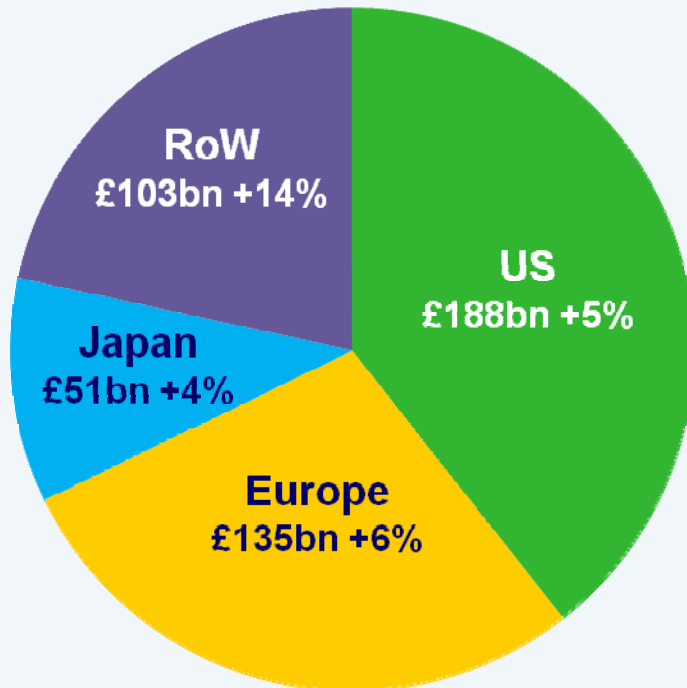




Investor Meetings June 2010

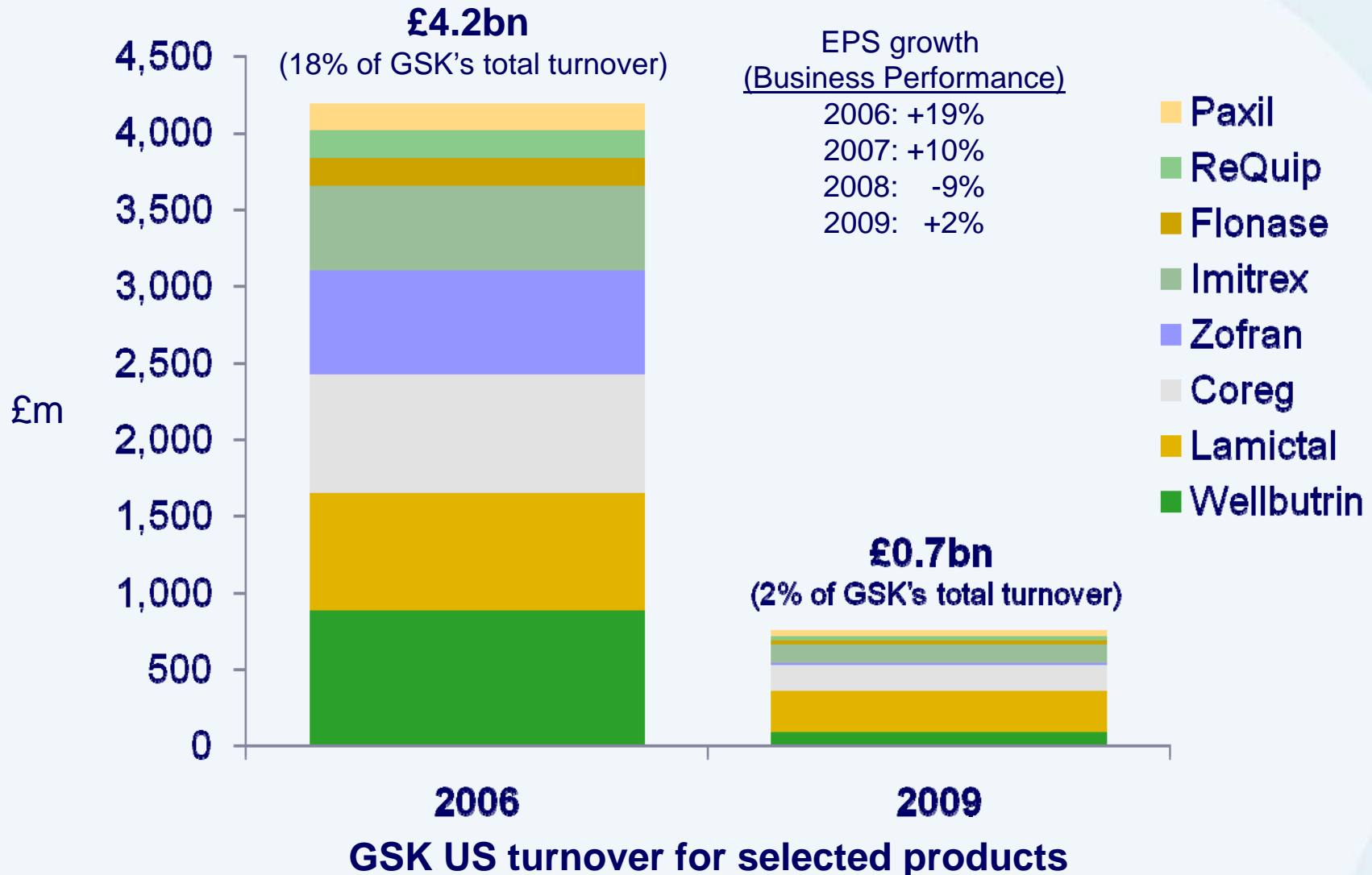
Global Pharma market £477bn; ~+7% CAGR 05-09

Global Pharma Market 2009



- Large unmet medical need
- Aging population
- Growing middle class
- Generic “cliff”
- R&D productivity
- US Healthcare reform
- EU pricing pressure
- Consolidation

GSK patent cliff from 2006 to 2009

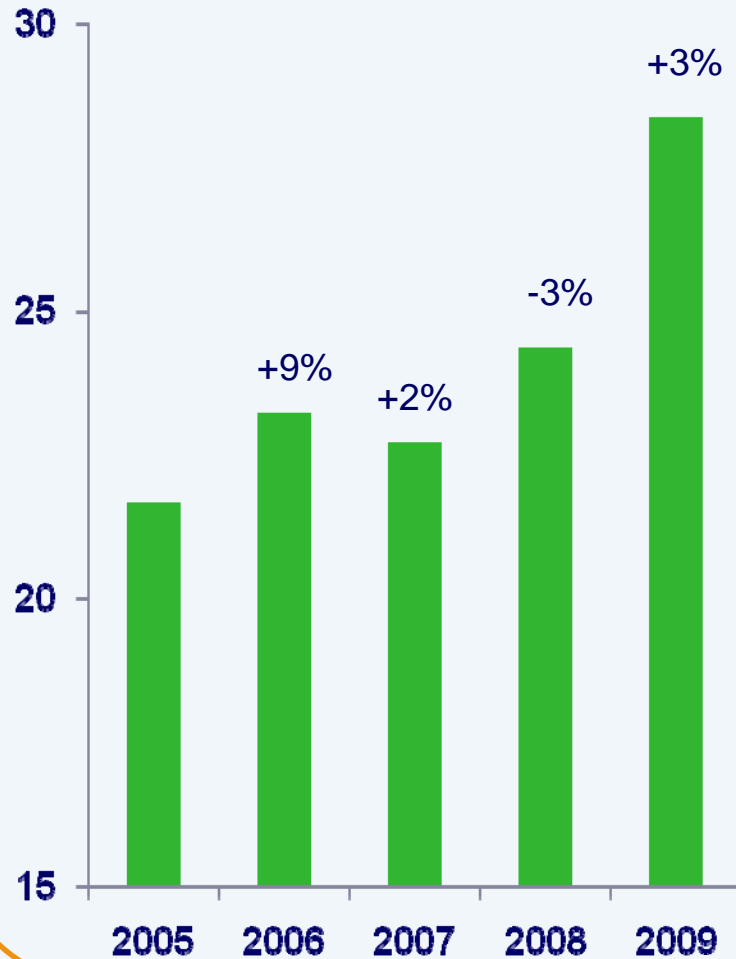


CER growth rates

Total franchise turnover included above; Business Performance EPS excludes major restructurings.

