor's obligations. In order to give effect to such substitution and addition of guarantees, the First Supplemental Trust Deed was modified and restated pursuant to the terms of the Fourth Supplemental Trust Deed to give effect to the same. Accordingly, certain consequential amendments were also made to the Terms and Conditions of the Bonds and to the Paying Agency Agreement (as defined in "*Terms and Conditions of the Bonds*").

## TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the Terms and Conditions of the Bonds which (subject to completion and amendment) will be endorsed on each Bond in definitive form issued after the date of the Fourth Supplemental Trust Deed.*

The Bonds were originally issued on 1 June, 1995 by GlaxoSmithKline Services plc (formerly Glaxo Wellcome plc) (the "**Original Issuer**") pursuant to a resolution of the Board of Directors of the Original Issuer passed on 12 April, 1995. The Bonds were originally constituted by a supplemental trust deed (the "**First Supplemental Trust Deed**") dated 1 June, 1995 between the Original Issuer and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed, as defined below) supplemental to a principal trust deed (the "**Principal Trust Deed**" and, together with the First Supplemental Trust Deed, the "**Original Trust Deed**") dated 31 May, 1995 between the Original Issuer and the Trustee, as trustee for the holders of the Bonds (the "**Bondholders**"). Pursuant to the terms of a fourth supplemental trust deed (the "**Fourth Supplemental Trust Deed**"), an amended and restated Principal Trust Deed (the "**Amended and Restated Trust Deed**" and, together with the Original Trust Deed, the "**Trust Deed**") dated 26 March, 2002 between the Original Issuer, GlaxoSmithKline Capital plc (the "**Issuer**"), GlaxoSmithKline plc and GlaxoSmithKline Services plc as guarantors (each a "**Guarantor**" and, together, the "**Guarantors**") and the Trustee, and in accordance with and subject to the provisions of the Original Trust Deed, the Issuer has been substituted for the Original Issuer as principal debtor in relation to the Bonds and the Guarantors have given a joint and several, unconditional and irrevocable guarantee of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons (as defined below), as more particularly described in Condition 2 below. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds and the coupons relating to them (the "**Coupons**"). Copies of the Trust Deed, and the paying agency agreement dated 1 June, 1995, as amended by a supplemental agency agreement dated 26 March, 2002 (such paying agency agreement as so amended, the "**Paying Agency Agreement**") relating to the Bonds between the Issuer, the Guarantors, the Trustee and the initial principal paying agent and paying agents named in it, are available for inspection during usual business hours at the registered office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified offices of the principal paying agent for the time being (the "**Principal Paying Agent**") and the paying agents for the time being (the "**Paying Agents**", which expression shall include the Principal Paying Agent). The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the "**Couponholders**") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Paying Agency Agreement.

### 1. **Form, Denomination and Title**

#### (a) *Form and denomination*

The Bonds are serially numbered and in bearer form in the denominations of £1,000, £10,000 and £100,000 each with Coupons attached on issue. Bonds of one denomination may not be exchanged for Bonds of any other denomination.

#### (b) *Title*

Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

## 2. Guarantees and Status

### (a) Joint Guarantees

Each of the Guarantors has unconditionally and irrevocably, jointly and severally guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Bonds and the Coupons. The obligations of each of the Guarantors in respect of the Guarantees are contained in the Trust Deed.

### (b) Status

The Bonds and Coupons constitute (subject to Condition 3) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

## 3. Negative Pledge

### (a) *So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed):*

(i) the Issuer will not create or permit to subsist any mortgage, charge, pledge, lien or other form of security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt; and

(ii) the Issuer will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any of the Issuer's Relevant Debt, or any guarantee of or indemnity in respect of any of the Issuer's Relevant Debt; and

(iii) each Guarantor will not create or permit to subsist Security upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt; and

(iv) each Guarantor will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any of the Guarantor's Relevant Debt, or any guarantee of or indemnity in respect of any of such Guarantor's Relevant Debt,

unless, at the same time or prior thereto, the Issuer's or, as the case may be, the relevant Guarantor's obligations under the Bonds, the Coupons and the Trust Deed (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, in each case to the satisfaction of the Trustee, or (bb) have the benefit of such other security, guarantee, indemnity of other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

(b) For the purposes of this Condition, "Relevant Debt" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

#### 4. **Interest**

The Bonds bear interest from 1 June, 1995 at the rate of 8.75% per annum, payable annually in arrear on 1 December in each year except that the first payment of interest, to be made on 1 December, 1995, will be in respect of the period from and including 1 June, 1995 to but excluding 1 December, 1995 and will amount to £43.75 per Bond of £1,000, £437.50 per Bond of £10,000 and £4,375 per Bond of £100,000. Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions). If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

#### 5. **Redemption and Purchase**

##### *(a) Final redemption*

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 1 December, 2005. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition.

##### *(b) Redemption for taxation reasons*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that either as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivisions or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 May, 1995 it has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or the Guarantors would be unable for reasons outside their control to procure payment by the Issuer and in making payment themselves either Guarantor would be required to pay such additional amounts, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer (or the relevant Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by two Directors of the Issuer or two Directors of the relevant Guarantor (as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

##### *(c) Notice of redemption*

All Bonds in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.



(d) *Purchase*

The Issuer or either of the Guarantors or any of their respective subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that they are purchased together with all unmatured Coupons relating to them). Any purchase by tender shall be made available to all Bondholders alike. The Bond so purchased, while held by or on behalf of the Issuer or either of the Guarantors or any of their respective subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 11(a).

(e) *Cancellation*

All Bonds so redeemed or purchased and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

6. **Payments**

(a) *Method of Payment*

Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by a sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in the City of London. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) *Payments subject to fiscal laws*

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7. No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(c) *Surrender of unmatured Coupons*

Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 7) for the relevant payment of principal.

(d) *Payments on business days*

A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, in the City of London). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date. In this Condition "**business day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

(e) *Paying Agents*

The initial Paying Agents and their initial specified offices are listed below. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of

any Paying Agent and appoint additional or other Paying Agents, provided that, for so long as any of the Bonds remains outstanding, it will maintain (i) a Principal Paying Agent and (ii) Paying Agents having specified offices in at least two major European cities approved by the Trustee (including London, so long as the Bonds are listed on the Official List maintained by the Financial Services Authority in its capacity as competent authority pursuant to Part VI of the Financial Services and Markets Act 2000 and admitted to trading by the London Stock Exchange plc, and a financial centre in continental Western Europe). Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders.

## **7. Taxation**

All payments of principal and interest in respect of the Bonds and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Bond or Coupon; or

(b) in the United Kingdom; or

(c) more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days.

"**Relevant Date**" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders. Any reference in these Conditions to principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition or any undertaking given in addition to or substitution for it under the Trust Deed.

## **8. Events of Default**

If any of the following events occurs and is continuing the Trustee at its discretion may, and if so requested by holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer and the Guarantors that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

(a) *Non-Payment*

The Issuer (or failing whom, the Guarantors) fails to pay the principal of or any interest on any of the Bonds when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest; or

(b) *Breach of Other Obligations*

The Issuer or either of the Guarantors does not perform or comply with any one or more of their respective other obligations in the Bonds or the Trust Deed which default is incapable of remedy (in which case no such notice as referred to below shall be required) or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee requiring the same to be remedied; or

(c) *Cross-Default*

(i) Any other present or future indebtedness of the Issuer, either of the Guarantors or any Material Subsidiary for or in respect of Borrowed Money (as defined in the Trust Deed) becomes due and payable prior to its stated maturity by reason of an event of default however described) under the documentation regulating the terms of such indebtedness, which has occurred and is continuing or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, either of the Guarantors or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Borrowed Money provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds £35,000,000 or its equivalent (as determined by the Trustee); or

(d) *Insolvency*

The Issuer, either of the Guarantors or any Material Subsidiary is insolvent or bankrupt or unable to pay its debts as they fall due, stops or suspends payment of all or substantially all of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or substantially all of the debts of the Issuer, either of the Guarantors or any Material Subsidiary; or

(e) *Winding-up*

An order is made by a competent court or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, either of the Guarantors or any Material Subsidiary, or the Issuer, either of the Guarantors or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer, either of the Guarantors or one or more of their respective subsidiaries,

provided that in the case of paragraph (b) and, in relation to a Material Subsidiary, paragraphs (d) and (e) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.

