



3Q Results 2006
Presentation to Analysts & Investors

26th October 2006



JP Garnier

Chief Executive Officer

Strong Q3 Performance

- Pharmaceuticals sales +7% (US sales +14%)
- EPS +21%
- Positive financial outlook:
 - 2006 EPS guidance raised to “mid-teens” percentage growth
 - Share buy-back doubled to £2bn over next 12 months as part of £6bn programme over next 3 years
 - Expected 2006 dividend increased to 48p (2005: 44p)

Key Product News

Tykerb/Cervarix

Coreg CR

FluLaval

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Tykerb/Cervarix

Promacta

Coreg CR

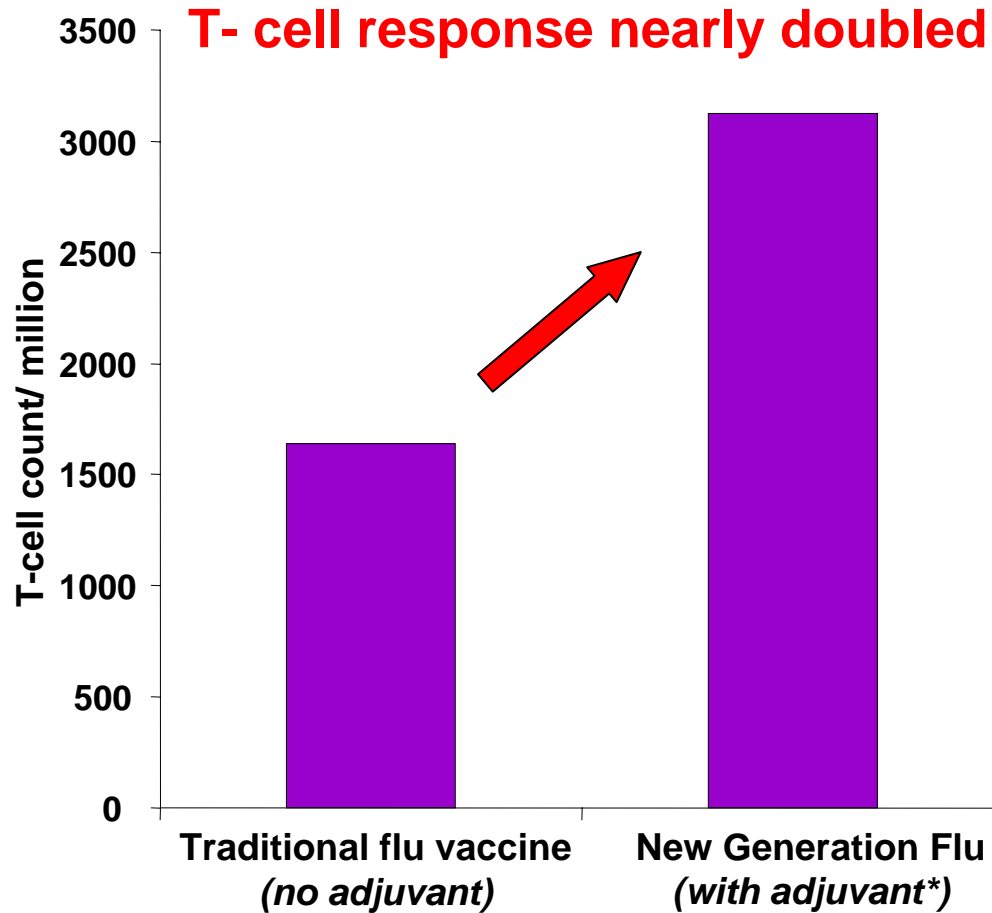
pazopanib

FluLaval

New Generation Flu

New Generation Flu Vaccine

Excellent immunogenicity in over 65s



- Excellent antibody response
- Phase III trials underway
- Filing expected in 2008

I.Leroux-Roels et al., IVW 2006, Vienna, Austria

* GSK proprietary adjuvant



Julian Heslop

Chief Financial Officer

Q3 Performance Summary


	3Q 06 £m	3Q 05 £m	%Change CER	£
Turnover	5,642	5,471	7	3
Cost of Goods	(1,222) <i>21.7%</i>	(1,184) <i>21.6%</i>	5	3
SG&A: Excl. Legal	(1,595) <i>28.3%</i>	(1,694) <i>31.0%</i>	(1)	(6)
Legal	(22)	(190)		
R&D	(871) <i>15.4%</i>	(803) <i>14.7%</i>	11	8
Other Oper. Income	91	183		
Operating Profit	2,023 <i>35.9%</i>	1,783 <i>32.6%</i>	19	13