Turnover and EPS progression 2005-09

Turnover
2005-09 (£bn)

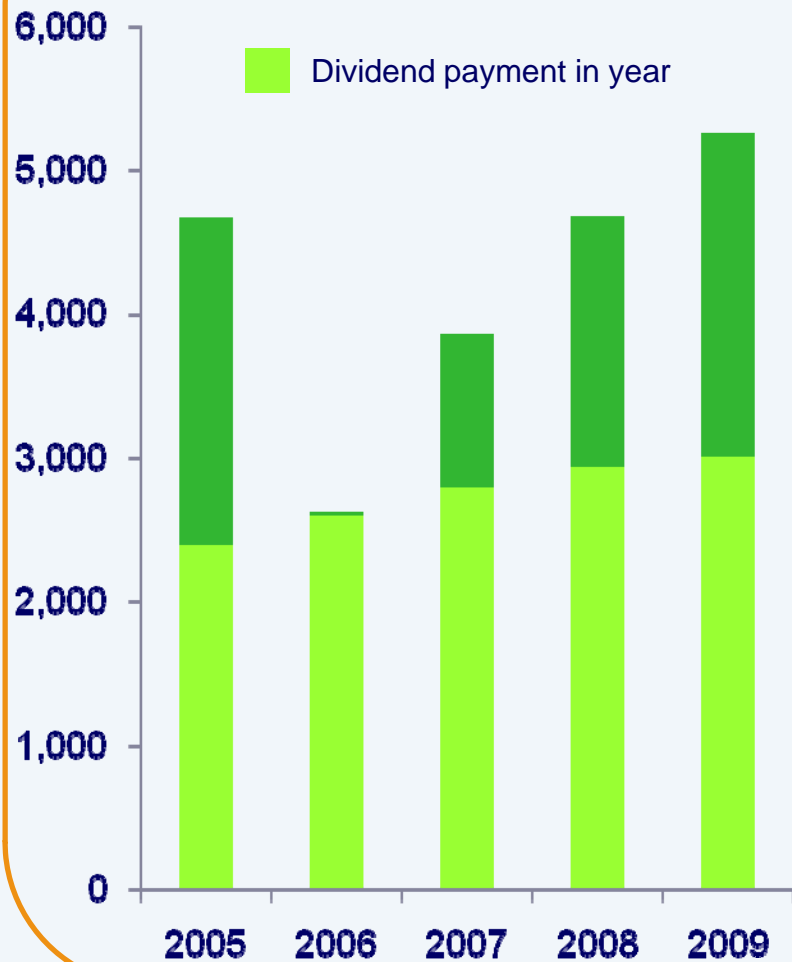


EPS before major restructuring
2005-09 (pence)



Increasing free cash flow and progressive dividend

Free cash flow 2005-09 (£bn)



Dividend 2005-09 (pence)



GSK's strategic priorities

Grow a diversified global business

Deliver more products of value

Simplify the operating model

Grow a diversified global business

Drive & diversify small molecule Rx business

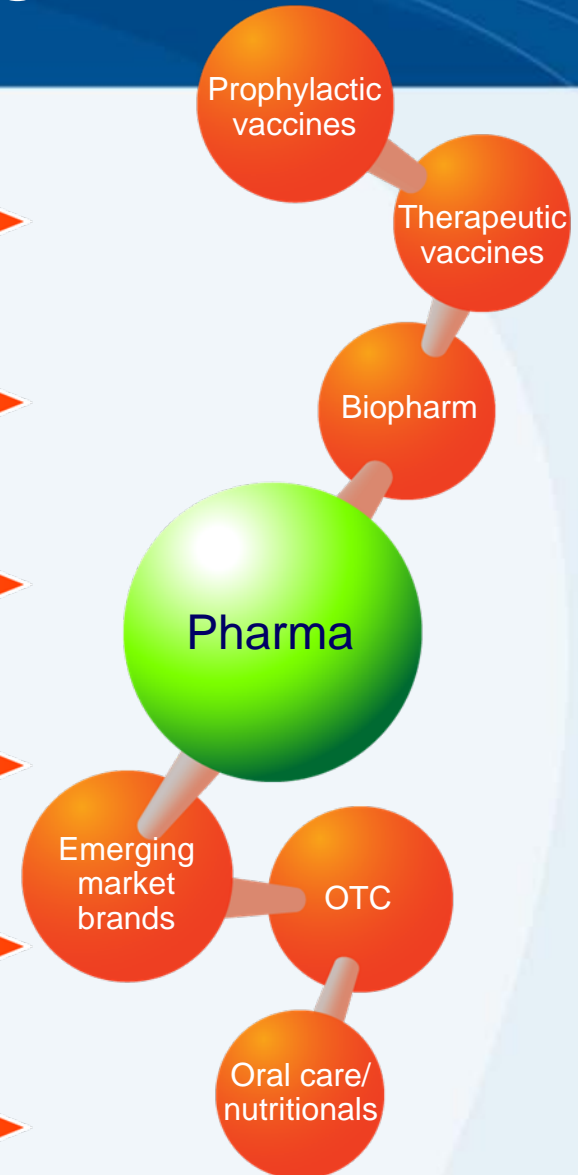
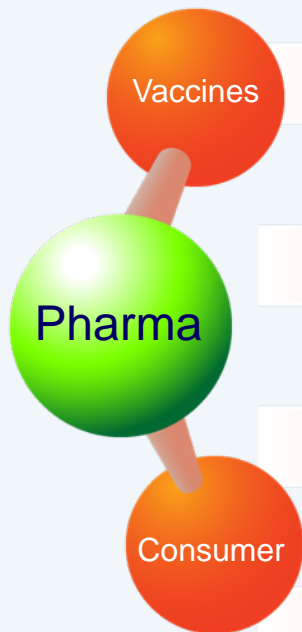
Globalise & innovate consumer brands

