



GlaxoSmithKline

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US NeuroHealth

US Net Sales
9 months YTD '06



£561m +36%



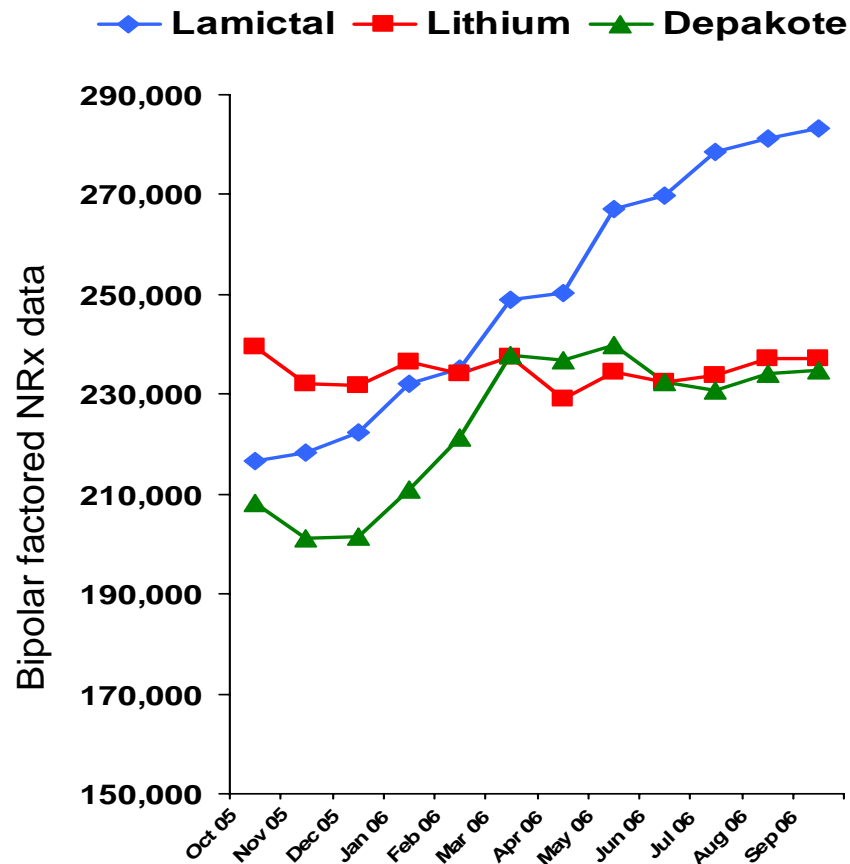
£124m >100%

CER growth





#1 in NRxs for Bipolar Disorder



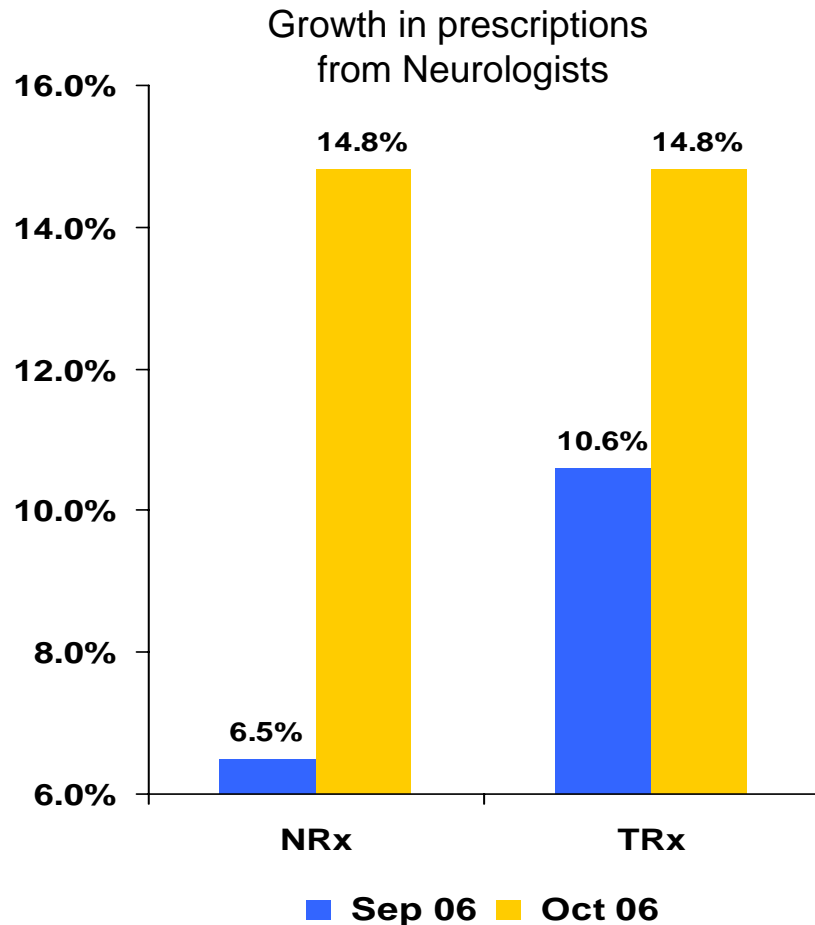
- US YTD Sales £561m +36%
 - ~ 60% Bipolar
 - ~ 40% Epilepsy
- Bipolar disorder has been key growth driver
