



GSK

David Redfern
Chief Strategy Officer

JP Morgan Conference
January 2015



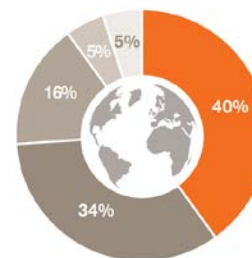
Grow

a diversified
global business

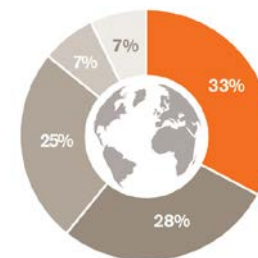
Non US/EU sales:

26% in 2008
39% in 2013

Turnover by region 2008



Turnover by region 2013



Deliver

more products
of value

10 major approvals in 2013-2014



Simplify

the operating
model

- ~ £4bn annual OE/major change savings*
- **New programme: £1bn annual cost savings by '17****
- Plus structural savings: ~£300m in 2013, ~£200m in 2014

* Not including £1bn of savings from proposed transaction with Novartis.
~£4bn includes £2.8bn of OE annual savings already delivered, £1bn of Major Change annual savings due to be delivered by 2016.

** Additional £1bn of Global Pharmaceutical savings announced at Q3 2014 results.

Proposed Novartis transaction



Accelerates GSK strategy to generate sustainable, broadly sourced growth

- **Substantially strengthen two of our core businesses**
 - Creating a new global leader in Consumer Healthcare
 - Strengthening global leadership in Vaccines
 - Realising attractive value for oncology business now
 - **Creates stronger, higher quality earnings profile**
 - Accretive to core EPS from the first full year post completion, with growing contribution from 2017 from cost savings and new growth opportunities
 - Expect annual cost savings of ~£1.0bn by year 5; ~50% by year 3
 - **Drives significant value for shareholders**
 - Capital return of £4.0bn in 2015 (~6% reduction in shares), funded by net after-tax proceeds of \$7.8bn
 - **On track for completion in H1 2015**
-

Leadership in 3 core businesses



World class franchises driving better balance and quality of earnings

Consumer
~25%*



#1 OTC globally

Total consumer market ~\$73bn, growing at ~4% p.a.

- 19 \$100m+ brands
- #1 or 2 in core categories
- #1 in 36 geographical markets



Wellness



Oral care



Nutrition



Skin Health



* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma.

Leadership in 3 core businesses



World class franchises driving better balance and quality of earnings

Consumer

~25%*



#1 OTC globally

Total consumer market ~\$73bn, growing at ~4% p.a.

- 19 \$100m+ brands
- #1 or 2 in core categories
- #1 in 36 geographical markets

Vaccines

~14%*



#1 global position

~\$26bn market growing at mid single digit

- Comprehensive offering in paediatrics; around 50% of global market
- >20 vaccines in development

Recommended Immunizations by US CDC



Diphtheria, tetanus, & acellular Pertussis (DTaP) (pediatric)	✓	✓	
<i>Haemophilus influenzae</i> type b (Hib) (pediatric and adult)	✓	✓	✓
Hepatitis A (pediatric and adult)	✓		✓
Hepatitis B (pediatric and adult)	✓		✓
Human papillomavirus (HPV) (pediatric and adult)	✓		✓
Inactivated Polio (IPV) (pediatric and adult)	✓	✓	
Influenza (pediatric and adult)	✓	✓	✓
Rotavirus (pediatric)	✓		✓
Tetanus, diphtheria, pertussis (Tdap) (pediatric and adult)	✓		✓
Meningococcal Disease (pediatric and adult)		✓	✓
Measles, Mumps, Rubella (MMR) (pediatric and adult)			✓
Pneumococcal (pediatric and adult)			✓
Varicella (adult and pediatric)			✓
Zoster (adult)			✓



Late stage development programme including GSK's MMR and Zoster Vaccines, Meningococcal Serogroup B (Bexsero) and MenABCWY combination post transaction

* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma.

