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GSK performance through patent cliff + Avandia

GSK patent cliff + Avandia 2006-2009

- **£5.4bn** (23% of GSK’s total turnover)
  - Paxil
  - ReQuip
  - Flonase
  - Imitrex
  - Zofran
  - Coreg
  - Lamictal
  - Wellbutrin
  - Avandia

- **£1.2bn** (4% of GSK’s total turnover)

CER growth rates. Total franchise turnover included above; Business Performance EPS excludes major restructurings.
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**Turnover**

- 2005: +9%
- 2006: +2%
- 2007: -3%
- 2008: +3%
- 2009: +10%

**EPS**

- 2005: +19%
- 2006: +10%
- 2007: -9%
- 2008: +2%
- 2009: +2%

**FCF**

- 2005: £1.2bn

**Dividend**

- 2005: 44p
- 2006: 48p
- 2007: 53p
- 2008: 57p
- 2009: 61p

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GSK’s strategic priorities

Grow a diversified global business

Deliver more products of value

Simplify the operating model
Grow a diversified global business

- Drive & diversify small molecule Rx business
- Globalise & innovate consumer brands
- Leverage current & future vaccines portfolio
- Deliver Biopharm R&D pipeline
- Launch past, present, future portfolio in Japan
- Strengthen Emerging Markets business
GSK 3Q YTD 2010 Turnover £21.2bn +4%

CER growth rates; Business performance
### Underlying turnover +5% 3Q10 YTD

<table>
<thead>
<tr>
<th></th>
<th>3Q10 YTD £ million</th>
<th>% Change CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reported</td>
<td>21,195</td>
<td>+4%</td>
</tr>
<tr>
<td>Avandia</td>
<td>391</td>
<td>-33%</td>
</tr>
<tr>
<td>Pandemic*</td>
<td>1,141</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Valtrex</td>
<td>436</td>
<td>-60%</td>
</tr>
<tr>
<td>Total excl. Pandemic, Avandia, Valtrex</td>
<td>19,227</td>
<td>+5%</td>
</tr>
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* Pandemic includes includes Relenza and vaccines related to H5N1 pre-pandemic and H1N1 pandemic.
Investment businesses reaching significant scale and delivering sustained growth

30% of GSK sales generated from expansion markets

**Vx:** 11% of GSK
+7% 3Q10 YTD
+2% in 2009

**Cx:** 19% of GSK
+5% 3Q10 YTD
+7% in 2009

**Resp:** 26% of GSK
+4% 3Q10 YTD
+5% in 2009

**Derm:** 4% of GSK
+5% 3Q10 YTD

CER growth rates
% of GSK based on 3Q10 YTD excluding pandemic products; vaccines growth excludes pandemic vaccine; (including pandemic FY’09 +30%; 3Q10 YTD +51%); derm growth rate is proforma Expansion markets = Emerging markets / Asia Pac / Japan & Central & Eastern Europe (Rx +Cx)
Creating a broader portfolio of potential high value assets as generic exposure declines

New products 3Q10 YTD
£1.25bn +36% (+55% excluding Rotarix -27%)

Pandemic vaccine also added £1.0bn

CER growth rates
Pipeline maturing while maintaining ~30 assets in late-stage development

Six assets moved into late-stage

- **Zoster** (herpes)
- Integrase ‘572 (HIV)
- **Prosensa PRO051** (DMD)
- **Braf** (melanoma)
- **MEK** (melanoma)
- ‘786 (Traficet) (Crohn’s Disease)

Two Rare Diseases assets added to the late-stage pipeline

- **Amigal** (Fabry disease)
- Ex vivo stem cell gene therapy (ADA-SCID)

More to come with data expected on many key assets in 2011-12

*Commitment to PIII decision made; first patient expected to be dosed shortly*
Increasing externalisation in early R&D

More than 80 active projects from ~50 external engines
Bolt-on acquisitions and partnerships

17 deals undertaken across the business since May 2008
Why we are successful with our bolt-on strategy

- Strong strategic alignment with key growth areas: Emerging Markets, Vaccines, Consumer, Rare Diseases
- Rigorous financial metrics: IRR and ROIC
- Selective and choosy: majority of deals are not pursued
- Disciplined integration and strong governance:
  - Board focus and review of post-acquisition performance
  - GSK ‘fusion’ approach developed to manage integration
Re-energising GSK’s dermatology business – Stiefel acquisition

Key growth levers create a great platform for the future:

- +6% pro forma growth in 3Q10
- ~40% operating margin in 3Q10
- #1 dermatology company
- Strong brand with global presence
- Combined global sales ~£1.0bn
- Expert management team in place
- Cost synergies – manufacturing; admin

Geographic expansion
Portfolio and pipeline
Business development

Transaction closed July 2009
New HIV company launched November 2009

- 10 marketed products
- Combined revenue >£1.6bn
- Significant pipeline opportunities; 4 in Phase II, 1 in Phase III
- Global, lean, agile, entrepreneurial, focused
- Leverages infrastructure of GSK and Pfizer

Combined revenue estimated based on 2009 actual sales
Delivering on the strategy

Diverse geographic and business mix
Reducing product concentration
R&D pipeline optionality
Focus on cost reduction
Reducing legal exposure
Strong cash generation
Return cash to shareholders