% In Italics are % of Turnover

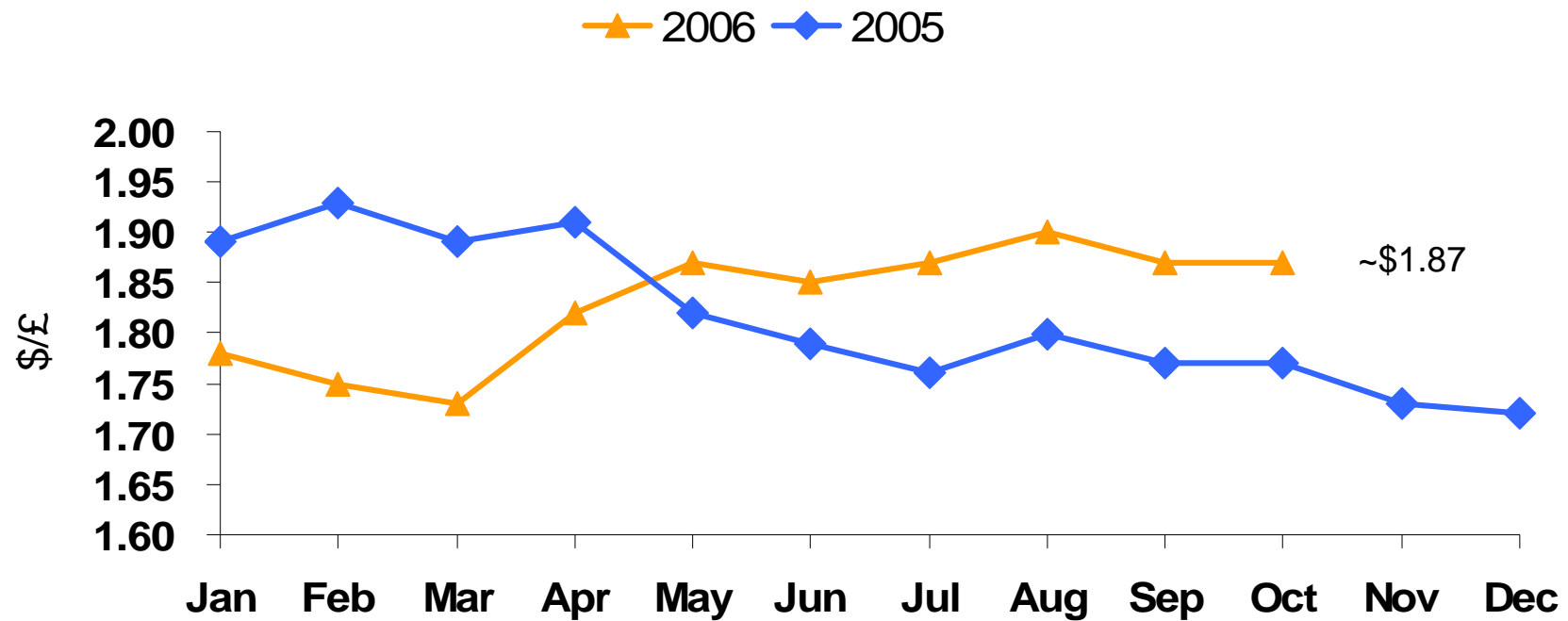
Q3 Performance Summary

	3Q 06 £m	3Q 05 £m	%Change CER £	
Operating Profit	2,023	1,783	19	13
Interest	(17)	(46)		
Profit Before Tax	2,022	1,753	21	15
Earnings Per Share	24.7p	21.3p	21	16
<i>Tax Rate</i>	29.5%	28.5%		

Legal & Restructuring Costs and Asset Sale Profits

	3Q 06 £m	3Q 05 £m
Legal Costs	(22)	(190)
Restructuring Costs	(124)	(29)
Asset Sale Profits	63	122
Theravance & Quest	22	37
	<u>(61)</u>	<u>(60)</u>
		

US Dollar Trends



Cash Flow

	3Q 06 £m	3Q 05 £m
Cash Generated from Operations	2,114	2,325
Taxation Paid	(2,166)	(469)
Capex, Interest and Other	(452)	(280)
Free Cash Flow	<u>(504)</u>	<u>1,576</u>
Dividends	(619)	(568)
Purchase of Own Shares	(309)	(235)
Share Option Exercises	17	4
Other	(48)	85
Net (Increase)/Decrease in Debt	<u>(1,463)</u>	<u>862</u>
	30th Sep 06	31st Dec 05
Net Debt	(2,118)	(1,237)