- PGTC ('grand mal') seizures indication launched Oct '06
- Lamictal XR (epilepsy) filed Nov '06

Source: Verispan, VONA; PDDA Factored





New Epilepsy Indication Launched Oct '06



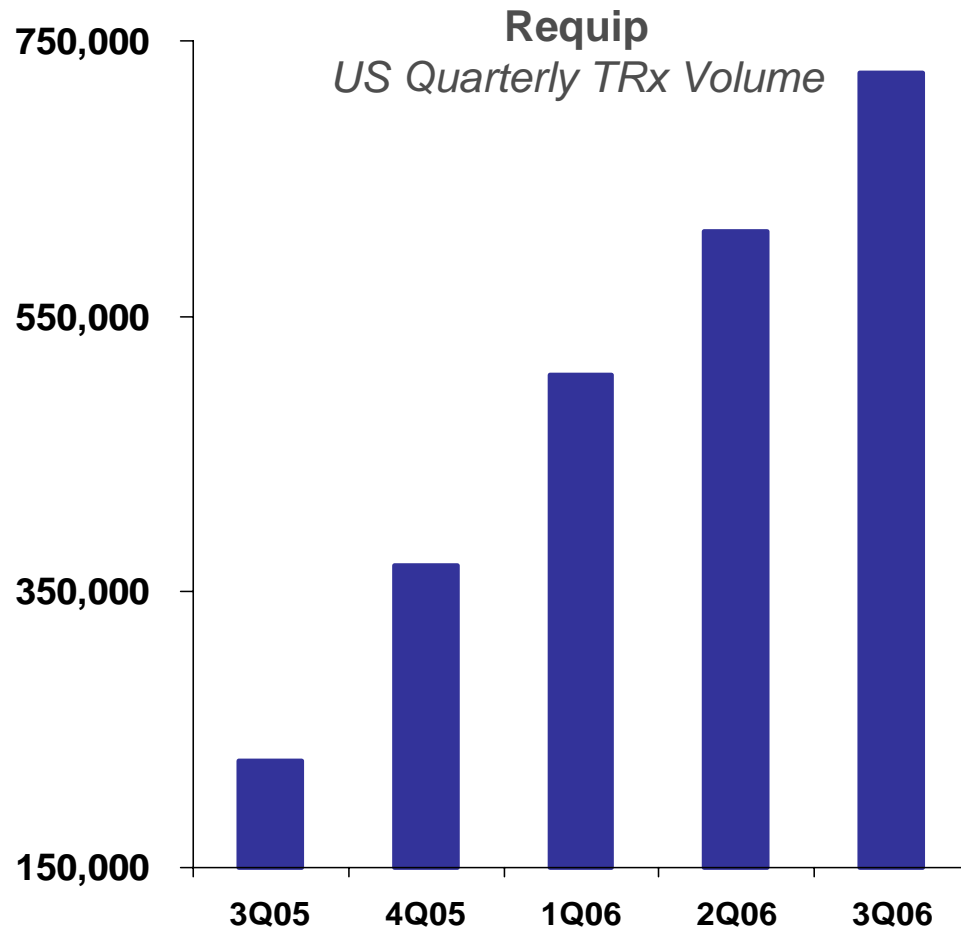
- New indication for **Primary Generalized Tonic Clonic** ('grand mal') seizures launched Oct '06
- Initial feedback from clinicians is very favorable
- TRx and NRx growth trends for Neurology showed increase in October

