



Pharma's value proposition – how the industry must change

David Redfern
Chief Strategy Officer, GSK

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Economist Pharma Summit: Reinventing Pharma for a New Generation



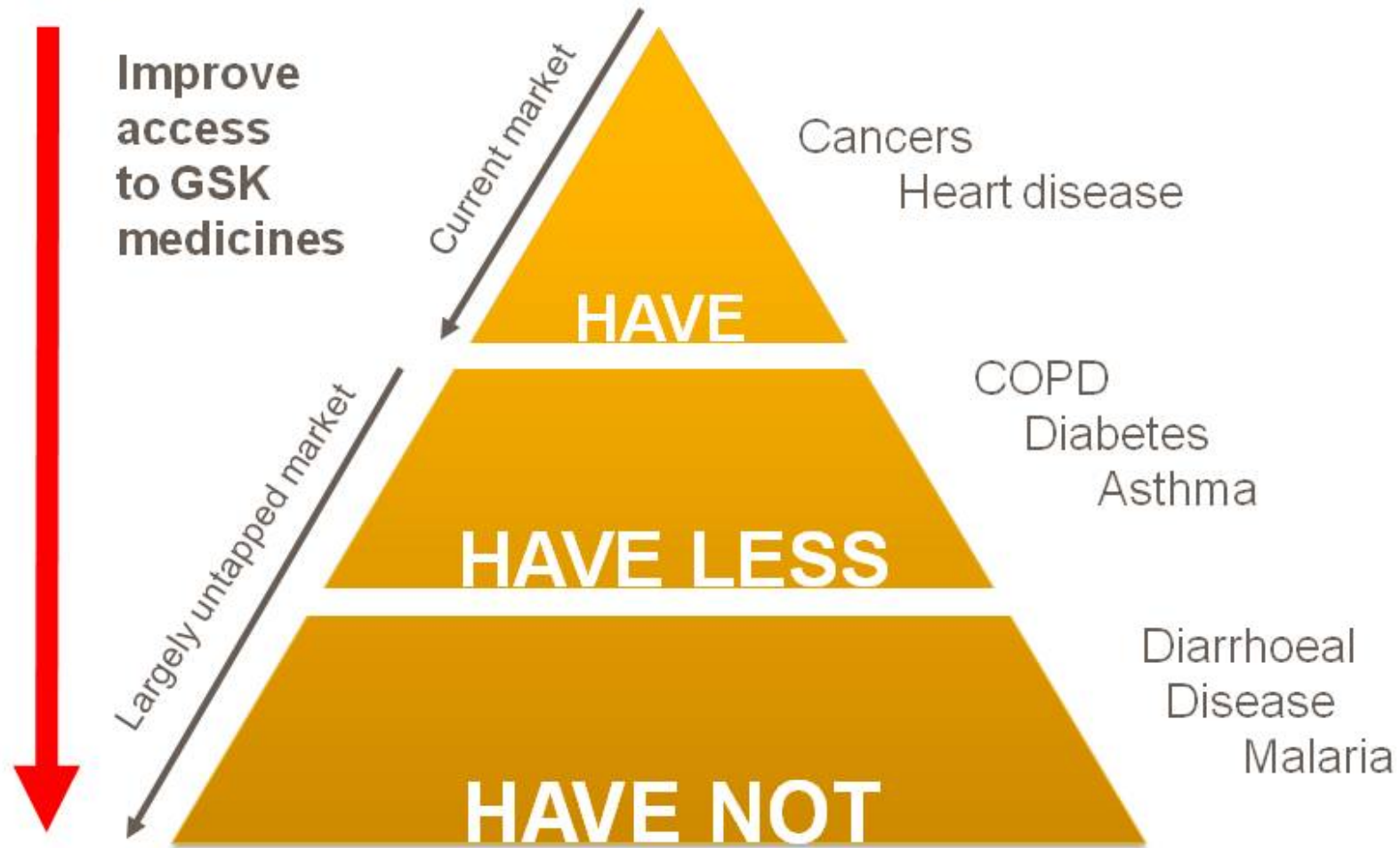


GSK's strategic priorities



- **Grow a diversified global business**
- **Deliver more products of value**
- **Simplify the operating model**

