



2017 Full Year Results

7 February 2018



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.

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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 presentation, 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 2016. 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 presentation.

A number of adjusted measures are used to report the performance of our business. These measures are defined in our Q4/FY 2017 earnings release and Annual Report on Form 20-F for 2016.

All expectations and targets regarding future performance should be read together with "Assumptions related to 2018 guidance and 2016-2020 outlook" on page 40 of our full year and fourth quarter 2017 earnings release.

Agenda



2017 progress	Emma Walmsley, Chief Executive Officer	
Commercial priorities: Respiratory and Vaccines	Luke Miels, President, Global Pharmaceuticals	
2017 results and 2018 guidance	Simon Dingemans, Chief Financial Officer	
2018 priorities and outlook	Emma Walmsley, Chief Executive Officer	

Q&A:

David Redfern, Chief Strategy Officer, Chairman of ViiV

Brian McNamara, CEO GSK Consumer Healthcare

Luc Debruyne, President, Global Vaccines

Patrick Vallance, President R&D

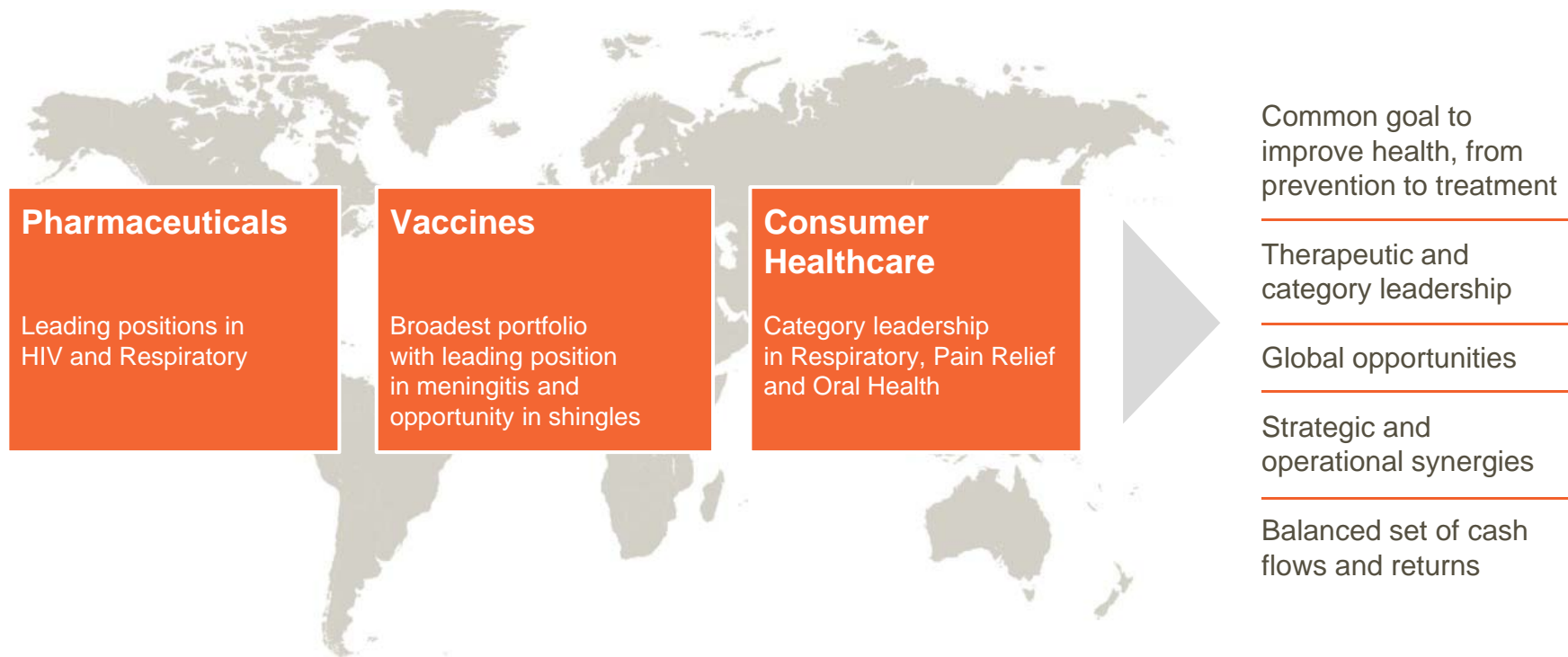


Emma Walmsley, CEO

7 February 2018



Balanced business to deliver growth and returns to shareholders



Sales growth in all 3 businesses; improved Group margin and cashflow generation



Pharmaceuticals
+3% CER

New Respiratory products +75%
HIV sales +16%

Vaccines
+6% CER

Meningitis sales +27%
Influenza vaccines +12%

Consumer Healthcare
+2% CER

Oral health and Wellness performing well
Continued strong growth of Power brands



Group sales growth of +3%

0.4pp improvement in Group Adjusted operating margin

Adjusted EPS growth of +4%

FCF of £3.4 billion

All growth rates and margin changes at CER

Good progress on our 3 long term strategic priorities



Innovation

Executing on three major new launches
Advancing our pipeline
Improved pipeline governance

