



# **GSK Roundtable Meeting**

## **March 27, 2008**

**Steve Stefano**  
**Senior Vice President,**  
**NeuroHealth and Managed Markets**

# US NeuroHealth



**US Net Sales  
2007**

**£892m +26%**



**£238m +46%**

# NeuroHealth 2008

- A year of transition
- Rebuilding

LAMICTAL<sup>®</sup> XR<sup>™</sup>

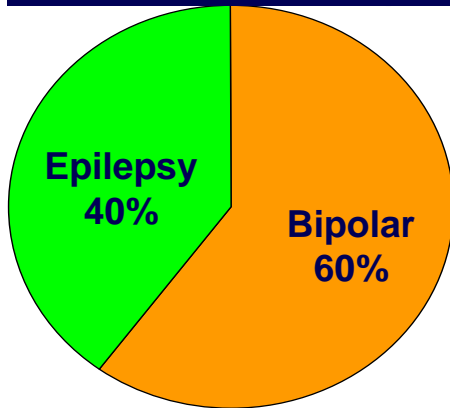
LAMICTAL<sup>®</sup> ODT<sup>™</sup>

REQUIP<sup>®</sup> XL<sup>™</sup>

Business Development

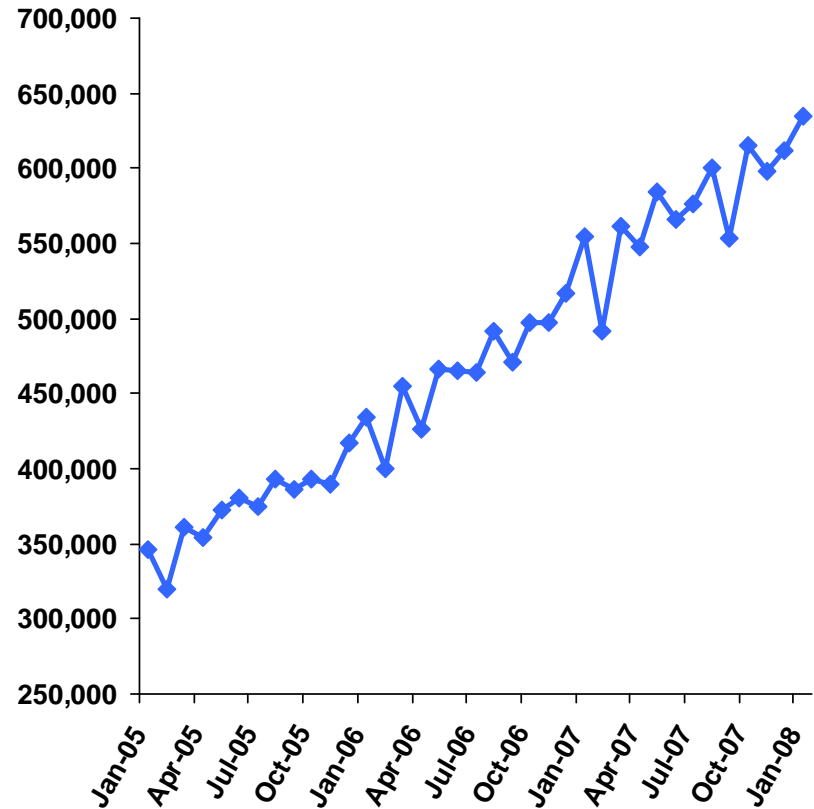
**2007 Sales**  
**£892m +26%**

**Revenue Split (US)**



- **Lamictal XR (epilepsy)**  
Anticipate filing full response to the approvable letter by mid year  
No new studies have been requested
- **Lamictal ODT**  
NDA filing accepted by FDA  
Primary focus on Psychiatry  
PDUFA – 3Q08