More medicines to those who need them



Geographic spread of GSK's Emerging Markets business

85 countries

~13,000 sales reps



Emerging Markets FY10 £3.6bn (+22%)
= 13% of GSK Group Turnover

GSK – a truly global company

c.99,000 employees working in 100 countries



Vaccines: 12% of GSK
+10% in 2010



Derm: 4% of GSK
+6% in 2010



Consumer Healthcare: 18% of GSK
+5% in 2010

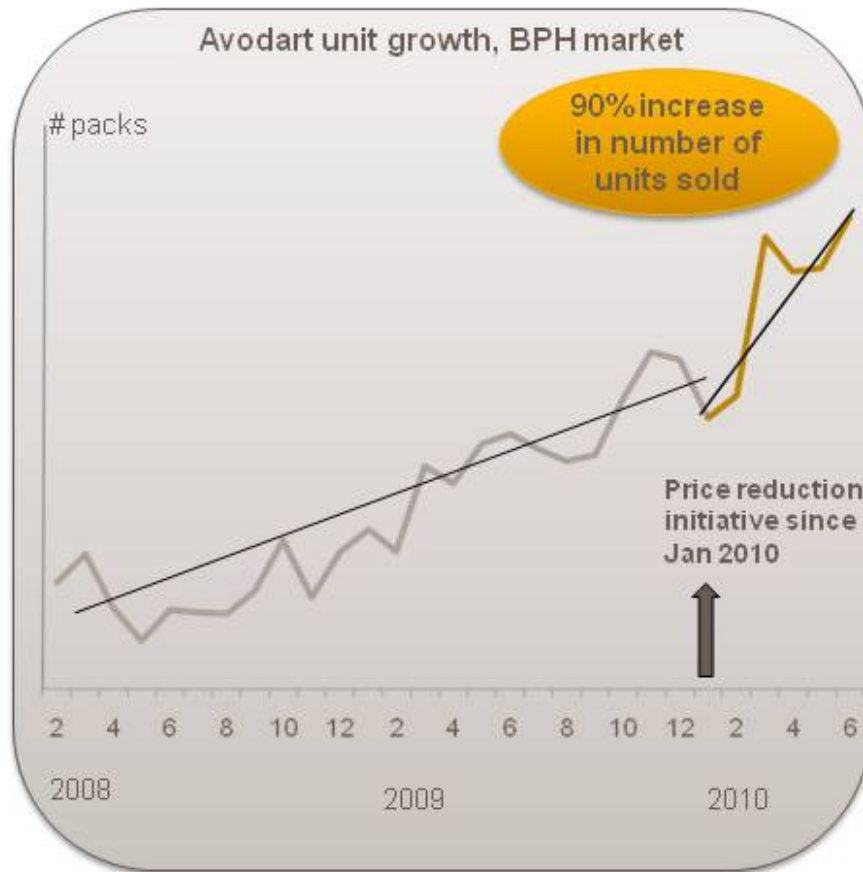


Respiratory: 27% of GSK
+3% in 2010

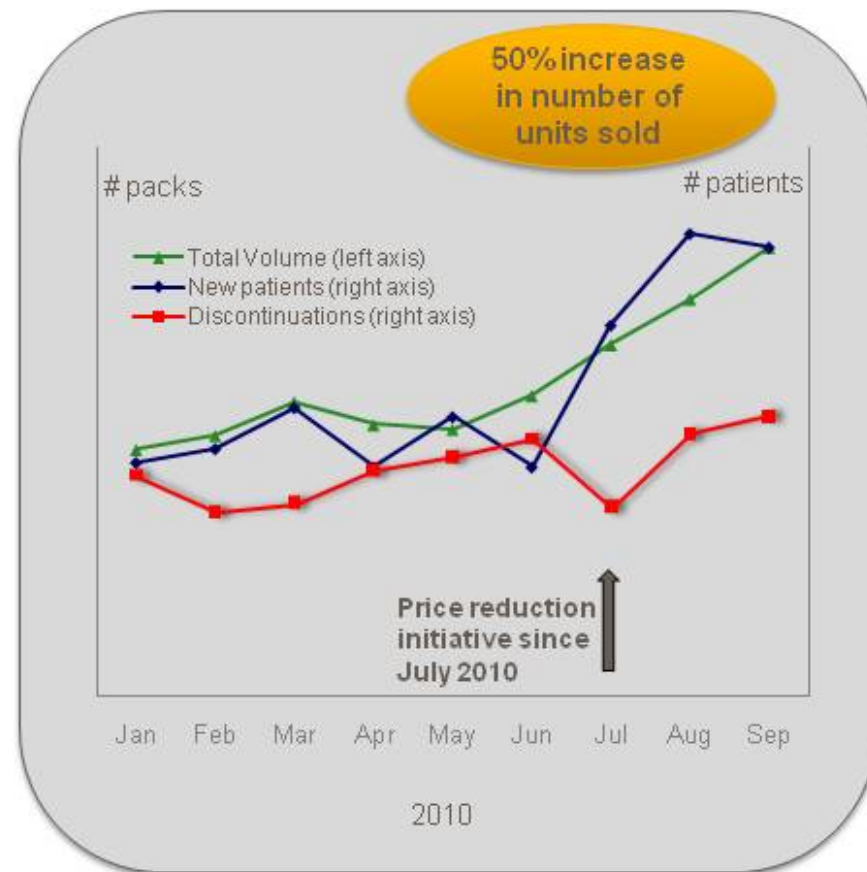
Source: GSK FY 2010 turnover

Market access and flexible pricing initiatives across Emerging Markets

Avodart in Russia: Optimal pricing delivers rapid uptake



Tykerb in India: Optimal pricing delivers rapid uptake and fewer discontinuations



Votrient in the UK

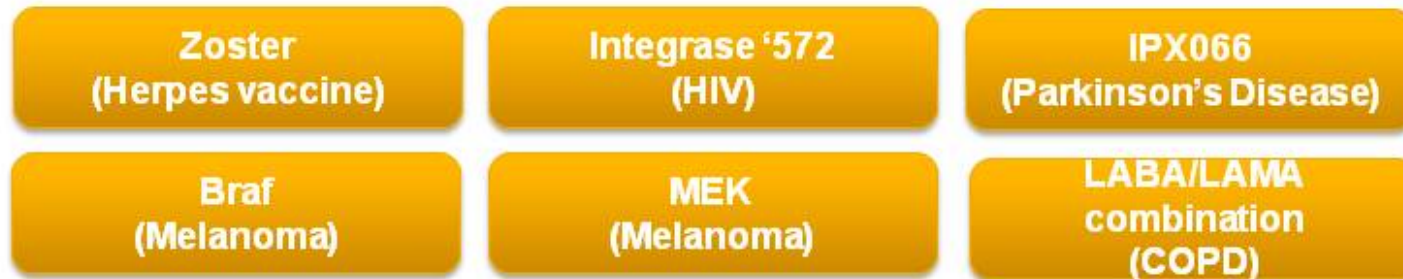
- Currently only one treatment for RCC recommended by NICE
- **Votrient to be available at a discount of 12.5%**
- Means it will be accessible to patients quickly
- Also offered a potential future financial rebate dependent on the outcome of a H2H trial vs current standard of care
- If the results are not successful, we will pay a rebate back to the NHS

Pipeline maturing while maintaining ~30 assets in late-stage development

Late stage examples



Nine assets moved into late-stage development since July 2010...



...including three Rare Diseases assets



More to come with data expected on many key assets in 2011-12

Creating a broader portfolio of potential high value assets as generic exposure declines

New products contributions in 2010

- £1.73bn +36%
- Pandemic vaccine also added £1.2bn



2007

2008

2009

2010

Discovery Performance Units

Respiratory

- Fibrosis
- Neuronal Targets
- Therapeutic SiRNA
- Allergic inflammation
- Refractory Resp Infl