For the purposes of this Condition 8:

"Material Subsidiary" means:

(1) any subsidiary or subsidiary undertaking of the Issuer or of either of the Guarantors (i) whose turnover or whose gross assets represent in either case 5% or more of the consolidated turnover or consolidated gross assets, as the case may be, of GlaxoSmithKline

plc, in each case as shown by the most recent audited consolidated accounts of GlaxoSmithKline plc and the most recent audited accounts (consolidated, if any) of the relevant subsidiary or subsidiary undertaking, (ii) to which has been transferred (whether by one transaction or a series of transactions, related or not) all or substantially all the assets of a subsidiary or subsidiary undertaking which immediately prior to such transactions or any of such transactions was a Material Subsidiary or (iii) to which has been transferred assets or an undertaking of a subsidiary or subsidiary undertaking which, taken together with the gross assets of the transferee subsidiary or subsidiary undertaking of the Issuer or of either of the Guarantors, amount in value to at least 5% of the consolidated gross assets GlaxoSmithKline plc, in each case as shown by the most recent audited consolidated accounts of GlaxoSmithKline plc and the most recent audited accounts (consolidated, if any) of the relevant subsidiaries or subsidiary undertakings, provided that a subsidiary or a subsidiary undertaking which has become a Material Subsidiary pursuant to (ii) or (iii) above shall cease to be a Material Subsidiary on the later of the first date of publication of the first audited consolidated accounts of GlaxoSmithKline plc and the date of the report of the auditors of that subsidiary or subsidiary undertaking relating to the first audited accounts (consolidated, if any) of such subsidiary, or subsidiary undertaking, in each case prepared as at a date after such subsidiary or subsidiary undertaking became a Material Subsidiary, unless it would remain a Material Subsidiary by reason of (i) above, provided further that if the transferor referred to in (ii) or (iii) above is a Grandfathered Subsidiary, unless the transfer is in the ordinary course of trading, the relevant percentage for determining if the transferee is a Material Subsidiary for the purposes of (iii) above and on the later of the two dates referred to above shall be 2.6% and not 5% and provided further that the figures for the turnover and the gross assets as shown by accounts of any subsidiary or subsidiary undertaking referred to above shall, if expressed in a currency other than pounds sterling, be translated into pounds sterling for the purposes of this definition at the rates of exchange used for the purposes of the preparation of the audited consolidated accounts of GlaxoSmithKline plc with which such accounts of the subsidiary or subsidiary undertaking were consolidated or such other rates of exchange as the Auditors (as defined in the Trust Deed) may consider appropriate; and

(2) each Grandfathered Subsidiary until the first date of publication of the first audited consolidated accounts of GlaxoSmithKline plc following a transfer of assets or of an undertaking of a Grandfathered Subsidiary to a subsidiary or subsidiary undertaking which becomes a Material Subsidiary as a result of such transfer if on the basis of such accounts it would not be a Material Subsidiary pursuant to (1)(i) above if the percentage referred to above was 2.6% and not 5%, whereupon such transferee shall itself become a Grandfathered Subsidiary.

A report by the Auditors that, in their opinion, any subsidiary or subsidiary undertaking of the Issuer or either of the Guarantors, as the case may be, is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"Grandfathered Subsidiary" means each of the following companies and any company becoming a Grandfathered Subsidiary pursuant to paragraph (2) of the definition of Material Subsidiary: Groupe Glaxo Wellcome (which has been merged into Groupe GlaxoSmithKline), GlaxoSmithKline S.p.A (formerly Glaxo Wellcome S.p.A.), Glaxo Wellcome International, Glaxo Wellcome International BV, Glaxo Wellcome Investments BV, GlaxoSmithKline KK (formerly Glaxo Wellcome KK), Glaxochem Pte Limited, Glaxo Wellcome Manufacturing Pte Limited, Adechsa GmbH, GlaxoSmithKline Export Limited (formerly Glaxo Wellcome Export Limited), Glaxo Group Limited, GlaxoSmithKline Research & Development Ltd (formerly Glaxo Research and Development Limited), Glaxo Investments (UK) Limited, Glaxo Wellcome UK Limited, Glaxo Wellcome Holdings Limited, Glaxo Operations UK Limited, Wellcome Limited, The Wellcome Foundation Limited, Glaxo Wellcome Americas Inc. (which has been merged into GlaxoSmithKline

Holdings (Americas) Inc., and Glaxo Wellcome Inc. (which has been merged into SmithKline Beecham Corporation).

"subsidiary" has the meaning set out in Section 736 of the Companies Act 1985; and

"subsidiary undertaking" has the meaning set out in Section 758 of the Companies Act 1985.

#### 9. **Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 6 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

#### 10. **Replacement of Bonds and Coupons**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying Agent in London subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

#### 11. **Meetings of Bondholders, Modification, Waiver and Substitution**

##### *(a) Meetings of Bondholders*

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Bondholders holding not less than 10% in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to postpone the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66-2/3 per cent, or at any adjourned meeting not less than 33-1/3 per cent, in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

##### *(b) Modification and Waiver*

The Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable.

(c) *Substitution*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders or the Couponholders, to the substitution of any other company (including either of the Guarantors) in place of the Issuer, or any Successor in Business or Holding Company (as defined in the Trust Deed) of either of the Guarantors, or of any previous substituted company, as principal debtor or guarantor, as the case may be, under the Trust Deed and the Bonds. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders.

(d) *Entitlement of the Trustee.*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer or either of the Guarantors any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

**12. Enforcement**

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer or either of the Guarantors as it may think fit to enforce the terms of the Trust Deed, the Bonds and the Coupons, or both, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds outstanding, and (b) it shall have been indemnified to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer or either of the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

**13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, either of the Guarantors and any entity related to the Issuer or the Guarantors without accounting for any profit.

**14. Further Issues**

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the outstanding securities of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of securities of other series where the Trustee so decides.

15.     **Notices**

Notices to Bondholders will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if in the opinion of the Trustee such publication shall not be practicable, in such English language newspaper of general circulation in Europe as may be approved by the Trustee. Any such notice shall be deemed to have been given out the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have note of the contents of any notice given to the Bondholders in accordance with this Condition.

16.     **Governing Law**

The Trust Deed, the Bonds and the Coupons are governed by and shall be construed in accordance with English law.

*There will appear at the foot of the Conditions endorsed on each such Bond in definitive form the names and Specified Offices of the Paying Agents as set out at the end of these Listing Particulars.*

## **DESCRIPTION OF THE ISSUER AND THE GUARANTORS**

### **GLAXOSMITHKLINE CAPITAL PLC**

GlaxoSmithKline Capital plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 16 May 1988.

GlaxoSmithKline Capital plc is a wholly owned subsidiary of SmithKline Beecham plc, which is a wholly owned subsidiary of the GlaxoSmithKline plc, and acts as a United Kingdom resident financing company of the Group. GlaxoSmithKline Capital plc has no subsidiaries.