Lamictal monthly retail TRx volume



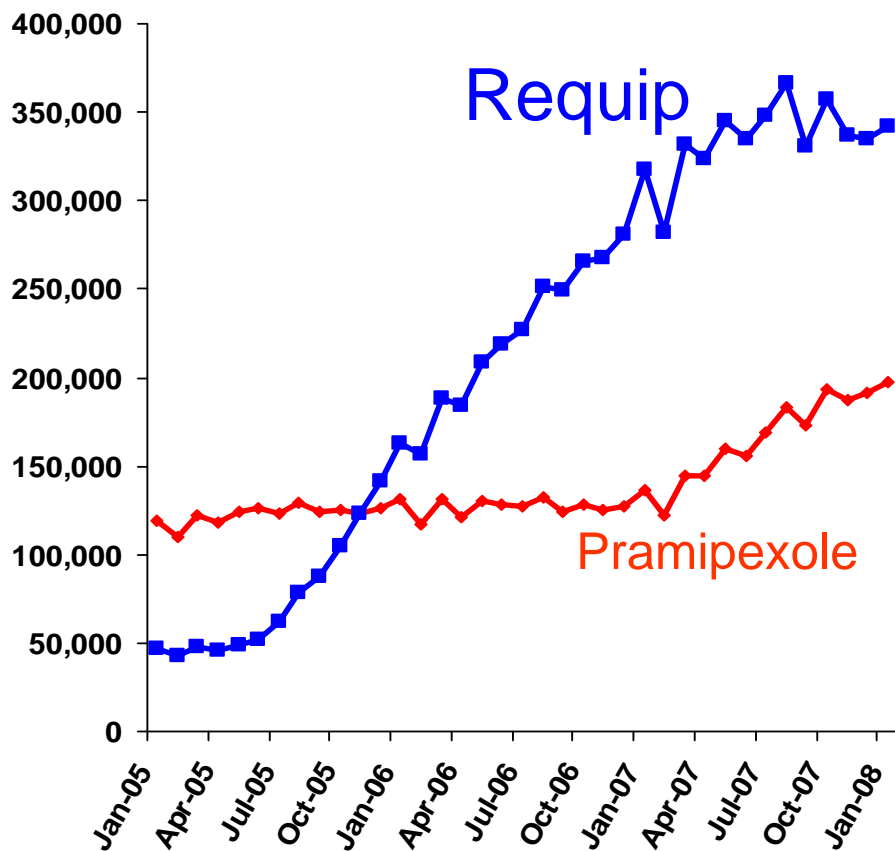
Source: Verispan, VONA

CER growth

# 2007 Sales

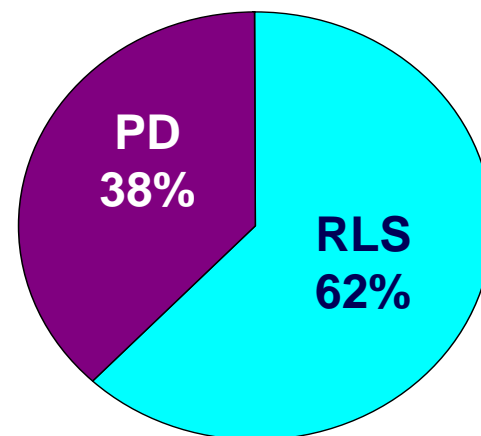
## £238m +46%

Monthly retail TRx volume



Source: Verispan, VONA

Revenue Split (US)



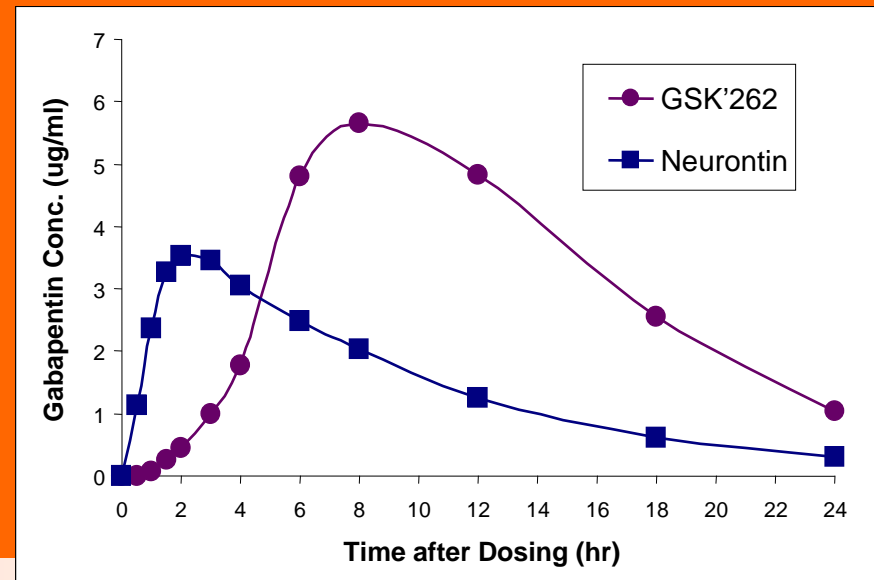
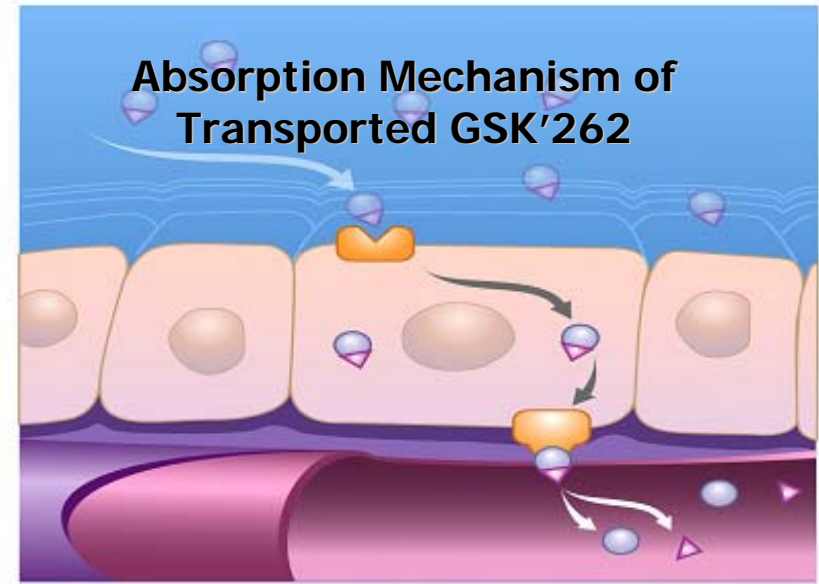
- Requip XL: Parkinson's Disease

