



**GSK**

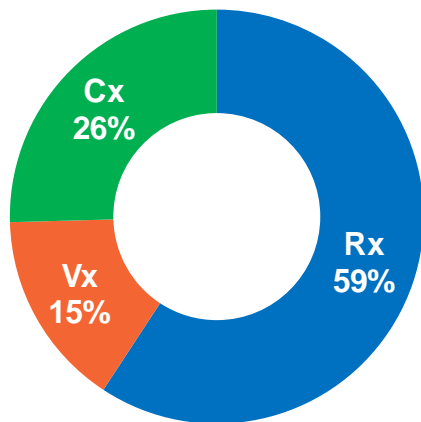
**Sir Andrew Witty, CEO**

JP Morgan Conference  
12 January 2016

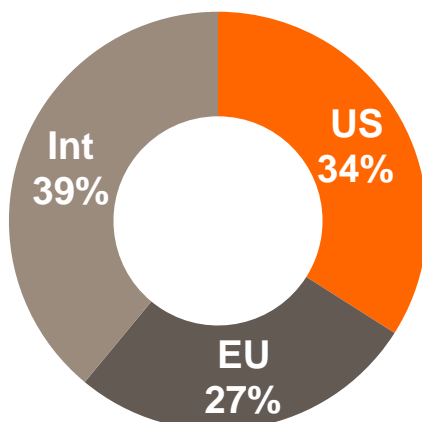
# Progress through 2015 positions GSK to respond to global changes and maximise opportunities



## 3 growth businesses<sup>^</sup>



## Balanced geographies<sup>^</sup>



### Global leadership positions underpin future growth

- 2016 core EPS expected to reach double digit growth (CER)\*
- 2016 to 2020 outlook core EPS mid-to-high single digit CAGR growth (CER)\*\*

### Financial discipline

- Synergies and cost savings
- R&D fixed cost reduction

### Innovation strength

- Potential to file up to 20 assets by 2020
- Focused and sustainable R&D platform

### Dividend

- 2015-17 continued expectation to pay an annual ordinary dividend of 80p per share
- Special dividend planned to return ~£1bn (20p per share) with Q415 dividend