Leverage current & future vaccines portfolio

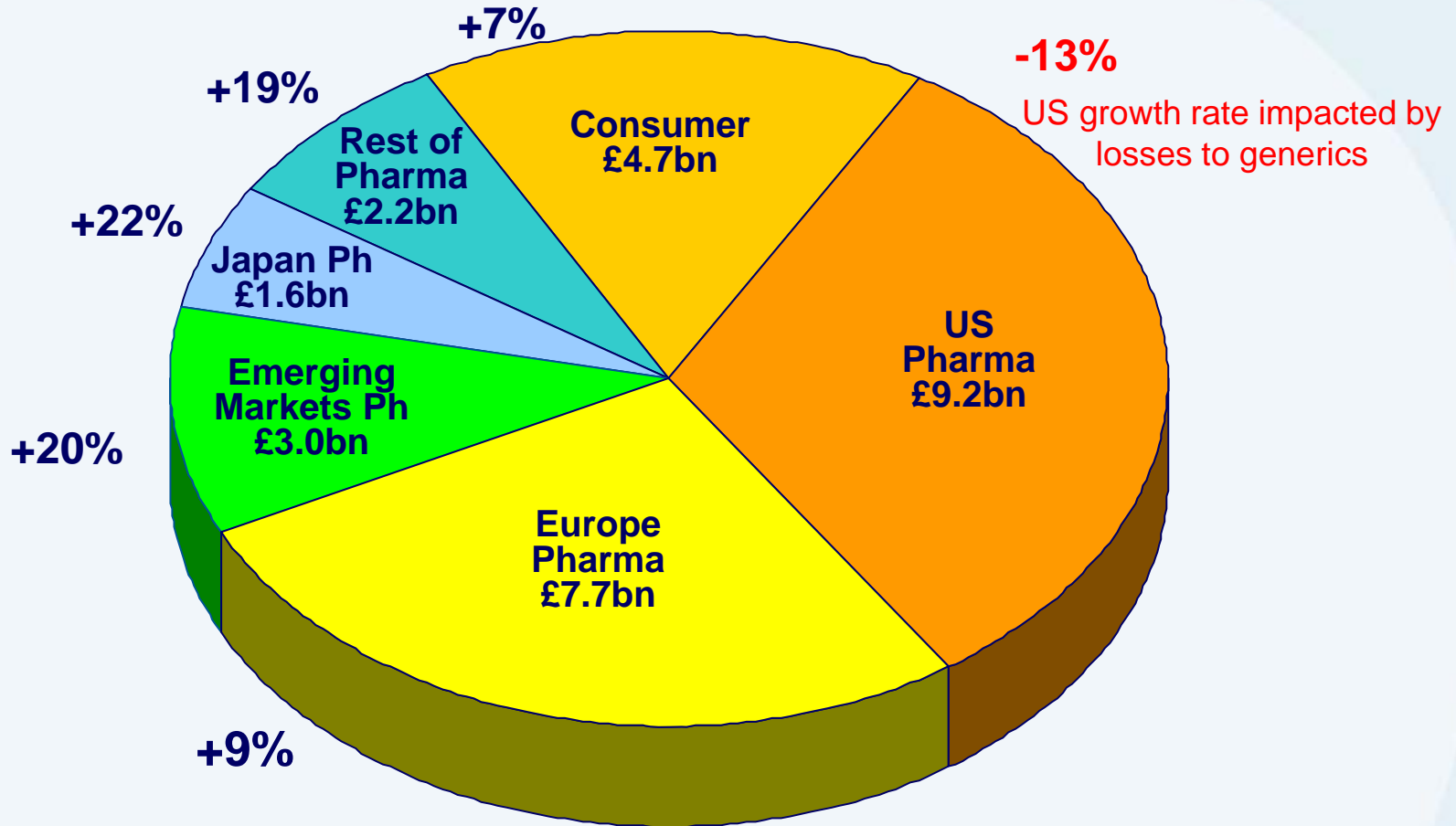
Deliver Biopharm R&D pipeline

Launch past, present, future portfolio in Japan

Strengthen Emerging Markets business



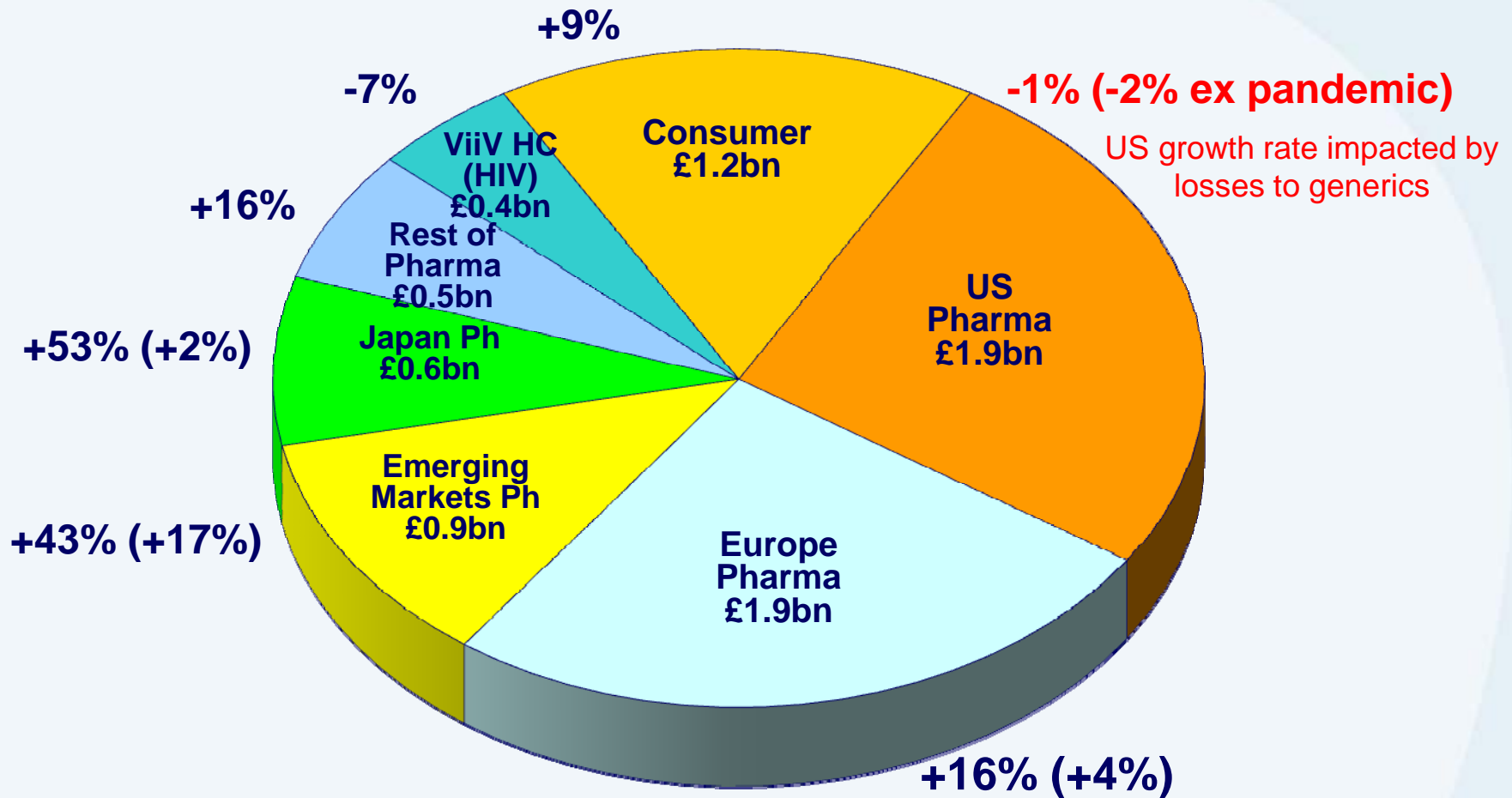
Turnover growth despite decline in US Pharma (+2% EPS growth)



