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Financial statements for the year

ended December 31, 2008

Glaxo Wellcome Investments B.V.

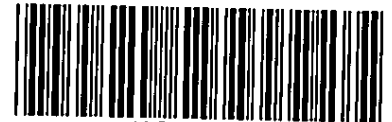
Zeist

Registered Number	30158854	(Netherlands)
	FC023981	(England & Wales)
	BR006631	(England & Wales)

Registered office address:
Huis ter Heideweg 62
3705 LZ
Zeist
Netherlands

UK trading office address:
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Brentford
Middlesex
TW8 9GS
England

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1.1 Balance sheet as at December 31, 2008 (after proposed profit appropriation)

		December 31, 2008		December 31, 2007	
	Notes	£ '000	£ '000	£ '000	£ '000
Fixed assets					
Financial fixed assets					
Participation in group companies	1.4.1	<u>1,455,391</u>		<u>1,455,391</u>	
			1,455,391		1,455,391
Current assets					
Cash at bank and in hand		0		5	
Amount owed by Group companies		82		85	
Amount owed against Group relief		2		0	
Income tax		<u>0</u>		<u>2</u>	
			84		92
			<u>1,455,475</u>		<u>1,455,483</u>
Shareholder's equity					
Called-up and fully paid share capital	1.4.2	13		13	
Share premium	1.4.2	1,449,113		1,449,113	
Other reserves	1.4.2	<u>6,344</u>		<u>6,345</u>	
			1,455,470		1,455,471
Current liabilities					
Amounts owed to Group companies		5		12	
			<u>5</u>		<u>12</u>
			<u>1,455,475</u>		<u>1,455,483</u>

1.2 Income statement for the period ended December 31, 2008

	Notes	2008		2007	
		£ '000	£ '000	£ '000	£ '000
Interest income		4		3	
General and administrative expenses	1.4.3	<u>(5)</u>		<u>(10)</u>	
Operating loss			(1)		(7)
Financial income					
Dividends received from participations		<u>0</u>		<u>2,240,963</u>	
Net financial income			<u>0</u>		<u>2,240,963</u>
(Loss)/profit on ordinary activities before taxation			(1)		2,240,956
Taxation on ordinary activities			<u>0</u>		<u>2</u>
Net loss on ordinary activities after taxation			<u>(1)</u>		<u>2,240,958</u>

1.3 General notes

1.3.1 *General*

Glaxo Wellcome Investments B.V. (the Company) was incorporated on September 3, 1999 in Zeist, The Netherlands, and is a wholly owned subsidiary of Glaxo Wellcome International B.V. The Company is registered at Huis ter Heideweg 62, Zeist, but the Company's management and business is located in the United Kingdom and is based at 980 Great West Road, Brentford, Middlesex TW8 9GS. The ultimate shareholder of the Company is GlaxoSmithKline plc, a company registered in England and Wales and whose registered office is located at 980 Great West Road, Brentford, Middlesex TW8 9GS.

1.3.2 *Activities of the Company*

The principal activity of the Company is to act as an intermediate holding company of the GlaxoSmithKline Group (the "Group"). The Company moved its operations to Brentford, England on April 16, 2002.

1.3.3 *Consolidation*

In accordance with Article 408 Book 2 Title 9 of the Dutch Civil Code, consolidated financial statements have not been prepared as the financial statements of the Company and its subsidiaries are included in the consolidated financial statements of GlaxoSmithKline plc which will be filed together with the financial statements of the Company with the Trade Register in Utrecht and with the Registrar of Companies in the United Kingdom.

In connection with the decision to abstain from the preparation of sub consolidated financial statements, the Company has also made use of Article 389, Book 2 of the Netherlands Civil Code, which allows the Company to account for its investments in subsidiaries at cost or, in the case of permanent decline in value, at the lower value. As of the balance sheet date the investments are valued at cost.

1.3.4 *Accounting policies*

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands. Following the relocation of the Company's activities to the United Kingdom on April 16, 2002 the Company maintains its accounts in Pounds Sterling rather than Euros.

