

Glaxo aims high after profit fall

GlaxoSmithKline saw its profits fall 9% last year to £6.2bn (\$11.5bn), but Europe's biggest drugmaker says a recovery during 2005 is on the way.

Cheap copies of its drugs, particularly anti-depressants Paxil and Wellbutrin, and a weak dollar had hit profits, but global sales were up 1% in 2004. The firm is confident its new drug pipeline will deliver profits despite the failure of an obesity drug. Chief executive Jean-Pierre Garnier said it had been a "difficult year".

In early afternoon trade in London the company share price was down 1% at 1218 pence. Mr Garnier said the company had absorbed over £1.5bn of lost sales to generics but still managing to grow the business. "The continuing success of our key products means we can now look forward to a good performance in 2005," he said. "2005 will also be an important year in terms of research and development pipeline progress." However, the firm discontinued development of an experimental treatment for obesity, known as '771, after disappointing clinical trial results. Glaxo is relying on new treatments for conditions such as cancer, diabetes, depression, HIV/AIDS and allergies to lift the pace of sales growth after several disappointing years.