Returning Cash to Shareholders

Dividends

+

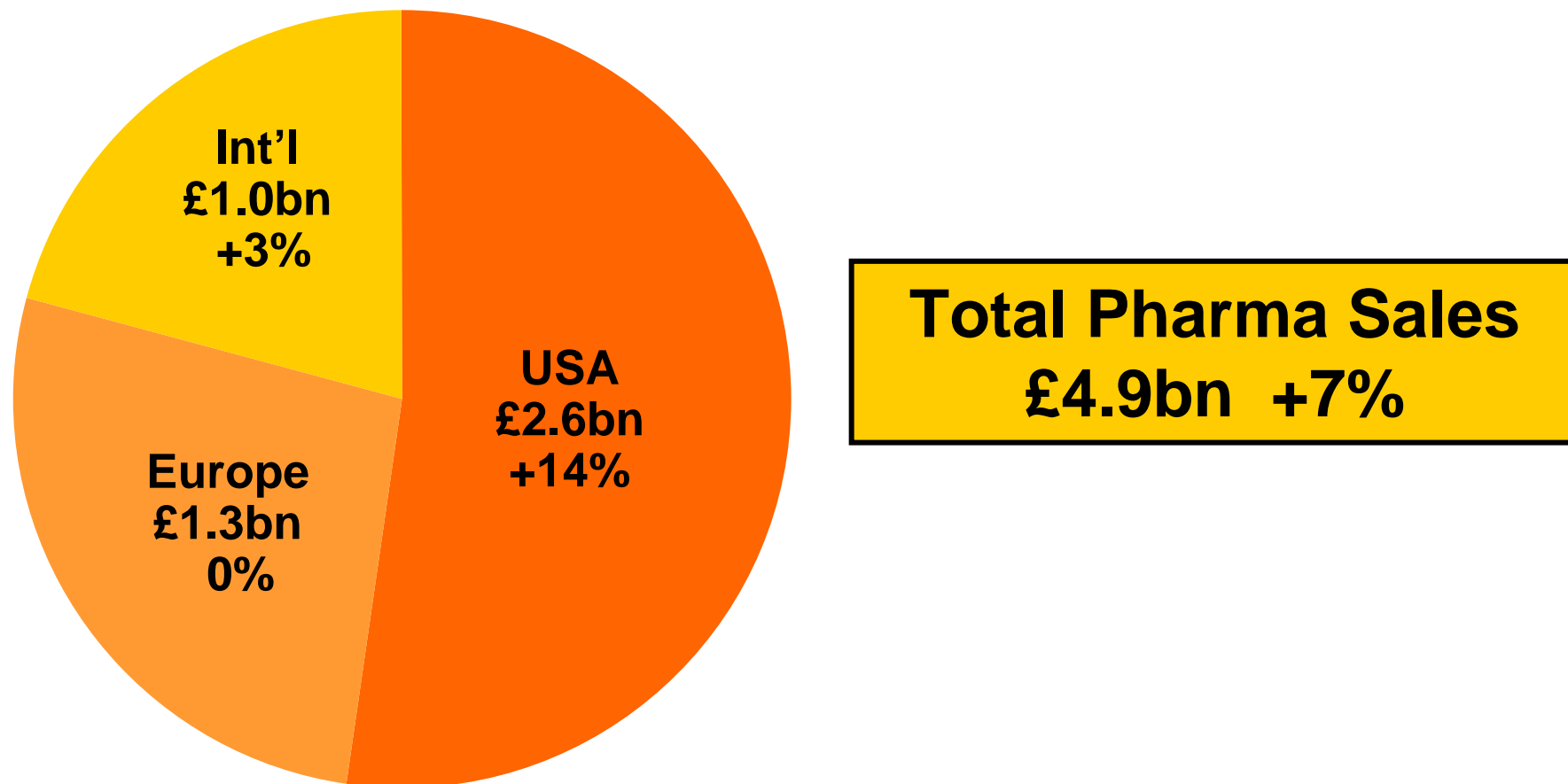
Share Repurchases



David Stout

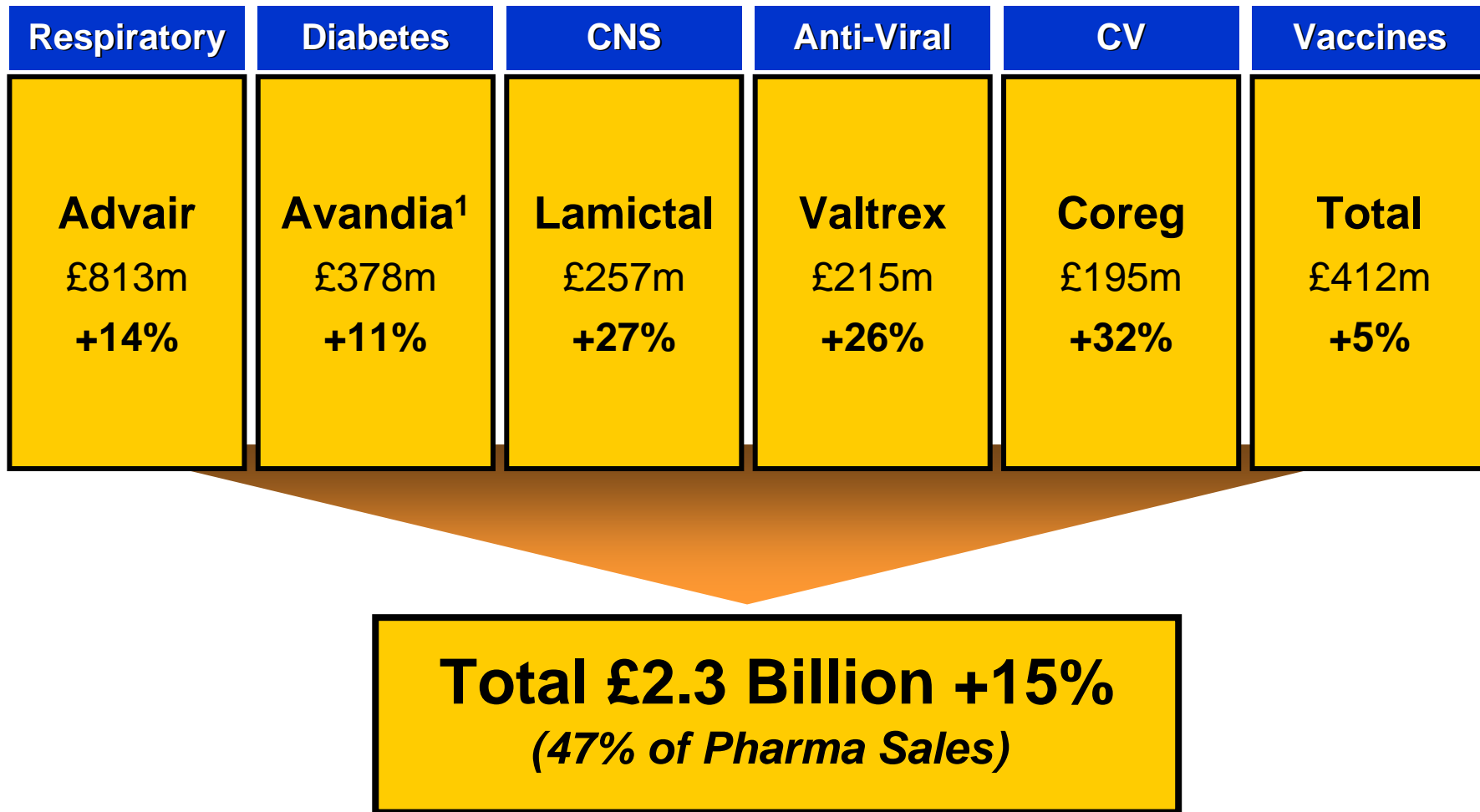
President, Pharmaceuticals

Q3 '06 Sales by Region

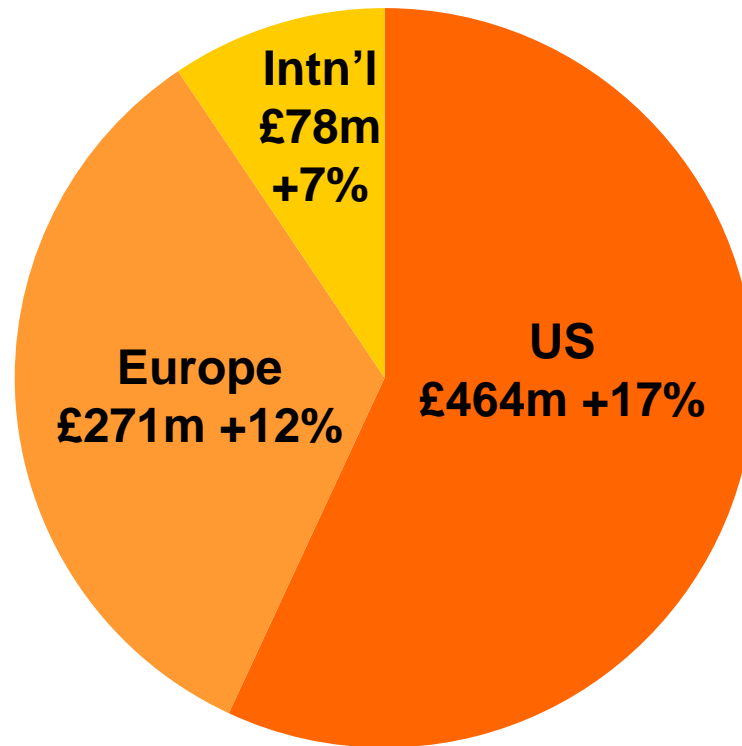


Note: CER % growth

Key Growth Drivers



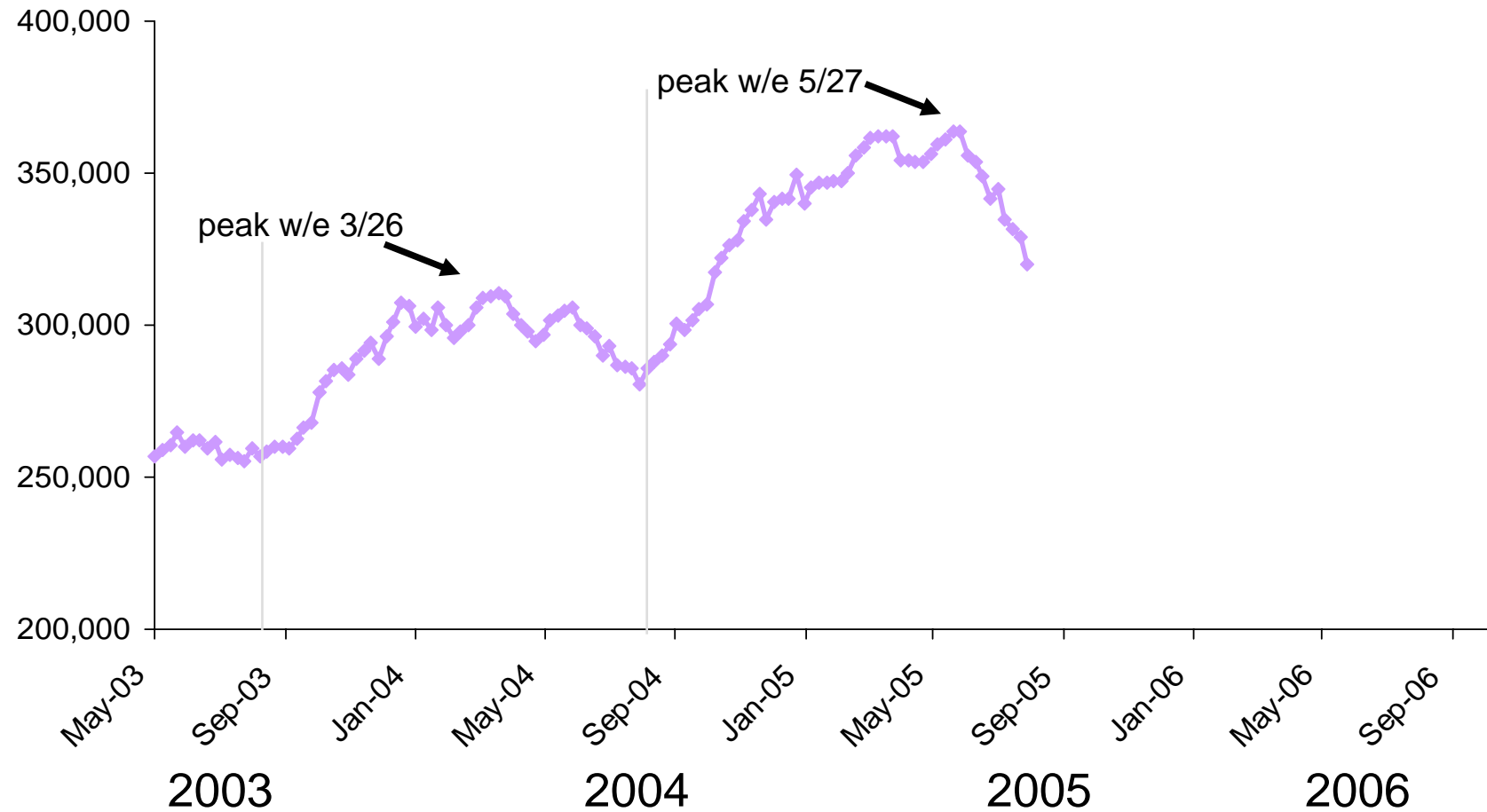
