1Q Results 2008
Presentation to Analysts & Investors

23 April 2008

Q1 performance in line with expectations

Issues

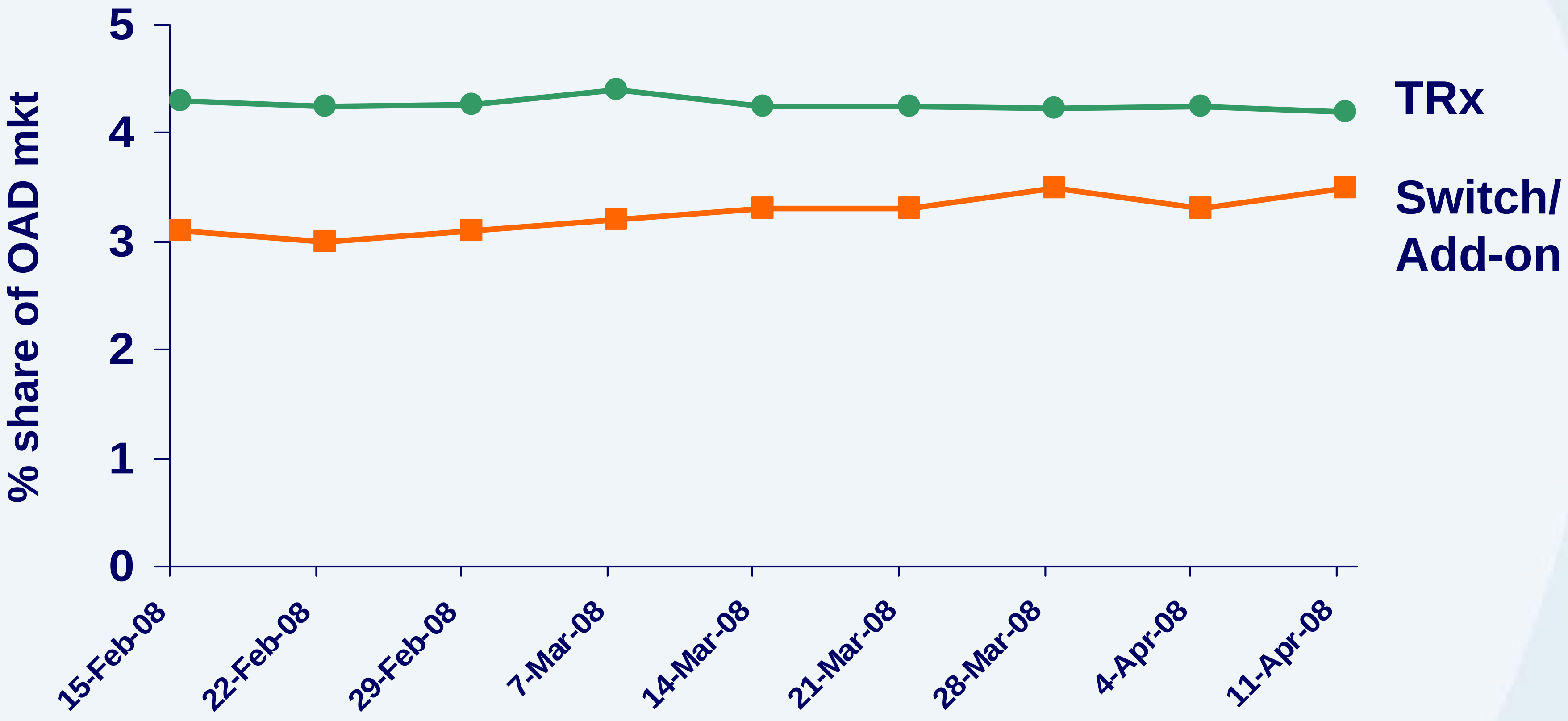
Avandia
(£230m*)

Generics
(£249m*)

* CER growth. Global Avandia decline; generic decline due to Coreg franchise, Zofran and Flonase (global sales)

Avandia US market share stabilising

Recent retail weekly market share



Source: Verispan, VONA

Switch Add-on represents a patient who was already on an OAD, who was either switched to Avandia or had Avandia added to their regimen.