<sup>^</sup> Based on 2015 9 month sales

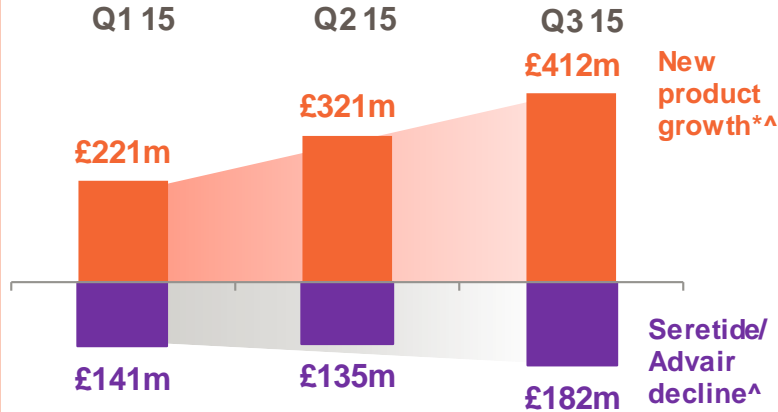
\* Per Q3 Results statement

\*\* Outlook presented on May 6 2015

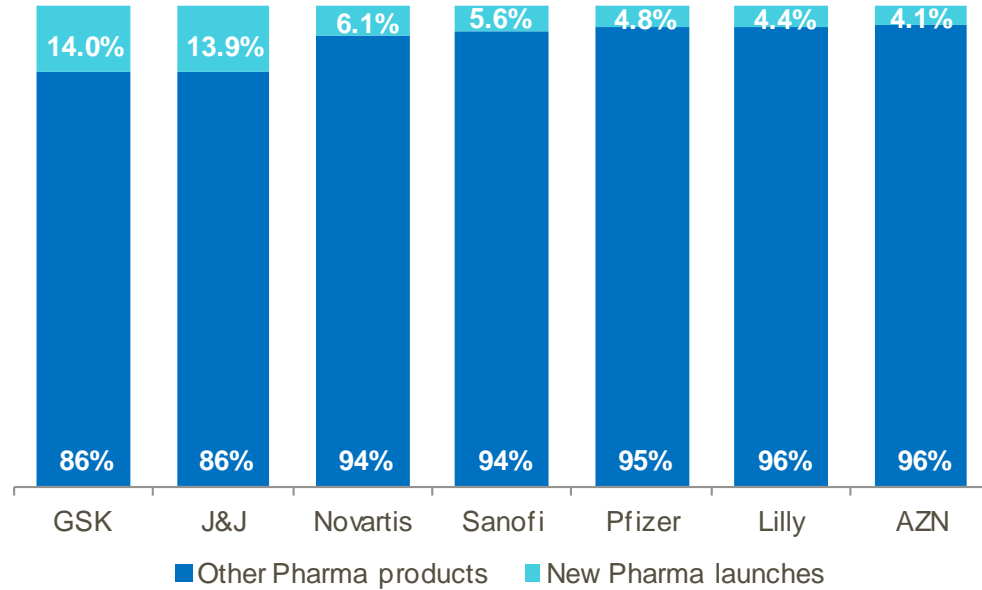
# Significant growth from new products



## New product growth\* more than offsets Advair decline



## New Pharma products\*\* showing strong contribution Q3 2015 sales



\*New products defined as: Rx: Breo, Anoro, Incruse, Amuity, Tanzeum, Tivicay, Triumeq. Vx: Menveo, Bexsero

^Growth and the decline in the respective quarters on a Sterling basis

\*\*New pharma products defined as products launched since Q1 2012

GSK Includes GSK pharma and HIV products (ViiV). Comparison to companies with primary and secondary pharma and material new launches. Data source, company reports – GSK analysis. In some instances number don't add to 100% due to rounding. No vaccines launches/sales included (except for J&J where it is not possible to separate but immaterial). Consumer, animal health, generics units excluded for all companies.

# Select key 2015 milestones



3 part Novartis transaction completed in March

Industry leading transformation of commercial operating model

Integration and significant cost savings on track

Key 11 new products on track to generate >£6bn annual sales by 2020\*

Substantial R&D progress on next wave of assets

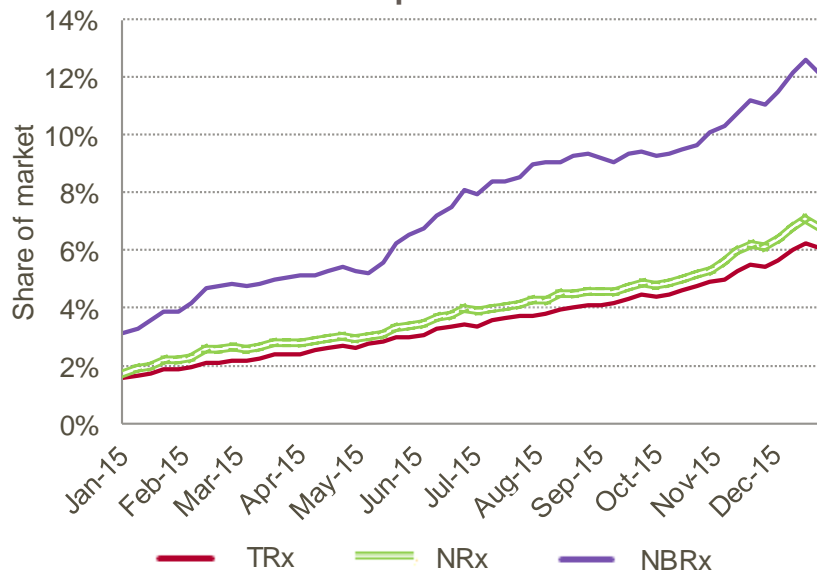
\* Includes key recent and near-term launches plus late-stage assets. Rx: Breo, Anoro, Incruse, Amvuity, Tanzeum, Nucala, Tivicay, Triumeq, Vx: Menveo, Bexsero, Shingrix.