First Once Daily Oral Dopamine Agonist

PDUFA – 2Q08

# Background on GSK'262

- GSK'262: Rapidly converted to gabapentin and safe metabolites
- Licensed from XenoPort
  - RLS: File expected 3Q08
- Planned development
  - Migraine Prophylaxis
  - Neuropathic Pain
- Continued evaluation of additional indications



# Limitations of gabapentin

## Suboptimal Efficacy

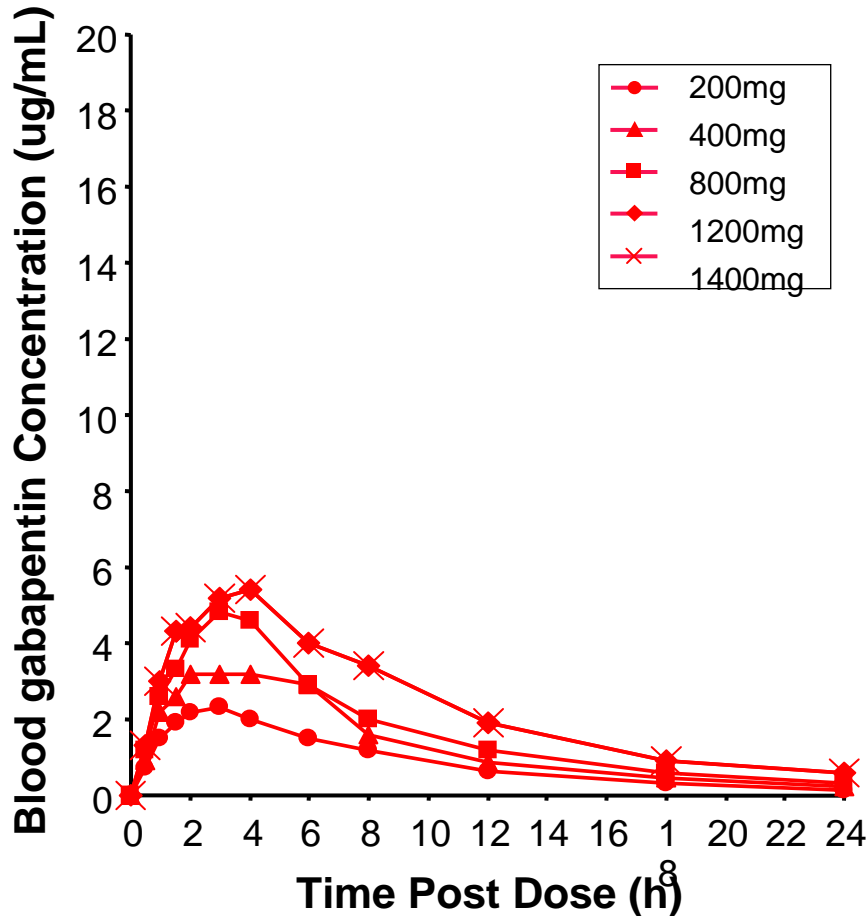
- **70% Partial / Non-Responders** in Post-Herpetic Neuralgia Trials
- Not approved for any other pain indications (US)

