

GSK settles transfer pricing tax dispute with IRS[Print](#)[Close](#)

London and Philadelphia, September 11, 2006– GlaxoSmithKline (LSE and NYSE: GSK) announces that it has settled its transfer pricing tax dispute with the US Internal Revenue Service (IRS). This settlement resolves all the issues which were in dispute in this case. Under the agreement the final net cash cost to GSK will be approximately \$3.1 billion which covers federal, state and local taxes, interest and also the benefit of tax relief on the payments made.

The settlement covers the dispute for the period 1989-2000, which was due to go to trial in February 2007, and also covers the subsequent years 2001-2005.

GSK had previously made provision for the dispute and this settlement will not have any significant impact on the company's reported earnings or tax rate.

GSK was confident of the strength of its position, but in view of the size of the potential financial exposure, as well as the continued level of resource being applied to the case, GSK concluded that it was in the best interests of its shareholders to reach this settlement, thereby removing the costs and uncertainty of future litigation.

GlaxoSmithKline – one of the world's leading research-based pharmaceutical and healthcare companies – is committed to improving the quality of human life by enabling people to do more, feel better and live longer.

Cautionary statement regarding forward-looking statements

Under the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995, the company cautions investors that any forward-looking statements or projections made by the company, including those made in this Announcement, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Factors that may affect the Group's operations are described under 'Risk Factors' in the 'Operating and Financial Review and Prospects' in the company's Annual Report 2005.

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