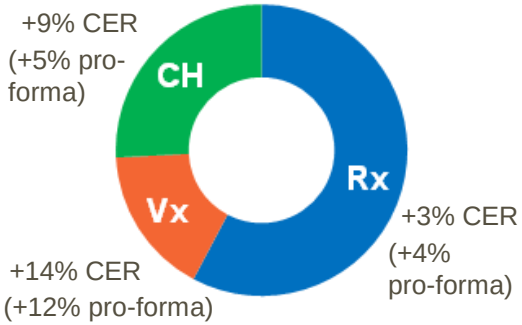
Sir Andrew Witty
CEO

2016 full year results
8 February 2017

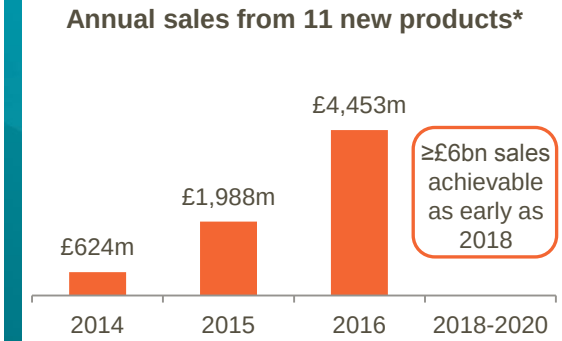
Significant progress made in 2016

Core EPS +12% (CER), at top end of upgraded guidance for 2016†

3 growth businesses



New product contribution



Pipeline progress

Filed 4 assets for regulatory approval

- Closed triple
- Shingrix
- Benlysta SC
- sirukumab

Started 5 Phase III studies

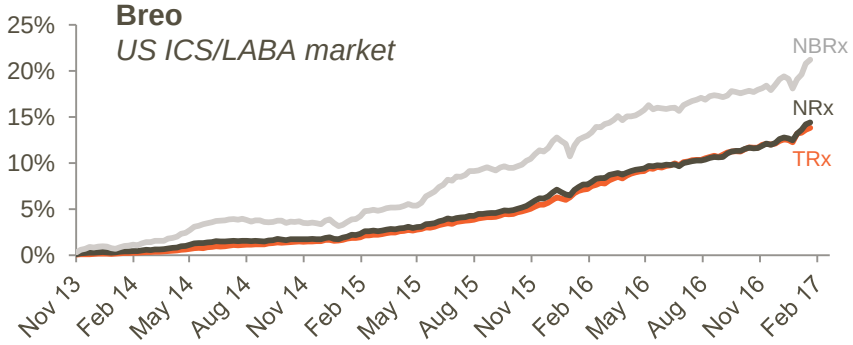
Started 5 Phase II studies

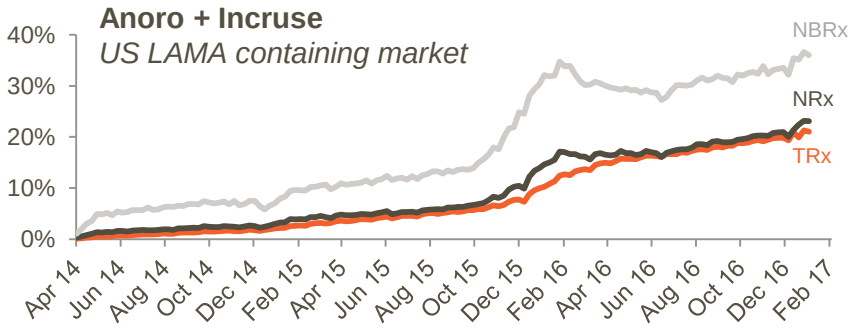
† Feb 2016: core EPS guidance for 2016 was expected to reach double digits CER; most recent guidance at Q2 2016: expected 2016 core EPS growth to be 11-12% CER

*11 new products defined as: Breo, Anoro, Incruse, Arnuity, Nucala, Tanzeum, Tivicay, Triumeq, Menveo, Bexsero and Shingrix (Shingrix not yet approved). All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Full Year and Q4 2016 Results Announcement dated 8th February 2017 and the cautionary statement slide included with this presentation

Portfolio of once-a-day, easy-to-use Ellipta inhalers

Strong commercial performance; closed triple filed





Closed triple:

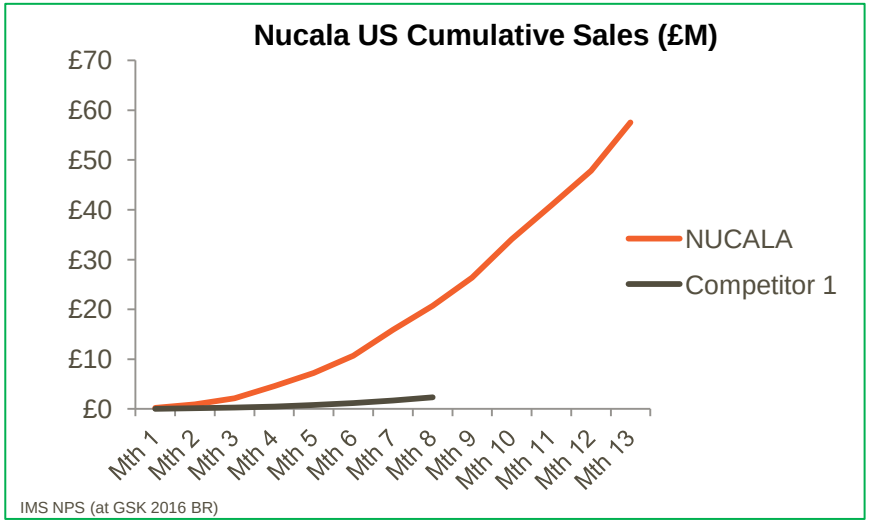
- Filed in US and EU for COPD in Q4 2016
  - 10 month review expected in US
- FULFIL data demonstrated superiority vs Symbicort in lung function; presented at ERS Sept 2016
- IMPACT COPD exacerbation data expected H2 2017
- Started Phase III for asthma Q4 2016

Completes Ellipta inhaler portfolio

Source: IMS data to 27/01/2017

Nucala launch off to a strong start

Additional data and indications expected to drive further growth



IMS NPS (at GSK 2016 BR)

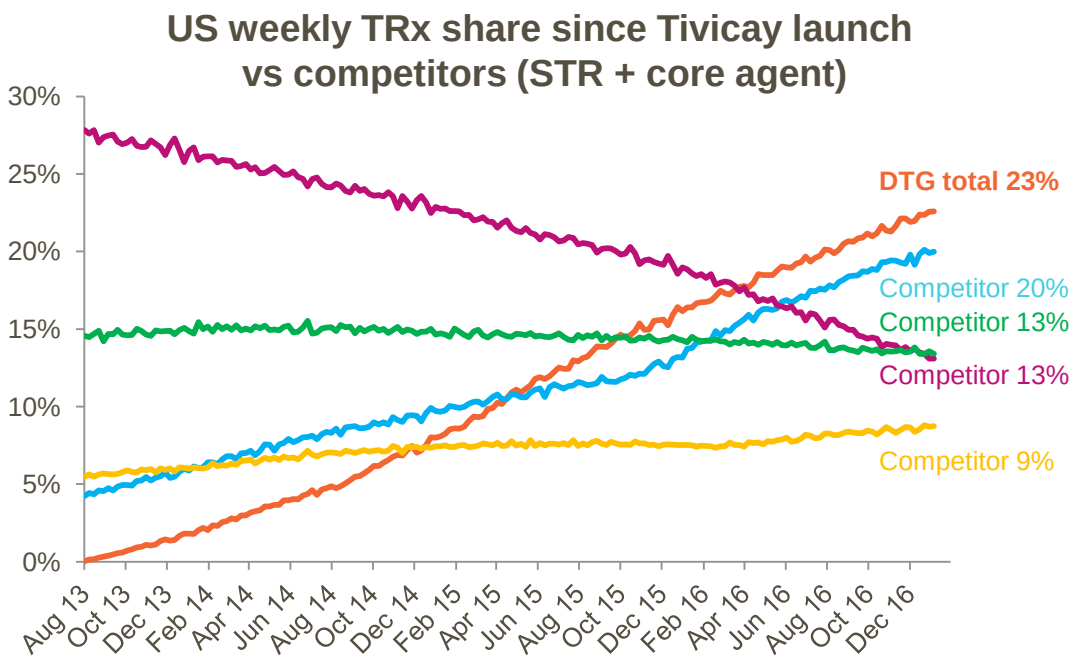
Launched in 22 countries
11% TRx share of US biologic asthma market
J code in US since Jan 2017

Pipeline update:

- COSMOS study† on positive long term safety and efficacy of Nucala presented at AAAAI 2016
- JACI publication^ showing hospitalisations and ER visits halved with Nucala
- MUSCA study showing QoL and lung function to be presented at AAAAI, March 2017
- Phase III COPD data expected 2017
- In development for:
  - Eosinophilic granulomatosis with polyangiitis (EGPA)
  - Atopic dermatitis
  - Hyper eosinophilic syndrome (HES)
  - Nasal polyposis

†Long-term Efficacy and Safety of Mepolizumab in Patients With Severe Eosinophilic Asthma: A Multi-center, Open-label, Phase IIIb Study Njira Lugogo, MD; Christian Domingo, MD; Pascal Chanez, MD, PhD; Richard Leigh, MBChB; Martyn J. Gilson, MSc; Robert G.Price, MSc; Steven W. Yancey, MSc; and Hector G. Ortega, MD. Clinical Therapeutics/Volume 38, Number 9, 2016
^Meta-analysis of asthma-related hospitalization in mepolizumab studies of severe eosinophilic asthma. Yancey S, Ortega H, Keene O, Mayer B, Gunsoy N, Brightling C, Bleecker ER, Haldar P, Pavord I. Journal of Allergy and Clinical Immunology, 2016

HIV growth acceleration and pipeline progress



DTG continues to be the #1 core agent in the US TRx market with >25,000 weekly scripts

DTG is the #1 core agent in the top 5 European markets

DTG has 39% core agent + STR market share in Japan

Positive Phase III headline results from dolutegravir + rilpivirine two drug regimen – data to be presented at CROI, Feb 2017

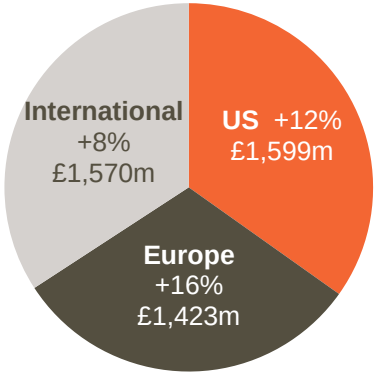
3 Phase III starts in 2016:

- DTG + 3TC for HIV treatment
- CAB + RPV for HIV treatment
- CAB monotherapy for HIV prevention

Source: IMS data to 27/01/17
STR = single tablet regimen

Broad Vaccines portfolio driving growth

Strong 2016 performance across all regions*

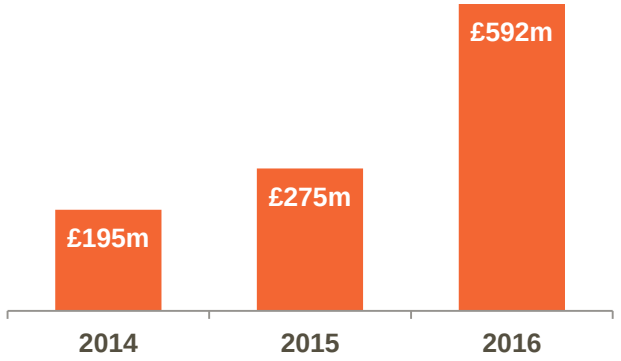


Strong progress on US strategy includes:

- Market and share growth for Bexsero, Menveo and Boostrix
- Strong flu season with ~34 million QIV flu doses sold
- Opening of Rockville R&D centre, Dec 2016

Filed Shingrix in US, Europe and Canada
Expect Japan filing H1 2017

Accelerated global sales of meningitis portfolio**



*Based on 2016 FY pro-forma (CER)
**2014 pro-forma sales representing 10 months sales by Novartis; 2015 reported sales representing 10 months sales by GSK; 2016 FY sales by GSK

Focused strategy and fast integration driving top and bottom line growth in Consumer Healthcare

Sensodyne hits £1 billion

Flonase Sensimist 2nd switch in 3 yrs

2016 net sales +5% (pro-forma)

- Balanced growth across all three regions
- Power brands up double-digit year-on-year
- Gaining share in 2/3 of power brand / priority market units
- Innovation* delivering 13% of net sales

Operating margin improved 4.2 percentage points vs last year to 15.5% (up 3.4 percentage points CER)

