

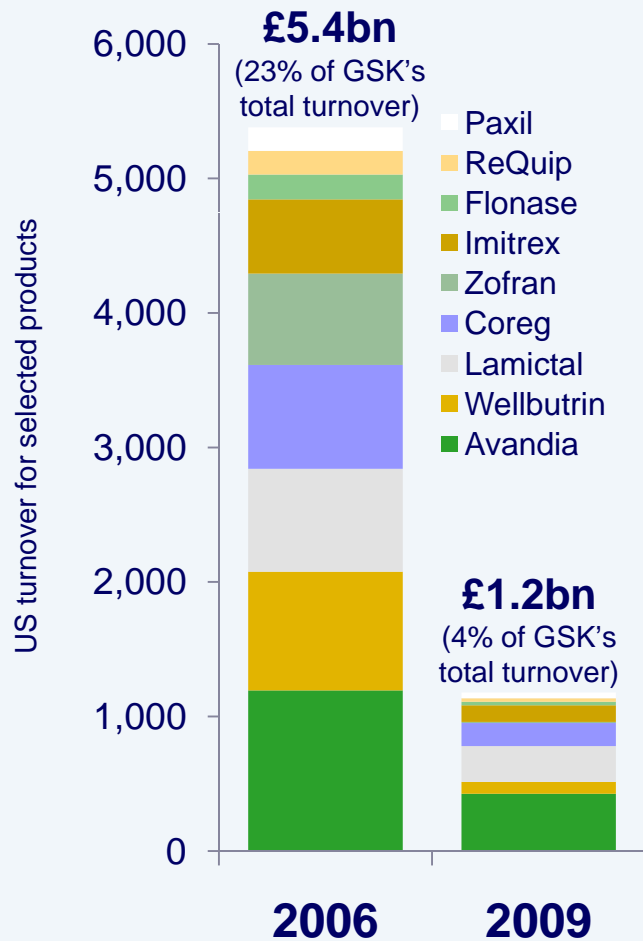


JP Morgan 2011 Healthcare Conference

**David Redfern, Chief Strategy Officer
12 January 2011**

GSK performance through patent cliff + Avandia

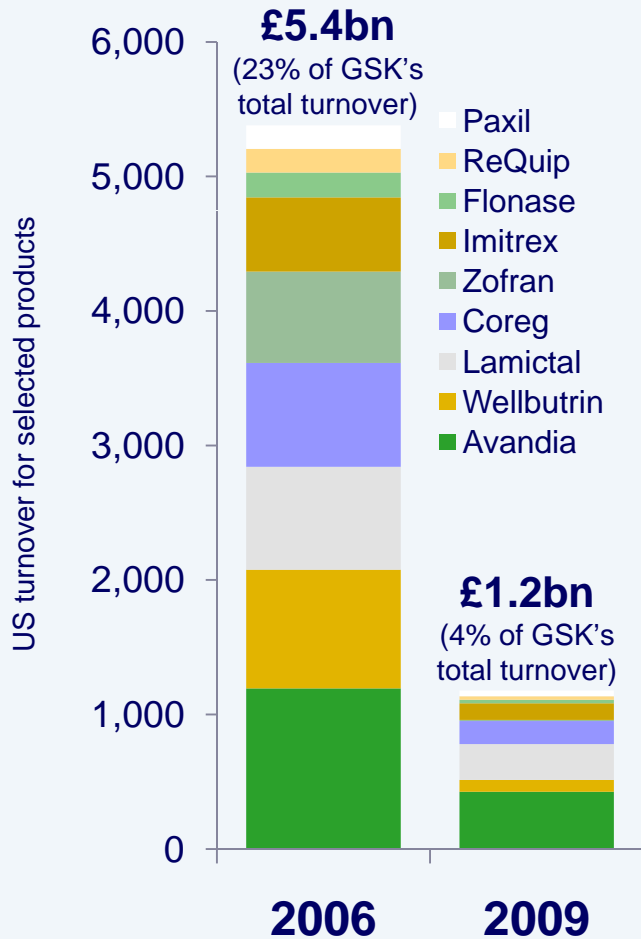
GSK patent cliff + Avandia 2006-2009



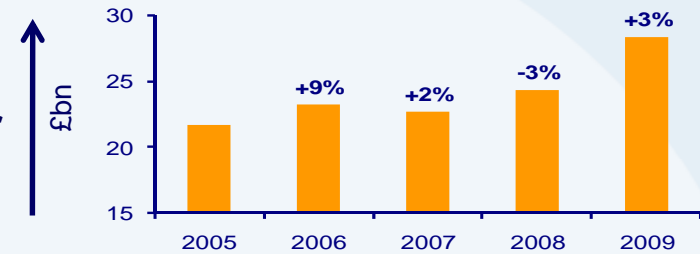
CER growth rates. Total franchise turnover included above;