## Suboptimal Pharmacokinetics

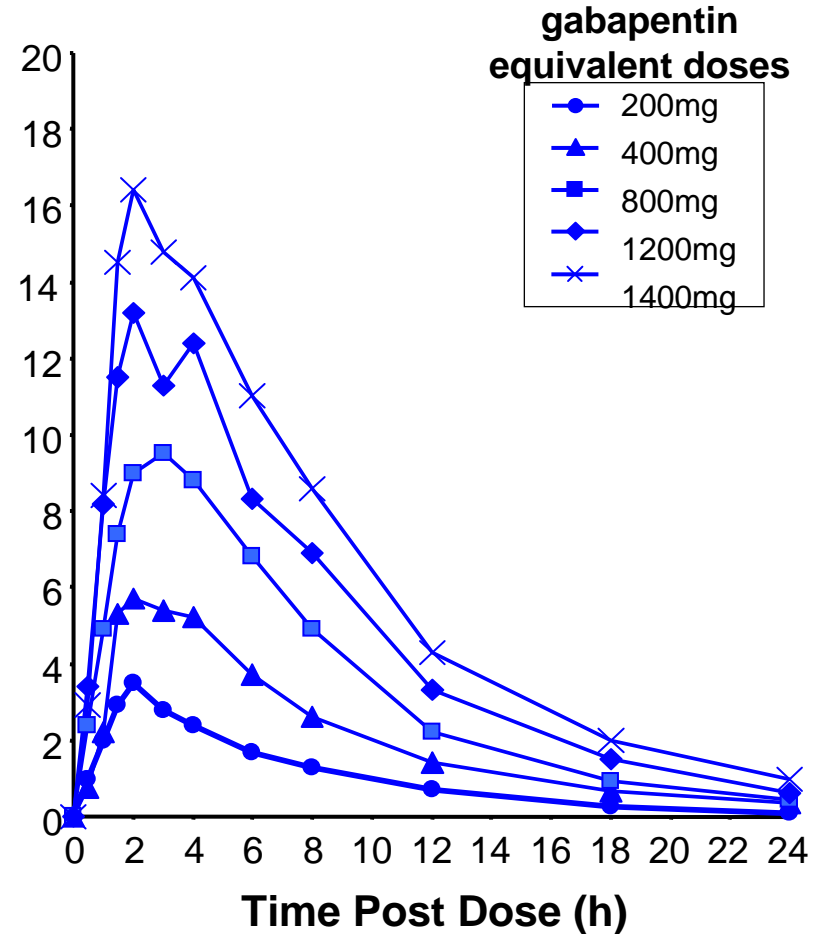
- High Inter-Patient Variability
- Ceiling on Attainable Blood Levels
- Short Half-Life Requires Dosing Three Times a Day
- No Sustained Release Formulation

# GSK'262 achieves dose-proportional exposure

## gabapentin



## GSK'262



# GSK'262 potential profile vs. gabapentin

- More reliable absorption
- Dose-proportional plasma drug exposure
- Longer duration of plasma drug exposure