# Pharma 2015: new Respiratory products gaining scale



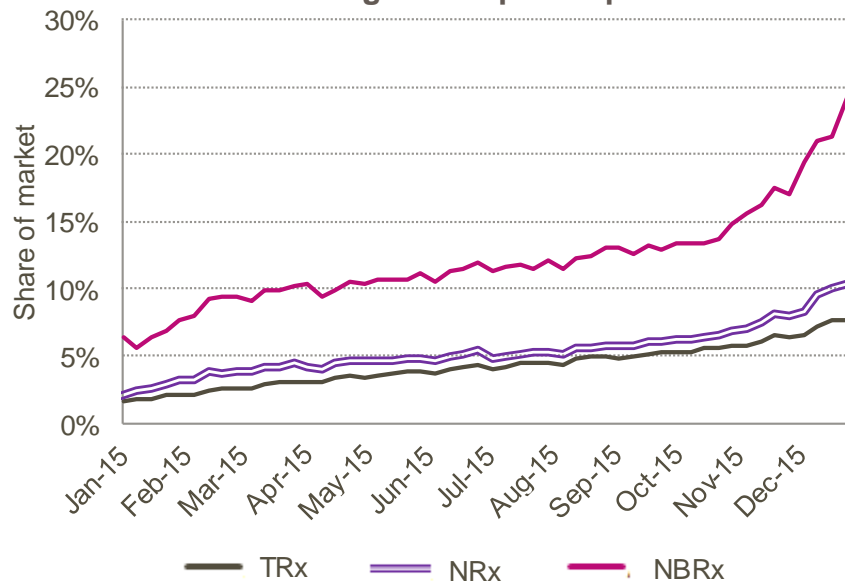
## Breo

Significant improvement in US ICS/LABA market share post asthma launch



## Anoro and Incruse

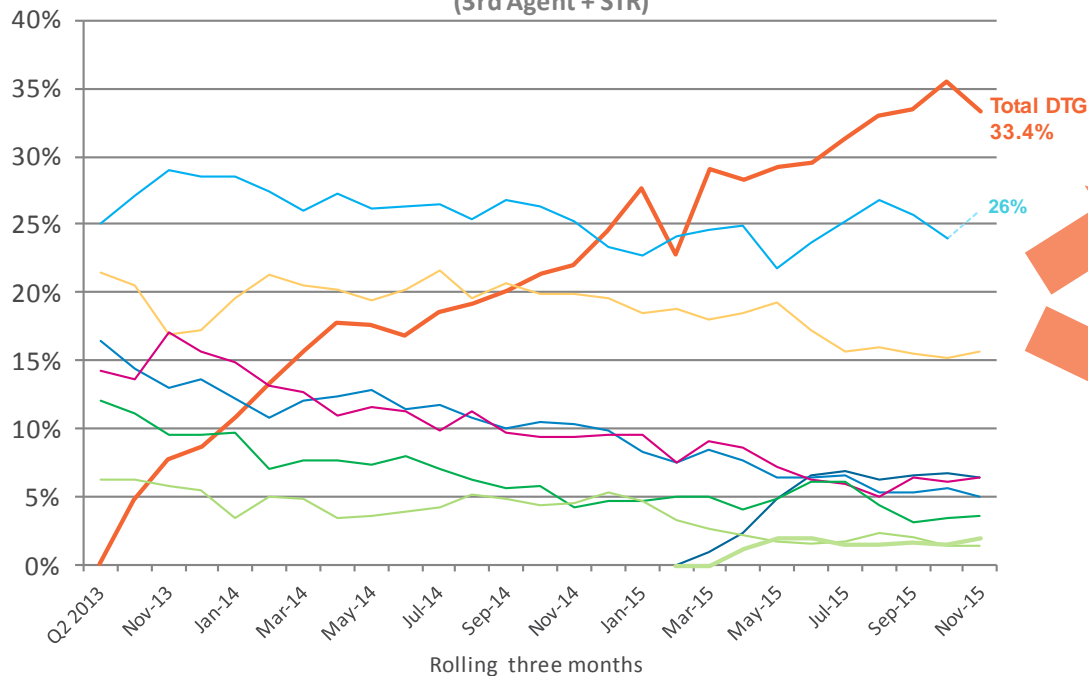
Improving share of US LAMA market post new managed care coverage and Open Triple use in Q4