Business Performance EPS excludes major restructurings.

GSK performance through patent cliff + Avandia

GSK patent cliff + Avandia 2006-2009



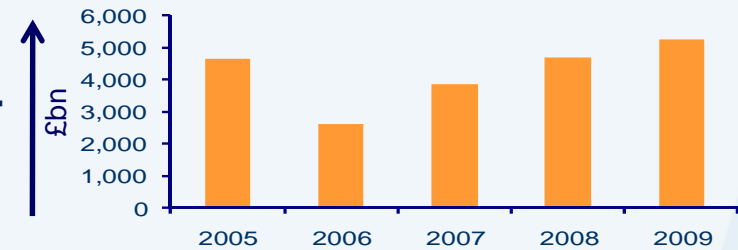
Turnover



EPS



FCF



Dividend



CER growth rates. Total franchise turnover included above;
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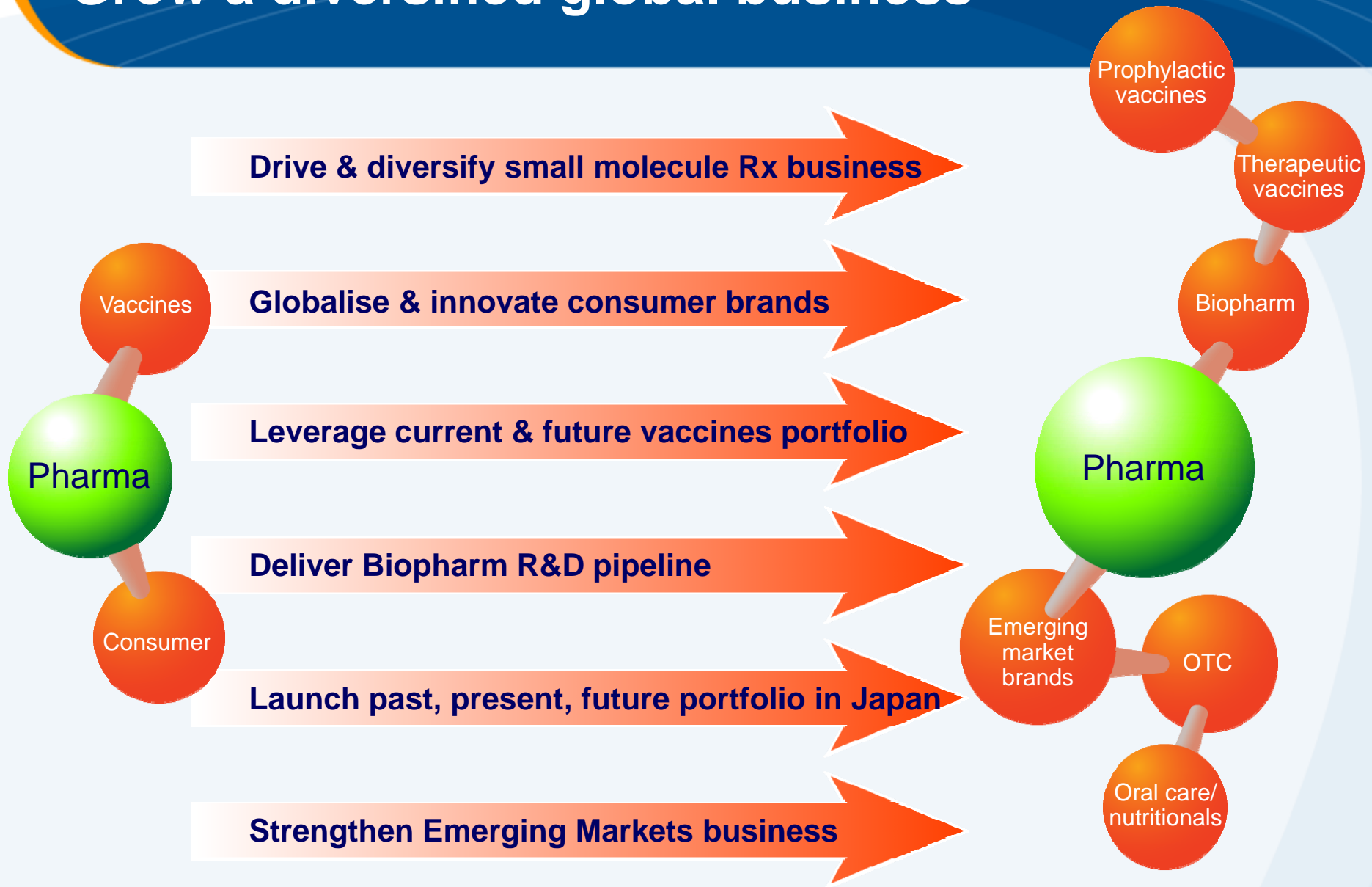
GSK's strategic priorities