- Mix benefit from power brand focus
- Integration synergies

Operating as one business

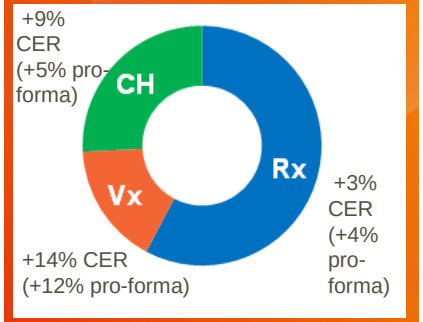
- ~90% of sales on a single sales platform

*Innovation defined as products launched in the last three years on a rolling basis

Significant progress made in 2016

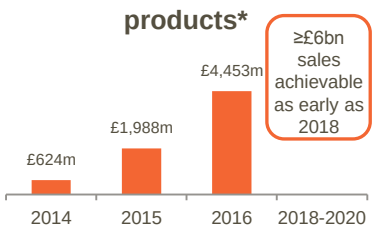
Core EPS +12% (CER), at top end of upgraded guidance for 2016†

3 growth businesses



New product contribution

Annual sales from 11 new products*



Pipeline progress in 2016

Filed 4 assets for reg approval

- Closed triple
- Shingrix
- Benlysta SC
- sirukumab

Started 5 Phase III studies

Started 5 Phase II studies

Intense period of R&D activity

Expect key data on 20-30 assets by 2018 including in HIV, respiratory, immuno-inflammation, oncology and vaccines

Expect 4 regulatory decisions by end of 2017

† Feb 2016: core EPS guidance for 2016 was expected to reach double digits CER; most recent guidance at Q2 2016: expected 2016 core EPS growth to be 11-12% CER

*11 new products defined as: Breo, Anoro, Incruse, Arnuity, Nucala, Tanzeum, Tivicay, Triumeq, Menveo, Bexsero and Shingrix (Shingrix not yet approved). All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Full Year and Q4 2016 Results Announcement dated 8th February 2017 and the cautionary statement slide included with this presentation

Simon Dingemans
CFO

Headline results

Broad-based sales growth and improved core operating leverage

£m	2016 £m	Reported growth % CER	Reported growth % £	Pro-forma growth % CER
Turnover	**27,889**	6	17	5
Total operating profit	**2,598**	(86)	(75)	
Total EPS	**18.8p**	(99)	(89)	
Core operating profit	**7,771**	14	36	17
Core EPS	**102.4p**	12	35	
Dividend	**80p**	Flat	n/a	