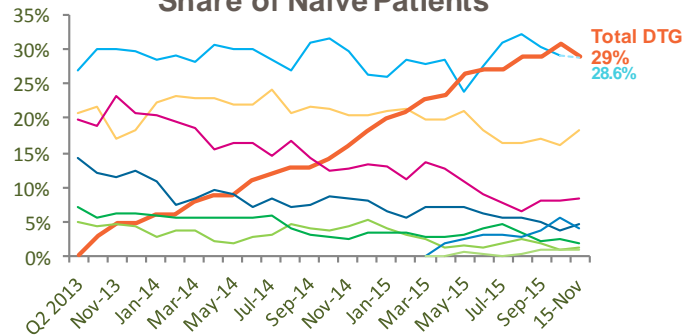
# Pharma 2015: HIV growth acceleration



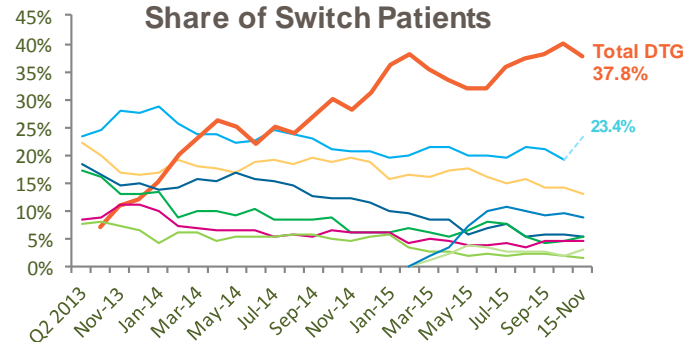
Share of all dynamic patients vs competitor products  
(3rd Agent + STR)



