Pharmaceutical sales

Total pharmaceutical sales in 2001 were £17,205 million compared to £15,429 million in 2000, an increase of nine per cent. On a like for like basis, if sales of products divested in 2000 as part of the regulatory approval for the merger of Glaxo Wellcome and SmithKline Beecham are excluded, sales grew 12 per cent from £14,982 million in 2000. Approximately one per cent of this overall growth came from price increases.

Within GlaxoSmithKline's existing portfolio, sales of new products, those launched in a major market within the last five years, accounted for 22 per cent of total sales and grew by 48 per cent to £3,709 million. Sales of the more established, franchise products amounted to £9,481 million representing 55 per cent of total sales and growth of 11 per cent compared to last year. Although older products, now less actively promoted, at £4,015 million account for 23 per cent of total sales, sales of these products declined by seven per cent.

Pharmaceutical sales growth in the fourth quarter of 2001 was 12 per cent to £4,719 million, with sales in the USA contributing £2,466 million; a growth of 15 per cent. Although US wholesaler buying patterns distorted some product sales, total reported sales growth was in line with underlying demand as indicated by prescription data. In Europe sales improved five per cent to £1,228 million, and in the Rest of the World sales improved 13 per cent to £1,025 million.

Pharmaceutical sales by therapeutic area

Central nervous system

This major therapeutic area in GlaxoSmithKline's portfolio recorded a sales growth of 16 per cent. *Seroxat/Paxil* and *Wellbutrin* drove sales growth in the anti-depressant sector up 20 per cent. In April 2001 *Paxil* was approved by the US Food and Drug Administration (FDA) for the treatment of generalised anxiety disorder (GAD) and in December for the treatment of post-traumatic stress disorder (PTSD). *Seroxat/Paxil* is now approved in 28 countries for the treatment of GAD and in 20 countries for the treatment of PTSD. *Wellbutrin* sales were driven by US sales growth of 37 per cent, as a result of increased awareness amongst physicians of its efficacy and favourable side effect profile in non-anxious depressed patients.

In the migraine sector the successful launch in Japan of *Imigran Tablets 50*, where this treatment had previously been available only as an injection, helped *Imigran/Imitrex* sales grow by four per cent. *Lamictal* for the treatment of epilepsy grew strongly as did sales of *Requip* for Parkinson's disease. *Zyban* the smoking cessation product was launched in France.

Respiratory

The successful launch of the asthma treatment *Seretide/Advair* in the USA and in a number of further countries in Europe and the Rest of the World helped boost sales growth. This product, a combination of *Flixotide/Flovent* and *Serevent,* is now available in 36 countries. Worldwide sales of *Seretide/Advair* exceeded $1 billion in 2001. In the USA three million prescriptions were written in the nine months following its launch in April 2001. The speed at which patients have adopted *Seretide/Advair* in the USA makes it one of the most successful pharmaceutical product launches ever. *Seretide/Advair* is GlaxoSmithKline's largest product in Europe with sales of £441 million in 2001.

An application for the EU registration of *Seretide* for the treatment of chronic obstructive pulmonary disease (COPD) was submitted in September. In January 2002, an FDA Advisory Committee recommended approval of *Advair* and *Flovent* for the treatment of COPD associated with bronchitis. *Flixotide* and *Serevent,* as individual agents, are already approved in several countries for the treatment of COPD.

As expected, sales of *Flixotide/Flovent* and *Serevent* declined in various markets due to the increased momentum of *Seretide/Advair*. Sales of *Flixonase/Flonase*, used in the treatment of perennial rhinitis, grew strongly.

The older respiratory products *Ventolin* and *Becotide* continued to decline as patients converted to newer products.

Anti-bacterials

Although overall sales in anti-bacterials showed little growth, the broad-spectrum antibiotic, *Augmentin,* is still one of the highest selling products in the Group's portfolio and achieved 13 per cent growth worldwide. *Augmentin ES-600* (extra strength) was launched in the USA in October for the treatment of children with recurrent or persistent middle ear infections. A submission for FDA approval of *Augmentin XR* (extended release) has been submitted but extra data and other information has been requested by the FDA.

Overall, sales of the older products, *Zinnat/Ceftin*, *Fortum* and *Amoxil* continued to decline, although sales of *Zinnat/Ceftin* grew in Central and Eastern Europe by 13 per cent.

Anti-virals

GlaxoSmithKline continues to expand its leadership in HIV/AIDS with a current global market share of 40 per cent.

Trizivir, GlaxoSmithKline's new triple combination medicine for HIV/AIDS available in one tablet, was the key driver of growth in the HIV/AIDS franchise. It was launched in a number of key markets during the year including much of Europe, the USA and Canada.

Sales of *Combivir*, which is a combination of *Epivir* and *Retrovir,* grew five per cent. The major growth markets were Japan, Asia Pacific, Middle East, Latin America and Africa.

Sales of *Ziagen* increased five per cent. Approval was received for a paediatric indication in October for use in the EU. *Ziagen* is approved already in more than 45 countries worldwide for the treatment of HIV/AIDS in adults.

Sales of *Zeffix*, for hepatitis B, grew in all market regions. In the USA, *Zeffix*, where it is marketed under the name *Epivir-HBV*, was approved for the treatment of children over two years old in August.

The performance of the herpes treatments *Valtrex* and *Zovirax* produced a combined sales growth of five per cent. In the USA *Valtrex* sales were helped by a DTC advertising campaign and the approval in the USA of a shorter, three-day, course of therapy for recurrent genital herpes. The decline of *Zovirax* in some regions of the world results from both a transfer to the newer *Valtrex* product and generic competition.