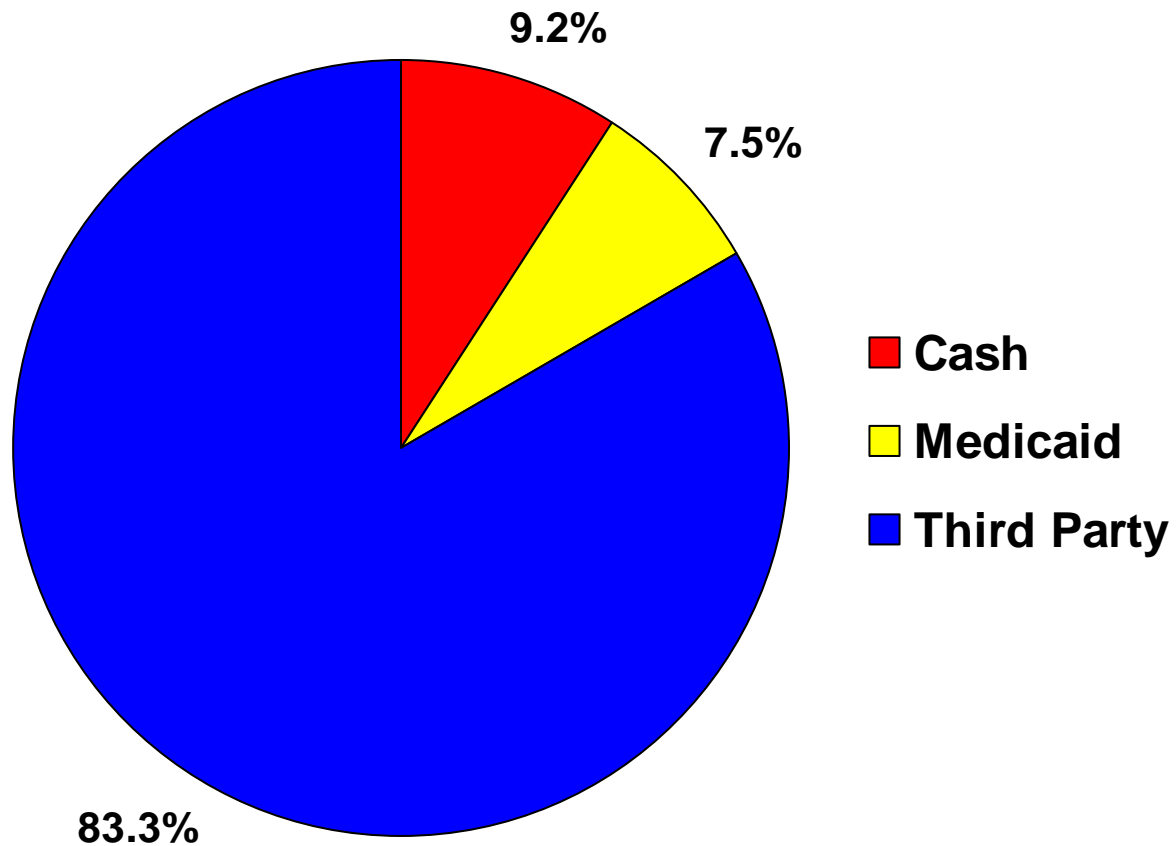


# **U.S. Managed Markets**

# Managed Care

Today, approximately **90%** of GSK's business runs through some type of contractual relationship with a managed care organization (PBMs, HMOs, Hospitals)

# U.S. Industry Sales by Payer Segment



# Managed Markets Landscape

- Third party access becoming more challenging:

Consolidation

Government

Consumerism

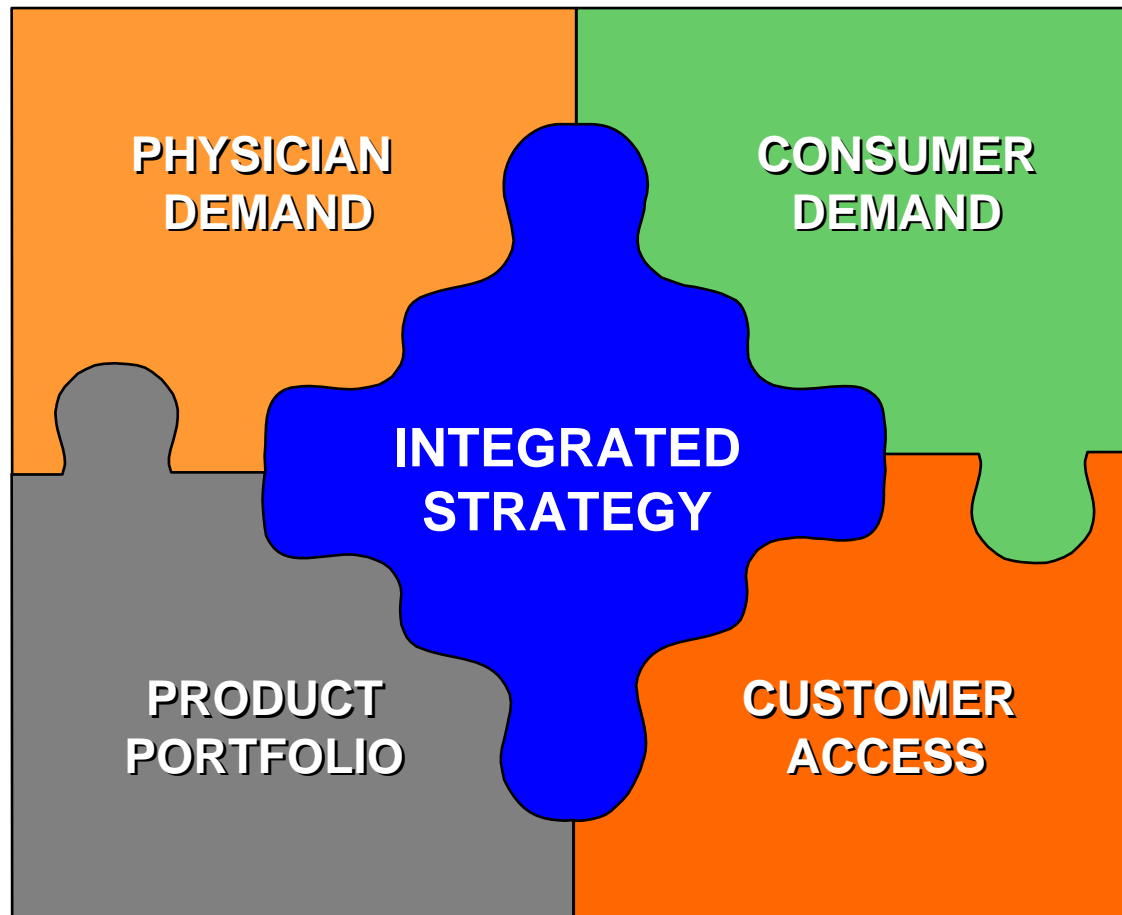
Generics

Formularies

# Success Factors

- Product Differentiation
- Physician Demand
- Consumer Demand
- **Customer Access**