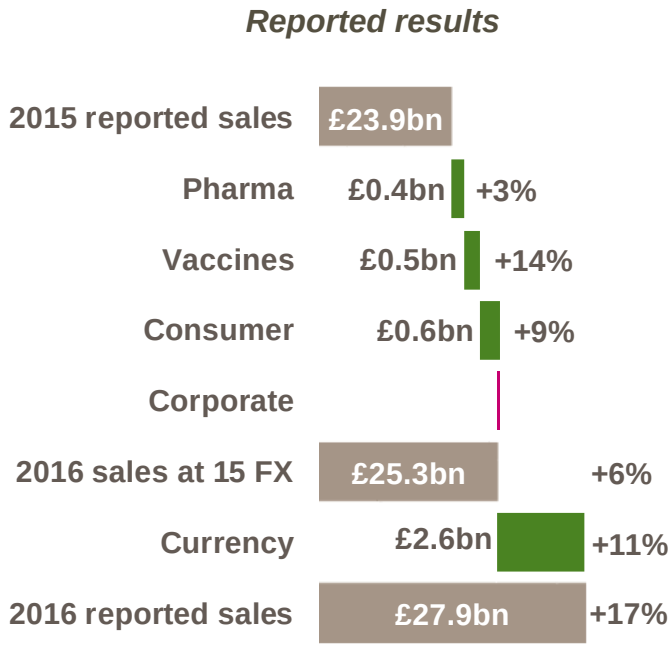
Results reconciliation

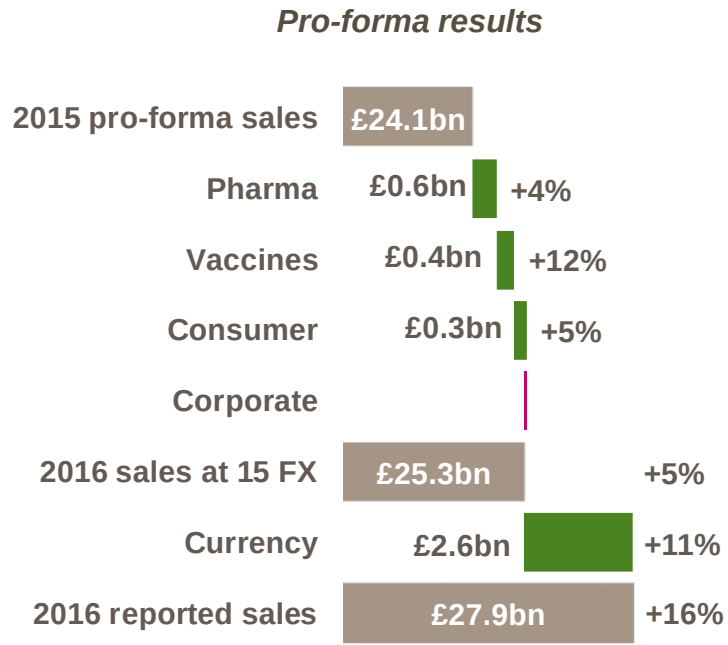
2016 full year results

	Total results	Intangible amortisation and impairment	Major restructuring	Legal	Acquisition related	Disposals and other	**Core results**
Turnover (£bn)	**27.9**						**27.9**
Operating profit (£bn)	**2.6**	0.6	1.0	0.2	3.9	(0.5)	**7.8**
EPS (pence)	**18.8**	9.7	15.6	3.0	61.6	(6.3)	**102.4**

Sales growth +6% reported, +5% pro-forma

New products helped deliver growth across all three businesses

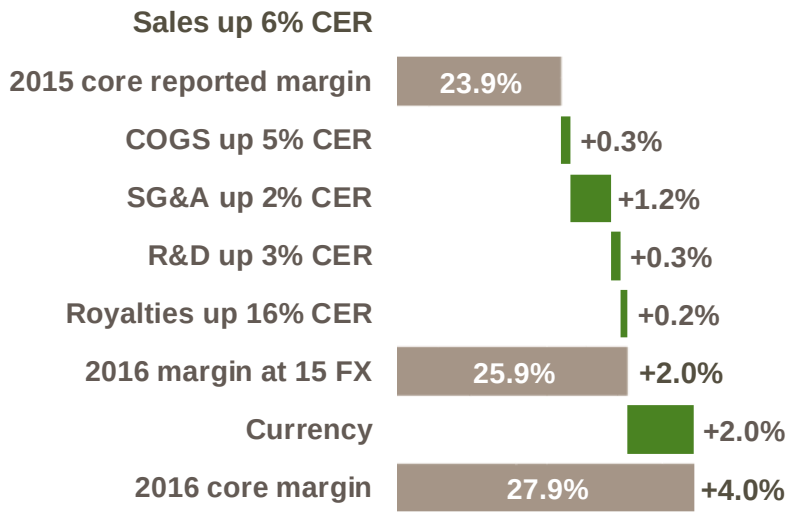




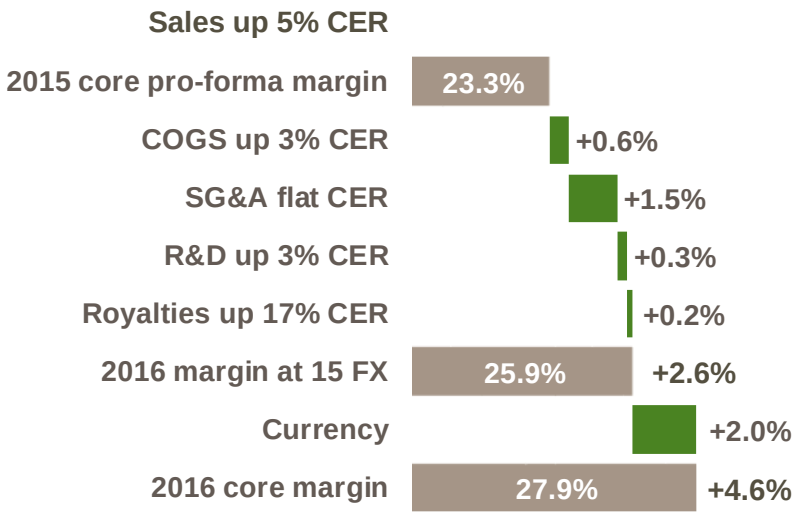
Core operating margin

Pro-forma margin up +2.6% CER, with improved leverage across all three businesses