The principal executive and registered office of GlaxoSmithKline Capital plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS.

#### **Board of Directors**

The members of the Board of Directors of GlaxoSmithKline Capital plc, none of whom have activities outside the Group which are significant with respect to the Group, are as follows:

<b>Name</b>	<b>Function</b>
Glaxo Group Limited	Director
Edinburgh Pharmaceutical Industries Limited	Director

The business address of each of the above corporate directors is 980 Great West Road, Brentford, Middlesex TW8 9GS.



## CAPITALISATION OF GLAXOSMITHKLINE CAPITAL PLC

The following table sets out the un-audited capital and reserves and the borrowings of GlaxoSmithKline Capital plc at 31 December 2001 and the capital and reserves and the borrowings extracted from the audited financial statements of GlaxoSmithKline Capital plc at 31 December 2000.

	31 December 2001	31 December 2000
	£000's	£000's
<b>Capital and Reserves</b>		
Authorised share capital <sup>(1)</sup> .....	100	100
Issued share capital <sup>(1)</sup> .....	100	100
Profit and loss account .....	1,615	1,396
<b>Total capital and reserves</b> .....	<b>1,715</b>	<b>1,496</b>
<b>Borrowings</b> <sup>(2)(3)</sup>		
U.S.\$200,000,000 fixed rate 6.75% EMTN due 2001 <sup>(5)</sup> .....	-	134,228
U.S.\$200,000,000 fixed rate 6.625% EMTN due 2002 <sup>(4)(5)</sup> .....	137,931	134,228
JPY 3,000,000,000 fixed rate 1.38% EMTN due 2001 <sup>(5)</sup> .....	-	17,913
JPY 10,000,000,000 fixed rate 1.96% EMTN due 2002 <sup>(5)</sup> .....	61,467	59,817
£1,000,000,000 fixed rate 5.25% EMTN due 2033 <sup>(6)</sup> .....	972,704	-
	<b>1,172,102</b>	<b>346,186</b>

### Notes:

- (1) 100,000 ordinary and fully paid up shares with a nominal value of £1 each.
- (2) The interest rates shown on these fixed rate borrowings in the table above are those contracted on the borrowings before taking into account any interest rate swaps.
- (3) All indebtedness of GlaxoSmithKline Capital plc is unsecured.
- (4) Matured 28 January 2002.
- (5) Guaranteed by SmithKline Beecham plc.
- (6) Guaranteed by GlaxoSmithKline plc.
- (7) GlaxoSmithKline Capital plc has no contingent liabilities or guarantees provided other than as part of the Group's United Kingdom cash pooling arrangements. As at 31 December 2001, GlaxoSmithKline Capital plc's exposure under these cash pooling arrangements was £1,900,000. As at the date of these Listing Particulars there has been no change to such exposure since such date.
- (8) Save as otherwise disclosed below, there has been no material change in the borrowings or the total capital employed of GlaxoSmithKline Capital plc since 31 December 2001. As described under "Description of the Substitution and Credit Enhancement", GlaxoSmithKline Capital plc will on 28 March 2002 be substituted for GlaxoSmithKline Services plc as issuer of the Bonds and the U.S.\$500,000,000 6.125% Notes due 2006 issued by GlaxoSmithKline Services plc. Both the Bonds and such Notes are guaranteed by GlaxoSmithKline Services plc and GlaxoSmithKline plc.

## GLAXOSMITHKLINE SERVICES PLC

GlaxoSmithKline Services plc was initially incorporated with limited liability in England and Wales pursuant to the Companies Act 1948 on 23 March 1972 and registered under the name of Glaxo Holdings Limited, which was re-registered as a public limited liability company named Glaxo Holdings p.l.c. on 31 December 1981, which changed its name to Glaxo p.l.c. on 1 January 1995 and subsequently changed its name to Glaxo Wellcome plc on 1 May 1995. On 1 October 2001, Glaxo Wellcome plc was re-registered under the name GlaxoSmithKline Services plc.

As part of the reorganisation referred to under "*Description of the Substitution and Credit Enhancement*", it is expected that GlaxoSmithKline Services plc will be re-registered as a private limited liability company and then as an unlimited liability company on or before 31 March 2002 and, following such reorganisation, its principal activity will be acting as a management services and employment company for the Group.

GlaxoSmithKline Services plc is a directly wholly owned subsidiary of GSK plc.

The principal executive office of GlaxoSmithKline Services plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS.

### Board of Directors

The members of the Board of Directors of GlaxoSmithKline Services plc, none of whom have activities outside the Group which are significant with respect to the Group, are as follows:

Name	Function
Mr J.D. Coombe	Director
Edinburgh Pharmaceutical Industries Limited	Corporate Director
Glaxo Group Limited	Corporate Director

The business address of each of the above director and corporate directors is 980 Great West Road, Brentford, Middlesex TW8 9GS.

## CAPITALISATION OF GLAXOSMITHKLINE SERVICES PLC

The following table sets out the unaudited, unconsolidated capital and reserves and the borrowings of GlaxoSmithKline Services plc at 31 December, 2001, and unaudited, unconsolidated pro-forma capital and reserves and borrowings of GlaxoSmithKline Services plc after the reorganisation and the reduction of capital referred to under "*Description of the Substitution and Credit Enhancement*".

	Pro-forma <sup>(1)</sup>	31 December 2001
	£m	£m
<b>Capital and Reserves</b>		
Authorised share capital <sup>(2)</sup> .....	4,000	1,108
Issued share capital <sup>(3)</sup> .....	100	913
Share premium account .....	-	1,337
Profit and loss account .....	526	2,826
Other reserves .....	-	2,834
<b>Total capital and reserves</b> .....	<b>626</b>	<b>7,910</b>
<b>Borrowings<sup>(4)</sup></b>		
6.125% to 8.75% Eurobonds due 2005/6 <sup>(5)</sup> .....	-	841
Short term bank loans, overdrafts and commercial paper <sup>(4)</sup> .....	-	1,301
Intercompany borrowings .....	5,451	3,309
	<b>5,451</b>	<b>5,451</b>

### Notes:

- (1) Pro-forma capitalisation of GlaxoSmithKline Services plc as at 31 December 2001, adjusted for the substitution of GlaxoSmithKline Capital plc for GlaxoSmithKline Services plc as issuer of the Bonds, the addition of the Guarantees and the reorganisation, reduction of capital and related transactions referred to under "*Description of the Substitution and Credit Enhancement*", which are expected to be completed on or before 31 March 2002. No further material adjustments have been made.
- (2) As at 31 December 2001, the Authorised Share Capital of GlaxoSmithKline Services plc comprised 4,431,000,000 ordinary shares with a nominal value of £0.25 each. As at 31 December 2001 and subject to transactions referred to under "*Description of the Substitution and Credit Enhancement*", the authorised share capital of GlaxoSmithKline Services plc comprised 16,000,000,000 ordinary shares with a nominal value of £0.25 each.
- (3) As at 31 December 2001, the Issued Share Capital of GlaxoSmithKline Services plc comprised 3,653,435,656 ordinary and fully paid up shares with a nominal value of £0.25 each. As at 31 December 2001 and subject to transactions referred to under "*Description of the Substitution and Credit Enhancement*", the issued share capital of GlaxoSmithKline Services plc comprised 400,000,000 ordinary and fully paid up shares with a nominal value of £0.25 each.
- (4) Unsecured and unguaranteed indebtedness.
- (5) Following the reorganisation referred to under "*Description of the Substitution and Credit Enhancement*", GlaxoSmithKline Services plc will cease to be the issuer of such Eurobonds and each such series of Eurobonds will be guaranteed by GlaxoSmithKline Services plc and GlaxoSmithKline plc.