Performance

Re-allocation of resources to key priorities
Fuelled by cost, cash and capital discipline
Building the right teams

Trust

Strengthen quality of medical engagement
Focused global health
Improved employee engagement

Building a winning team



3 new executive team members



Dr Hal Barron
Chief Scientific Officer
and President, R&D



Luke Miels
President, Global
Pharmaceuticals



Karenann Terrell
Chief Digital &
Technology Officer

~40% of Executive Team -1
(top 125) roles transitioned

Focus on top talent for
~370 critical roles

**Internal promotions and
new hires including from:**
Calico, Novartis, Pfizer,
Walmart, AstraZeneca,
Teva, Google, Unilever



Commercial priorities: Respiratory and Vaccines

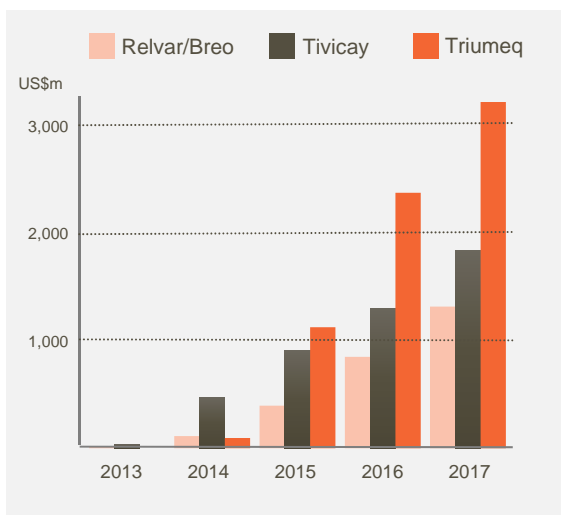
Luke Miels, President,
Global Pharmaceuticals



Priorities and focus drive success



3 new blockbusters¹



1. GSK reported full year sales using the US\$ actual average rate for each year

Capital allocation focused on 3 must-wins

- 1) Product**
Trelegy, Shingrix, Nucala
- 2) Geographies**
Top ten revenue markets
- 3) Capabilities**
Sales, Marketing, Medical

Clear priorities for commercial organisation

- Maximise Respiratory portfolio**
- Deliver GSK's best ever selling vaccine**
- Efficient operating model**
- Partner closely with R&D to maximise pipeline value**

Shingrix: a new standard of prevention in Shingles



>100m US adults recommended for vaccination¹

Expanded age recommendation (50-59)

~42m

Age 60+ not yet vaccinated

~40m

Eligible for revaccination

~20m

Building a blockbuster

Strong clinical profile

>90% efficacy across identified age groups^{2,3}

Sustained efficacy³

Landmark ACIP preferential recommendation published by CDC (January 2018)

Building US access and awareness

Strong early demand with building payer access

Building physician and pharmacy awareness

Leveraging consumer expertise

1. Dooling K. Considerations for the use of herpes zoster vaccine. Presented at the Advisory Committee on Immunization Practices, US Centers for Disease Control and Prevention. October 25, 2017

2. Does not include immunocompromised population

3. Lal H et al. Efficacy of an Adjuvanted Herpes Zoster Subunit Vaccine in Older Adults. N Engl J Med. 2015;372:2087-96; Cunningham et al. Efficacy of the herpes zoster subunit vaccine in adults 70 years of age or older. N Engl J Med. 2016;375:1019-32.

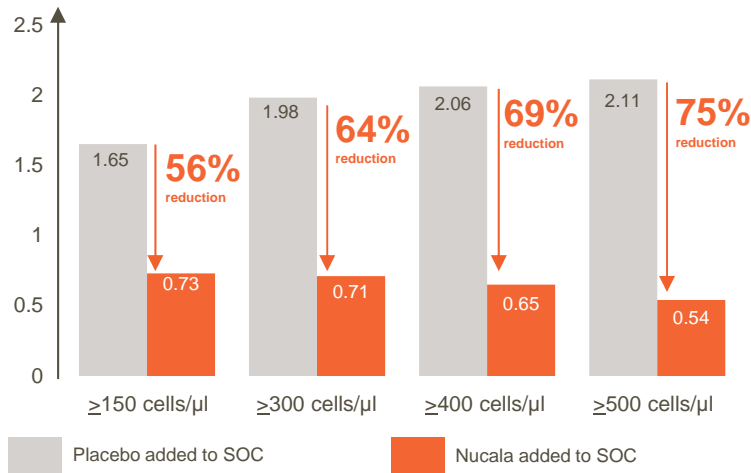
Nucala: leading respiratory biologic with significant growth opportunity