Share of Naïve Patients

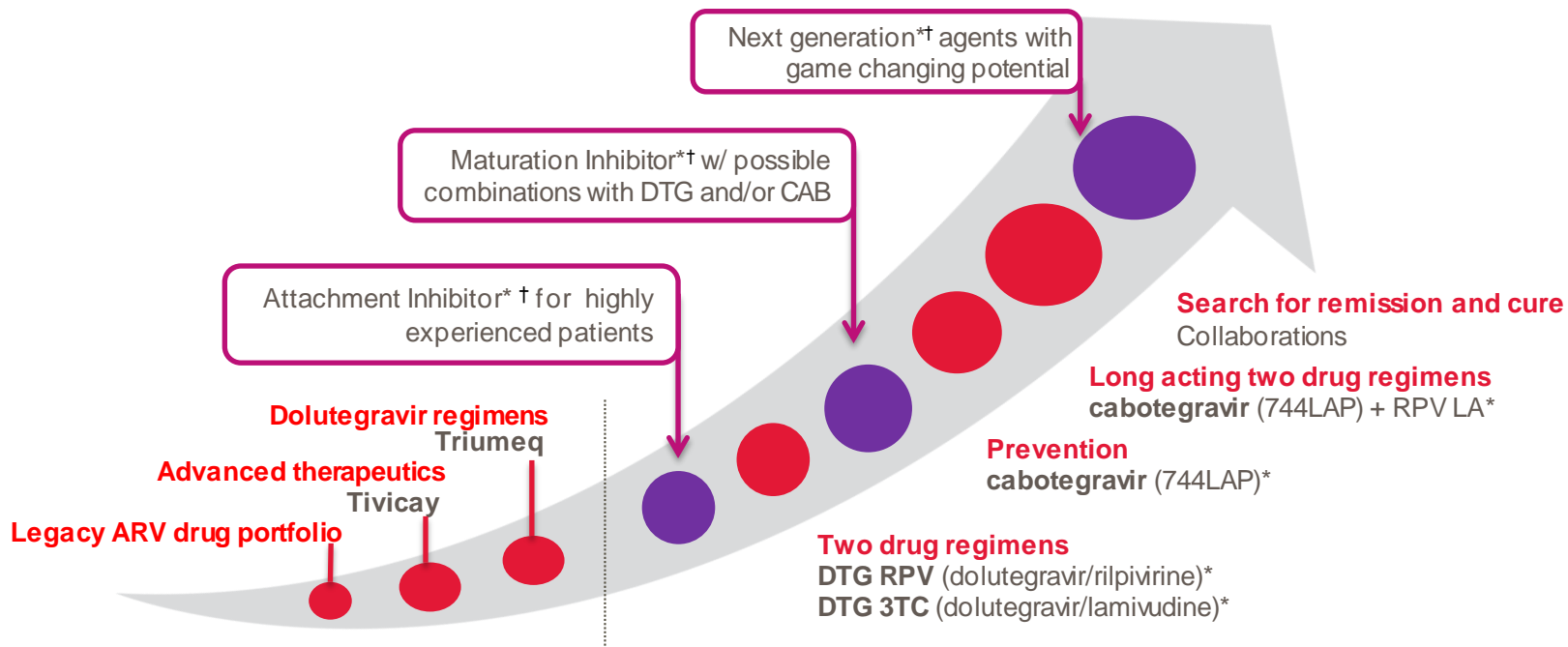


Share of Switch Patients



Source: IpsosHealthcare US HIV Therapy Monitor, November 2015

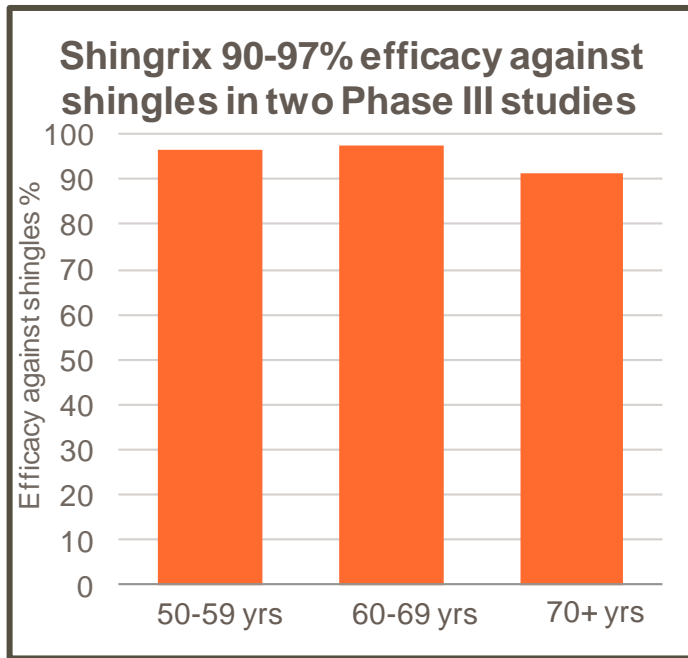
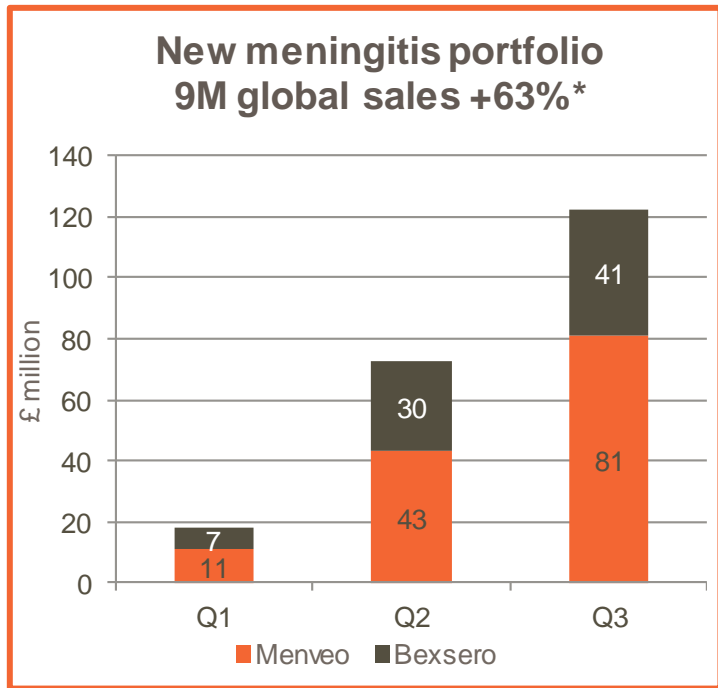
# Pharma 2015: BMS transactions bolstering a leading pipeline with highly complementary assets



\*Investigational treatments

† Subject to appropriate validation by relevant regulatory authorities

# Vaccines 2015: broad portfolio driving growth, realising benefits from integration and ongoing investments



Proactive supply network upgrades enabled accelerated delivery schedule of Flu vaccines in Q315 vs 2014

Established three global R&D centres in Rixensart, Belgium; Siena, Italy and Rockville, Maryland

\*Based on 2015 9 month pro forma (CER) for newly acquired meningitis portfolio  
Q1 sales only includes 1 months of sales due to timing of the Novartis transaction