- (6) As at the date of these Listing Particulars, GlaxoSmithKline Services plc has no contingent liabilities or guarantees provided, other than guarantees in an aggregate amount of £2.8m.
- (7) Save as disclosed in Note 5 above, as at the date of these Listing Particulars there has been no material change in the borrowings or the total capital employed of GlaxoSmithKline Services plc since 31 December 2001.

## GLAXOSMITHKLINE PLC

The GlaxoSmithKline plc is the parent company of the Group which had sales of £20.5<sup>(1)</sup> billion from continuing operations in 2001.

The Group is a global healthcare group engaged in the creation and discovery, development, manufacture and marketing of pharmaceutical and consumer health-related products.

In 2001 the Group manufactured its products in 40 countries and sold them in over 140 countries. At year end it had over 107,000 employees, of these over 44,000 were in sales and marketing.

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### Notes:

- <sup>(1)</sup> Unaudited figure derived from GlaxoSmithKline plc's Preliminary Announcement dated 14 February 2002.

## BOARD OF DIRECTORS OF GLAXOSMITHKLINE PLC

The members of the Board of Directors of the Guarantor and their activities outside the Group (if any) which are significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Age</u>	<u>Executive/ Non-Executive</u>	<u>Function in Group</u>
<b>Executive</b>			
Garnier, Dr Jean-Pierre	54	Executive	<b>Chief Executive Officer</b>
Coombe, Mr. John David	56	Executive	<b>Chief Financial Officer</b>
<b>Non-Executive</b>			
Allaire, Mr. Paul Arthur	63	Non-Executive	<b>Non-Executive Director</b>
Barzach, Dr. Michèle	58	Non-Executive	<b>Non-Executive Director</b>
Hogg, Sir Christopher Anthony	65	Non-Executive	<b>Non-Executive Director</b>
Hurn, Sir Francis Roger	63	Non-Executive	<b>Non-Executive Deputy Chairman</b>
Job, Sir Peter James Denton	60	Non-Executive	<b>Non-Executive Director</b>
McArthur, Mr. John Hector	67	Non-Executive	<b>Non-Executive Director</b>
McHenry, Mr. Donald	65	Non-Executive	<b>Non-Executive Director</b>
Prosser, Sir Ian Maurice Gray	58	Non-Executive	<b>Non-Executive Director</b>
Schmitz, Dr. Ronaldo Hermann	63	Non-Executive	<b>Non-Executive Director</b> <b>Chairman</b> of the Audit Committee
Shapiro, Dr. Lucy	61	Non-Executive	<b>Non-Executive Director</b>
Sykes, Sir Richard Brooks	59	Non-Executive	<b>Non-Executive Chairman and</b> <b>Chairman</b> of the Finance Committee and Corporate Social Responsibility Committee
Walters, Sir Peter Ingram	71	Non-Executive	<b>Non-Executive Deputy Chairman</b>
Young, Mr. John Alan	69	Non-Executive	<b>Non-Executive Director and</b> <b>Chairman</b> of the Remunerations & Nominations Committee

The business address for each of the above is 980 Great West Road, Brentford, Middlesex TW8 9GS.

## CAPITALISATION OF GLAXOSMITHKLINE plc

The following table sets out the consolidated capital and reserves and the borrowings extracted from the audited financial statements of the Group at 31 December 2000 and the unaudited position at 31 December 2001.

	Unaudited 31 December 2001	31 December 2000
	£m	£m
<b>Capital and Reserves</b>		
Issued share capital <sup>(1)</sup> .....	1,543	1,556
Share premium account .....	170	30
Other reserves .....	5,804	6,125
<b>Shareholders' funds – equity interests</b> .....	<u>7,517</u>	<u>7,711</u>
<b>Non-equity minority interest</b>		
Preference Shares issued by subsidiaries <sup>(2)</sup> .....	621	1,039
<b>Equity minority interests</b> .....	<u>241</u>	<u>205</u>
<b>Total capital employed<sup>(7)</sup></b> .....	8,379	8,955
<b>Borrowings<sup>(3)(5)(7)(9)</sup></b>		
2.0% to 8.75% Eurobonds 2002-2006 <sup>(8)(10)</sup> .....	1,181	1,209
1.38% to 1.96% Japanese Yen Euro Medium-Term Notes 2001-2002 <sup>(11)</sup> .....	61	78
2.5% to 7.125% U.S. Dollar U.S./Euro Medium-Term Notes 2001-2005 <sup>(11)</sup> .....	386	578
5.25% Sterling Long Term Notes 2033 <sup>(12)</sup> .....	973	-
Bank and other loans due after more than one year .....	49	107
Short term bank loans, overdrafts and commercial paper .....	<u>1,582</u>	<u>2,060</u>
	<u>4,232</u>	<u>4,032</u>

### Notes:

<sup>(1)</sup> At 31 December 2000 and 31 December 2001 the authorised and issued share capital of GlaxoSmithKline plc was:

	Authorised	Issued
	(000's of shares)	
<b>The Guarantor</b>		
Ordinary Shares of 25p each at 31 December 2000 .....	9,999,800	6,225,662
Ordinary Shares of 25p each at 31 December 2001 .....	10,000,000	6,172,966

All issued shares are fully paid-up.

- (2) SB Holdings Corporation ("SBH Corp"), a subsidiary incorporated in Delaware, USA, has in issue U.S.\$500 million of Flexible Auction Market Preferred Stock ("FAMPS"), comprising 5,000 shares of U.S.\$100,000 each, issued in six series. The dividend on half of these shares was fixed on issuance in 1996 for a seven year period. The dividend on the other half varies (predominately with prevailing interest rates) and is set every seven weeks at an auction at which the shares are also traded.

SBH Corp also has in issue U.S.\$400 million of Auction Rate Preference Stock ("ARPS"), comprising 4,000 shares of U.S.\$100,000 each, issued in five series, the dividend on which also varies under similar conditions as the Flex ARPS described above.

SB plc in certain circumstances guarantees payment of dividends declared on the preference shares. SB plc has also agreed with SBH Corp that in certain circumstances it will provide support to SBH Corp in relation to the principal. However, any guarantee or support is limited so that in no circumstances could the holder of preference shares be in a more favourable position than had they been a holder of a preference share in SB plc. The preference shares represent a long-term non-equity minority interest in the Group balance sheet in accordance with FRS 4 'Capital Instruments'.

- (3) Balances in foreign currencies have been translated into sterling at rates ruling at the relevant balance sheet date.
- (4) As at 31 December 2001, aggregate Group contingent liabilities and guarantees provided amounted to £72.9 million.
- (5) Save as disclosed in Note 4 above (and, as regards material contingent liabilities, save as disclosed under the heading "Litigation" on page 25 of these Listing Particulars), as at 31 December 2001 the Group did not have any borrowings or indebtedness in the nature of borrowing, loan capital, issued or created but unissued, term loans, bank overdrafts, liabilities under acceptances or acceptance credits, mortgages, charges, hire purchase commitments, obligations under finance leases, guarantees or other material contingent liabilities.
- (6) On 23 October 2001 GlaxoSmithKline plc announced plans to spend up to £4 billion buying its shares in the market. The programme covers purchases by the company's employee trusts relating to share option grants and other share based incentives and purchases by the company of shares for cancellation. Under this programme, as at the close of business on 20 March 2002 a total of approximately 133.9 million shares had been bought at a cost of approximately £2.38 billion. Of this £2.0 billion was spent prior to 31 December 2001 and the remaining £0.38 billion has been spent since that date. Of the 133.9 million shares, 41.1 million were bought by the company's employee trusts and 92.8 million by the company for cancellation.