1.3.5 *Assets and liabilities*

Unless otherwise stated, assets and liabilities are stated at nominal value.

1.3.6 *Comparison with previous year*

The principles of valuation and determination of results remain unchanged compared to the prior year.

1.3.7 *Foreign currency translation*

Assets and liabilities as at the year-end and transactions during the year denominated in foreign currencies are translated into Pounds Sterling at rates ruling at the year-end and the date of the transaction, respectively. Exchange differences resulting from settlement and translation are charged or credited to the profit and loss account.

1.3.8 *Financial fixed assets*

Investments in subsidiaries are stated at cost. Dividends received from subsidiaries are recognised as income when received, net of non-recoverable dividend withholding tax.

Provisions are taken into account for permanent diminution in value.

1.3.9 *Determination of result*

Profit is determined as the difference between income generated and the costs and other charges for the year. Income from transactions is recognised in the year in which it is realised.

Exchange rate differences arising upon the settlement of monetary items are recognised in the profit and loss account in the period that they arise.

Interest income is recognised on a time-weighted basis, making allowance for the effective interest rate applicable to the asset item in question.

Costs are recognised in accordance with the historical cost convention and are allocated to the reporting year to which they relate.

General and administrative expenses include the expenses of the accounting department and exchange gain on translation of current assets.

Dividends received from subsidiaries are recognised as income when received, net of non-recoverable dividend withholding tax.

Income taxes are accounted for on the basis of income reported taking into account non-taxable or non-deductible components.

Cash at bank consists of cash amounts held at banks and deposits with a maturity of less than twelve months.

1.4 Notes to the financial statements for the year ended December 31, 2008

1.4.1 *Financial fixed assets*

Movements during the year are as follows:

	Participation in Group companies
	£ '000
January 1, 2008	<u>1,455,391</u>
Additions	0
Disposal	<u>0</u>
December 31, 2008	<u>1,455,391</u>

Participation in Group companies at 31 December 2008:

	Country	Shareholding December 31, 2008	At cost
		%	£ '000
Setfirst Limited, Brentford, England	United Kingdom	49.9	<u>1,455,391</u>
Total book value as at December 31, 2008			<u>1,455,391</u>

1.4.2 Shareholder's equity

The authorised share capital of the Company comprises 910 common shares of EUR 100 each, of which 184 common shares of EUR 100 each have been issued and are fully paid. According to the articles of association the shares are denominated in NLG. With application of the facility of article 2:178c.1 of the Netherlands Civil Code to round off the EUR equivalent to two decimals after the decimal point, the nominal value of each share amounts to EUR 100.

All shares issued are registered in the name of Glaxo Wellcome International B.V., a company incorporated in The Netherlands.

	Called-up and fully paid share capital	Share premium	Other reserves	Total
	£ '000	£ '000	£ '000	£ '000
January 1, 2007	13	1,449,113	6,250	1,455,376
Exchange movements	0	0	0	0
Dividends paid	0	0	(2,240,863)	(2,240,863)
Result appropriation (Note 2.2)	0	0	2,240,958	2,240,958
December 31, 2007	13	1,449,113	6,345	1,455,471

	Called-up and fully paid share capital	Share premium	Other reserves	Total
	£ '000	£ '000	£ '000	£ '000
January 1, 2008	13	1,449,113	6,345	1,455,471
Exchange movements	0	0	0	0
Dividends paid	0	0	0	0
Result appropriation proposed (Note 2.2)	0	0	(1)	(1)
December 31, 2008	13	1,449,113	6,344	1,455,470

The proposed addition of the results to other reserves has already been recognised.

1.4.3 *General and administrative expenses*

	<u>2008</u>	<u>2007</u>
	£ '000	£ '000
Professional services *	<u>5</u>	<u>10</u>
	<u>5</u>	<u>10</u>

* The Company bears an appropriate charge for management services provided to it by other Group companies.

1.4.4 *Employees*

The Company had no employees during the year. Office services are provided by a Group company, GlaxoSmithKline Services Unlimited.