Grow a diversified global business

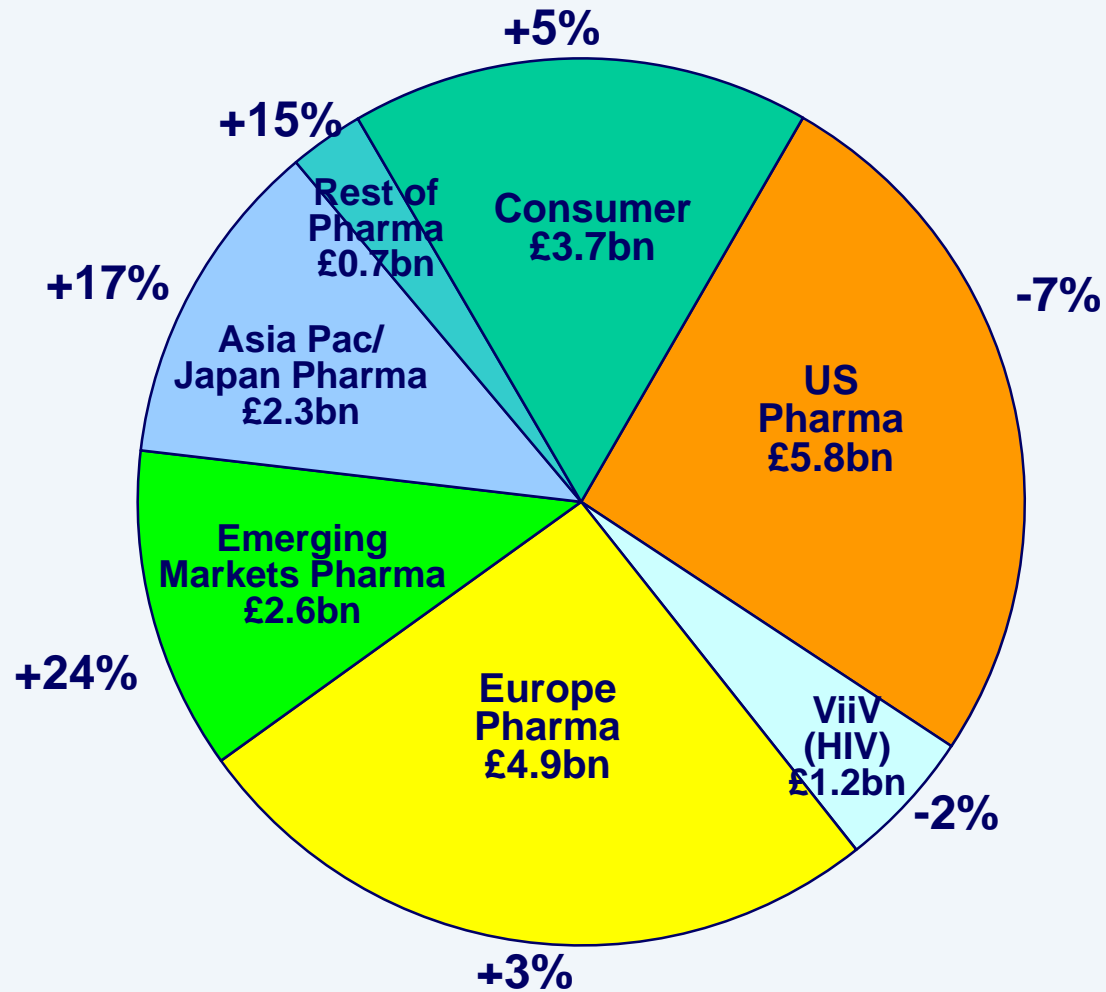
Deliver more products of value

Simplify the operating model

Grow a diversified global business



Turnover growth +4% despite decline in US Pharma



GSK 3Q YTD 2010 Turnover £21.2bn +4%

Underlying turnover +5% 3Q10 YTD

	3Q10 YTD £ million	% Change CER
Total reported	21,195	+4%
Avandia	391	-33%
Pandemic*	1,141	>100%
Valtrex	436	-60%
Total excl. Pandemic, Avandia, Valtrex	19,227	+5%

* 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

2007



2008



2009



2010/11