In addition a dividend payment of £0.5 billion was made in January 2002. The purchase of shares and the payment of dividends since 31 December 2001 have been primarily financed by the issuance of short term commercial paper.

- (7) All the Medium Term Notes referred to (other than the £1,000,000,000 5.25% Notes due 2033 issued by GlaxoSmithKline Capital plc) have been swapped into floating rate borrowings. The interest rates shown on these fixed rate borrowings in the capitalisation table above are those contracted on the borrowings before taking into account any interest rate swaps. The net effect of these agreements is to convert fixed rate liabilities with the interest rates shown above to floating rate liabilities with interest rates at a margin to LIBOR.
- (8) All the Eurobonds referred to in the Capitalisation table above are fixed rate borrowings. The interest rates shown on these fixed rate borrowings in the capitalisation table above are those contracted in the borrowings before taking into account any currency swaps.
- (9) All indebtedness is unsecured.
- (10) Following the reorganisation referred to under "Description of the Substitution and Credit Enhancement", each such series of Eurobonds will be guaranteed by GlaxoSmithKline Services plc and/or GlaxoSmithKline plc.
- (11) Guaranteed by SmithKline Beecham plc.
- (12) Guaranteed by GlaxoSmithKline plc.
- (13) Save as disclosed above, as at the date of these Listing Particulars, there have been no material changes in the borrowings or indebtedness in the nature of borrowings, contingent liabilities or guarantees provided by or of the Group, or capital employed by the Group, since 31 December 2001, except that the following indebtedness has been repaid:



<u>Date</u>	<u>Principal</u>	<u>Rate/Description</u>
28 January 2002 .....	U.S.\$200 million	6.625% Notes

## SUMMARY FINANCIAL INFORMATION OF THE GROUP

The following summary financial information is extracted from the audited consolidated Report and Accounts of the Guarantor, for the year ended 31 December 2000 and the unaudited consolidated accounts of the Guarantor, for the year ended 31 December 2001.

### Consolidated Profit and Loss Account Years ended 31 December 2000, 1999 and 1998 and year ended 31 December 2001 (unaudited)

	Unaudited Year ended 31 December 2001	Year ended 31 December 2000	(pro forma) Year ended 31 December 1999	(pro forma) Year ended 31 December 1998
	£m	£m	£m	£m
Sales .....	20,489	18,079	16,796	16,002
Trading Profit .....	4,697	4,455	3,930	4,085
Profit before interest and taxation .....	4,605	6,211	4,398	3,756
Interest .....	(88)	(182)	(162)	(192)
Profit on ordinary activities before taxation .....	4,517	6,029	4,236	3,564
Tax on profit on ordinary activities .....	(1,327)	(1,699)	(1,218)	(977)
Profit on ordinary activities after taxation .....	3,190	4,330	3,018	2,587
Equity minority interests .....	(97)	(120)	(110)	(102)
Preference Share dividends .....	(34)	(56)	(49)	(50)
Profit attributable to shareholders .....	3,059	4,154	2,859	2,435
Dividends payable on equity interests .....	(2,356)	(2,097)	(2,005)	(1,903)
Profit retained .....	703	2,057	854	532
Earnings per Ordinary Share .....	50.4p	68.5p	46.7p	39.9p

**Consolidated Balance Sheet**  
**As at 31 December 2001, 2000 and 1999**

	<b>31 December</b>		
	<b>Unaudited 2001</b>	<b>2000</b>	<b>(pro forma) 1999</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Fixed assets:			
Intangible .....	1,847	1,136	1,086
Tangible assets and investments .....	10,073	9,186	8,206
Total fixed assets .....	11,920	10,322	9,292
Current assets:			
Cash and investments .....	2,131	3,421	2,359
Other .....	7,866	7,847	7,123
	9,997	11,268	9,482
Creditors-within one year:			
Loans and overdrafts .....	(2,124)	(2,281)	(2,819)
Other .....	(7,306)	(6,803)	(5,629)
	(9,430)	(9,084)	(8,448)
Net Current Assets .....	567	2,184	1,034
Total assets less current liabilities .....	12,487	12,506	10,326
Creditors due after more than one year .....	(2,298)	(1,894)	(2,044)
Provision for liabilities and charges .....	(1,810)	(1,657)	(1,675)
Net assets .....	8,379	8,955	6,607
Shareholders' Equity .....	7,517	7,711	5,464
Non-equity minority interest Preference Shares .....	621	1,039	961
Equity minority interests .....	241	205	182
Total capital employed .....	8,379	8,955	6,607

## U.K. TAXATION

The following, which applies only to persons who are the beneficial owners of the Bonds, is a summary of the Issuer's understanding of current United Kingdom tax law and Inland Revenue practice as at the date of these Listing Particulars relating to certain aspects of the United Kingdom taxation of the Bonds. It is not a comprehensive analysis of the tax consequences arising in respect of the Bonds. Some aspects do not apply to certain classes of taxpayer (such as dealers). Prospective Bondholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

### 1. Interest on the Bonds

United Kingdom withholding tax (including such withholding or deduction for or on account of tax by issuers, paying agents and collecting agents) was abolished in relation to interest payments made (or, in the case of collecting agents, received) on or after 1 April 2001 in respect of securities listed on a "recognised stock exchange", as defined in section 841 of the Income and Corporation Taxes Act 1988 (the "Act"). The Bonds will constitute "quoted Eurobonds" provided that they are listed on The London Stock Exchange which is currently "recognised" for this purpose. Under current Inland Revenue practice, securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the UK Listing Authority and admitted to trading by the London Stock Exchange. Provided, therefore, that the Bonds remain so listed, interest on the Bonds will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Bonds may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Bonds is paid to a person who belongs in the United Kingdom and the Issuer reasonably believes (and any person by or through whom interest on the Bonds is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest at the time the payment is made, provided that the Inland Revenue has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the beneficial owners is not within the charge to United Kingdom corporation tax in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In all other cases, an amount must be withheld from payments of interest on the Bonds on account of United Kingdom income tax at the lower rate (currently 20%), subject to any direction to the contrary by the Inland Revenue under an applicable double taxation treaty.

Interest on the Bonds constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Bonds are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

## **2. United Kingdom Corporation Tax Payers**

In general, Bondholders which are within the charge to United Kingdom corporation tax in respect of the Bonds will be charged to tax and obtain relief as income on all returns on and fluctuations in value of the Bonds broadly in accordance with their statutory accounting treatment. Such Bondholders (where they account on an accruals basis) will generally be charged to tax in each accounting period by reference to interest accrued in that period.

## **3. Other United Kingdom Tax Payers**

### ***Taxation of Chargeable Gains***

A disposal of Bonds by an individual Bondholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Bonds are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains, unless the Bonds constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992.

### ***Accrued Income Scheme***

On a disposal of Bonds by a Bondholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the "accrued income scheme" if that Bondholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable.

## **4. Proposed EU Savings Directive**

On 13 December 2001, the European Union ECOFIN Council reached a political agreement on the text of a proposed European Union Savings Directive. Under the proposed European Union Savings Directive, European Union Member States are required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by an entity/person within its jurisdiction to an individual resident in another Member State, subject to the right of certain Member States to opt instead for a withholding system during a specified transitional period. The text of the proposed European Union Savings Directive is not yet final, and may be subject to further amendment and/or clarification.