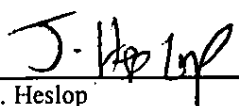
1.4.5 *Guarantees*

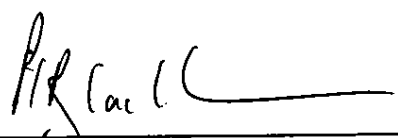
The Company did not issue guarantees on behalf of third parties.

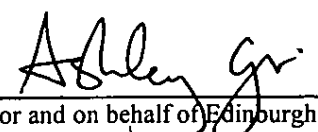
1.4.6 *Related Parties*

All companies belonging to Group qualify as related parties. The related party transactions comprise the charges described under note 1.4.3 above.

London, 30 March 2009


Mr. J.S. Heslop


For and behalf of Glaxo Group Limited


For and on behalf of Edinburgh Pharmaceutical Industries Limited

Adopted at the General Shareholders' Meeting on (Date): 20th April 2009

2.1 *Auditors' report*

No auditors' report is required under Article 396 of the Dutch Civil Code.

2.2 *Appropriation of net profit/(loss)*

In accordance with the Company's Deed of Incorporation the result for the year ended December 31, 2008 is at the free disposal of the General Shareholders Meeting.

The proposed addition of £1,000 loss to other reserves has already been recognised.

	£ '000
Net loss after taxation	<u>(1)</u>
Addition to other reserves (note 1.4.2)	<u>(1)</u>

2.3 *Directors' Indemnity*

Each of the Directors who is an individual benefits from an indemnity given by another Group undertaking, GlaxoSmithKline Services Unlimited. This indemnity is in respect of liabilities arising out of third party proceedings to which the director is a party by reason of his engagement in the business of the Company.

Glaxo Wellcome Investment B.V. review of 2008 financial statements

Activities

Unison entity

The principal activity of the Company is to act as an intermediate holding company of the GlaxoSmithKline Group.

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Major events during year
None

Income statement (£000)

	2008	2007	% change	Comments
Interest income	4	3	33%	This is interest from UE105 on call account. Until 11 April 07 the balance was credit £16k and thereon we have a debit balance. Though the interest rate have reduced Nov 08 onwards still the interest calculated for 2008 is slightly higher than 2007 due to
General and administrative expenses	-5	-10	-50%	2008 management service fee is £5k as against £7k in 2007 along with a charge to PL of £2k relating to previous years audit fees shown separately and £1k towards rounding off. No such charge for 2008.
Operating (loss)/profit	-1	-7	-86%	
Dividends received from participants	0	2,240,963	-100%	Dividends received in prior year 2007. FY 2008 nil
Profit before taxation	-1	2,240,956	-1	
Taxation on ordinary activities	0	2	-100%	As per the tax team figures there is no tax as the PI shows a loss for the year 2008.
Net profit	-1	2,240,958	-100%	

Balance sheet (£000)

	2008	2007	% change	Comments
Participation in group companies	1,455,391	1,455,391	0%	in UE124
Other debtors	2	2	0%	Taxation, tax debtors
Cash	-	5	-100%	
Amounts owed by group companies	82	85	-4%	This is call account balance receivable from UE105. Until 11 April 07 the balance was credit £16k and thereon we have a debit balance. There is an outflow of £5k in July 08 having reduced the balance in 2008.
	<u>1,455,475</u>	<u>1,455,483</u>	<u>0%</u>	
Called-up and fully paid share capital	13	13	0%	
Share premium	1,449,113	1,449,113	0%	
Other reserves	6,344	6,345	0%	
Amounts owed to group companies	5	12	-58%	The balance remaining is 2008 Audit fees payable to UE195, inter company. In 2007 £7k was management fees payable, £2k previous un paid audit fees and rest balances in relation to group relief to UE195, all payments were cleared in year 2008.
Amount owed against group relief	-	-	0%	
	<u>1,455,475</u>	<u>1,455,483</u>	<u>0%</u>	