# Consumer 2015: innovation and geographic position driving growth, focus on accelerating integration



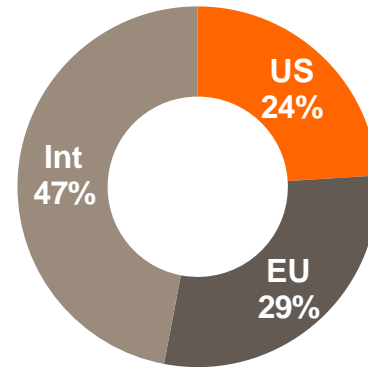
9M sales +7%, core operating profit +19%\*

Flonase RxCx switch success contributed >50% of US Q3 growth

Integration progress:

- Made >6,300 appointments
- Completed required divestments
- Consolidation ~80% complete with 48 commercial sites consolidated

Competitive global footprint with opportunities for expansion\*



\*Based on 2015 9 month pro forma CER basis

# R&D strategy: focus on long term sustainable innovation



## Accelerate Discovery output

- Now have 30 DPUs, of which 2/3's are from the original 2009 set. Average 20% turnover every 3 year cycle
- 65% of NMEs\* in the clinic were either discovered or worked on by the DPUs

## Focus where science is innovative

- Of the ~40 assets profiled, 80% of new molecules, biologicals and vaccines are potentially 1<sup>st</sup> in class

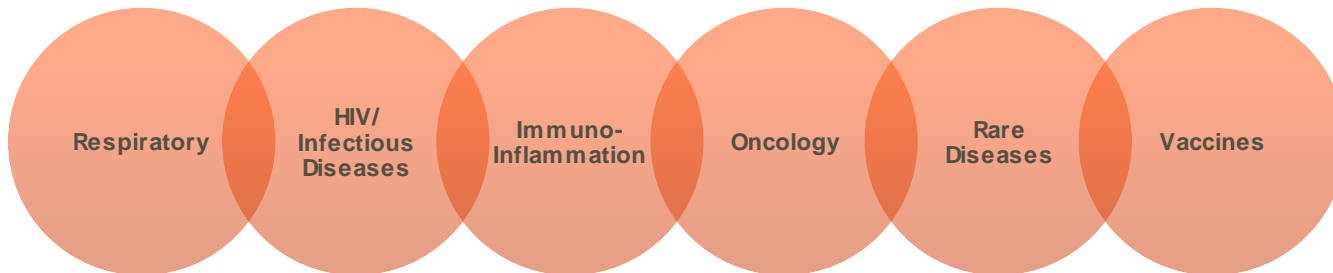
## Balance of internal vs external

- 60% of NMEs\* in the clinic are home-grown, 40% partnered or in-licensed

## Reduce fixed cost to drive ROI

- Balance discovery and development (pharma split 38% Discovery; 62% Development)
- Divested marketed oncology portfolio for \$16bn

Portfolio of innovation, focussed across six core areas of scientific research and development



\*NMEs: Phase I – III/submitted, per pipeline chart

# Potential to file up to 20 assets by 2020



## 7 NMEs & 5 PLEs

Nucala (mepolizumab) <i>IL-5 mAb</i>	sielukumab <i>IL-6 mAb</i>
Severe Asthma	Rheumatoid Arthritis
mepolizumab <i>IL-5 mAb</i>	GSK2696273 <i>Ex-vivo stemCGT</i>
COPD	ADA-SCID
mepolizumab <i>IL-5 mAb</i>	GSK2696274 <i>Ex-vivo stemCGT</i>
EGPA	Metachromatic Leukodystrophy
fluticasone furoate+vilanterol +umeclidinium ICS/LABA/LAMA COPD	GSK2696275 <i>Ex-vivo stemCGT</i>
	Wiscott-Aldrich Syndrome
dolutegravir + rilpivirine <i>Integrase inhibitor + NNRTI HIV</i>	GSK2998728† <i>TTR production inhibitor</i>
	FAP
Benlysta Subcutaneous <i>BlyS mAb</i>	Shingrix
SLE	Herpes Zoster prophylaxis