Leadership in 3 core businesses



World class franchises driving better balance and quality of earnings

Consumer

~25%*



#1 OTC globally

Total consumer market ~\$73bn, growing at ~4% p.a.

- 19 \$100m+ brands
- #1 or 2 in core categories
- #1 in 36 geographical markets

Vaccines

~14%*



#1 global position

~\$26bn market growing at mid single digit

- Comprehensive offering in paediatrics; around 50% of global market
- >20 vaccines in development

Pharma

~61%*

* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma.

Leadership in 3 core businesses



World class franchises driving better balance and quality of earnings

Consumer
~25%*



#1 OTC globally

Total consumer market ~\$73bn, growing at ~4% p.a.

- 19 \$100m+ brands
- #1 or 2 in core categories
- #1 in 36 geographical markets

Vaccines
~14%*



#1 global position

~\$26bn market growing at mid single digit

- Comprehensive offering in paediatrics; around 50% of global market
- >20 vaccines in development

Pharma
~61%*

including:

HIV
5%*



#2 globally

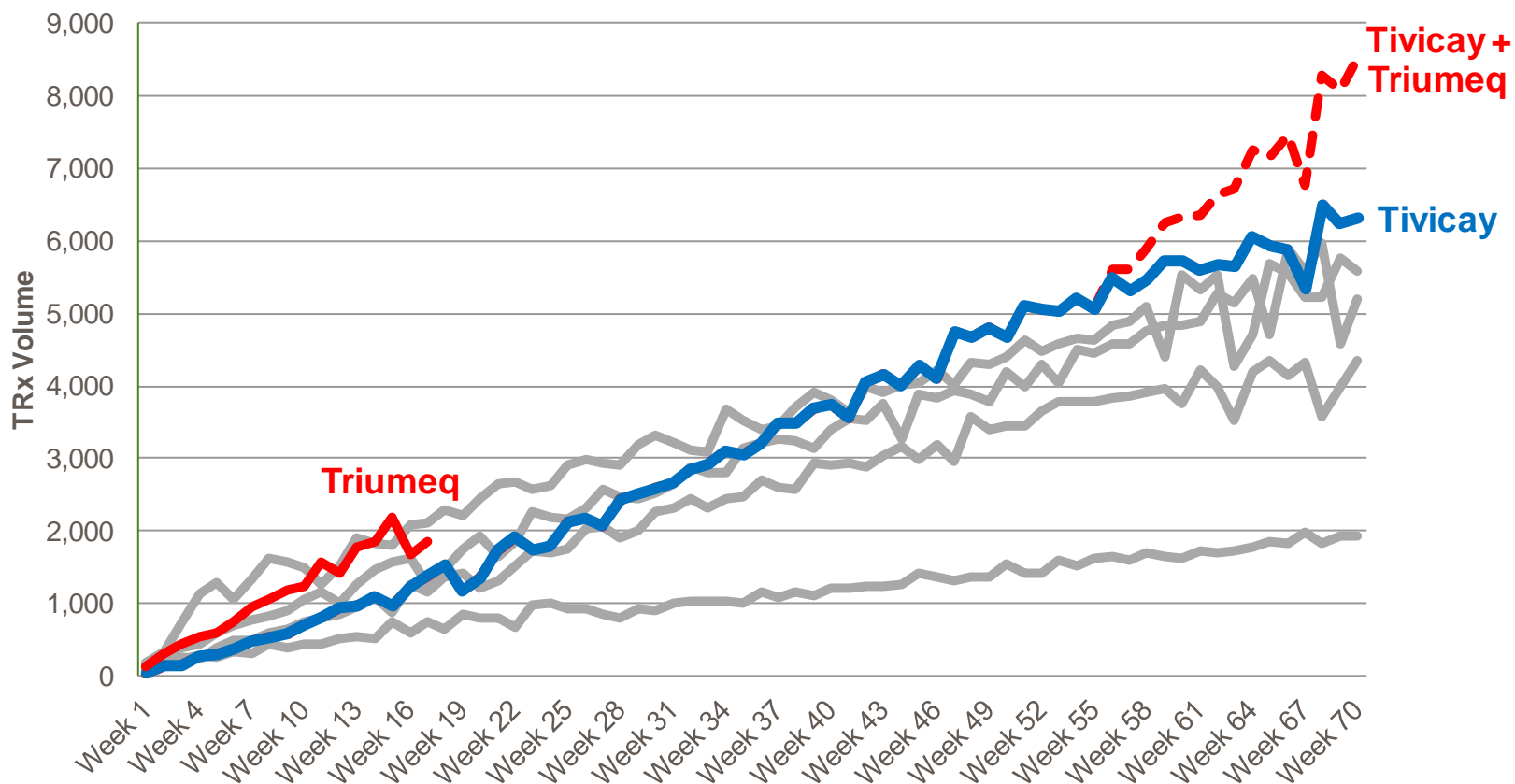
~\$20bn market growing at ~8% p.a.

* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma.

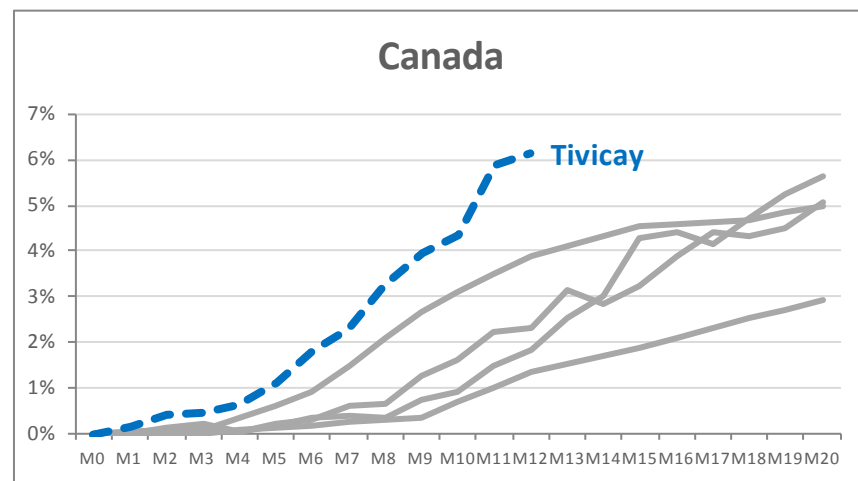
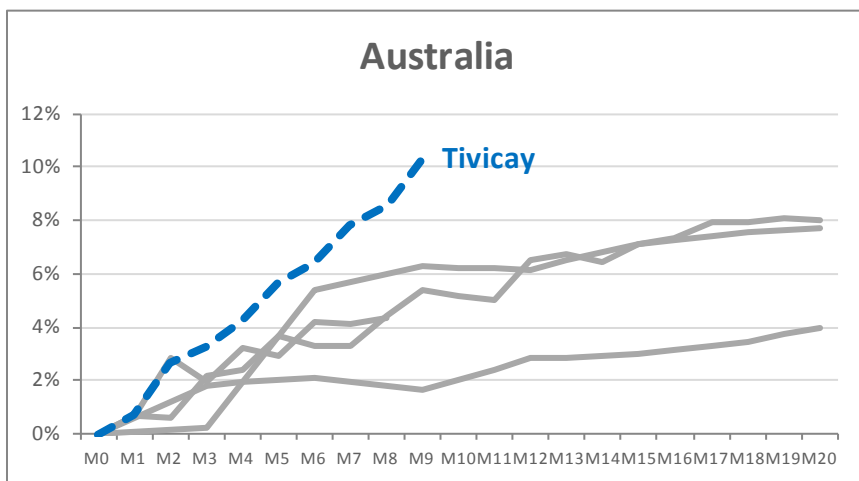
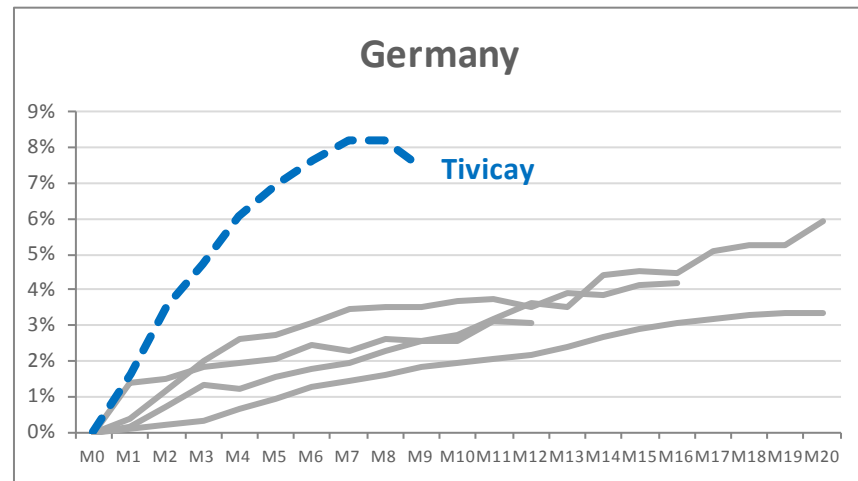
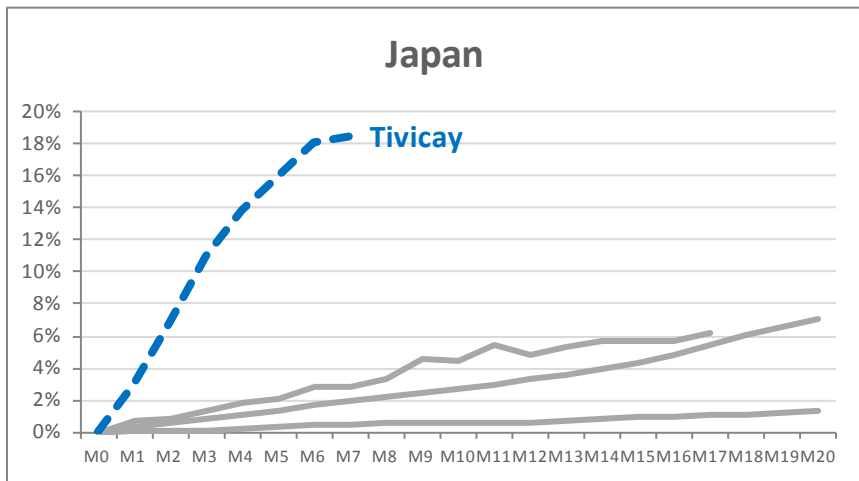
Industry leading launch for dolutegravir