Q1 performance in line with expectations

Issues

Avandia

Generics

Opportunities

Growth Drivers

New products

Consumer

O.E. Programme

Strong pharma performances in 1Q08

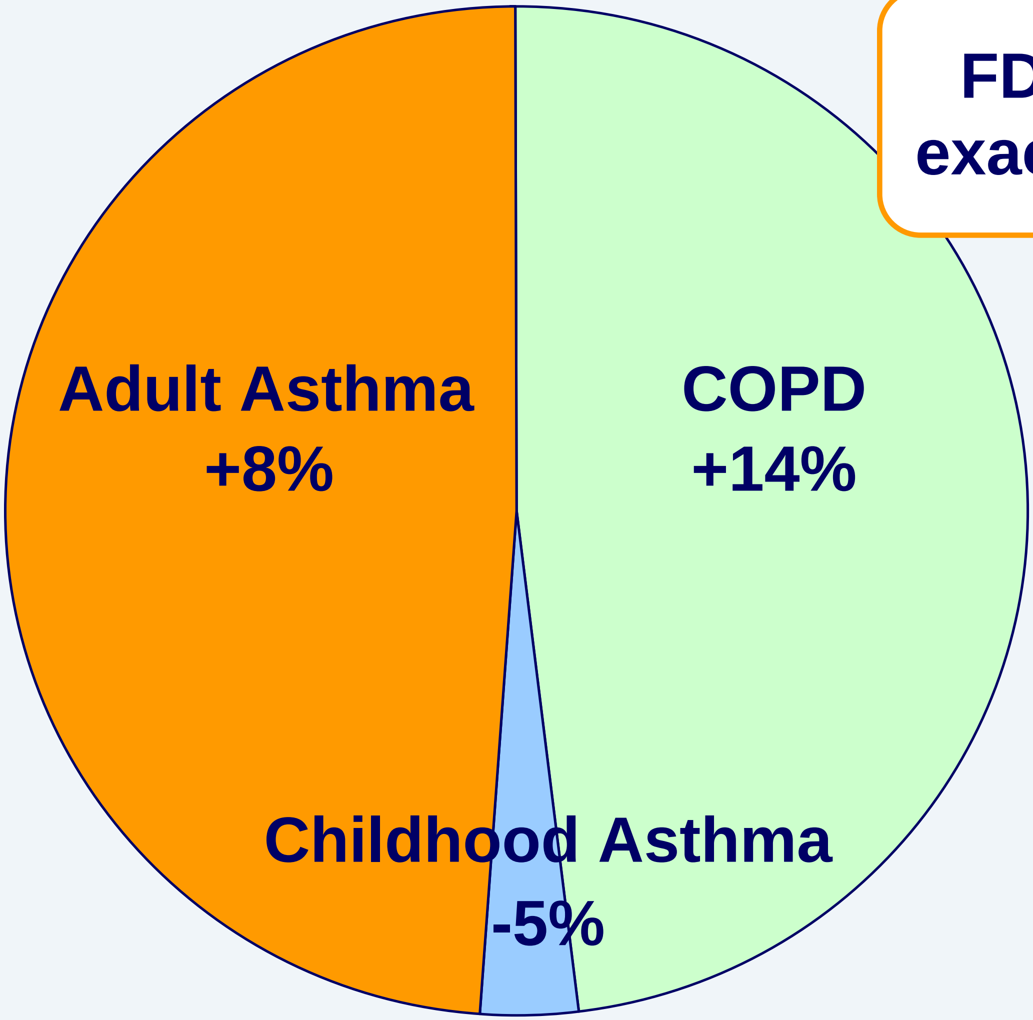
Advair	£954m	+10%
Vaccines	£436m	+10%
Lamictal	£290m	+16%
Valtrex	£249m	+9%
Requip	£94m	+15%
Avodart	£85m	+30%
Lovaza	£50m	+72%*
Boniva	£49m	+50%
Arixtra	£35m	+70%
Tykerb, Veramyst	£32m	>100%