Reported results

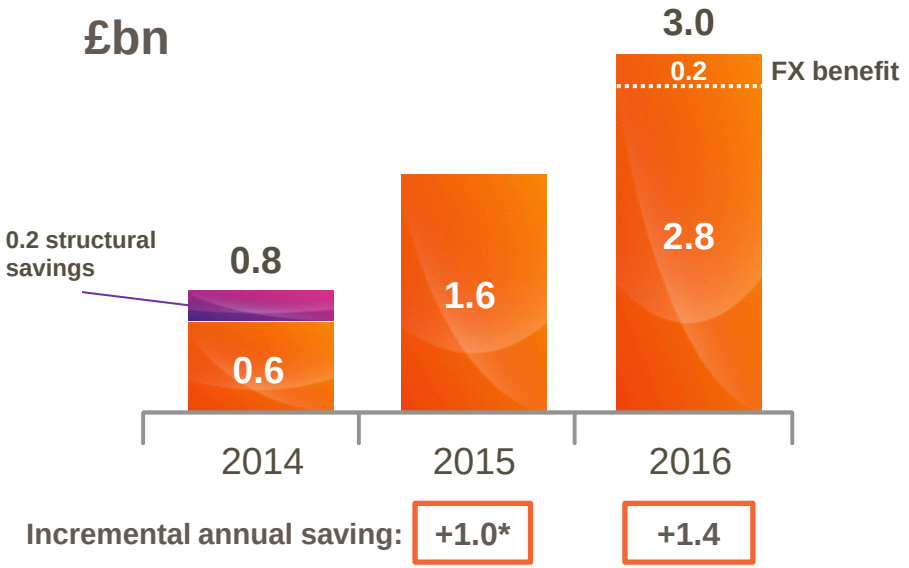


Pro-forma results



Accelerated delivery of restructuring benefits

Incremental annual savings of £1.4 billion delivered in 2016



Total programme benefits of £3bn

Total programme costs of up to £5bn

- Up to £3.65bn cash
- Up to £1.35bn non cash

£3.7bn expensed to date

- £2.9bn cash, £2.7bn paid
- £0.8bn non cash

*Net incremental savings of £0.8bn in 2015 after taking into account structural savings credit in 2014 SG&A

Operating profit to net income

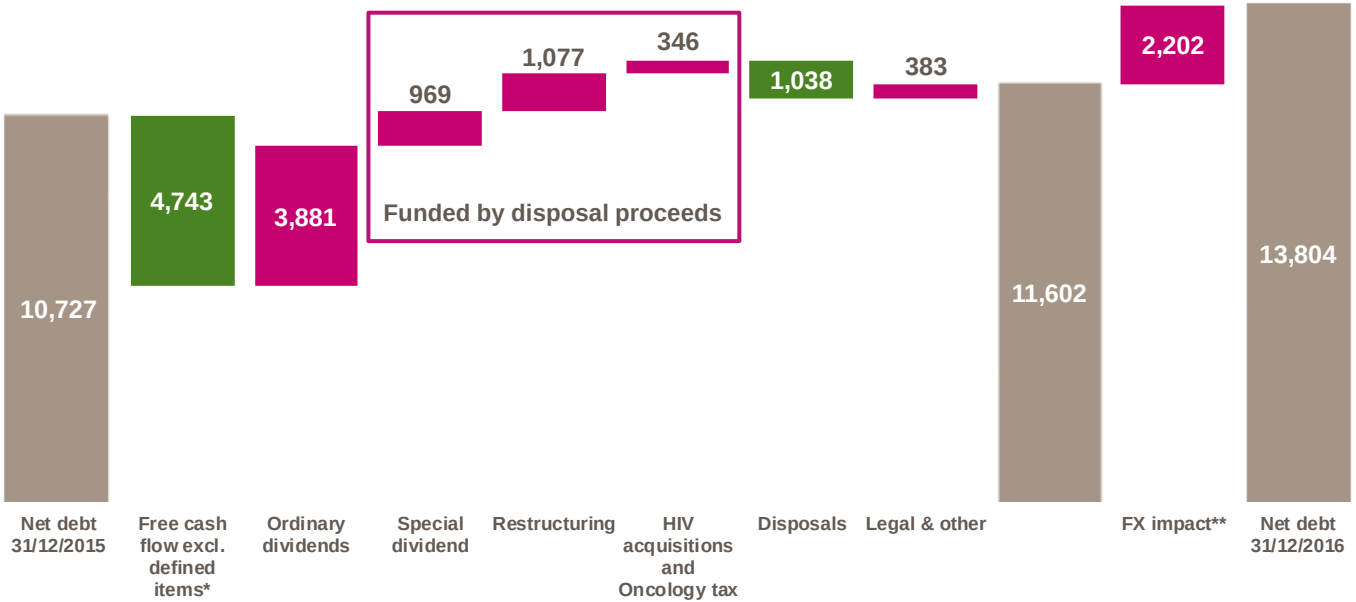
Higher tax and minorities reflect growth in US, Consumer and HIV