US TRx Comparison: 70 Weeks Post Tivicay/DTG Launch

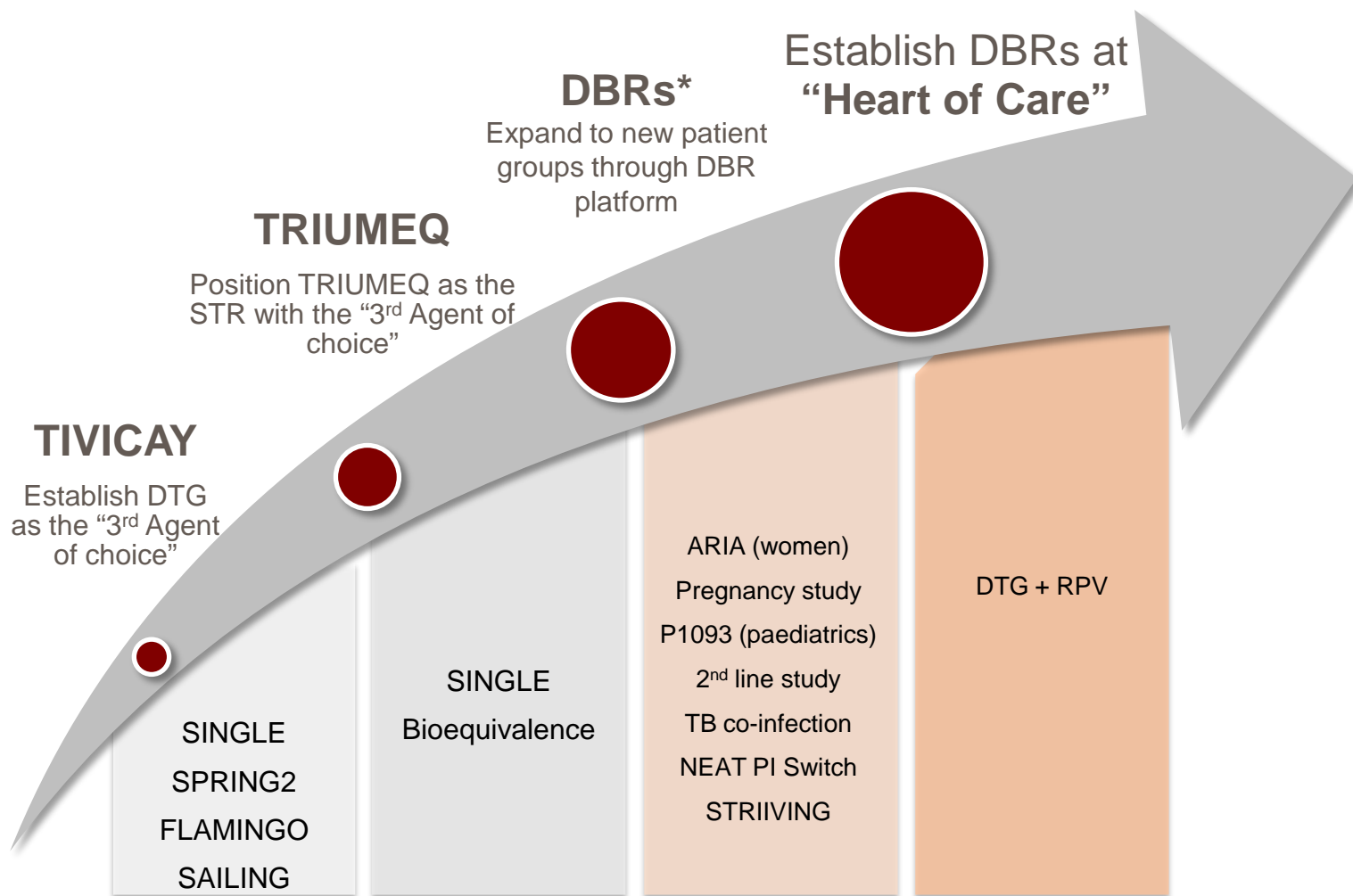


Tivicay launch has been strong across all reimbursed markets

Days on Therapy (DOT) share – selected LOCs



ViiV Healthcare positioned for sustained growth



*Dolutegravir based regimes

Leadership in 3 core businesses



World class franchises driving better balance and quality of earnings

Consumer

~25%*



#1 OTC globally

Total consumer market ~\$73bn, growing at ~4% p.a.

- 19 \$100m+ brands
- #1 or 2 in core categories
- #1 in 36 geographical markets

Vaccines

~14%*



#1 global position

~\$26bn market growing at mid single digit

- Comprehensive offering in paediatrics; around 50% of global market
- >20 vaccines in development

Pharma

~61%*

including:

HIV
5%*



Tivicay[®]
(dolutegravir) tablets

Triumeq[®]
abacavir 600 mg/dolutegravir 50 mg/
lamivudine 300 mg tablets

#2 globally

~\$20bn market growing at ~8% p.a.

Respiratory
27%*



#1 global position

~\$29bn market growing at ~2% p.a.

* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

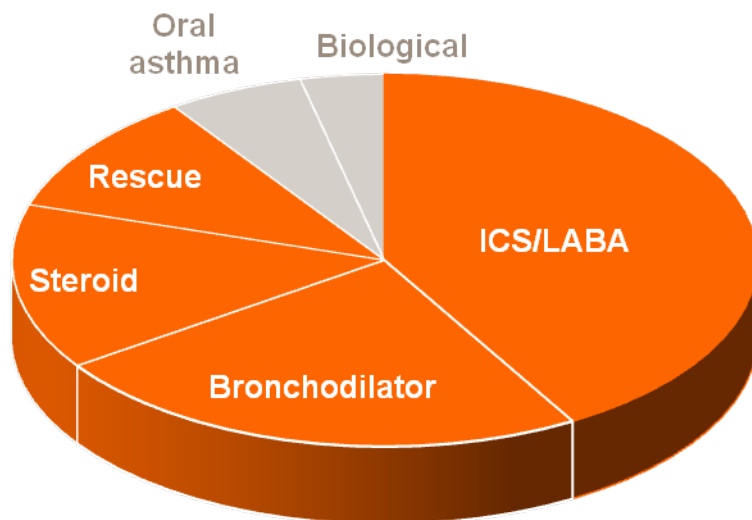
Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma.

Continued market leadership in Respiratory



Access continues to build

\$29bn global respiratory market



33% GSK share of global market

Anoro Ellipta allows access to bronchodilator market

Breo Ellipta approved & launched

US coverage January 2015