* Pro forma CER growth

Advair/Seretide – sales £954 million +10%

CER growth rates

Advair in US – COPD is significant and growing



FDA decision on COPD exacerbations due 1st May

Source: Based on SDI patient level data and Verispan, CER growth rates Q1 2008 vs Q1 2007

New data continue to build efficacy and safety Profile of *Advair* for Asthma

- Data at AAAAI
  - Hospitalisations and ER visits (managed care database analysis)[1]
  - Exacerbations in ARG/ARG genotype[2]
  - Advair vs single inhalers (Kaiser)[3]

- In press
  - African American study[4]
  - Head-to-head trial vs. Singulair in paediatric asthma[5]

1) Retrospective analysis of managed care database with 58 Million lives yielding ~180,000 pediatric asthma patients age 4-11. O'Connor, Stanford, et al. Poster presentation (abstract 22) at AAAAI, 14-18 March 2008; Philadelphia, PA

A similar study is in press. Retrospective analysis of national managed care database; 58,000 asthma patients age 12+ .Fuhlbrigge, Riedel, et al. Comparative Resource Utilization in Patients with Asthma Treated with a Fixed Dose Combination or an ICS. In press, Journal of Allergy and Clinical Immunology

2) N=544. Nelson, Bleecker, et al. Oral Abstract Session (Abstract 509) at AAAAI; 14-18 March 2008; Philadelphia, PA.

3) Kaiser Permanente study - Nine year retrospective analysis; n >250,000; age 12+, ref: Gomez, Dinger, et al. The relationship of long acting beta agonists to asthma mortality. Poster presentation (abstract 551) at AAAAI; 14-18 March 2008; Philadelphia, PA.

4) N=475. Bailey, Castro, et al. Asthma Exacerbations in African Americans Treated for 1-Year with Combination FP and Salmeterol or FP Alone. In press, Clinical Medical Research Opinion

5) PEACE Study:12-week randomized, double-blind study, ages 6-14, N=548, in press.