Highly competitive profile

Exacerbation frequency by baseline blood eosinophil count at Week 32¹

Rate of exacerbations/year



1. Data on file, GSK.

Significant growth opportunity

Undertreated patient population in asthma

Potential in other eosinophilic diseases:

US approval of use in EGPA approved December 2017

US regulatory submission for use in COPD filed November 2017

EGPA: eosinophilic granulomatosis with polyangiitis; COPD: chronic obstructive pulmonary disease

Trelegy: driving continued leadership

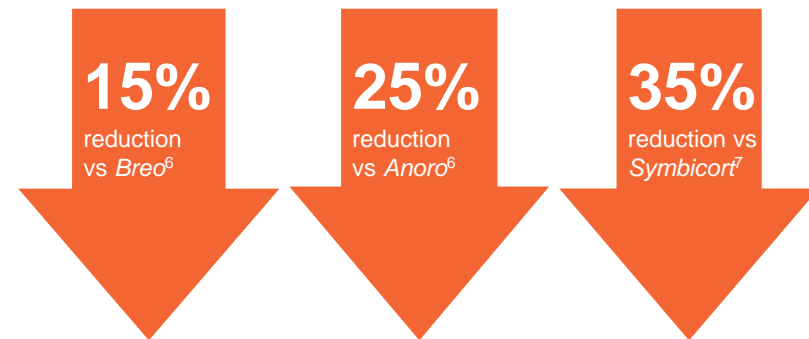


Demonstrated superiority in COPD



1. IMPACT: TRELEGY demonstrated a 15% reduction in moderate/severe exacerbations vs BREO and 25% vs ANORO
 2. FULFIL: TRELEGY demonstrated a benefit over SYMBICORT on lung function/SGRQ
 3. 201316: INCRUSE demonstrated a benefit on lung function over SPIRIVA
 4. 204990: ANORO demonstrated a benefit on lung function over STIOLTO
 5. SALFORD LUNG STUDY: BREO demonstrated a benefit on moderate/severe exacerbations vs. usual care

Significant exacerbation reduction with TRELEGY in COPD



**IMPACT data submitted for publication
sNDA filed November 2017**

6. Annual rate of on-treatment moderate and severe exacerbations (IMPACT)
 7. Annual rate of on-treatment exacerbations at week 24 (FULFIL)
 SYMBICORT is a trademark of AstraZeneca; SPIRIVA and STIOLTO are trademarks of Boehringer Ingelheim



2017 results and 2018 guidance

Simon Dingemans, CFO



Headline results



Sales growth, operating leverage and rebuilding cash flows

	FY 2017	Reported growth %	
	£m	AER	CER
Turnover	30,186	8	3
Total operating profit	4,087	57	39
Total EPS	31.4	67	36
Adjusted operating profit	8,568	12	5
Adjusted EPS	111.8	11	4
Free cash flow	3,437	14	n/a

Results reconciliation



2017 full year results

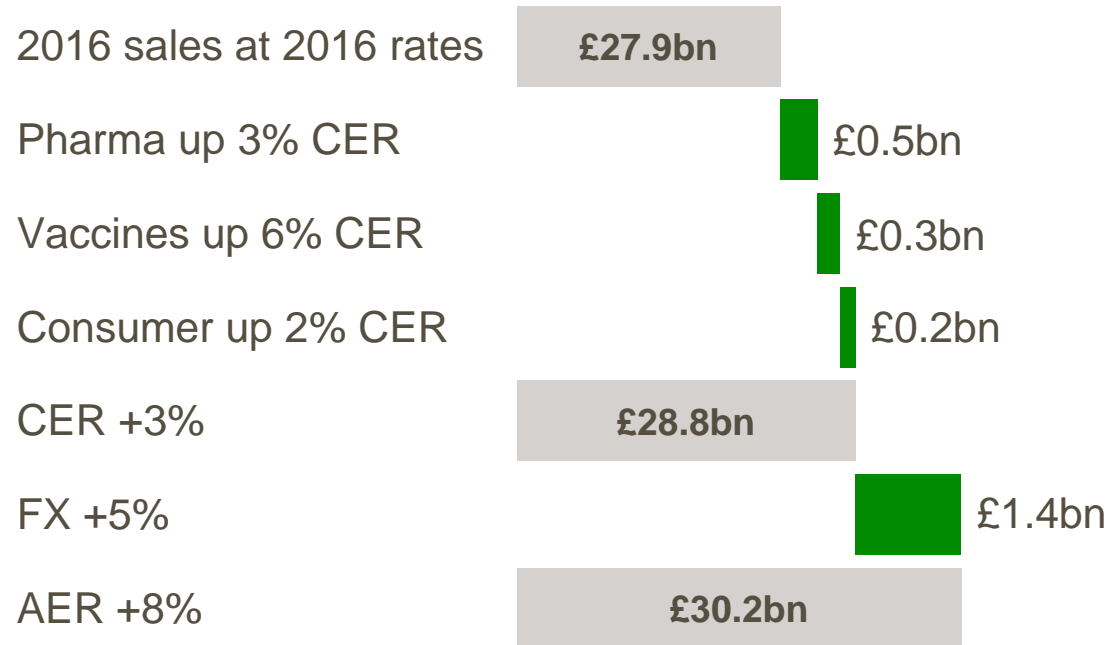
	Total results	Intangible amortisation	Intangible impairment	Major restructuring	Transaction related	Disposals, significant legal and other	US Tax reform	Adjusted results
Turnover (£bn)	30.2							30.2
Operating profit (£bn)*	4.1	0.6	0.7	1.1	1.6	(0.1)	0.7	8.6
EPS (pence)	31.4	9.4	10.5	17.4	19.2	(9.4)	33.3	111.8
2016 EPS (pence)	18.8	9.4	0.3	15.6	61.6	(5.1)	-	100.6