~64% Commercial

~76% Part D

Anoro Ellipta approved & launched

US coverage January 2015

~78% Commercial

~65% Part D

Incruse Ellipta launch underway

Arnuity Ellipta launching Jan 2015

5 additional products in late stage development

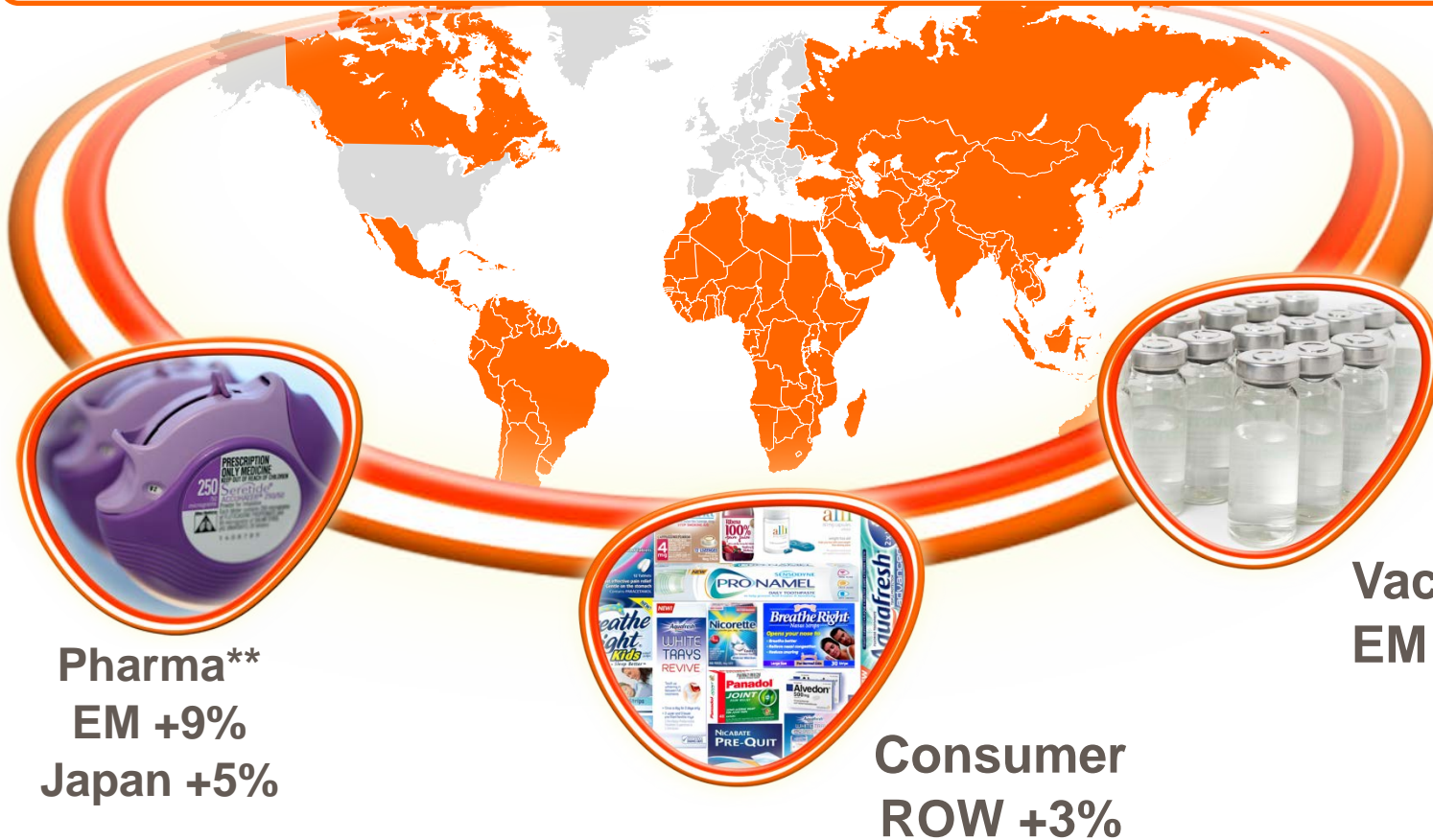
- **mepolizumab** severe asthma and COPD
- **ICS/LABA/LAMA** closed triple
- **VI monotherapy**
- **ICS/LAMA**
- **MABA**