2009 Turnover £28.4bn (+3%)

CER growth rates; Business performance EPS growth shown above
Rest of Pharma includes Stiefel sales of £248m

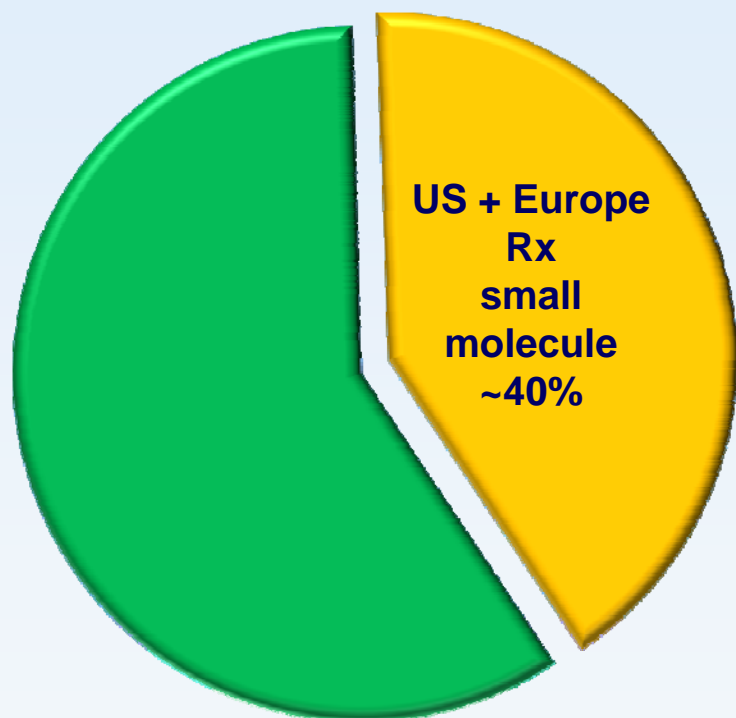
Q1 2010 Turnover of £7.4bn (+13%)



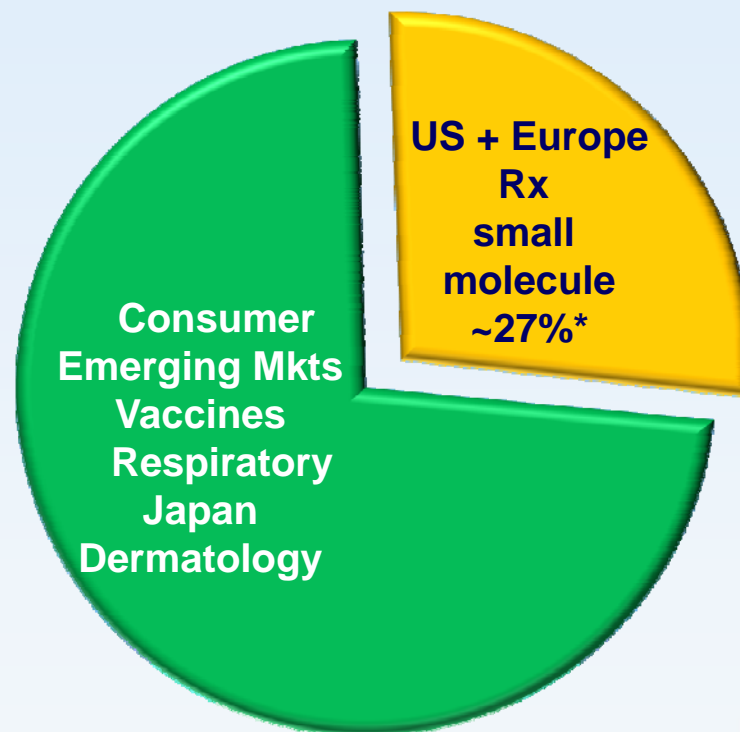
Excluding pandemic sales £6.6bn (+4%)

