

# GlaxoSmithKline comes out fighting for CEO Emma Walmsley in rebuttal of activist attack

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[GlaxoSmithKline](#) today issued a forceful rebuttal of criticism from activist investor [Elliott](#) and declared its full-throated [support](#) for chief executive Emma Walmsley.

Elliott Advisers yesterday slammed Walmsley's [record](#) and hinted that her lack of a [pharmaceuticals](#) background meant she was not an appropriate leader of the [company](#) once it demerges its consumer healthcare business.

In an excoriating open letter to [investors](#), Elliot said a tough, independent [board](#) should be set up now to choose the new [leadership](#) at both the pharmaceuticals and consumer companies, with appropriate [skills](#) to the role.

It also called for an overhaul of management bonuses to focus minds on revenue and profit growth and drug development successes.

Today, Glaxo insisted Walmsley should lead the drugs giant.

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It declared: "The board strongly believes Emma Walmsley is the right leader of New GSK and fully supports the actions being

taken by her and the management team, all of whom are subject to rigorous assessments of performance.

“Under Emma’s leadership, the board fully expects this team to deliver a step change in performance and long-term shareholder value creation through the separation and in the years beyond.”

Glaxo opposes the idea of creating a new process, as suggested by Elliott, around selecting board members for the two new businesses.

It said today it was well advanced in hiring a CEO and chairman for the consumer business already and said it had bulked up the scientific strategy and execution expertise on its science committee with two new non-executive directors.

Elliott also demanded that Glaxo keep an open mind about selling the consumer division if a takeover bid came along for the Sensodyne-to-Advil giant.

Glaxo stressed that it would fulfill its fiduciary duties to consider any such bids, measuring whether it would be better for shareholders than the demerger it has set in train already.

Core to Elliott’s criticisms of the current management was the claim that investors have lost faith over a decade or more of underperformance and failed execution of strategy.

The firm particularly singled out the current management led by Walmsley for the long time gap between announcing the demerger strategy and fleshing out the details, which it only did last week.

That delay, Elliott claimed, had added to investors’ mistrust of the management’s confidence and added to the weakness in the company’s share price.

Several shareholders including M&G yesterday gave their support to Walmsley and Glaxo's existing strategy.