## 11 NMEs & 5 PLEs

mepolizumab <i>IL-5 mAb</i>	tarextumab† <i>Notch 2/3 mAb</i>	GSK2398852+ GSK2315698 <i>SAP mAb + SAP depleter</i>	
Nasal Polyposis	Pancreatic Cancer, SCLC	Amyloidosis	
mepolizumab <i>IL-5 mAb</i>	GSK525762 <i>BET inhibitor</i>	GSK2998728† <i>TTR production inhibitor</i>	
HES	Solid Tumours, Haematological Malignancies	TTR Cardiomyopathy	
dolutegravir + lamivudine FDC <i>Integrase inhibitor+NRTI HIV</i>	GSK2879552 <i>LSD1 inhibitor</i>	daprodustat* <i>Prolyl hydroxylase inhibitor</i>	
	Acute Myeloid Leukaemia, SCLC	Anaemia of CKD	
cabotegravir <i>Long acting integrase inhibitor HIV, HIV PrEP</i>	GSK3174998 <i>OX40 agonist mAb</i>	MenABCWY <i>US filing</i>	
	Solid tumours, Haematological Malignancies	Meningococcal A,B,C,W and Y disease prophylaxis	
gepotidecin <i>Type 2 topoisomerase inhibitor Bacterial Inf.</i>	GSK3377794† + NY-ESO-1 <i>TCR Sarcoma, Mult. Myel., Melanoma Ovarian, NSCLC</i>		
sielukumab <i>IL-6 mAb</i>	GSK3359609 <i>ICOS agonist mAb</i>		
Giant Cell Arteritis	Solid tumours, Haematological Malignancies		

## 21 NMEs & 5 PLEs

sielukumab <i>IL-6 mAb</i>	GSK3008348 <i>Alpha V beta 6 integrin antagonist</i>	GSK525762 <i>BET inhibitor</i>	GSK3196165 <i>GM-CSF mAb</i>	RSV paediatric
Severe Asthma	IPF	Therapy Resistant RA	RA, OA	Respiratory syncytial virus prophylaxis
danirixin <i>CXCR2 antagonist</i>	<i>Long acting IL-5 mAb (NBE)</i>	GSK2330811 <i>OSM mAb</i>	GSK2696277** <i>Ex-vivo stemCGT</i>	COPD †
COPD	Asthma, Others	Systemic Sclerosis	Beta Thalassemia	COPD vaccine
GSK2269557 <i>PI3 kinase delta inhibitor</i>	<i>IL5/13 bispecific antibody</i>	GSK2618960 <i>IL-7 receptor mAb</i>	daprodustat* <i>Prolyl hydroxylase inhibitor (topical) Wound Healing</i>	
COPD, Asthma	Asthma	Sjogren's Syndrome		
GSK2862277 <i>TNFR1 dAb</i>	GSK2878175 <i>NS5B inhibitor</i>	GSK2831781 <i>LAG-3 mAb</i>	mepolizumab <i>IL-5 mAb</i>	
Acute Lung Injury	HCV	Autoimmune Diseases	Severe Atopic Dermatitis	
GSK2245035 <i>TLR7 agonist</i>	GSK3228836† <i>Antisense oligonucleotide</i>	GSK2982772 <i>RIP1 kinase inhibitor</i>	RSV maternal	
Asthma	HBV	Psoriasis, RA, UC	Respiratory syncytial virus prophylaxis	
GSK3191812 <i>TSLP dAb</i>	belimumab + CD20 <i>BlyS+CD20</i>	GSK3050002 <i>CCL20 mAb</i>	GBS maternal	
Asthma	Sjogren's Syndrome	Psoriatic Arthritis	Group B streptococcus prophylaxis	

- Respiratory
- HIV / Infectious Diseases
- Immuno-Inflammation
- Oncology
- Rare Diseases
- Other Pharma
- Vaccines

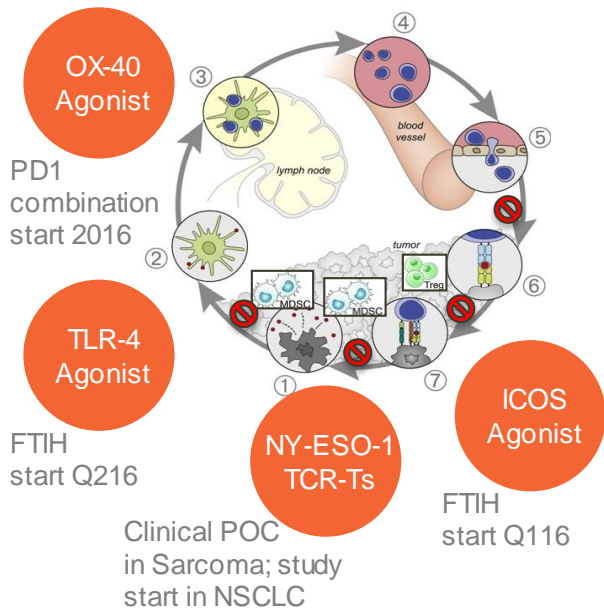
- † Subject to exercise of option
- # Subject to collaborator agreement
- ^ EU filing
- \* USAN, INN approval pending
- ◊ Planned to be filed post 2025