US Vaccine sales £109m +34%

Current portfolio

Engerix-B®

Havrix® Hepatitis A Vaccine, Inactivated

TWINRIX®

Pediarix™

Infanrix®

Fluarix™

FluLaval™ Influenza Virus Vaccine

BOOSTRIX®

New opportunities ‘08 & ‘09

Rotarix™ Rotavirus Vaccine, Live, Oral

Kinrix™

Cervarix™

BOOSTRIX® expanded age

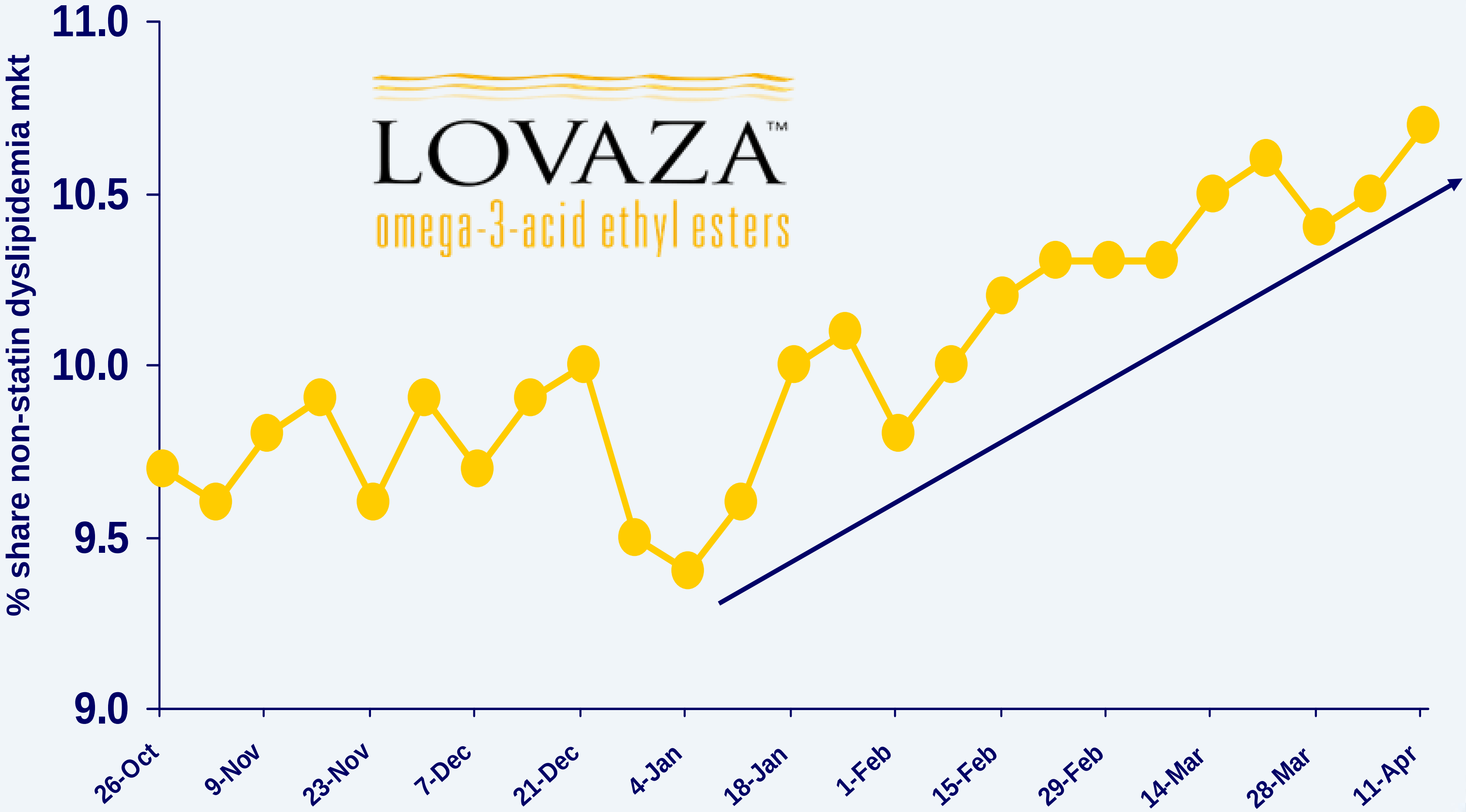
H5N1 pandemic

Cervarix – just getting started

- **Approved in >60 markets; launched in >30**
- **Good performance so far in head to head tenders**
- **Data vs Gardasil due in 2008**

Lovaza – Share growth

Recent retail weekly TRx market share



Source: Verispan, VONA

Recent positive pipeline flow

US approvals	EU positive opinions
Rotarix® Rotavirus Vaccine, Live, Oral	Prepandrix H5N1
Treximet™ (sumatriptan and naproxen sodium) Tablets 85 mg/500 mg	Volibris™ ambrisentan

Key Q2 regulatory milestones

ADVAIR DISKUS
(fluticasone propionate and salmeterol inhalation powder)

COPD exacerbations

PROMACTA
(eltrombopag olamine)

AVODART
(dutasteride)

(CombAT study)

REQUIP XL
(ropinirole extended-release tablets)

ENTEREG
(alvimopan)