“White pill Western market” portion of total turnover reduced from ~40% to ~27%

2007



Q1 2010



*Excludes impact of pandemic sales; Including pandemic = ~24%

Bolt-on acquisitions and partnerships

18 deals recently completed across the business

Emerging Markets/Asia Pacific/Japan

 Bristol-Myers Squibb
Egypt /
Pakistan /
Near East

 ucb
EM/AP

 asper
HOLDINGS

 DR. REDDY'S

 L
P
A
Algeria

 DONG-A PHARMACEUT
Korea

 JCR
Japan

 Laboratorios
PHOENIX
Compromiso por la Salud
Argentina

Pharma

Vaccines

Consumer

 ViiV
Healthcare

 STIEFEL
a GSK company

Walvax

 NEPTUNUS 海王
健康成就未来

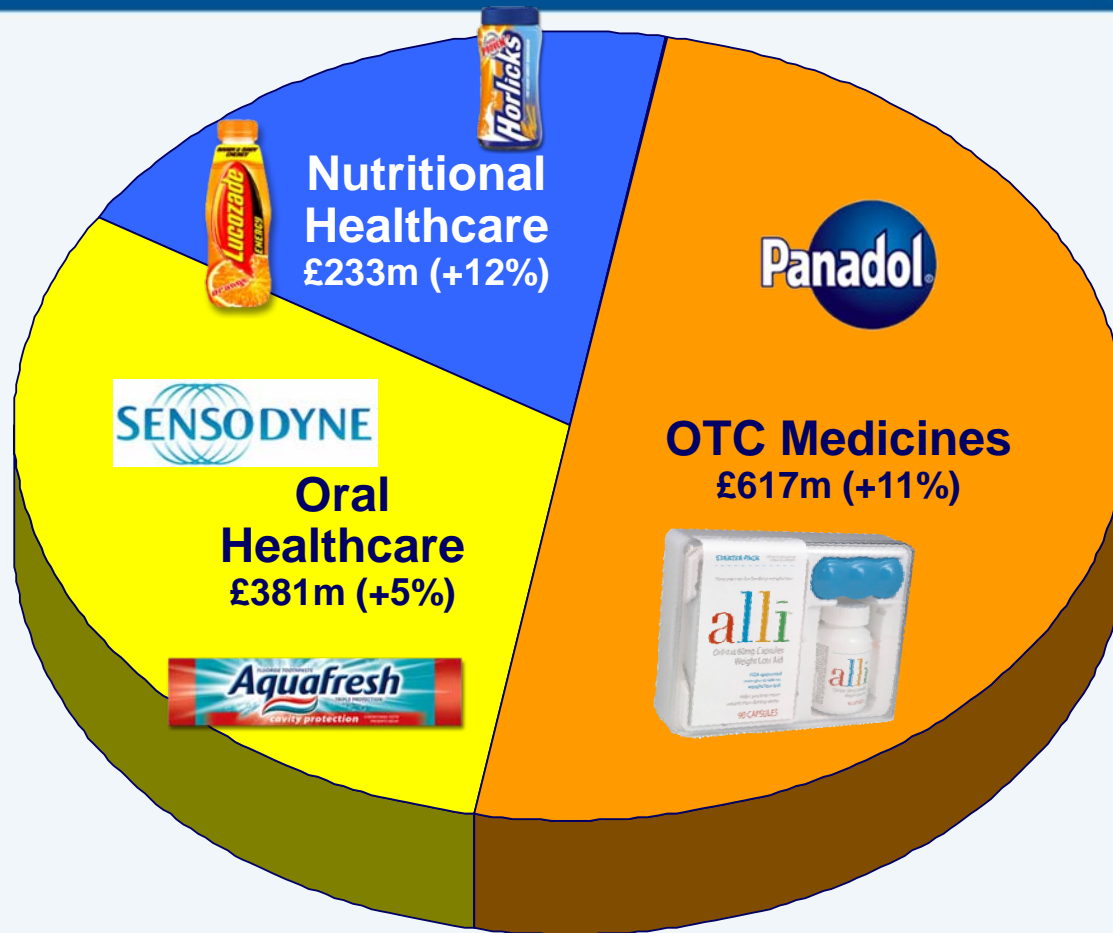
 intercell