# GSK Strength is Our Integrated Strategic Approach



# Managed Markets Strength

- Structure – GSK is uniquely structured to interact with all third-party payors (private and public)
  - Dedicated teams for each market segment
  - Experienced management team
- Portfolio – GSK offers a broad product line
- Support programs
  - Disease management
  - Data mining

# Metrics for Success

- Formulary access
- Third-party market shares
- Independent survey recognition

# Market Shares – 4Q07

Product	Cash	Medicaid	Third Party
Advair	58.8%	64.8%	70.8%
Avandia Family	1.9%	5.9%	5.5%
Avodart	14.7%	14.2%	16.1%
Coreg CR	1.5%	3.6%	2.7%
Imitrex	46.1%	60.0%	49.2%
Lamictal	9.1%	16.3%	21.8%
Requip	32.7%	52.1%	38.0%
Valtrex	36.8%	62.8%	64.0%
Veramyst	5.4%	5.1%	3.1%

# Independent Audits

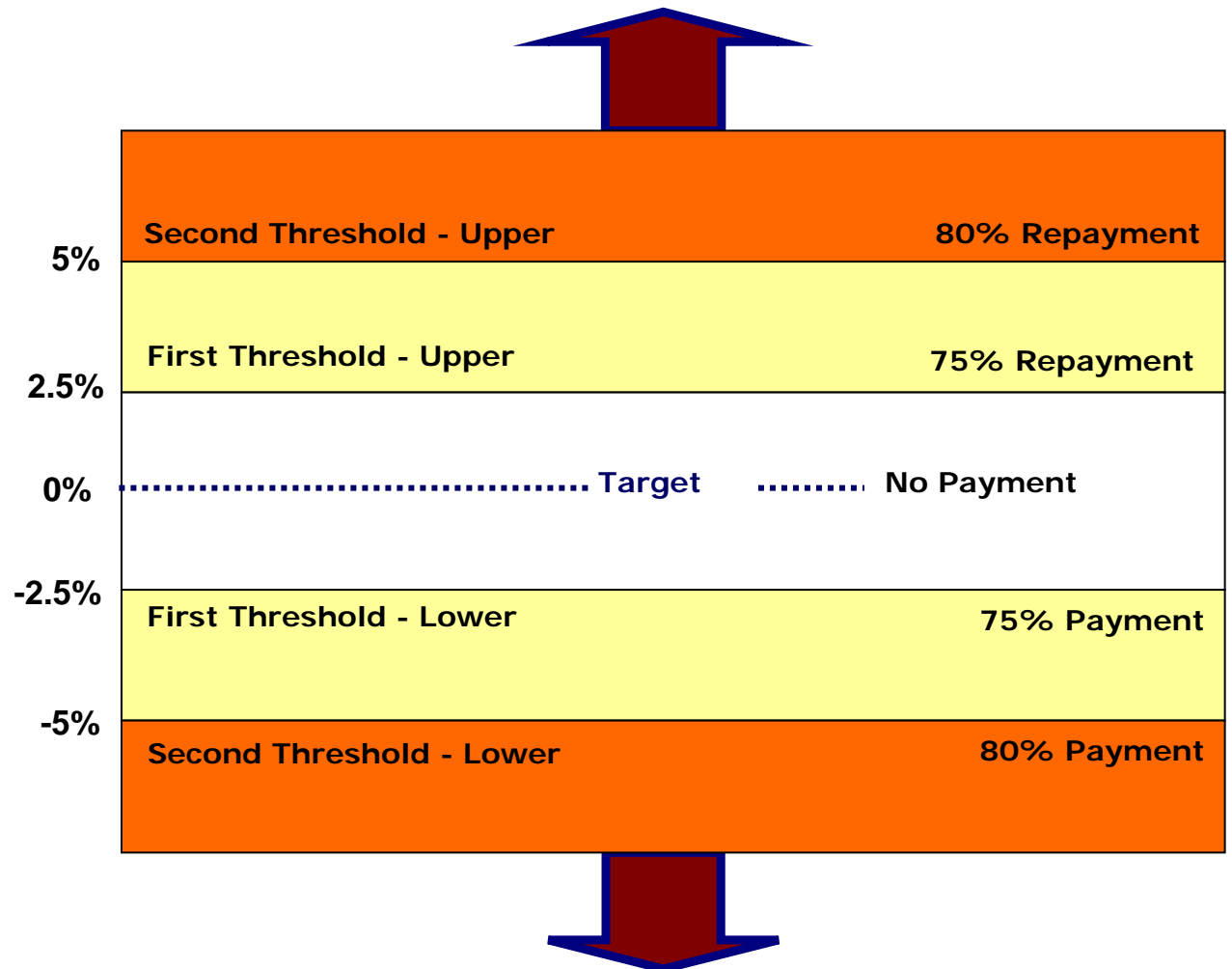
- In their Fall 2007 audit, Health Industries Research Companies (HIRC) stated that GSK:
  - “continues to lead its peers in four program areas – patient education, patient compliance, appropriate drug utilization and medication therapy management.”
  - GSK account managers ranked third among HMO Pharmacy and Medical directors and were cited as standing out because of their “honesty and long-standing relationships with clients.”