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

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

Emerging Markets/ Asia Pacific/Japan



Pharma



Vaccines



Consumer



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



- +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

Key growth levers create a great platform for the future:

Geographic expansion

Portfolio and pipeline

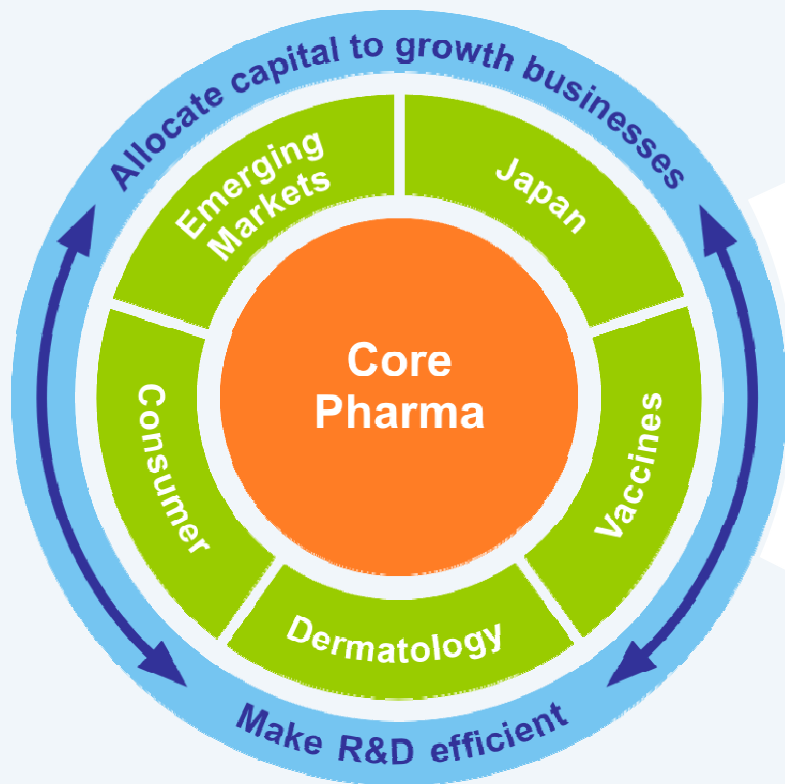
Business development

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**

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



GlaxoSmithKline