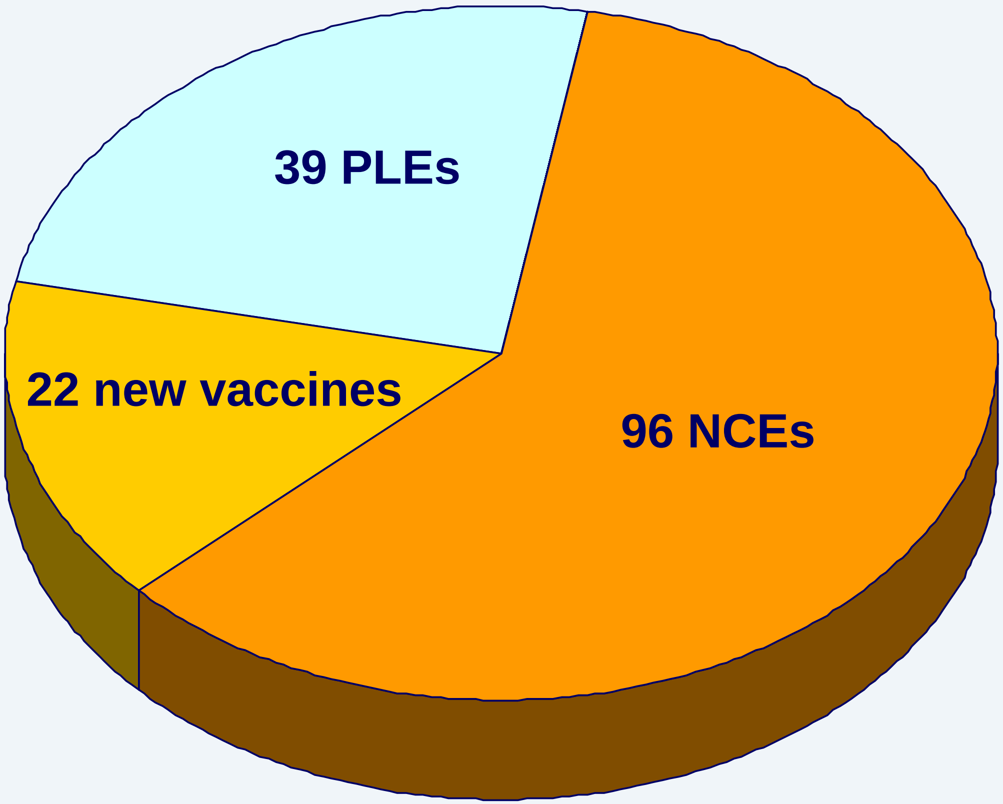
For POI

Tyverb
Lapatinib **(EU)**

Kinrix

Q1 pipeline update

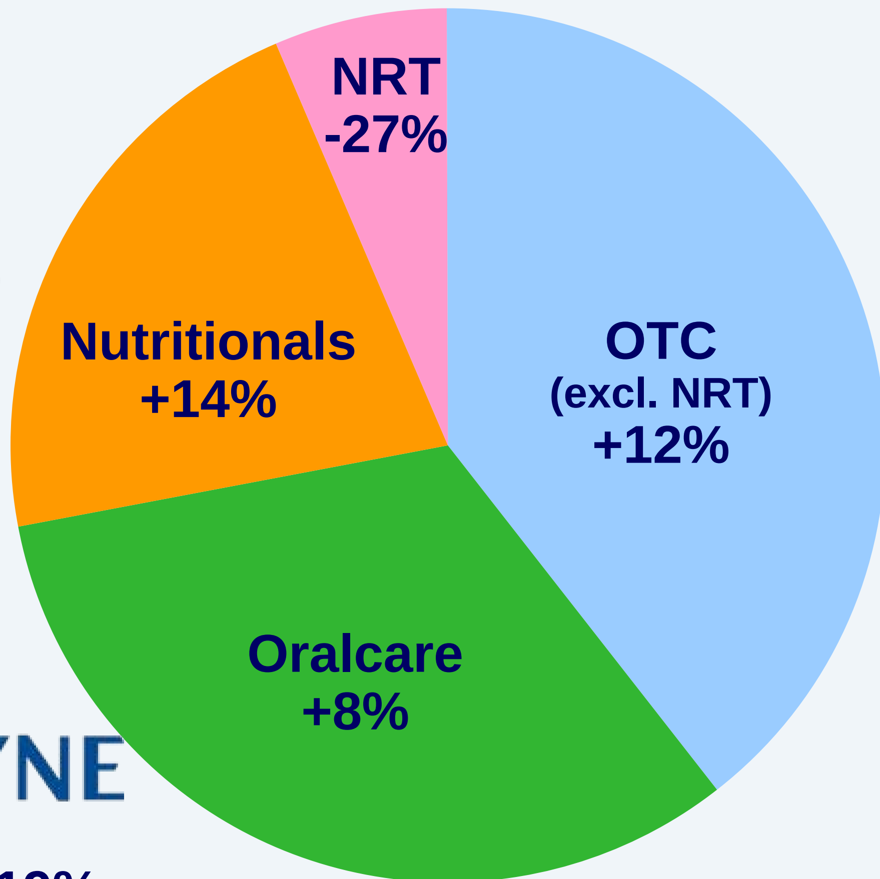
157 projects in clinical development



Pipeline update published March 2008; PLEs include 2 vaccine line extensions

Consumer Healthcare – continuing strength

1Q08 sales £893 million +8%



Lucozade £86m +18%

Panadol £80m +19%

Sensodyne £86m +19%

CER growth rates

Julian Heslop

Chief Financial Officer

Q1 performance summary

Business performance

	2008 £m	2007 £m	% Change £	 CER
Turnover	5,686	5,592	2	**(3)**
Cost of goods	(1,299) *22.8%*	(1,234) *22.1%*	5	**1**
SG&A	(1,720) *30.3%*	(1,673) *29.9%*	3	**(2)**
R&D	(780) *13.7%*	(726) *13.0%*	7	**5**
Other oper. income	161	207		
Operating profit	2,048 *36.0%*	2,166 *38.7%*	(5)	**(9)**

Business performance results excluding restructuring costs relating to the new Operational Excellence program and significant acquisitions.
% in Italics are % of Turnover.

Q1 performance summary

Business performance

	2008 £m	2007 £m	% Change £	% Change CER
Operating profit	2,048	2,166	(5)	**(9)**
Interest	(86)	(38)		
Profit before tax	1,961	2,143	(8)	**(13)**
Earnings per share	25.6p	27.0p	(5)	**(9)**
Tax rate	*28.7%*	*28.5%*		