* Operating profit numbers on this slide do not add to the total because they have been rounded to the nearest £0.1bn.

Sales growth



Growth in all three businesses



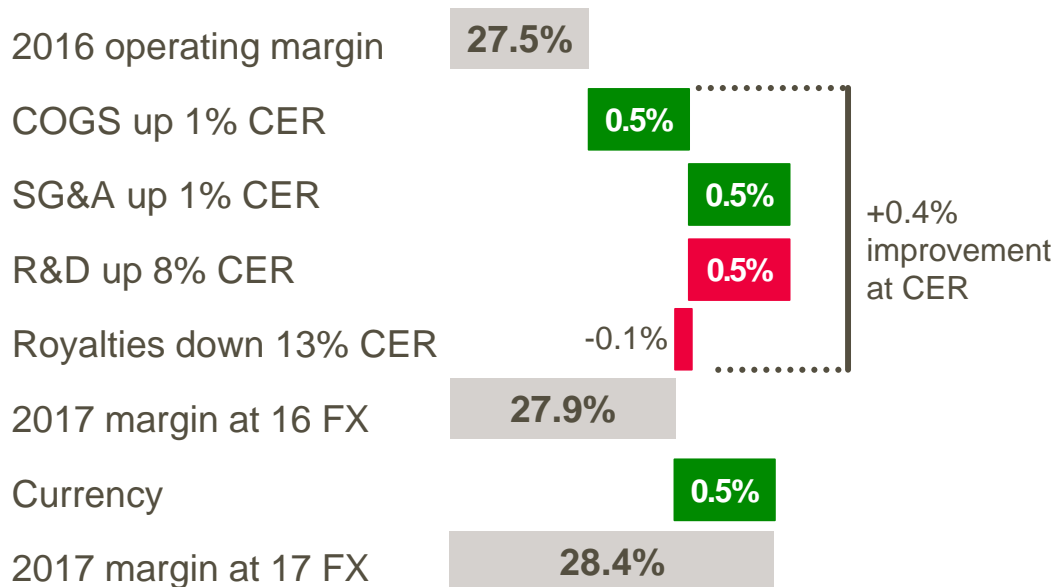
Sales numbers on this slide do not add to the total because they have been rounded to the nearest £0.1bn.

Adjusted operating margin

Continued margin progression



Sales up 3% CER



	2017 at actual rates	2020 outlook* unchanged at 2015 rates
Pharma	34.3% (-60 bps CER)	Low 30s
Vaccines	31.9% (+130 bps CER)	30%+
Consumer	17.7% (+130 bps CER)	20%+

*All 2020 outlook statements are at constant, 2015 exchange rates. The CAGRs are 5 years to 2020, using 2015 pro-forma as the base for sales.

Cost discipline to fuel investment for growth



Funding new product launches, R&D pipeline and protecting margins



Operating profit to net income

Expect benefit from US tax reform



	2016*	2017	
	£m	£m	
Adjusted results			
Operating profit	7,671	8,568	2018 Outlook**
Net finance expense	(652)	(657) Broadly similar
Share of associates	5	13	
Tax	(1,498)	(1,667) 19-20% after US tax reform
Tax rate	21.3%	21.0%	
Minorities	(637)	(793) Consumer and HIV growth
Net income	4,889	5,464	