Seretide/Advair: Growth Continuing



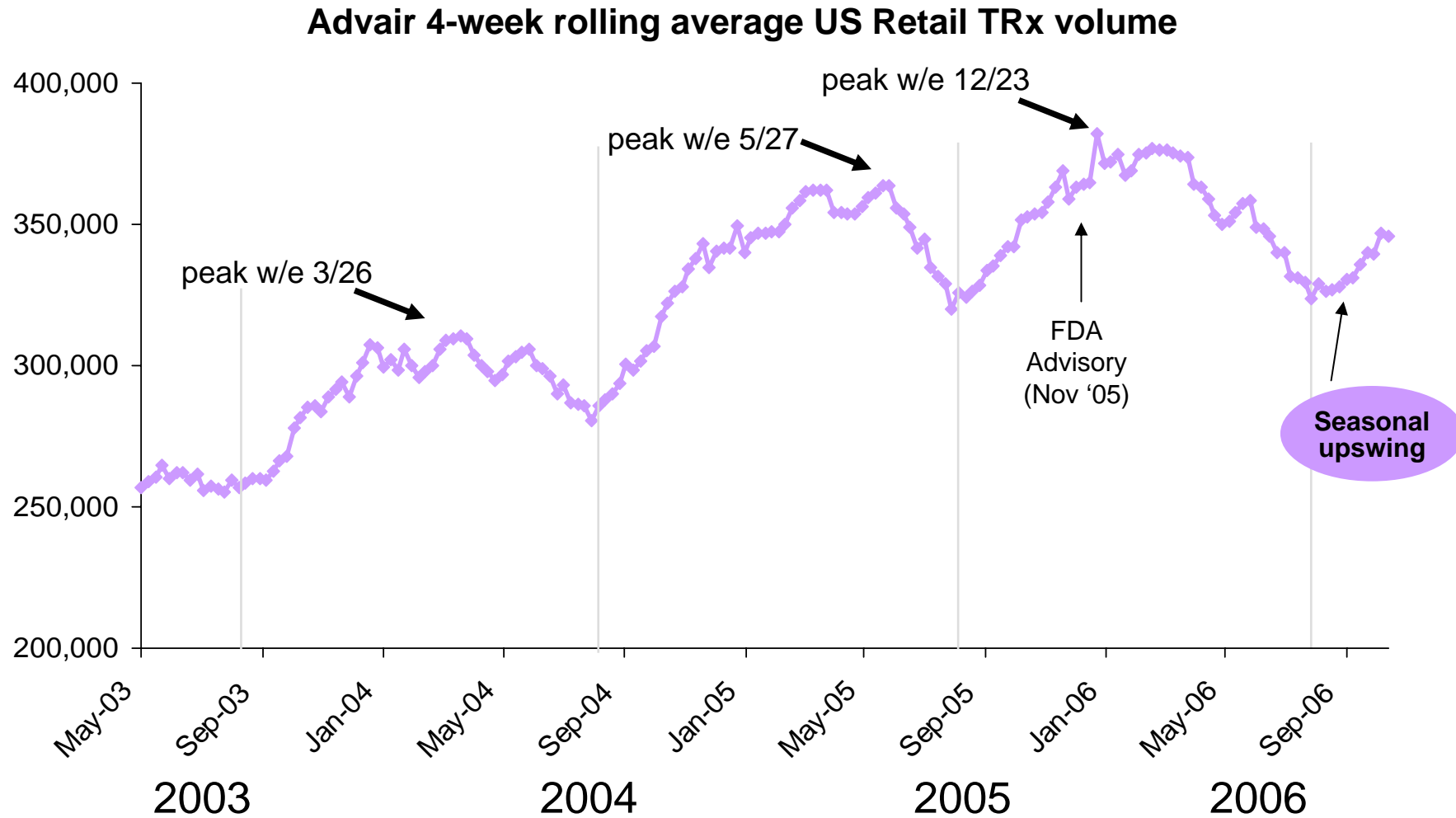
Sales £813 million +14%

Advair US Prescriptions Trends

Advair 4-week rolling average US Retail TRx volume



Advair US Prescriptions Trends



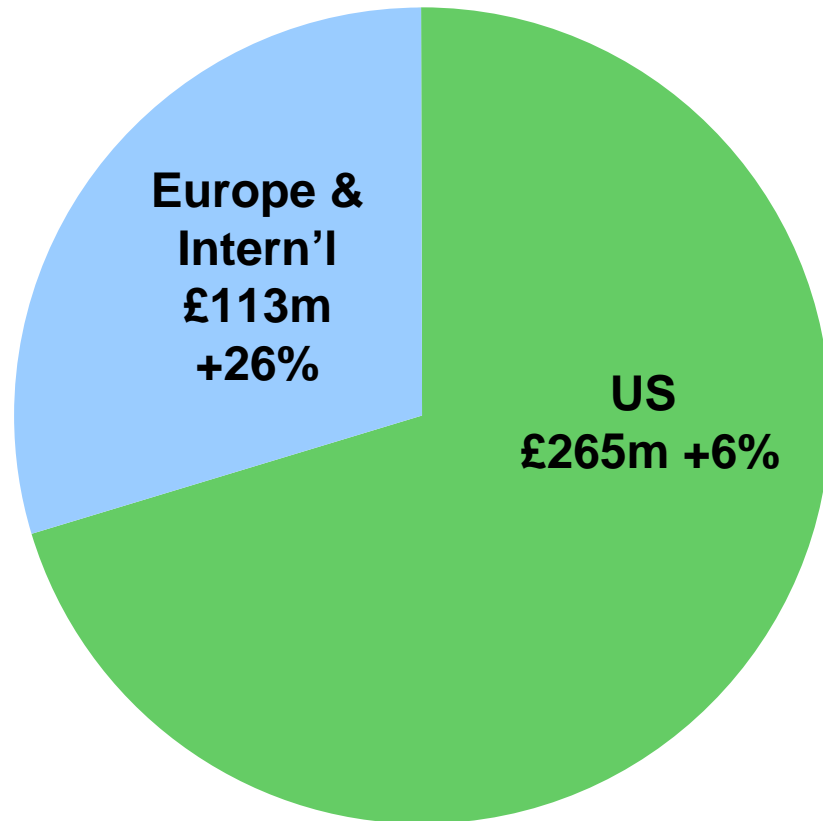
Seretide/Advair

Near-term Growth Opportunities

- US - **HFA MDI** launched in October
- New **dedicated COPD** sales force
- **TORCH** now filed in both US and Europe
- **Japan** launch expected in 2007

Avandia Family

Q3 Sales £378m +11%



- Strong growth in Europe and Intern'l continuing
- US reported growth impacted by some de-stocking

Avandia Family – Strong Growth Prospects

- Regain physician **confidence in supply**
- Drive **earlier combination treatment**
 - Avandamet 1st line launched July 11th
 - Avandaryl launched 1Q06
 - Evidence-based treatment guidelines call for earlier
 - use of TZDs
 - combination of oral medications
- **Landmark Outcomes Trials**