Emerging Markets



Strong, growing footprint outside US & Europe

40% of GSK's business is outside the US & Europe*



* Per Q3 results: 9M 2014 Group sales £16,820m, of which £6,775m is outside US and Europe

** Excluding vaccines.

Group sales; CER growth rates; % of GSK

Delivering more products of value



Sustained flow of new products over the last two years

Major approvals 2013-2014:

Breo / Relvar Ellipta	Anoro Ellipta	Incruse Ellipta	Arnuity Ellipta	Mekinist
Tafinlar	QIV 'flu	Eperzan / Tanzeum	Tivicay	Triumeq

Other recent late stage milestones include:

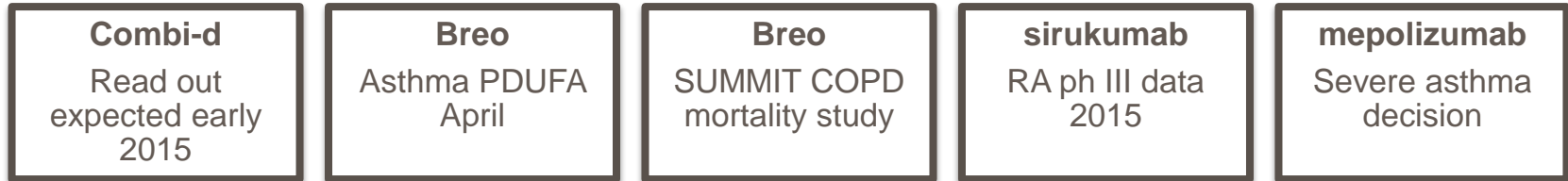
Breo Asthma filed (US)	mepolizumab Severe asthma filed	Herpes Zoster Vx Positive Ph III (Dec 2014)
mepolizumab Phase III start (COPD)	losmapimod Phase III start (ACS)	Closed triple Phase III start (COPD)