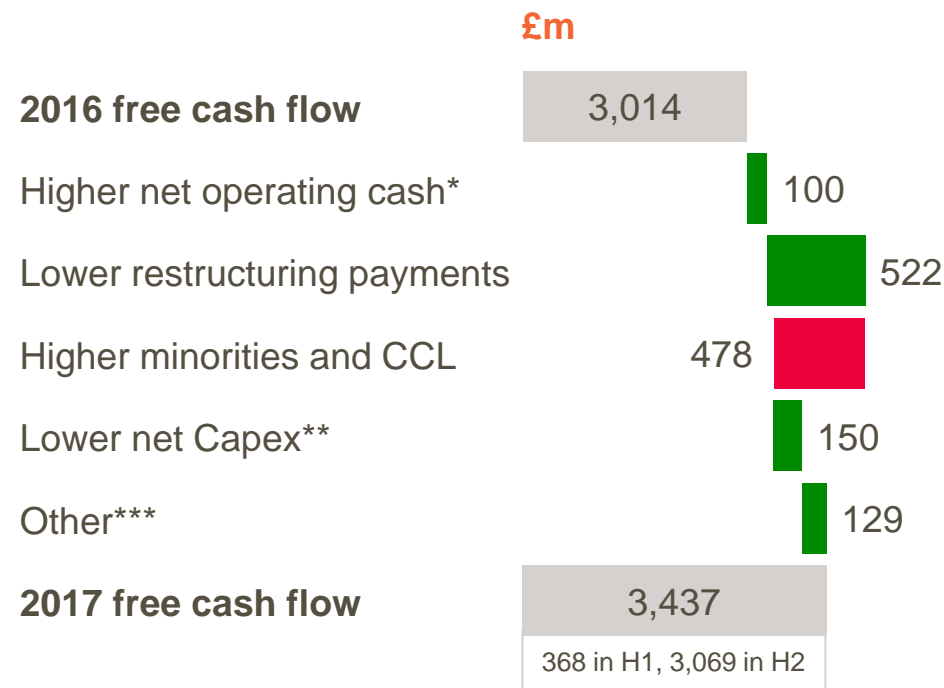
* For an explanation of the restatement of 2016 results on an Adjusted basis, see the "change to financial reporting framework" press releases dated 11 April 2017.

**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 2017 Results Announcement dated 7th February 2018 and the cautionary statement slide included with this presentation

Improved cash generation



Stronger operating performance, lower restructuring and Capex



* Net operating cash is net cash inflow from operating activities, excluding restructuring, operating CCL, 2016 tax on Oncology (£125m) and significant legal payments (£192m in 2017 vs £102m in 2016)

** £150m difference to 2016 includes the purchase of BMS assets in 2016 for £221m, partially offset by the payment of £106m for the PRV in 2017

*** £129m Other includes £183m from sale of PPE, offset by £53m of higher net interest paid. Net of all other items is £1m.

2018 guidance and 2020 outlook expectations



2018 US Advair scenarios

Assuming no substitutable generic, expect US Advair sales down 20-25% CER

Adjusted EPS
Up 4 to 7% CER

Assuming July substitutable generic, expect US Advair sales of ~£750m CER (\$1.30/£1)

Adjusted EPS
Flat to down 3% CER

2020 outlook* unchanged

Group sales CAGR
Low-to-mid single digit %

Adjusted EPS CAGR
Mid-to-high single digit %



*All 2020 outlook statements are at constant, 2015 exchange rates. The CAGRs are 5 years to 2020, using 2015 pro-forma as the base for sales.