Landmark Outcomes Trials

Results announced Sept '06

DREAM

>5000 pts. 3 yr study

Avandia reduced risk of
progression to type II
diabetes by 62%

To be filed with FDA
in 1H2007

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Results due Dec 4th

ADOPT

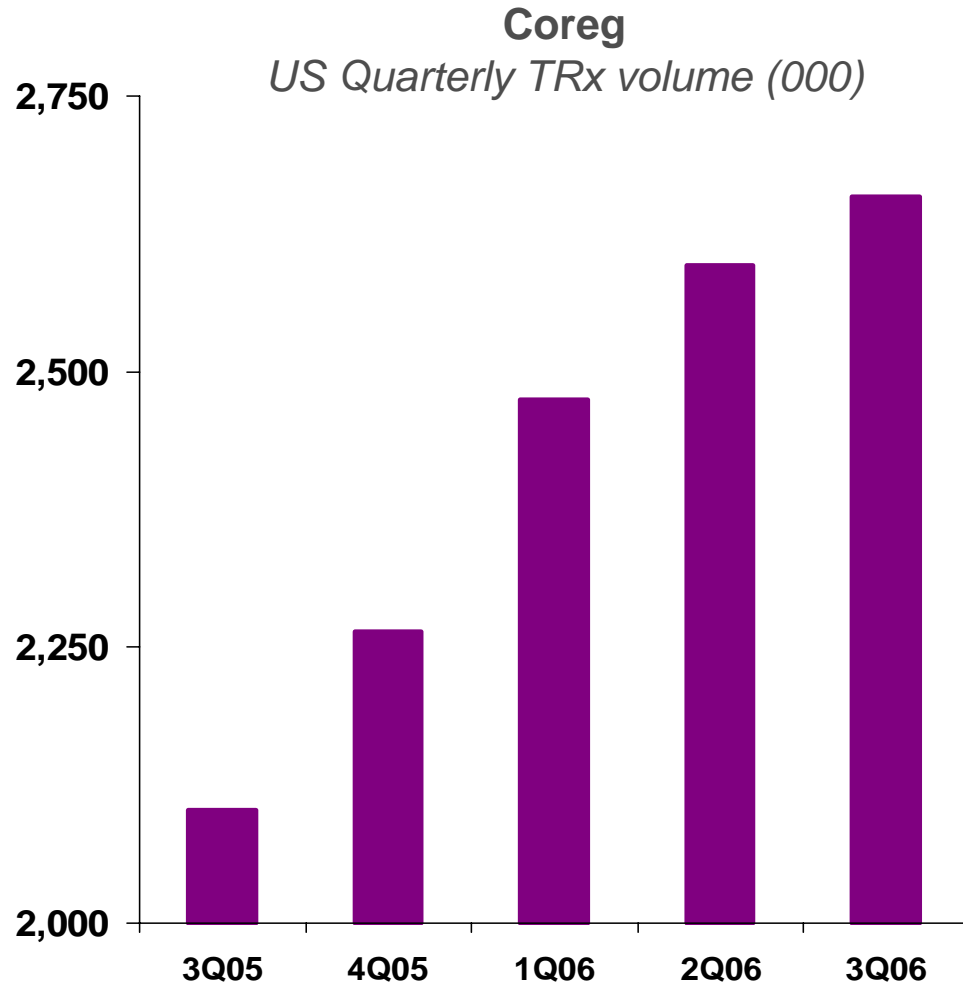
>4000 pts. 4 yr study

Avandia
vs metformin
vs sulfonylurea
in 1st line use

GSK webcast
scheduled



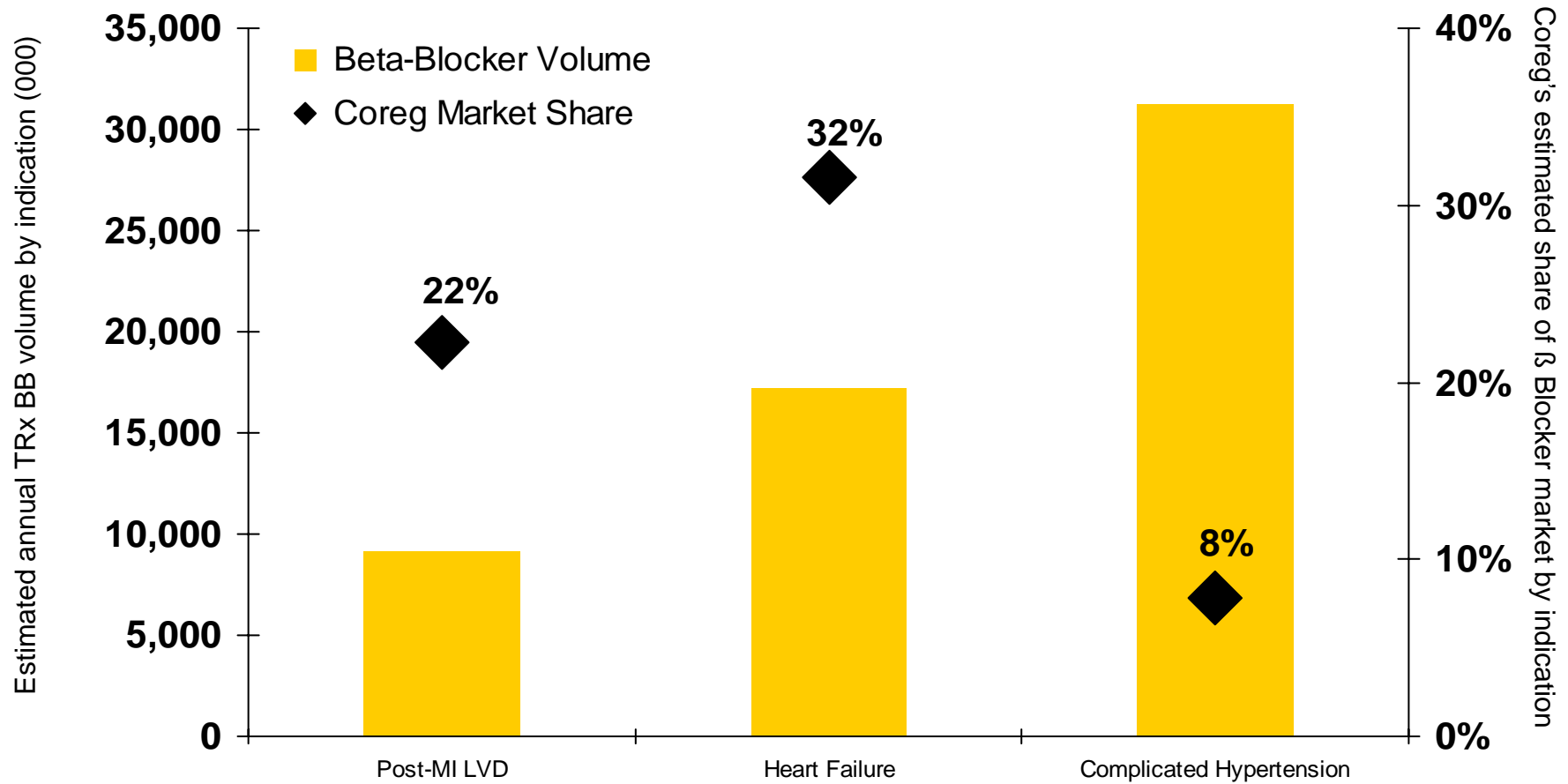
Sales £195m +32%



ONCE-A-DAY
COREG CR
Carvedilol Phosphate
extended-release capsules
Approved Oct. 20th



New Market Opportunity



Source: GSK estimates based on VONA TRx data, SDI March 2006.

Three Rising Stars – Continued Strength



£57m +61%



£70m +71%



£60m¹ >100%
(GSK share: £27m)