## GENERAL INFORMATION

### 1. Authorisations

- (a) The creation and issue of the Bonds by the Original Issuer was authorised by a resolution of the Board of Directors of the Original Issuer dated 12 April 1995.
- (b) The substitution of the Issuer for the Original Issuer as principal debtor in relation to the Bonds was authorised by a resolution of the Board of Directors of the Issuer dated 25 March 2002.
- (c) The giving of the Guarantee of the Bonds by GlaxoSmithKline Services plc has been authorised by a resolution of the Board of Directors of such Guarantor dated 25 March 2002, and the giving of the Guarantee of the Bonds by GlaxoSmithKline plc has been authorised by a resolution of the Board of Directors of such Guarantor dated 25 March 2002.

### 2. Litigation

Save as disclosed in these Listing Particulars, there are no legal or arbitration proceedings, including which are pending or threatened, of which the Issuer or either of the Guarantors is aware, which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position of the Issuer or either of the Guarantors and their respective subsidiaries.

The Group is involved in various legal and administrative proceedings considered normal to its business, principally intellectual property cases, product liability, and governmental investigations, the most significant of which are described below.

#### *Intellectual property*

In the USA a number of distributors of generic drugs have filed applications with the US Food and Drug Administration ("FDA") to market generic versions of *Paxil/Seroxat* (paroxetine hydrochloride), prior to the expiration in 2006 of the Group's patent on paroxetine hydrochloride hemihydrate. In response, the Group has filed actions against all those distributors for infringement of various of the Group's patents.

In July 1998 GlaxoSmithKline plc filed an action against Apotex in the US District Court for the Northern District of Illinois for infringement of one of the Group's patents for paroxetine hydrochloride. Apotex had filed an Abbreviated New Drug Application ("ANDA") with the FDA seeking approval to introduce a generic form of *Paxil*. No trial date has been set.

In June 1999 the Group filed an action against Geneva Pharmaceuticals, a subsidiary of Novartis Pharmaceuticals, in the US District Court for the Eastern District of Pennsylvania for infringement of the Group's patents for paroxetine hydrochloride following notice of Geneva's ANDA filing. That case has been consolidated with similar infringement actions against other generic companies that subsequently filed ANDAs. Additional infringement actions have been brought based on patents issued subsequent to the original filing, and the cases have been consolidated. The Group also filed an action against Apotex relating to certain of those new patents in the Eastern District of Pennsylvania. The parties to this consolidated action are seeking agreement on a discovery schedule. In March 2000 GlaxoSmithKline plc filed an action against Pentech in the US District Court for the Northern District of Illinois for infringement of the Group's patents for paroxetine hydrochloride. Pentech filed an ANDA for a capsule version of *Paxil*, asserting that its compound and presentation do not infringe the Group's patents or that the patents are invalid. Even if the US

FDA were to approve the Pentech ANDA, GlaxoSmithKline plc believes that the Pentech capsule would not be substitutable for *Paxil* tablets. Discovery is continuing in this case.

In October 2000 GlaxoSmithKline plc filed an action against Synthon in the US District Court for the Middle District of North Carolina for infringement of the Group's patents for paroxetine hydrochloride and paroxetine mesylate. Synthon had filed a 505(b)(2) application (a "**paper NDA**") with the US FDA using paroxetine mesylate, a different salt form of paroxetine than that used in the marketed form of *Paxil*. Even if the US FDA approves the Synthon application, GlaxoSmithKline plc believes the Synthon compound would not be substitutable for *Paxil*. No trial date has been set.

Following the expiration of the data exclusivity period in Europe, a marketing authorisation was issued to Synthon by regulatory authorities in Denmark for paroxetine mesylate, a different salt form of paroxetine hydrochloride than that used in the marketed form of *Seroxat/Paxil*. Authorisations have been granted in six other European countries under the mutual recognition process and are under assessment in others. The Group has initiated litigation challenging the approval by the Danish Medicines Agency on grounds that an authorisation should not have been granted under the abridged procedure as paroxetine mesylate is not essentially similar to *Seroxat*.

Marketing authorisations have also been issued in eight European countries for products containing paroxetine hydrochloride anhydrate, another variant of the Group's product. Generic products containing the anhydrate are now on the market in Germany, Austria and Denmark. GlaxoSmithKline plc believes that marketing of either a paroxetine hydrochloride anhydrate product or a paroxetine mesylate product by third parties in European countries infringes its patents and is vigorously litigating its position in actions in many European countries.

In May 2001 Geneva Pharmaceuticals commenced an action in the US District Court for the Eastern District of Virginia over four patents recently issued to GlaxoSmithKline plc covering clavulanic acid, a key ingredient in *Augmentin* and *Timentin*. Geneva has asked the court to declare the new patents, which expire in 2017 and 2018, invalid. In August Geneva extended its complaint to cover three additional patents which expire in 2002. A hearing on Geneva's summary judgement motions challenging validity was concluded in October 2001 but the trial judge has not yet issued a decision. Geneva alleges in its suit that it is the holder of a pending ANDA filed in February 2000 by another Novartis subsidiary. Discovery in the case is continuing.

In September 2001 Teva Pharmaceuticals filed a similar action challenging the four recently issued patents and a patent expiring in December 2002 that cover *Augmentin*. The Teva action has been consolidated with the Geneva case. The court has set a May 2002 trial date for the consolidated action. At a December 2001 hearing on Teva's motion for summary judgement the trial judge ruled from the bench, holding that the patent expiring December 2002 is not invalid but that the Group's patent expiring in 2018 is invalid. Teva has since filed a second motion for summary judgement of invalidity of the Group's patents covering *Augmentin* with expiry dates in 2017. On 13 March 2002 the judge ruled on the summary judgement motion that three of the Group's patents expiring in 2017 were invalid. The Group continues to believe that the patents expiring in 2017 and 2018 are valid and intends to appeal any ruling to the contrary.

Five distributors of generic pharmaceutical products have filed ANDAs for sustained release bupropion hydrochloride tablets (*Wellbutrin SR* and *Zyban*) in the USA, accompanied in each case with a certification of invalidity of the Group's patents. The Group has brought suit against each of the filing parties on grounds of patent infringement. The Group filed suit against ANDRx Pharmaceuticals, the first to file an ANDA, in the US District Court for the

Southern District of Florida. In February 2002 the District Court Judge granted ANDRx's summary judgement motion and ruled that its product does not infringe the Group's patents. The Group is appealing that decision. Actions have also been filed against Watson Pharmaceuticals in the US District Court for the Southern District of Ohio, Eon Labs Manufacturing in the US District Court for the Eastern District of New York, Impax Laboratories in the US District Court for the Northern District of California and Excel in the US District Court for the New Jersey District. The Watson case has been settled. All the remaining cases are still in their early stages.

The Group filed an action for infringement of its patents for cefuroxime axetil, the active ingredient in the Group's *Ceftin* anti-infective product, against Ranbaxy Pharmaceuticals in the US District Court for New Jersey. A preliminary injunction was granted in favour of GlaxoSmithKline plc. In August 2001 the US Court of Appeals vacated that injunction and remanded the case to the District Court for a full trial on the merits. In January 2002 Ranbaxy announced that the US FDA has approved Ranbaxy's application for its generic version.

The Group has filed a similar action against Apotex, a second distributor of generic pharmaceutical products, in the US District Court for the Northern District of Illinois. That case is still in its early stages.