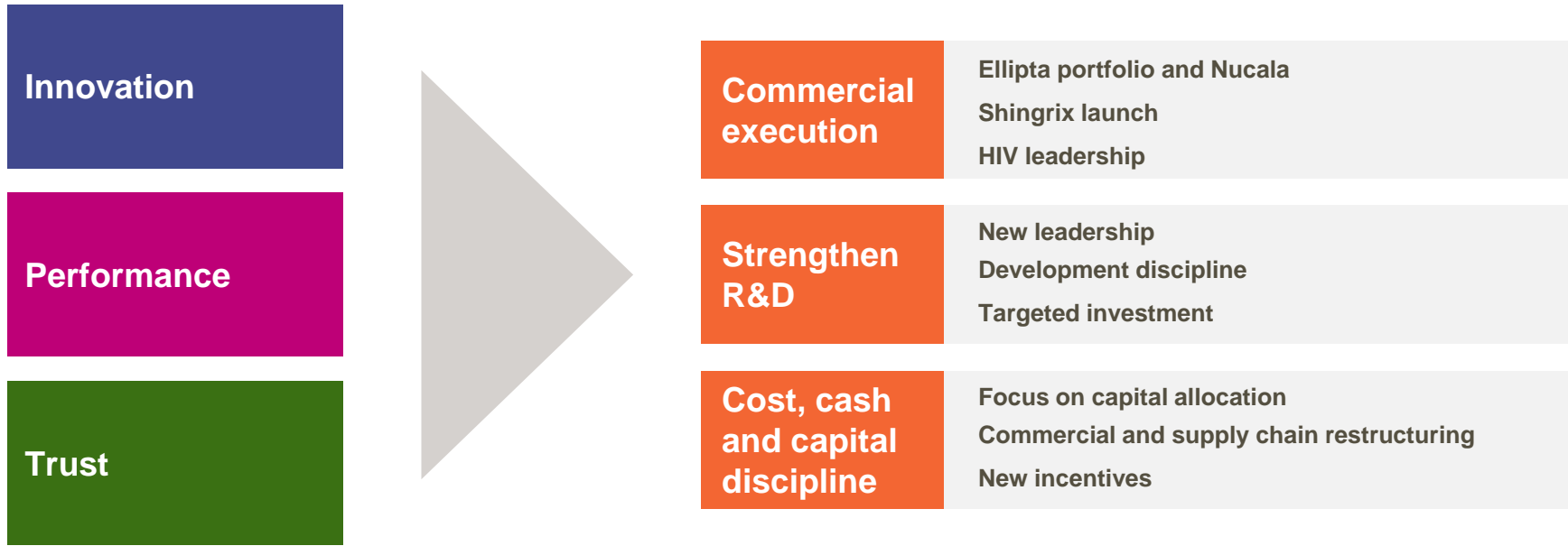


2018 priorities and outlook

Emma Walmsley, CEO

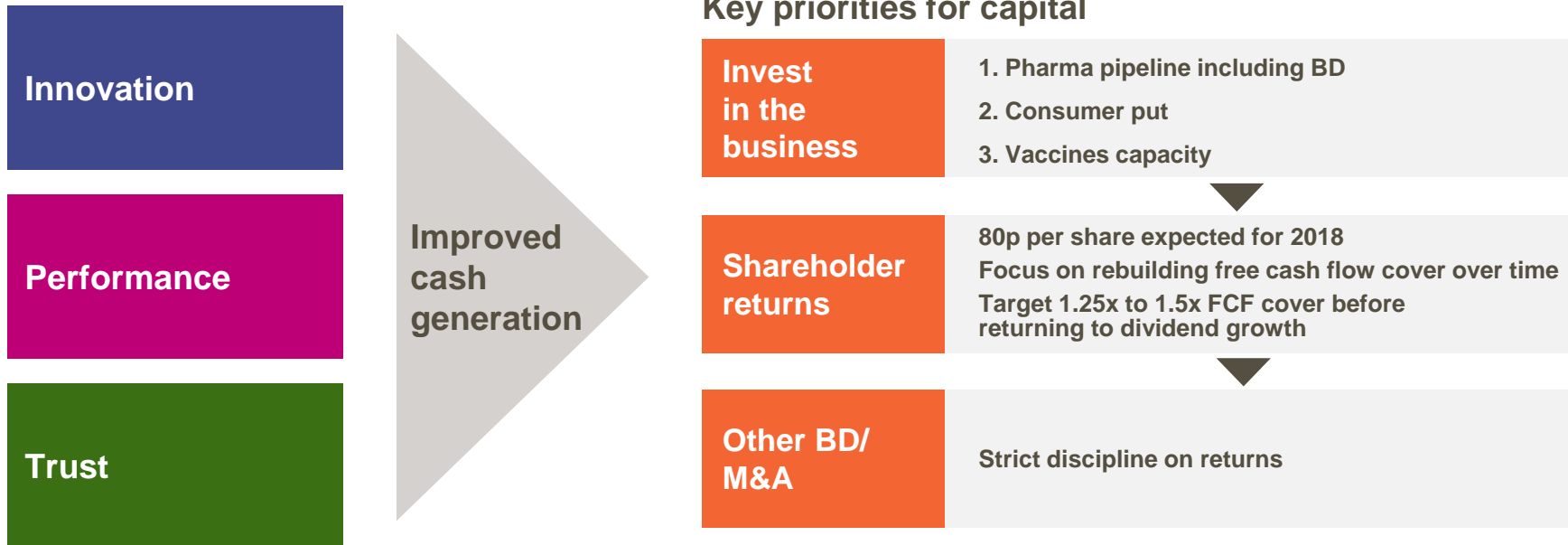


2018 priorities

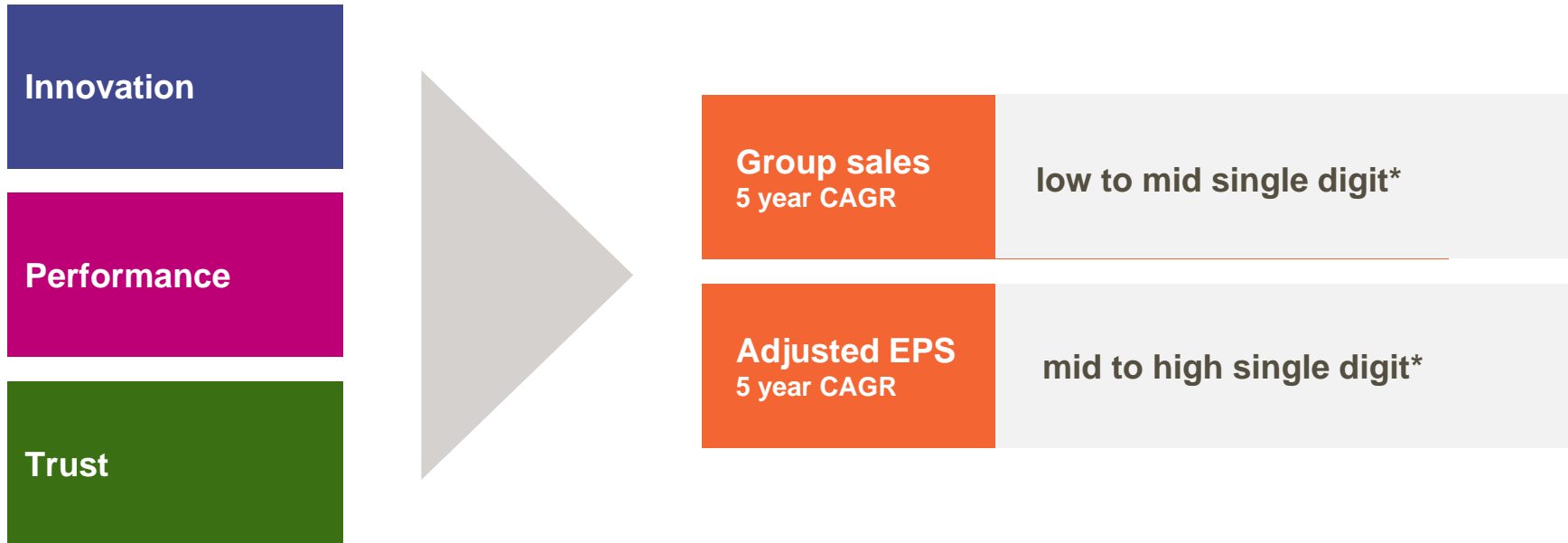


Culture change

Capital allocation framework



Increased confidence in 2020 outlook



*All 2020 outlook statements are at constant, 2015 exchange rates. The CAGRs are 5 years to 2020, using 2015 as the base year.