Core	2015 £m	2016 £m	2017 Outlook*
Operating profit	**5,729**	**7,771**	
Net finance expense	(636)	(652)	Modest increase
Share of associates	(2)	5	
Tax	(993)	(1,509)	21-22%
Tax rate	*19.5%*	*21.2%*	
Minorities	(440)	(637)	
Net income	**3,658**	**4,978**	

*The range of expectations related to net finance and tax provided above apply to both Advair scenarios. Minorities are unaffected by Advair. All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Full Year and Q4 2016 Results Announcement dated 8th February 2017 and the cautionary statement slide included with this presentation

Cash generation and net debt

£m



*Defined items: £233m paid to settle legal disputes, £1,077m cash restructuring costs, £125m tax payment on the sale of the Oncology business and the purchase of HIV Clinical assets for £221m
** FX impact includes £1,781m of translation exchange on net debt and £421m of exchange on other financing items

Continued progress expected in 2017*

Subject to impact of possible Advair generics

- Continued growth from new products
- Disciplined cost control & restructuring savings
- Continued R&D pipeline progress, including Shingrix & closed triple
- Ordinary dividend maintained at 80p

US Advair scenarios:

Assuming no generic, expect US Advair sales down 15-20% CER

Core EPS up 5 to 7% CER

Assuming mid-year substitutable generic, expect US Advair sales of £1bn CER ($1.36/£1)

Core EPS flat to a slight decline in % terms CER

*2017 core EPS growth rates are compared to 102.4p core EPS reported in 2016 EPS. All expectations and targets regarding future performance should be read together with the "Outlook assumptions and cautionary statement" sections of the Full Year and Q4 2016 Results Announcement dated 8th February 2017 and the cautionary statement slide included with this presentation. If FX rates were to hold at the January average rates for the rest of 2017, the estimated positive impact on 2017 Sterling turnover growth would be ~6% and if exchange losses were recognised at the same level as in 2016, the estimated positive impact on 2017 Sterling core EPS growth would be ~9%

Appendix

Currency

2016 currency sales exposure

US $	36 %
Euro €	20 %
Japanese ¥	7 %
Other*	37 %

* The other currencies that each represent more than 1% of Group sales are: Australian Dollar, Brazilian Real, Canadian Dollar, Chinese Yuan, Indian Rupee. In total they accounted for 11% of Group revenues in 2016.

2017 core EPS ready reckoner

US $

10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 3.5%

Euro €

10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 2.0%

Japanese ¥

10 Yen movement in average exchange rate for full year impacts EPS by approx. +/- 1.5%

January 2017 average exchange rates were £1/$1.25, £1/€1.17 and £1/Yen 143

If exchange rates were to hold at the January average rates for the rest of 2017, the estimated positive impact on 2017 Sterling turnover would be around 6% and if exchange losses were recognised at the same level as in 2016, the estimated positive impact on 2017 Sterling core EPS would be around 9%.

Cautionary statement regarding forward-looking statements

This presentation may contain forward-looking statements. Forward-looking statements give the Group's current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as 'anticipate', 'estimate', 'expect', 'intend', 'will', 'project', 'plan', 'believe', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the US Securities and Exchange Commission (SEC). All investors, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group's control or precise estimate. The Group cautions investors that a number of important factors, including those in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed under Item 3.D 'Risk factors' in the Group's Annual Report on Form 20-F for 2015 and those discussed in Part 2 of the Circular to Shareholders and Notice of General Meeting furnished to the SEC on Form 6-K on November 24, 2014 and the outlook assumptions and cautionary statements in GSK's Q4 2016 earnings release. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this report.

A number of adjusted measures are used to report the performance of our business. These measures are defined in our Q4 2016 earnings release and Annual Report on Form 20-F for 2015.