



Transcript of Andrew Witty video for Q3 2010 results

Q3 performance

The results for Q3 at GSK represent, once again, the delivery against the strategy we have laid out over the last three years. Good underlying performance of the business is really starting to become very clear, albeit it continues to be masked by three major issues that we have been dealing with but which, over the next few months and year, will start to disappear from our numbers. Those are, of course, the impact of ongoing genericisation of *Valtrex* in America, the impact of the year-on-year comparison of the very large pandemic vaccine sales last year, which will not be repeated on an ongoing basis into next year, and, unfortunately, the impact of the withdrawal and restriction of *Avandia* in various key markets around the world. If you adjust for those three things, the underlying sales performance of 6% really reflects the very strong business that we have here at GSK: strong because we have been investing in our growth businesses in the Emerging Markets, our Consumer business, our Vaccines business and in Dermatology. Those businesses have been really driving our growth forward as we have been adjusting to the various changes in our environment and portfolio in our traditional business areas.

As we go forward, those negative headwinds rapidly start to diminish and that underlying sales growth will become much more apparent in our reported performance. Therefore, for me, Q3 here at GSK was another good quarter. It is not all there in the reported numbers yet but there is no question that the strategy that we are implementing is delivering a more diversified sales growth base for this company, and that is what we intend to continue to deliver in future quarters.

R&D

R&D at GSK continues to progress very satisfactorily, in my opinion. There has been tremendous effort over the last few years to change the way we work and to make sure that we focus our investment on medicines and vaccines which make a real difference for patients, and create value for money for payors and governments around the world. If you look at the way in which our pipeline has evolved over the last two or three years, it is clear that we are making great progress in that direction. We have some very exciting projects coming forward and at Q2 alone we put five new medicines into full development.

Just in the last few days, we have announced a further expansion to our Rare Disease portfolio, a new initiative which we only began a year ago but already we have tremendous momentum under way in that area. Therefore, I am very happy with the progress we are making in R&D. Of course, these are challenging, high-risk projects but we are managing them in a way which really gives me a high degree of confidence that we have a very high likelihood of being successful in our mission: to deliver more medicines of value to patients and payors around the world.