

GlaxoSmithKline reports return to profit in second quarter

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British drugmaker GlaxoSmithKline posted net profit of more than £1.1 billion in the second quarter on Tuesday following a loss during the equivalent three-month period in 2010.

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GSK said in a statement that earnings after tax stood at £1.106 billion (1.252 billion euros, \$1.814 billion) in the quarter ending June 30 compared with a net loss of £304 million in the second quarter last year.

The company had fallen into a loss a year ago owing to exceptional legal charges linked to its former diabetes drug Avandia, which has been pulled from European shelves on fears that it increased the risk of heart attack and strokes.

"We have had a strong second quarter," GSK chief executive Andrew Witty said in the company's earnings statement.

"Going forward, we continue to apply sustained pressure to GSK's cost base to realise further savings, through improvements in areas such as support functions, supply chain and procurement efficiency."

GSK was rocked last September when the EU medicines regulator decided to pull Avandia off the shelves. Regulators also restricted its availability in the United States.

The EU decided to pull Avandia owing to concerns over its active substance rosiglitazone. It decided also to halt the sale of Glaxo's other diabetes drugs, Avandamet and Avaglim, since they too contained rosiglitazone.

Meanwhile sales of GSK's herpes treatment Valtrex have been hit by generic competition.

GSK added Tuesday that revenues declined by four percent to £6.72 billion in the second quarter.

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