In August 2001 the Group commenced an action in the US District Court for New Jersey against Reddy-Cheminor and Dr. Reddy's Laboratories, alleging infringement of three patents for ondansetron, the active ingredient in *Zofran* tablets. The defendants have filed an ANDA with the US Food and Drug Administration. FDA approval of that ANDA is stayed until the earlier of January 2004 or resolution of the patent infringement litigation. The case is still in its early stages.

### ***Product liability***

In 1997 the US Food and Drug Administration became aware of reports of cardiac valvular problems in individuals for whom fenfluramine or dexfenfluramine alone or in combination with phentermine was prescribed as part of a regimen of weight reduction and requested the voluntary withdrawal of fenfluramine and dexfenfluramine from the market. The reports of cardiac valvular problems and the subsequent withdrawal of those products from the market spawned numerous product liability lawsuits filed against the manufacturers and distributors of fenfluramine, dexfenfluramine and phentermine. As one of a number of manufacturers of phentermine, the Group is a defendant in numerous lawsuits in various state and federal district courts in the USA, many of which have been filed as class actions. Most of the lawsuits seek relief including some combination of compensatory and punitive damages, medical monitoring, and refunds for purchases of drugs. In 1997 the Judicial Panel on Multidistrict Litigation issued an order consolidating and transferring all federal actions to the District Court for the Eastern District of Pennsylvania. That court approved a global settlement proposed by defendant Wyeth, which sold fenfluramine and dexfenfluramine. The settlement, subsequently confirmed by the Third Circuit Court of Appeals, does not include any of the phentermine defendants, including the Group. Individual plaintiffs may elect to opt out of the class settlement and pursue their claims individually. Wyeth continues to settle individual state court cases before trial and the Group continues to be dismissed from lawsuits as they are settled by Wyeth.

GlaxoSmithKline plc has received purported class action and other lawsuits filed in state and federal courts in the USA alleging that paroxetine (the active ingredient in *Paxil*) is addictive and causes dependency and withdrawal reactions. Plaintiffs seek remedies including compensatory and punitive damages and the cost of a fund for medical monitoring. The lawsuits are in their early stages and there has been no determination as to whether any of the lawsuits will be permitted to proceed as class actions. In the last decade there has been



litigation against the manufacturers of Prozac and other SSRI products for homicidal or suicidal behaviour exhibited by users of their products. The Group has received some such claims and lawsuits with respect to *Paxil*. None of these are or purport to be class actions. Following a report from the Yale Haemorrhagic Stroke Project that suggested an association between first use of phenylpropanolamine ("PPA") decongestant and haemorrhagic stroke, the Group and most other manufacturers voluntarily withdrew consumer healthcare products in which PPA was an active ingredient. Since the PPA product withdrawal the Group has received numerous personal injury and class action lawsuits filed in state and federal courts alleging personal injury or increased risk of injury from use of products containing PPA and unfair and deceptive business practices. Plaintiffs seek remedies including compensatory and punitive damages, medical monitoring and refunds. The federal cases have been consolidated in a multidistrict litigation proceeding in the US District Court for the District of Washington. The lawsuits are in their early stages and there has been no determination as to whether any of the lawsuits will be permitted to proceed as class actions. In August 2001 Bayer AG withdrew *Baycol* (cerivastatin sodium) worldwide in light of reports of adverse events, including deaths, involving rhabdomyolysis. GlaxoSmithKline plc had participated in the marketing of *Baycol* in the USA pursuant to a co-promotion agreement with Bayer which was the licence holder and manufacturer of the product. Following the withdrawal, Bayer and GlaxoSmithKline plc have received numerous lawsuits filed in state and federal courts in the USA on behalf of both individual and putative classes of former *Baycol* users. A number of the suits allege that the plaintiffs suffered personal injuries, including rhabdomyolysis, from the use of *Baycol*. Others claim that persons who took *Baycol*, although not injured, may be at risk of future injury or may have suffered economic damages from purchasing and using *Baycol*. Plaintiffs seek remedies including compensatory, punitive and statutory damages and creation of funds for medical monitoring. The federal cases have been consolidated in a multidistrict litigation proceeding in the US District Court for the District of Minnesota. The lawsuits are in their very early stages and there has been no determination as to whether any of the lawsuits will be permitted to proceed as class actions.

Following the voluntary withdrawal of *Lotronex* in the USA in November 2000, a number of lawsuits have been filed against the Group in state and federal district courts, including individual personal injury actions and purported class actions asserting product liability and consumer fraud claims. Plaintiffs seek remedies including compensatory, punitive and statutory damages. Most of those actions are at their early stages although tentative trial dates for some cases have been set for 2002.

GlaxoSmithKline plc, along with a number of other pharmaceutical companies, has been named as a defendant in a number of purported class action and individual personal injury lawsuits in state and federal district courts in the USA alleging that thimerosal, a preservative used in vaccines, causes neurodevelopmental disorders and other injuries. Plaintiffs seek remedies including compensatory, punitive and statutory damages and the cost of a fund for medical monitoring and research. The lawsuits are in their very early stages and there has been no determination as to whether any of the purported class actions will be permitted to proceed as class actions.

#### ***Government investigations***

GlaxoSmithKline plc has received subpoenas from the US Attorney's office in Boston, Massachusetts, requesting production of documents for the period from 1991 to the present relating to any repackaging, relabelling or private label arrangements that GlaxoSmithKline plc has had or discussed with third-party customers during such period. At issue in this civil and criminal investigation is whether the prices charged to such third parties for GlaxoSmithKline plc products must be counted for Medicaid "best price" purposes. The Group is providing documents in response to the subpoenas.

GlaxoSmithKline plc has also received letters from the Centers for Medicare & Medicaid Services ("CMS") stating CMS's position that certain of those prices should have been included in Medicaid "best price" and requesting that GlaxoSmithKline plc retroactively adjust its "best price" reports for quarters prior to July 2000 to include those prices.

GlaxoSmithKline plc is responding to subpoenas from the Office of the Inspector General of the US Department of Health and Human Services, the US Department of Justice and the states of Texas and California in connection with allegations that pharmaceutical companies, including GlaxoSmithKline plc, have violated federal fraud and abuse laws such as the Federal False Claims Act (and, with respect to Texas and California, comparable state laws) as a result of the way certain drugs are priced and the way the Medicare and Medicaid programmes reimburse for those drugs. In the first quarter of 2002 the Nevada and Montana state attorneys general each filed a civil lawsuit in state court against GlaxoSmithKline plc and several other drug companies. Each action claims – on behalf of the state as a payer and on behalf of in-state patients as consumers – damages and restitution based on defendants' pricing for an undefined set of pharmaceutical products. In addition private payer class action lawsuits have been filed against GlaxoSmithKline plc in several federal district courts. Those actions are all in very early stages.

In November 2000 the US Federal Trade Commission staff advised the Group that the staff was conducting a non-public investigation to determine whether the Group was violating Section 5 of the Federal Trade Commission Act by "monopolizing or attempting to monopolize" the market for paroxetine hydrochloride by preventing generic competition to *Paxil* and requested the Group to submit certain information in connection with that investigation. The Group has cooperated with the staff's investigation.

Following public reference to the FTC investigation, four purported consumer class actions have been filed alleging that the Group has monopolised the market for *Paxil*. Treble damages are sought for alleged overcharges flowing from the conduct. The cases are at an early stage with no determination as to whether they will be permitted to proceed as class actions.