# Progress in Oncology

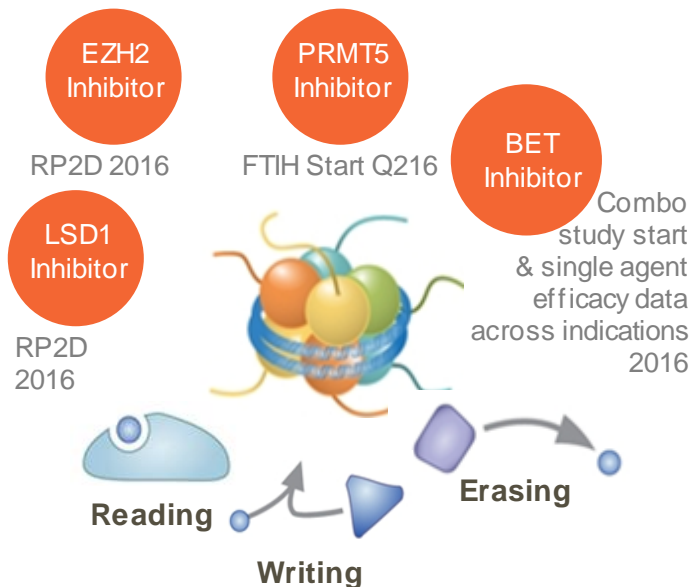
2016/ 17 select key milestones



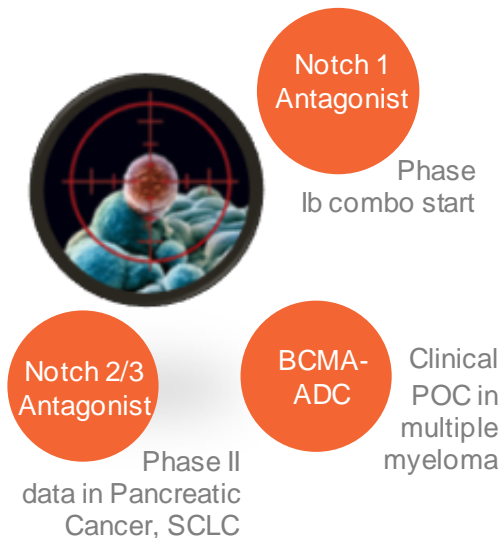
## Immuno-Oncology



## Epigenetics



## Stem Cells and Targeted Abs



# 2016 return to growth



## Select key milestones

### Business performance

- 2016 core EPS expected to reach double digit growth CER\*
- Continued strong contribution from new products^ which achieved £591m in Q3, on track to generate >£6bn annual sales by 2020, offsetting Advair decline
- Total respiratory sales expected to return to growth
- Nucala launch in US and Europe, Japan approval decision
- EU decision on Strimvelis for ADA SCID

### R&D

- Anticipated completion of two BMS transactions
- Filing: Shingrix, Benlysta SC, sirukumab for RA and Closed Triple in the EU
- SALFORD lung study data
- PhIII start for daprodustat in anaemia
- PhIII start for cabotegravir + rilpivirine
- PhIII starts for cabotegravir PrEP studies

### Financials

- Restructuring on track, including material savings in 2016
- Significant opportunity to create value through expansion of Consumer and Vaccines margins
- Special dividend planned to return ~£1bn (20p per share) with Q4 2015 dividend

\*Per Q3 Results statement

^ Includes key recent and near-term launches plus late-stage assets. Rx: Breo, Anoro, Incruse, Amuity, Tanzeum, Nucala, Tivicay, Triumeq, Vx: Menveo, Bexsero, Shingrix.

# Cautionary statement regarding forward-looking statements

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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 2014 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. 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 Q1 2015 earnings release and Annual Report on Form 20-F for 2014.