SMART VACCINES

AZ Tika

 Lucozade

 NovaMin
Tooth care Technology

Consumer Healthcare business growing strongly



Q1 2010 Turnover £1,231m +9%

Consumer Healthcare Products

Number of years marketed



140



115



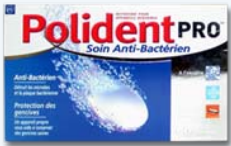
83



80



72



70



64



55



49



37



26



18



9



6

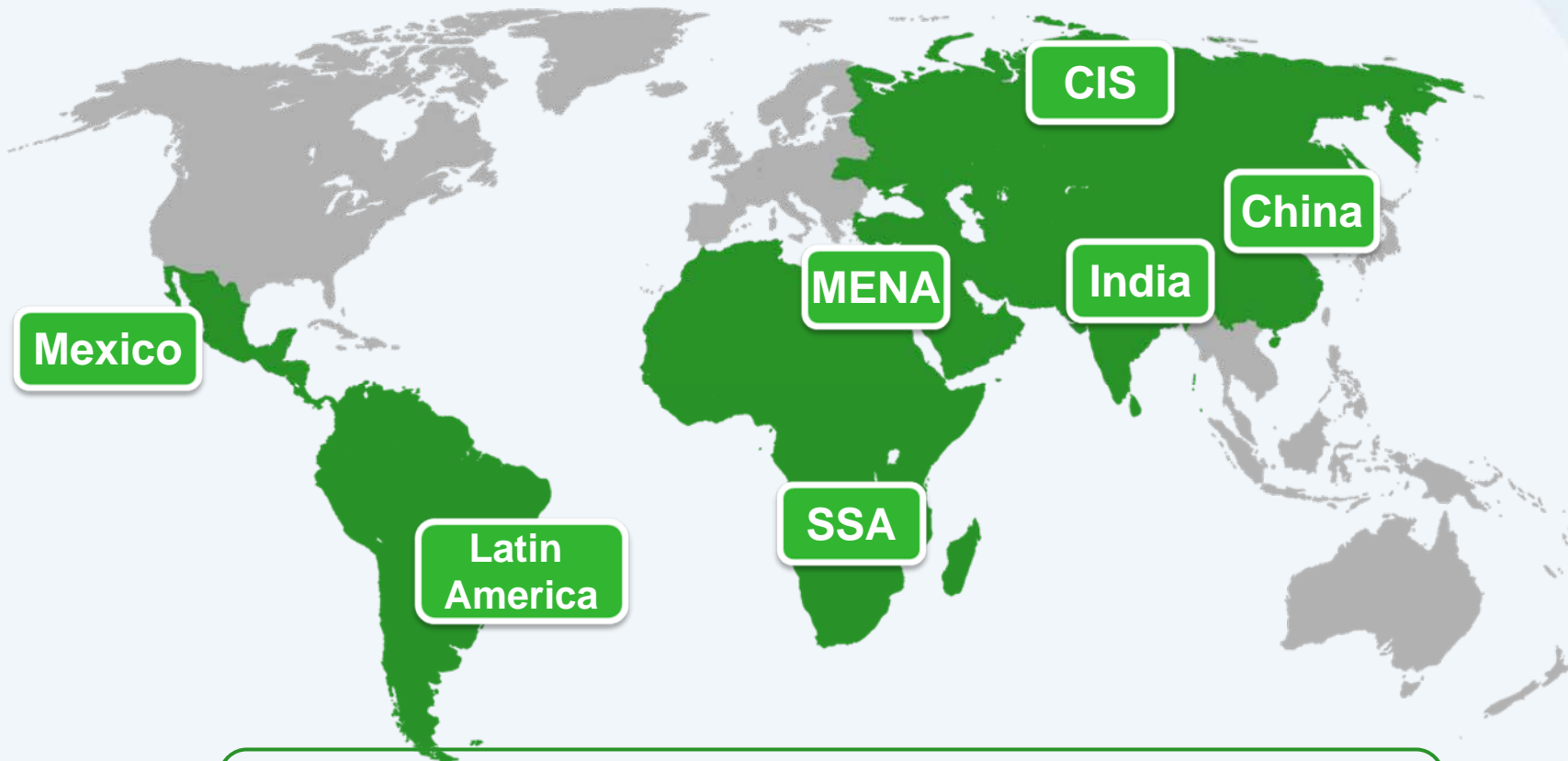


3

GSK “Emerging Markets” business

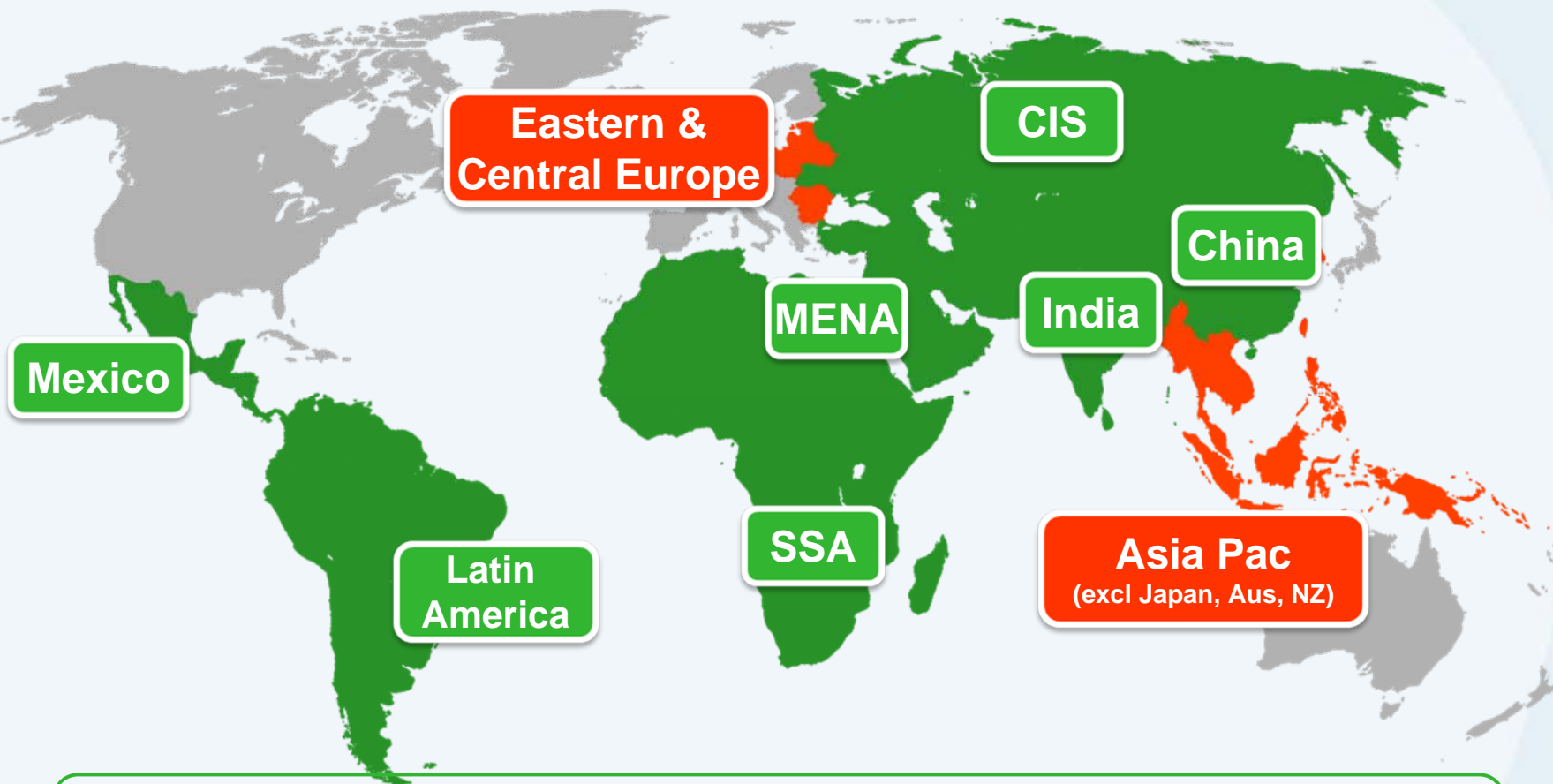
85 countries

>12,000 sales reps



**Emerging Markets 1Q10 £866m (+43%)*
= 12% of GSK Group Turnover**

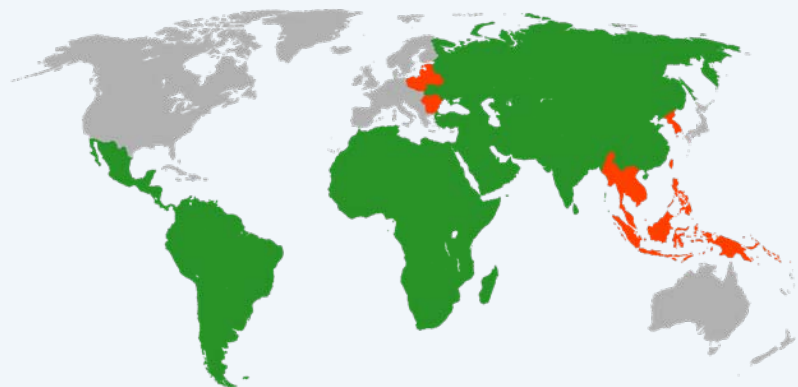
GSK's pharma presence in Emerging Markets