### ***Antitrust***

Through the US pharmaceutical businesses of both SmithKline Beecham and Glaxo Wellcome, the Group is party to a number of antitrust suits, certain of which have been certified as class actions, instituted by most of the nation's retail pharmacies and consumers in several states, alleging conspiracies in restraint of trade and challenging the pricing practices of the Group. A significant number of other pharmaceutical companies and wholesalers have also been sued in the same or similar litigation. These actions, except for several actions pending in state courts, were consolidated for pre-trial purposes in the US District Court for the Northern District of Illinois. The federal class action component, which includes pharmacies representing approximately two-thirds of total US retail sales volume, was settled by both Glaxo Wellcome and SmithKline Beecham in 1996. Since that time, the Group has entered into other settlements on satisfactory terms. The Group has not engaged in any conspiracy and no admission of wrongdoing was made nor was included in the final agreements.

In August 2001 the US District Court for the District of Massachusetts ruled the Group's patent for nabumetone (*Relafen*) invalid for anticipatory art and inequitable conduct. The Group filed its appeal from that decision in November 2001.

Following the District Court decision, antitrust claims alleging competitive injury and overcharges have been filed by Teva Pharmaceuticals, a generic manufacturer of nabumetone, and purported classes of direct purchasers and payers, respectively, resulting from alleged fraudulent procurement of a patent, wrongful listing of the patent in the FDA Orange Book

and prosecution of sham patent infringement litigation. Those cases, filed in US District Courts for the District of Massachusetts and the Eastern District of Pennsylvania between December 2001 and January 2002, are in their early stages.

### ***Commercial matters***

Otsuka Pharmaceutical Co., Ltd. initiated arbitration proceedings in December 2001 concerning the Group's unilateral withdrawal of grepafloxacin (*Raxar/Vaxar*) in October 1999 for safety reasons. Otsuka alleges that the product withdrawal and simultaneous public announcement constituted material breaches of the licence and supply agreements. The Group believes the underlying product withdrawal was consistent with the terms of the agreements and that valid defences exist to the claims. An answer will be served during the first quarter of 2002.

### ***SBCL indemnities***

In connection with the sale of SmithKline Beecham Clinical Laboratories ("**SBCL**") to Quest Diagnostics, Inc., the Group has agreed to indemnify Quest Diagnostics, on an after-tax basis, with respect to certain liabilities arising from the conduct of the SBCL business prior to closing, including governmental and private claims arising from the US government's investigation into SBCL's billing and marketing practices.

### ***Environmental matters***

GlaxoSmithKline plc has been notified of its potential responsibility relating to past operations and its past waste disposal practices at certain sites, primarily in the USA. Some of these matters are the subject of litigation, including proceedings initiated by the US federal or state governments for waste disposal site remediation costs and tort actions brought by private parties. GlaxoSmithKline plc has been advised that it may be a responsible party at approximately 25 sites, of which 13 appear on the National Priority List created by the Comprehensive Environmental Response Compensation and Liability Act ("**Superfund**").

These proceedings seek to require the operators of hazardous waste facilities, transporters of waste to the sites and generators of hazardous waste disposed of at the sites to clean up the sites or to reimburse the government for cleanup costs. In most instances, GlaxoSmithKline is involved as an alleged generator of hazardous waste although there are a few sites where GlaxoSmithKline plc is involved as a current or former operator of the facility. Although Superfund provides that the defendants are jointly and severally liable for cleanup costs, these proceedings are frequently resolved on the basis of the nature and quantity of waste disposed of at the site by the generator. GlaxoSmithKline plc's proportionate liability for cleanup costs has been substantially determined for about 20 of the sites referred to above.

GlaxoSmithKline plc's potential liability varies greatly from site to site. While the cost of investigation, study and remediation at such sites could, over time, be substantial, GlaxoSmithKline plc routinely accrues amounts related to its share of liability for such matters.

In the USA, for a number of years, GlaxoSmithKline plc has had significant open issues relating to transfer pricing. These issues affect all years from 1989 to the present and concern a number of products, although the most significant relates to the success of *Zantac*, in respect of which the claims of the US Internal Revenue Service ("**IRS**") substantially exceed the Group's estimation of its taxation liabilities. The IRS claims continue to be the subject of discussions between the United States and United Kingdom tax authorities under the competent authority provisions of the double tax convention between the two countries. Within these discussions there is a wide variation between the views of the United States and

United Kingdom tax authorities and, exceptionally, they may be unable to reach agreement to settle the dispute. In the event of the United Kingdom and United States tax authorities not reaching agreement, the matter may have to be resolved by litigation.

*Brand names appearing in italics throughout these Listing Particulars are trademarks of GlaxoSmithKline plc, its subsidiaries or associated companies, with the exception of Baycol which is a trademark of Bayer AG.*

### 3. **Material Change**

Save as disclosed in these Listing Particulars, there has been no significant change in the financial or trading position of the Issuer, or either of the Guarantors and their respective subsidiaries, since 31 December 2001 and, since such date, save as disclosed in these Listing Particulars, there has been no material adverse change in the financial position or prospects of the Issuer or the Guarantors and their respective subsidiaries.

### 4. **Documents Available For Inspection**

Copies of the following documents may be inspected during normal business hours at the registered offices of GlaxoSmithKline plc during the period of 14 days from the date of these Listing Particulars:

- (a) the Memorandum and Articles of Association of the Issuer;
- (b) the Memorandum and Articles of Association of each of the Guarantors;
- (c) the Agency Agreement and the Trust Deed;
- (d) the financial statements of GlaxoSmithKline Capital plc in respect of the financial years ended 31 December 1999 and 31 December 2000, the financial statements of GlaxoSmithKline Services plc in respect of the financial years ended 31 December 1999 and 31 December 2000 and the consolidated financial statements of the Group in respect of the financial year ended 31 December 2000;
- (e) a copy of these Listing Particulars; and
- (f) any future offering circulars, prospectuses, information memoranda and supplements to these Listing Particulars and any other documents incorporated herein or therein by reference.

### 5. **ISIN and Common Codes**

The Bonds have since original issue been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0057700683 and the Common Code is 5770068.

### 6. **Auditors**

The auditors of GlaxoSmithKline plc, GlaxoSmithKline Services plc and GlaxoSmithKline Capital plc are PricewaterhouseCoopers, chartered accountants, of 1 Embankment Place, London WC2N 6NN (the "Auditors"), who have audited without qualification, in accordance with generally accepted auditing standards in the United Kingdom: (i) the accounts of GlaxoSmithKline Capital plc for each of the three financial years ended 31 December 1998, 1999 and 2000; (ii) the accounts of GlaxoSmithKline plc for the year ended 31 December 2000; and (iii) the accounts of GlaxoSmithKline Services plc for each of the three years ended 31 December 1998, 1999 and 2000.

The financial information included herein does not constitute statutory accounts of GlaxoSmithKline Capital plc, GlaxoSmithKline Services plc or GlaxoSmithKline plc within the meaning of section 240 of the Companies Act 1985 (the "**Companies Act**"). Statutory consolidated accounts relating to each financial year up to and including the year ended 31 December 2000 have been delivered to the Registrar of Companies in England and Wales. The Auditors have made reports under Section 235 of the Companies Act on such statutory accounts. No qualification has been made with respect to any such report nor has any statement been made under Section 273(2) or (3) of the Companies Act.

7. **Listing**

The listing of the Bonds on the Official List of the UK Listing Authority and the admission of the Bonds to trading by the London Stock Exchange is expressed in Pounds Sterling as a percentage of their principal amount (exclusive of accrued interest). Transactions will normally be effected for settlement in Pounds Sterling for delivery on the third business day in London after the date of the transaction. The substitution of GlaxoSmithKline Capital plc as issuer of the Bonds will not result in the Bonds being delisted. Such substitution will be reflected on the Official List with effect from 28 March 2002.

**REGISTERED OFFICE OF  
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GUARANTOR**

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