# Medicare Part D

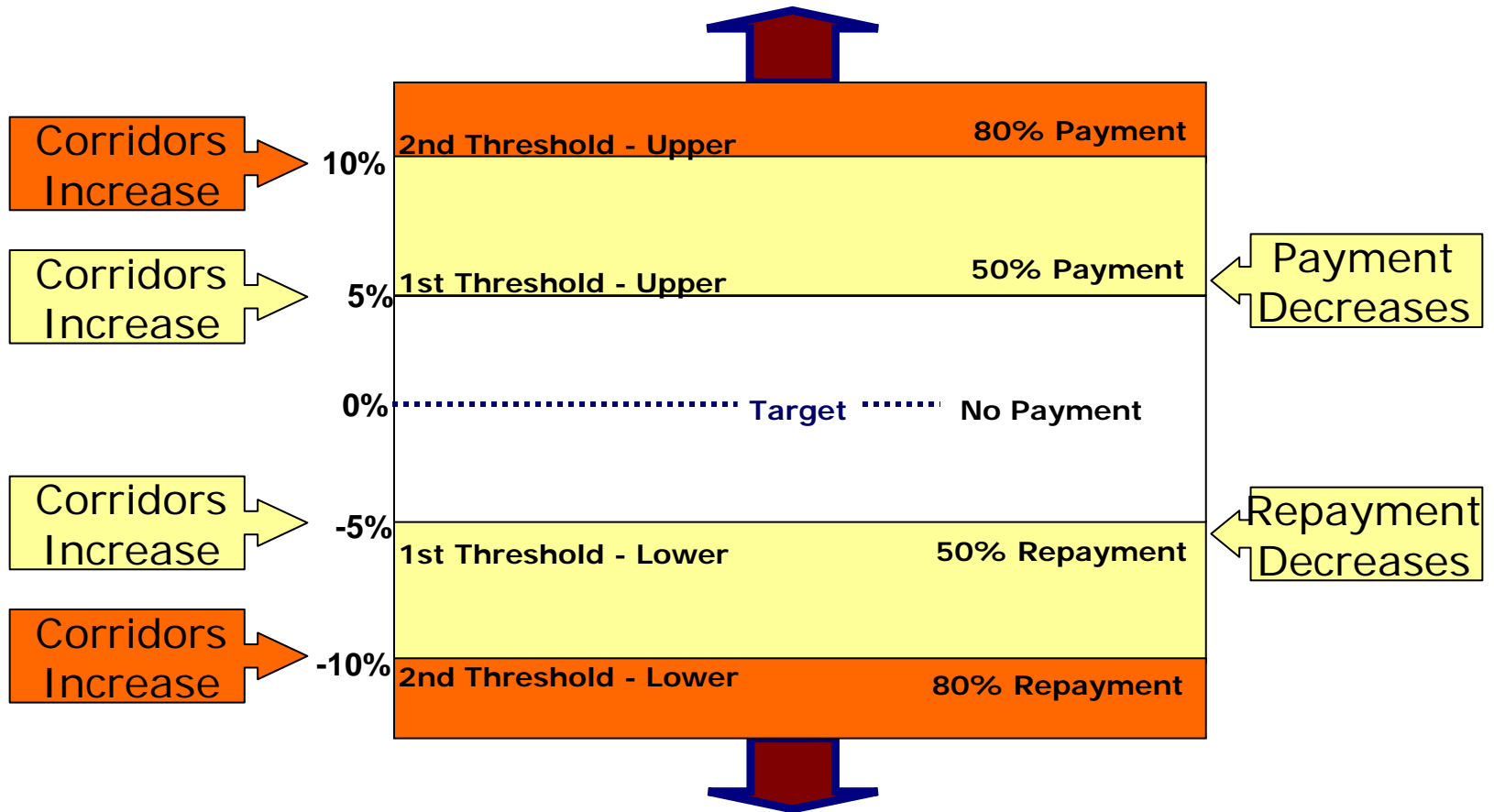
- Expanding risk corridors
- GSK success in Part D
- Cost sharing and public opinion