Source: Verispan, VONA; Neuro Rxs





RLS Continues to Drive Growth



- US YTD Sales £124m >100%
- Requip 14-hr (RLS) filed Oct '06
- Requip 24-hr for Parkinson's file Dec '06

Source: Verispan, VONA

Sales are 9 months YTD with CER growth



Managed Markets

U.S. Managed Care

- Any organization that is a large purchaser (CVS) or large reimbursor (Cigna, state Medicaid) for GSK products
- Any organization that can influence (positively or negatively) the flow of GSK products to the ultimate end user, the patient

Organization Type	Example
PBMs	Medco, Caremark, ESI
National Insurers	Cigna, Aetna
Regional HMOs	Coventry, Highmark
State Medicaid	MediCal
Medicare Part D Providers	UHG

U.S. Managed Care – Landscape

- Third-party payors (private & gov't) now account for >85% of sales
- Third-party access significantly more challenging:

Consolidation	Private and public payors are pooling their buying power (e.g. UHG and PacifiCare; state Medicaid buying groups)
Government	With Medicare Part D, the government now finances more than 50% of GSK business
Consumerism	Through multi-tier co-pays, payors are passing on a greater percentage of the costs of prescription medicines to the patient, thus increasing price awareness

U.S. Managed Care – Landscape (cont.)

- Third-party access significantly more challenging

Generics	Managed care plans are adopting “Generics First” programs in crowded therapeutic classes (e.g. SSRI’s)
Formularies	Multi-tiered co-pays and prior authorizations attempt to direct patients and physicians to low cost, ‘preferred’ therapeutic alternatives

U.S. Managed Care – GSK Product Optimization

Product Differentiation	Clinical advantages are most important to product access
Demand Creation	Physician demand vis-à-vis share of voice is influential for formulary placement
Consumer Demand	Patients are aware of the products that they want
Customer Access	Managed Markets Division is responsible for tier-two coverage of GSK products at all private and public third-party customers

U.S. Managed Care – Strategy

- Ensure product access (tier-two coverage)
- Manage rebates and discounts
- Develop customer-specific strategies and programs
- Proactively influence major changes in reimbursement landscape (e.g. CMS team)
- Structured and systematic approach to all levers that influence availability of GSK products

U.S. Managed Care – Metrics for Success

- Formulary Status – tier-two coverage
- Third-Party and Medicaid market shares > cash
- Independent Survey Recognition

U.S. Managed Care – Third Party Audits

- Cognet-X Inc. Reports (Spring 2006):

GSK #1 with Managed Care Pharmacy Executives

- Ranking based on company's ability to meet the customer's overall needs
- Said one panelist, “[GSK has] solid clinical and account management support, excellent follow-through (and) a solid commitment to managed care”

Medicare

Medicare Landscape

- '06 was a 'honeymoon' year
- '07 will be a transitional year
- '08 may be more challenging

Medicare Marketplace – Costs Remain Low

National Bids Posted

- National average monthly bid **dropped** from \$92.20 in 2006 to \$80.43 in 2007
- Base beneficiary premium **decreased** from \$32.30 in 2006 to \$27.35 in 2007
- Lower bids and premiums are attributed to stiff competition among PDPs and MA-PDs and aggressive negotiations with pharmacy networks and manufacturers



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