Q&A

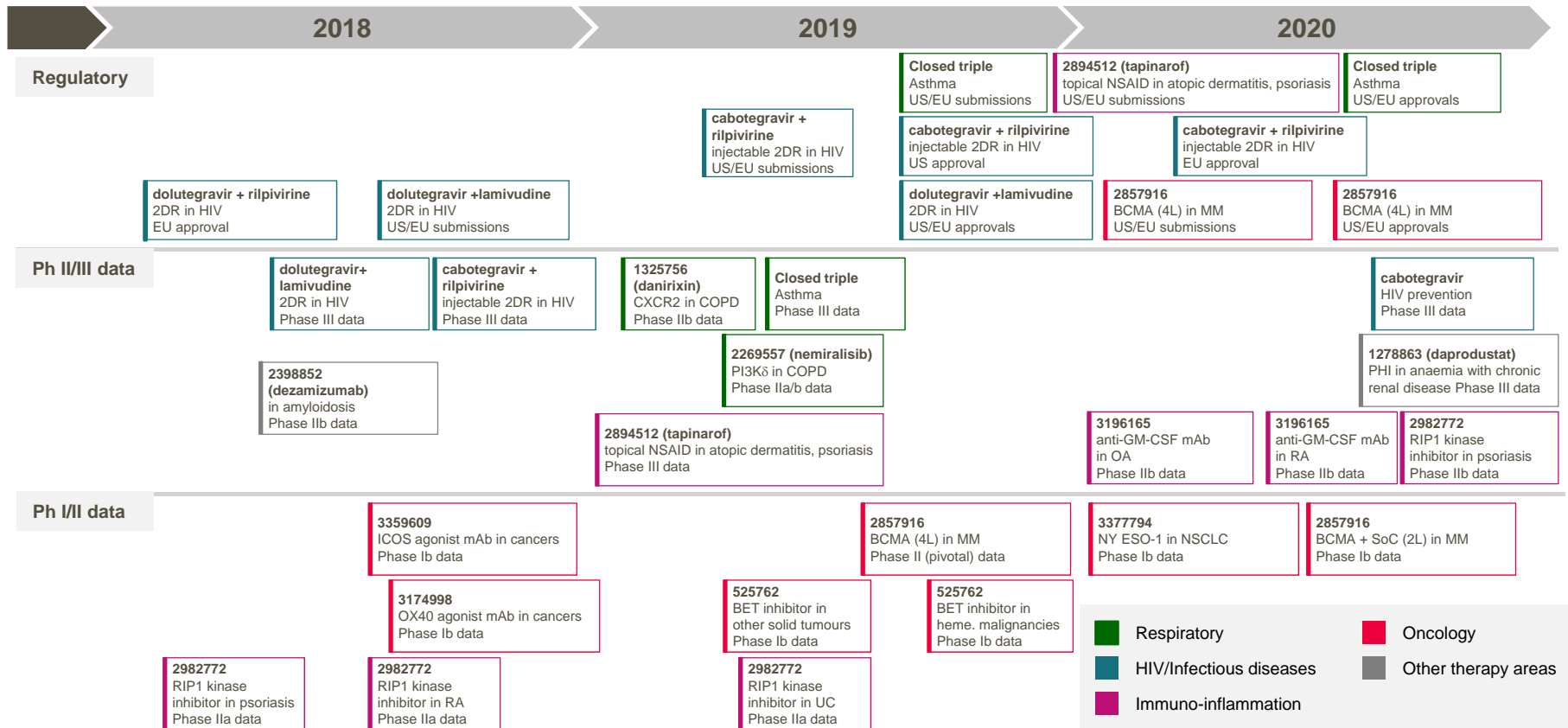




Appendix



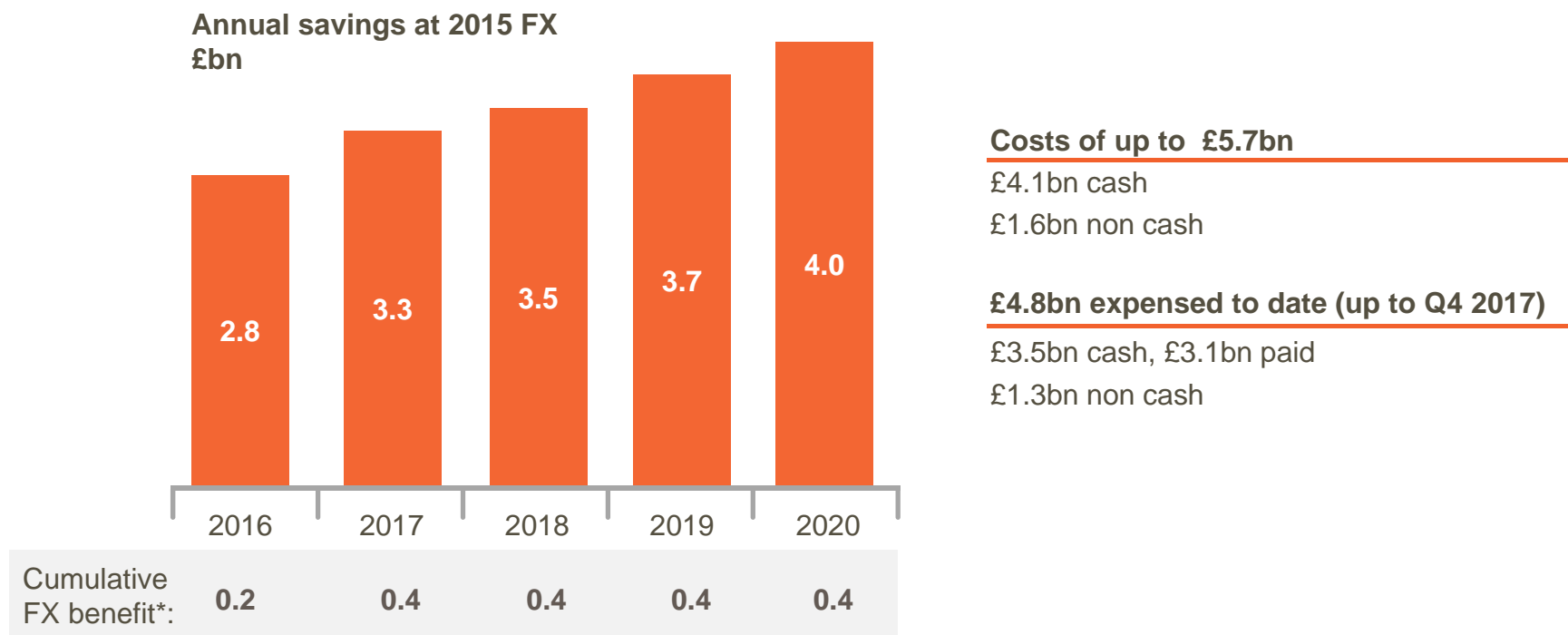
Data on key assets in next 3 years to inform investment in Pharma pipeline, organically or inorganically



Good progress on restructuring



Programme mostly completed, so lower incremental annual savings going forward



* 2017-2020 cumulative FX benefit estimated using December 2017 rates.

Currency



2017 currency sales exposure

US \$	37 %
Euro €	19 %
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 12% of Group revenues in 2017.

2018 Adjusted EPS ready reckoner

US \$	10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 4.0%
Euro €	10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 2.5%
Japanese ¥	10 Yen movement in average exchange rate for full year impacts EPS by approx. +/- 1.0%

January 2018 average exchange rates were £1/\$1.39, £1/€1.13 and £1/Yen 154

If exchange rates were to hold at the January average rates for the rest of 2018, the estimated negative impact on 2018 Sterling turnover would be around 4% and if exchange losses were recognised at the same level as in 2017, the estimated negative impact on 2018 Sterling Adjusted EPS would be around 6%.