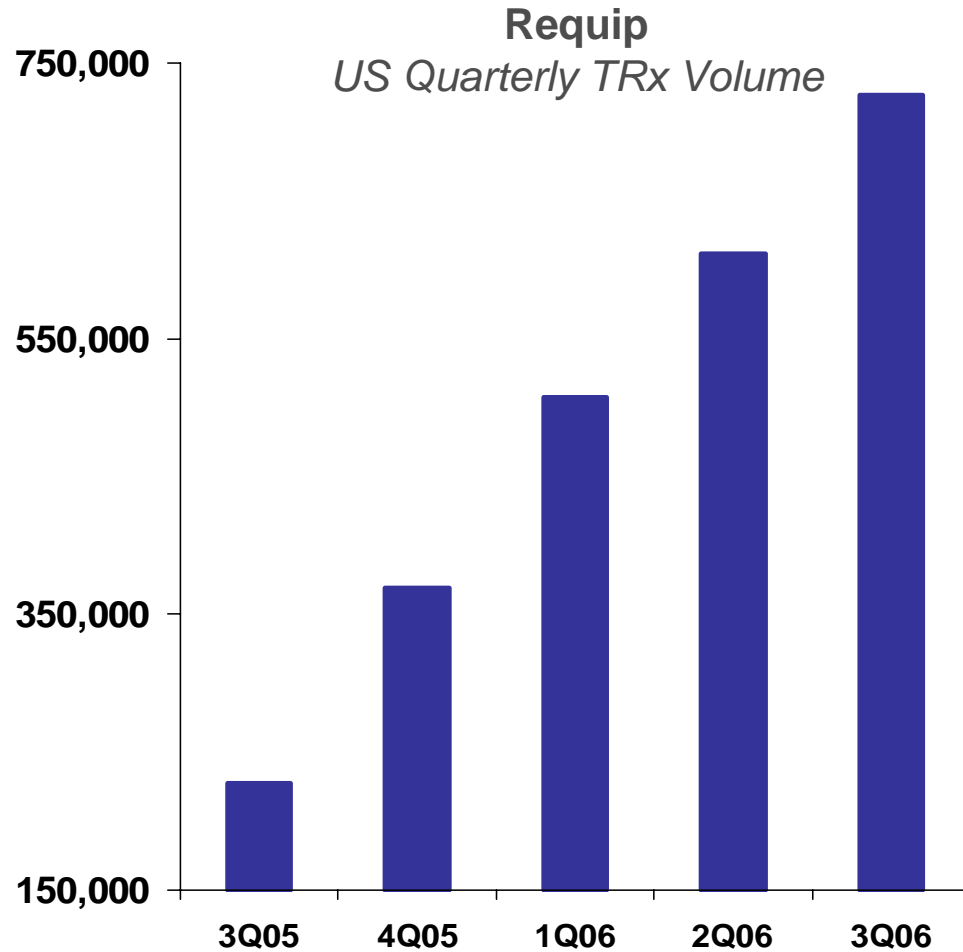
GSK Q3 Combined Sales £154m +96%

CER growth rates

1 = Total Boniva - includes markets where Roche and GSK co-promote.



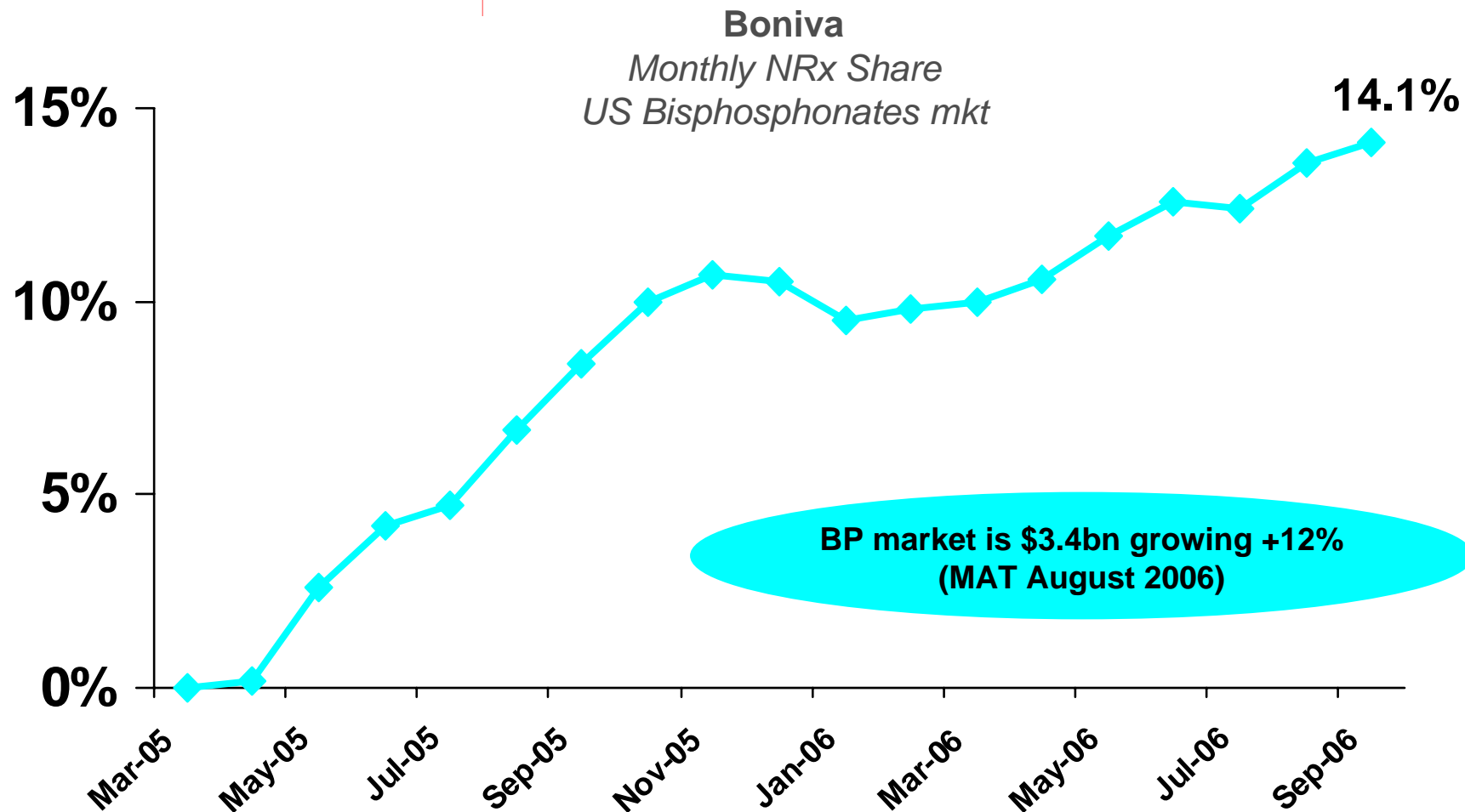
RLS Continues to Drive Growth



- 3Q06 Sales £70m +71%
- Requip CR for RLS filed Oct. '06
- Requip 24-hour for Parkinson's expected file in 4Q06



Share Gains Continuing



Key Opportunities in 2007

ONCE-A-DAY
COREG CR[™]
Carvedilol Phosphate
extended-release capsules

Allermist[™]
fluticasone furoate
Nasal Spray

Tykerb[™]
lapatinib ditosylate

Cervarix[®]

Trexima[™]
sumatriptan succinate/
naproxen sodium

AriXtra[®]
(fondaparinux sodium)
-- New ACS indication --

ENTEREG[™]
(alvimopan)
For POI

H5N1 vaccine



GlaxoSmithKline