Delivering more products of value

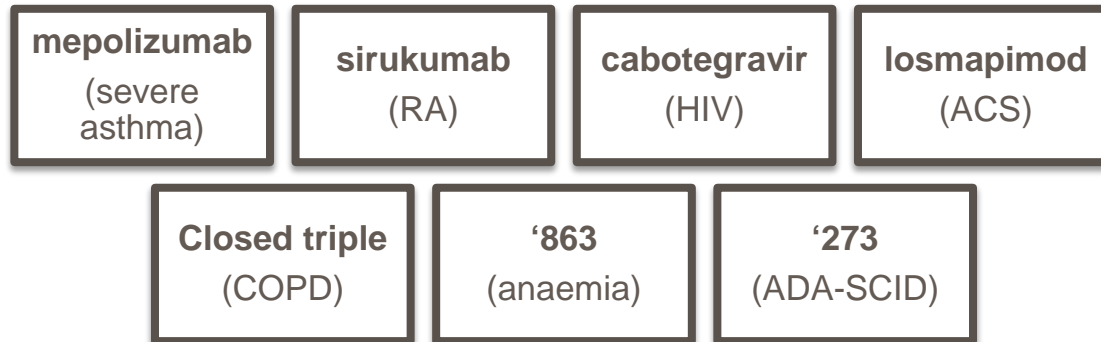


Sustained flow of new products into the future

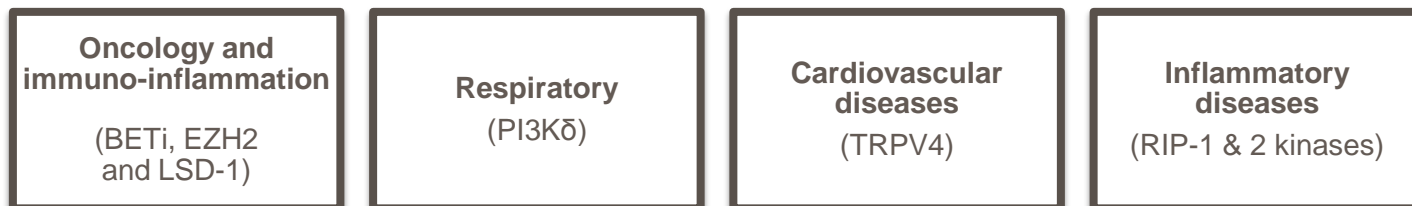
2015 milestones include:



Multiple Phase II/III assets with significant potential, including:



Early clinical development opportunities include first-in-class molecules in:



2014

Challenges

US respiratory pricing / contracting

Lovaza generics

Consumer supply

Strong performances

EM (+9% for 9M)

Japan (+5% for 9M)

ViiV (+12% for 9M)

2015-2016

Priorities include

NVS transaction supporting three pillar Rx / Cx / Vx business

Increasing access & sales of newly launched products

Pipeline progression on many fronts

Looking ahead

New OE savings

Respiratory expected to return to growth in 2016

Exploring potential minority IPO for ViiV

~£34bn*

**Cash already returned to
shareholders since 2008**

**~£4bn
returned in '14***

**2014 Dividend
Expect 80p (+3%)**

**~£8bn
expected in '15**

**Including £4bn from
NVS transaction****

* 2014 returns include payment of Q2 dividend in October 2014

** 2015 returns assumes positive readout of Combi-d

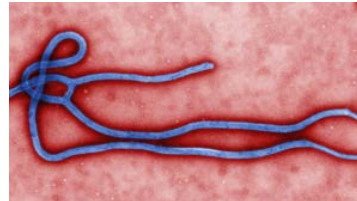
Two recent examples



Malaria

30 years and counting

- First ever vaccine candidate filed for malaria in July 2014
- Developed in partnership with PATH Malaria Vaccine Initiative, supported by grants from the Bill & Melinda Gates Foundation
- It is expected to be used in some of the world's poorest countries so we've committed to make it available at a not-for-profit price



Ebola

Responding to a crisis

- Phase I trials already underway in the USA, UK, Switzerland and Mali
- Large scale efficacy trials due to start in Africa in the coming weeks
- Working closely with the WHO and other partners to support the humanitarian response and accelerate the development of our investigational vaccine

"This is an unprecedented pace of development. We are literally doing in maybe five or six months what would normally take five or six years..."

Andrew Witty, GSK CEO

Cautionary statement regarding forward-looking statements



Under the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995, the company cautions investors that any forward-looking statements or projections made by the company, including those made in this document are subject to risks and uncertainties that may cause actual results to differ materially from those projected.

Nothing in this document should be construed as a profit forecast