# Risk Corridors Expand For Plans Contracting with CMS

2006 - 2007



# Risk Corridors 2008 - 2012



# What is our Medicare Part D success in terms of the access and profitability metrics?

## GSK Brand Formulary Opportunity

	2006	2007	2008
PDP – Standard Beneficiaries	96%	94%	92%
PDP – Dual Eligibles / LIS	99%	99%	93%
MA - PD	82%	82%	91%

# Change in Weighted Average Cost Sharing for National and Near-National PDPs, 2006-08, and Employer Sponsored Plans, 2007

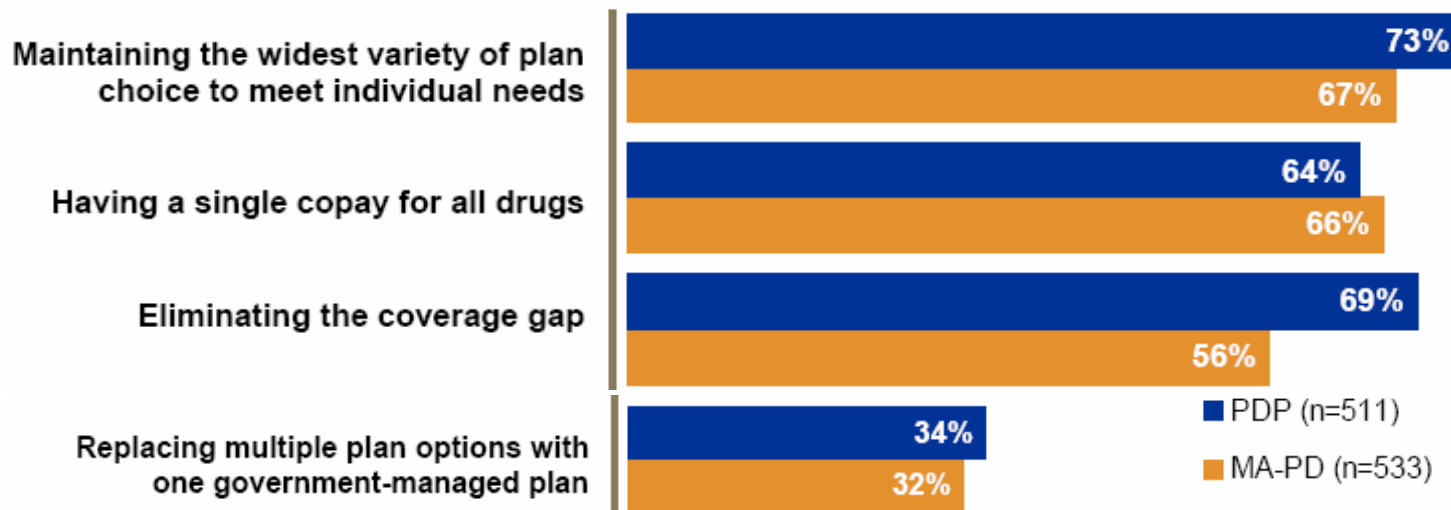
TIER	Medicare PDPs			Employer Plans, 2007
	2006	2007	2008	
Generic	\$5.87	\$4.77	\$5.32	\$11
Preferred brand	\$26.87	\$29.36	\$29.86	\$25
Non-preferred brand	\$55.36	\$63.31	\$71.31	\$43
Fourth tier (specialty)*	26.4%	30.0%	30.2%	36%

SOURCE: Hoadley et al analysis of CMS data for national and near-national PDPs, 2006-2008, prepared for the Kaiser Family Foundation; Data on employer plans from Kaiser/HRET Employer Health Benefits Survey, 2007

# The Majority of Consumers Have a Different Priority

- ▶ **Two-thirds of seniors would like to see a single flat copay or elimination of the coverage gap**
  - Yet only one-third are interested in eliminating private insurers or replacing the current plan with a government-run plan

## Consider Changes to Part D Very Important



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GlaxoSmithKline