Metabolic Pathways

- Heart Failure
- Lipid Metabolism
- Enteroendocrine
- Muscle metabolism

Immuno-Inflammation

- EpiNova
- Tempero
- Mechanistic Med
- Pattern Recognition

Infectious Diseases

- HCV
- HIV
- Antibacterial

R&D China

- Neurodegeneration
- Neuroimmunology
- Neural pathways

Biopharm

- Topical Delivery
- Novel Targets
- Dual targeting/Eng
- Targeted BP

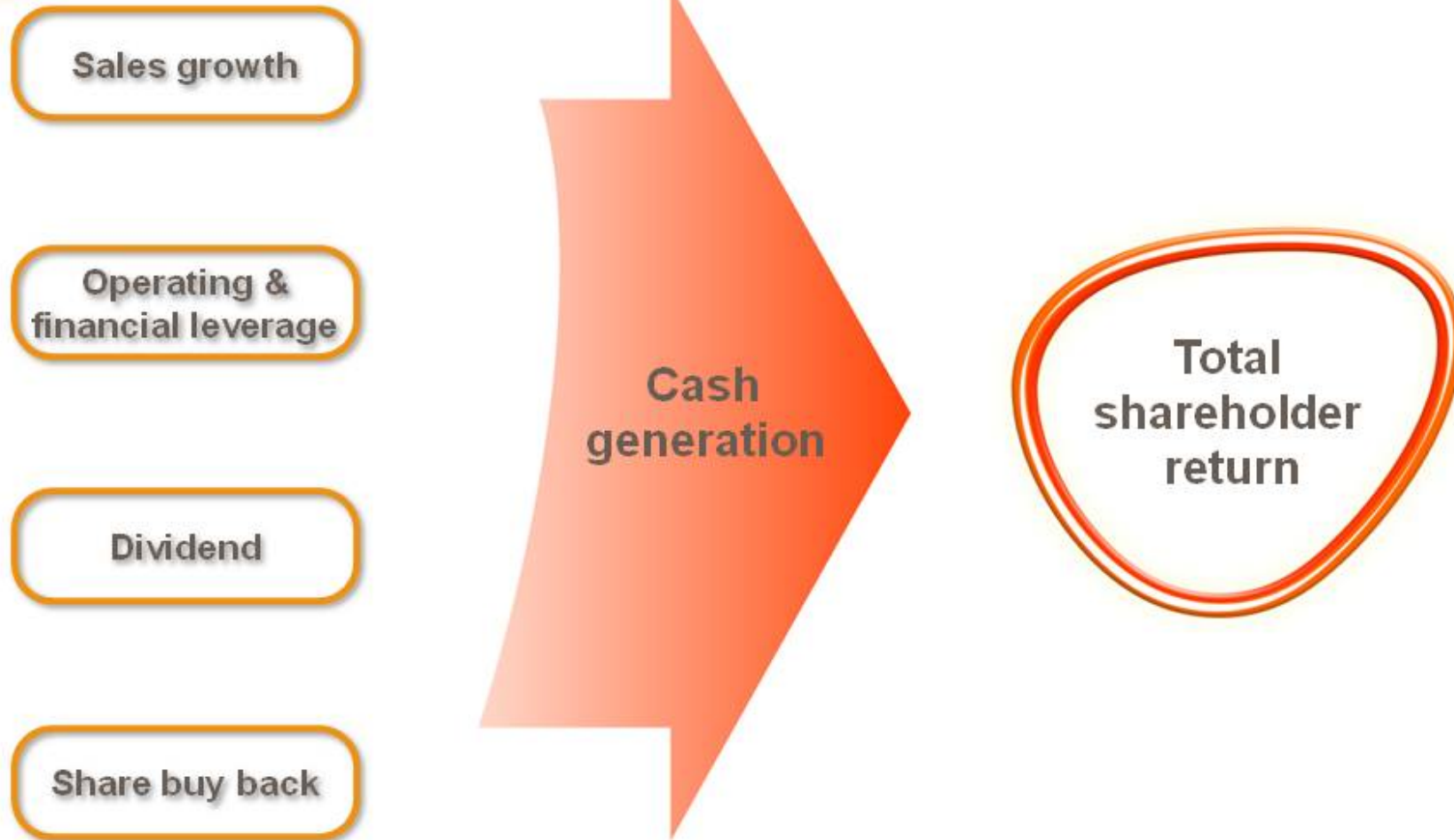
Cancer Research

- Cancer Metabolism
- Ca Epigenetics
- Cancer Biopharms
- Protein dynamics

ADD and Diversified

- Stem Cells
- Academic DPU
- VPoC
- Sirtris
- Ophthiris
- CEEDD
- DDW
- Rare Diseases
- Stiefel

Driving shareholder returns



Responsible business



PULSE



Tres Cantos



Lymphatic Filariasis



Malaria



PHASE



HIV / AIDS



Positive Action



Product Donation

Least Developed Countries

World's 50 poorest countries (UN definition)

50% survive on less than US\$1 per day

Weak healthcare infrastructure and regulation

**Price cap of 25% of western prices
(patented medicines)**

**Reinvest 20% of profits from medicines in
LDCs back into healthcare infrastructure**

**Active partnership: albendazole, malaria
vaccine, Tres Cantos and open lab**





GlaxoSmithKline