**+ Asia Pac (excl Japan, Australia, NZ), Eastern and Central Europe
= £1.3bn (+40%) 1Q10**

GSK's total presence in Emerging Markets

Rx



**£1.3bn 1Q10
(+40%)**

Cx



**£0.4bn 1Q10
(+13%)**

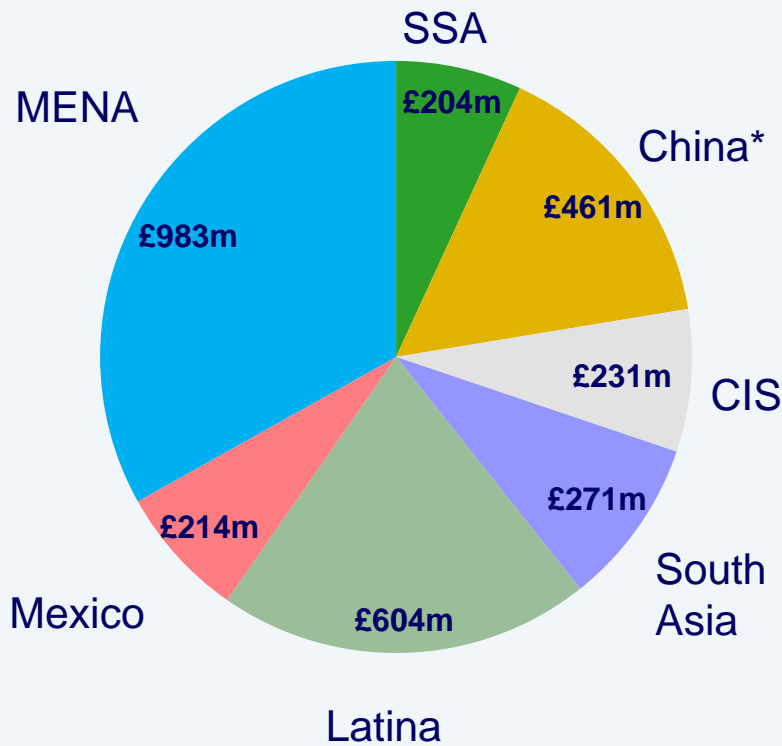
**£1.7bn (+32%)
1Q10**

24% of GSK Group Turnover

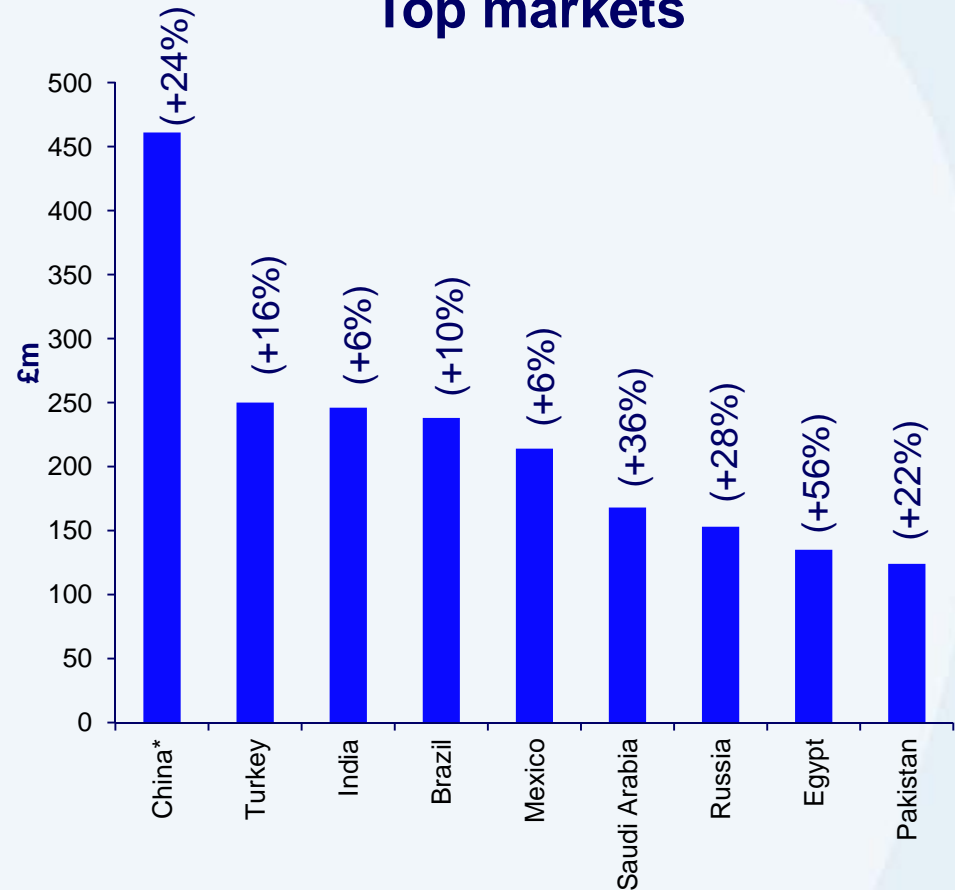
GSK Emerging Markets 2009 turnover

2009 £3.0bn (+20%)

By region



Top markets



| GSK ranking # | 11 | 5 | 3 | 13 | 7 | 1 | 16 | 1 | 1 |
|---------------|----|---|---|----|---|---|----|---|---|
|---------------|----|---|---|----|---|---|----|---|---|

*China includes HK

Source: Turnover and growth is GSK 2009 as reported. Growth rates are CER. Rankings are IMS MAT Dec 09

Emerging Markets strategy

Scale up our Classic brands business
£1.3m +18%

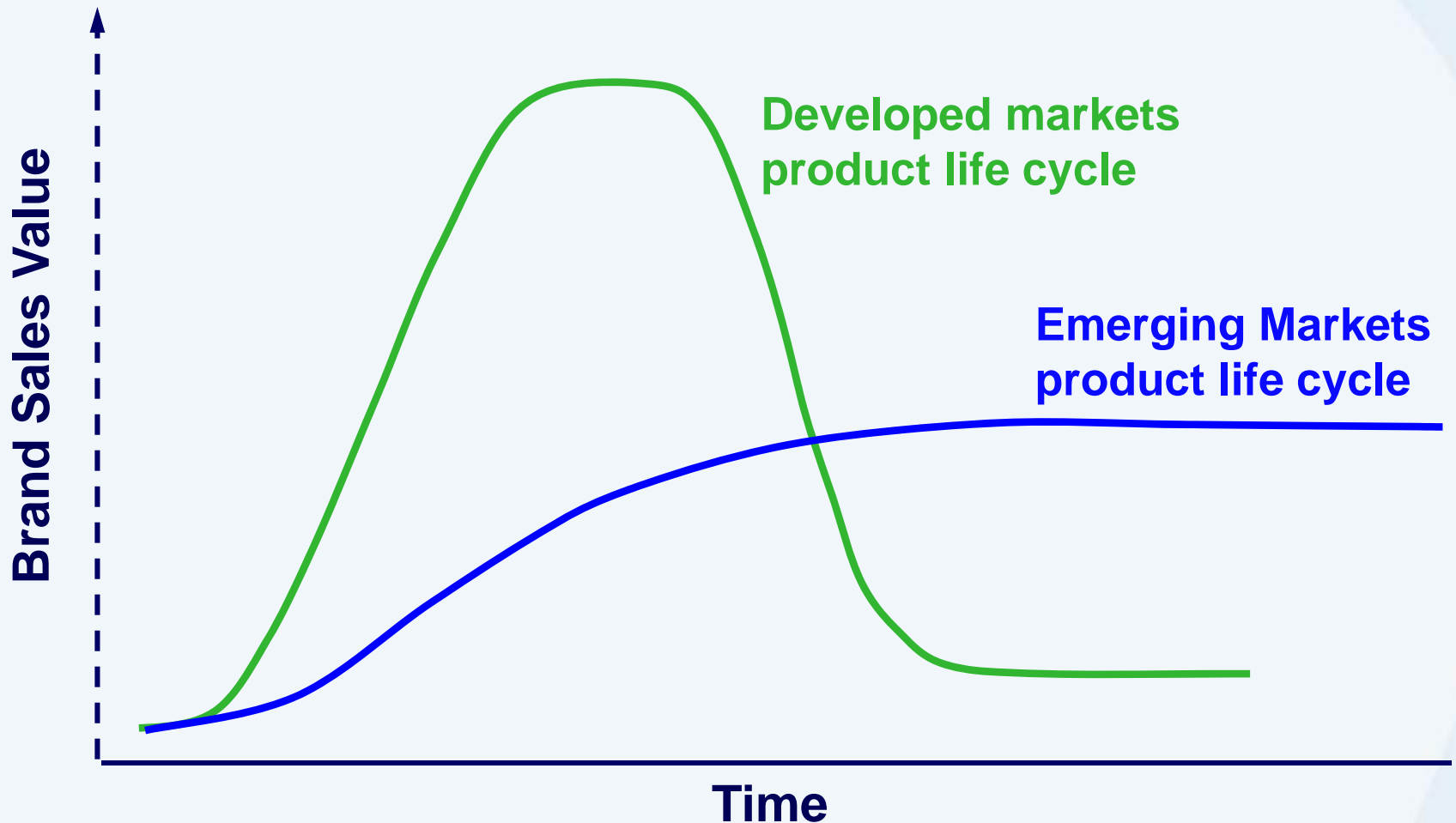
Build and capture the Vaccines market
£669m +30%



