

## GlaxoSmithKline Settles With U.S. For \$3B

Manufacturing.net

LONDON (AP) -- Drug maker GlaxoSmithKline PLC said Thursday that it has agreed in principle with the United States government on a \$3 billion settlement of investigations of the company's sales and marketing practices.

The agreement is expected to be completed next year, and the settlement will be paid through the company's cash resources, it said.

The case dates from 2004, and includes investigations of possible price irregularities and the development and marketing of the diabetes drug Avandia.

GSK shares were down 0.4 percent at 1,350 pence in early trading on the London Stock Exchange.

The company said the tentative settlement covers both civil and criminal liabilities.

"This is a significant step toward resolving difficult, long-standing matters which do not reflect the company that we are today," CEO Andrew Witty said.

"In recent years, we have fundamentally changed our procedures for compliance, marketing and selling in the US to ensure that we operate with high standards of integrity and that we conduct our business openly and transparently."

Among those steps, the company no longer bases bonuses on individual sales targets, GSK said, but on "quality of service."

In June, Glaxo's U.S. subsidiary agreed to pay more than \$40 million to 37 U.S. states and Washington, D.C., to settle complaints about manufacturing processes at a plant in Puerto Rico, which has been closed.

The company also paid a \$750 million fine in 2010 in the U.S. related to the Puerto Rico plant.

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