GlaxoSmithKline says net profits drop 13% in Q1

25 April 2012

British drugsmaker GlaxoSmithKline said Wednesday that its net profits dropped 13 percent to £1.325 billion (1.616 billion euros, $2.134 billion) in the first quarter from a year earlier.

The result was skewed by the fact GSK had its earnings after tax boosted in the first quarter of 2011 by the sale of its stake in medical testing business Quest Diagnostics.

GSK added in a statement that group revenue rose 1.0 percent to £6.64 billion in the first three months of 2012 compared with the first quarter in 2011.

"This (first) quarter (in 2012) marked continued progress for the group as we returned to reported sales growth," GSK chief executive Andrew Witty said in the company's results statement.

"We remain mindful of the challenges we face given the current global political and economic environment, particularly in relation to pricing on our more established products.

"However, we also continue to see attractive growth opportunities across our businesses and we intend to continue to invest behind them to strengthen the breadth and mix of the group and its future growth prospects," he added.

GSK added that it was raising its 2012 share buyback target to £2.0 billion-£2.5 billion after agreeing in the first quarter to sell a stable of over-the-counter brands to Belgium's Omega Pharma.

Also in the first quarter, GSK said it would create 1,000 jobs and open a new production site in northern England.

Earlier this month meanwhile, the drugs giant bid $2.6 billion for US research partner Human Genome Sciences Inc.

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