Business performance results excluding restructuring costs relating to the new Operational Excellence program and significant acquisitions.

Q1 reported results

Statutory results

	Q1 2008			Q1 2007
	Business performance £m	**Restructuring £m**	**Statutory results £m**	**Statutory results £m**
Turnover	5,686	-	5,686	5,592
Operating profit	2,048	(85)	1,963	2,166
EPS	25.6p	(1.2)p	24.4p	27.0p

Business performance results excluding restructuring costs relating to the new Operational Excellence program and significant acquisitions.

New Operational Excellence programme – status

- 27% of total £1.5 billion programme one-off costs charged to date
- On track to deliver 2008 cost savings of £350 million rising to £700 million by 2010

Cash flow

	Q108 £m	Q107 £m
Free cash flow	1,501	844
Dividends	(708)	(671)
Share repurchases	(986)	(575)
Purchase of businesses	-	(233)
Employee share option exercises	36	255
Other	(345)	(171)
Net increase in debt	(502)	(551)
Net debt at 31st March	(6,541)	

Conclusion

- On track to meet financial guidance for 2008
- Expect 4% to 5% currency benefit for the year*
- £1.5 billion restructuring programme on track
- Strong cash returns to shareholders ~ £1.7 billion

*If exchange rates hold at the Q1 average (e.g. $1.99/€1.32/¥210) expect around a 4% to 5% favorable impact on 2008 EPS.

gsk GlaxoSmithKline