

Leading the fight against disease worldwide



Glaxo Wellcome is a research-based company whose people are committed to fighting disease by bringing innovative medicines and services to patients throughout the world and to the healthcare providers who serve them.

Glaxo Wellcome plc is an English public limited company, whose shares are listed on Stock Exchanges in London, New York, Tokyo and Paris.

This report is the Annual Report & Accounts of the company for the year ended 31st December 1997. It comprises in a single document the Annual Report of the company in accordance with United Kingdom requirements and the Annual Report on Form 20-F to the Securities and Exchange Commission in the United States of America.

A summary report on the year, the Annual Review 1997, is produced as a separate document and is issued to shareholders unless they have elected to receive the full Annual Report & Accounts. The Annual Review includes the Chairman's statement, the Chief Executive's statement, a summary review of activities, summary accounts and summary remuneration report.

In accordance with requirements under the company's listing on the Tokyo Stock Exchange, an Annual Securities Report (Form No. 8) will be filed with the Minister of Finance of Japan on or before 31st May 1998.

Front cover image: Dr Ma Xiu-Yun, chief physician at the Di-Tan Hospital in Beijing, who has been involved with the phase III clinical trials of lamivudine in China.

The Queen's Award for Technological Achievement 1996 was won by Glaxo Wellcome for the anti-migraine



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Cross reference to Form 20-F

The information in this document that is referenced in the following table shall be deemed to be filed with the Securities and Exchange Commission for all purposes.

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Forward-looking statements: Readers are referred to the paragraph on forward-looking statements on page 29 for cautionary language accompanying the forward-looking statements set out: in the Outlook section on page 29; in the Chairman's statement on page 04; in the Chief Executive's statement on page 06; in the Operating review on page 13; and in the Financial review on pages 23, 24, 28, 29, 30 and 31.

Financial summary

Financial results

	1997 £m	1996 £m	Increase/(Decrease)	
			£%	CER %
Sales	7,980	8,341	(4)	5
Trading profit representing trading margin of	2,822 35.4%	3,132 37.5%	(10)	(1)
Net interest payable	123	187		
Profit before taxation	2,686	2,964	(9)	-
Tax rate	30.5%	31.5%		
Earnings/Net income	1,850	1,997	(7)	3
Earnings per Ordinary Share	52.0p	56.7p	(8)	2
Dividends per Ordinary Share	35.0p	34.0p	3	

Summary balance sheet

	At 31.12.97 £m	At 31.12.96 £m
Net operating assets	3,289	3,250
Net debt	(1,399)	(1,983)
Net assets	1,890	1,267
Shareholders' funds	1,843	1,225
Minority interests	47	42
Financing	1,890	1,267

Financial highlights of the year

- Delivered 1997 commitment
 - Sales growth of 5 per cent CER
 - Earnings growth of 3 per cent CER.
- Sales excluding *Zantac* (83 per cent of portfolio) up 13 per cent CER
 - Respiratory up 14 per cent to £1.8 billion
 - Anti-virals up 16 per cent to £1.4 billion
 - CNS up 40 per cent to £0.95 billion.
- Reported results adversely affected by strength of sterling.
- Trading margin impacted by additional selling expenditure.
- Net debt reduced by £584 million.

CER = Constant exchange rates.

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