Drive our Innovative brands
£967m +17%

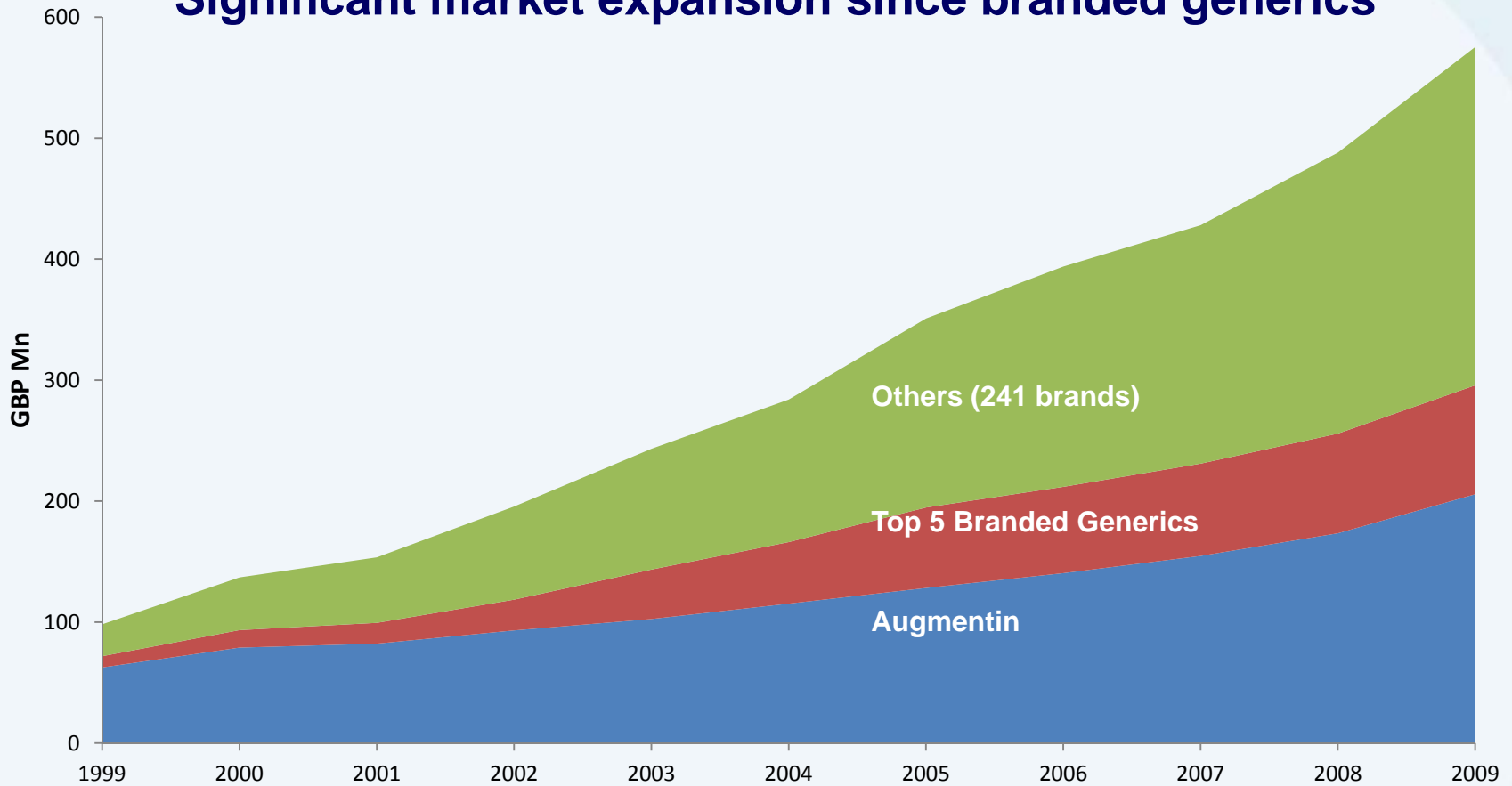
Longevity of brands

Long product life cycles & larger volumes offset low prices



Example of longevity: Augmentin

Significant market expansion since branded generics

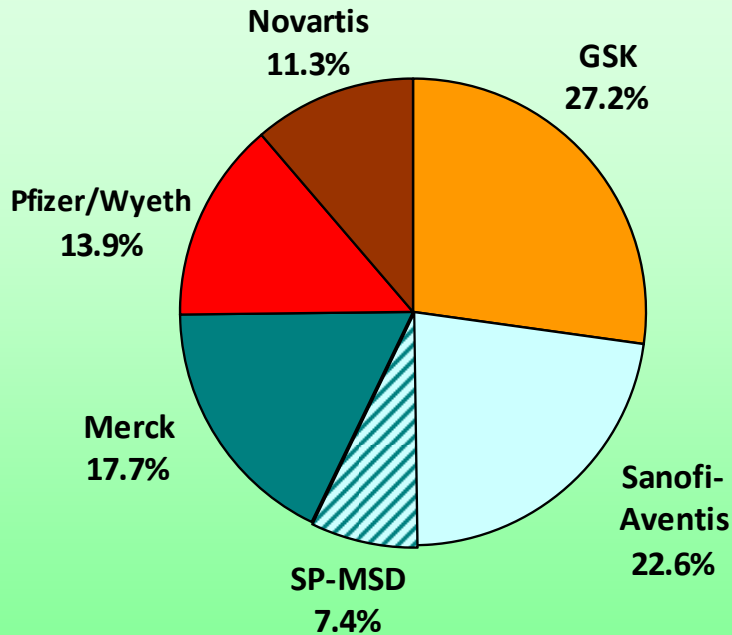


Amoxy+Clav Sales Evolution in Emerging Markets

1Q 2010 EM sales: £70m +14%

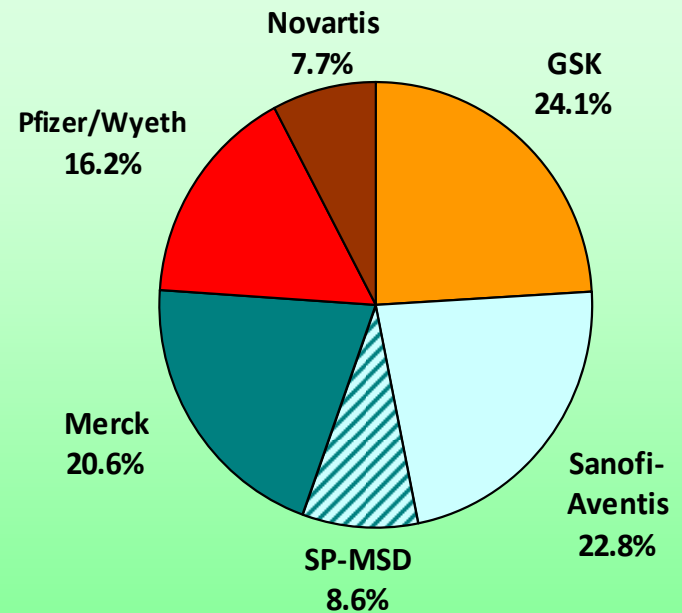
Global vaccines market

2009 total sales



Total 2009 = \$21,493m

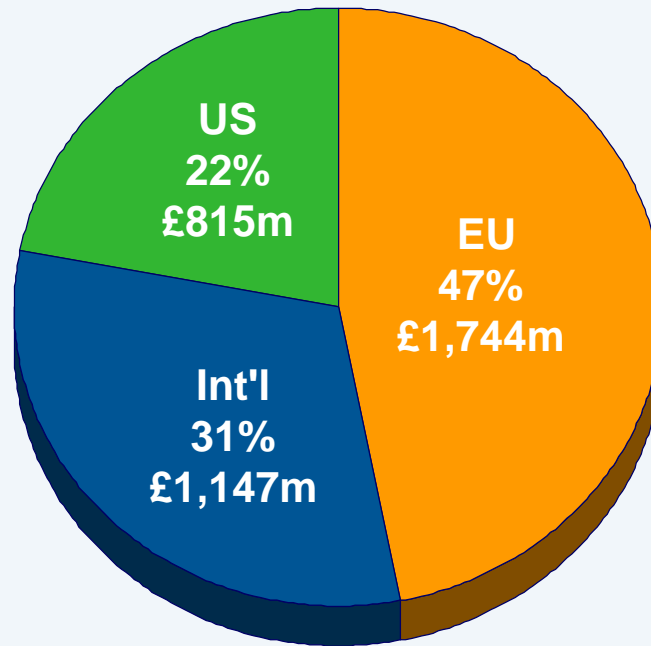
2009 excluding H1N1



Total 2009 excl. H1N1 = \$18,432m

GSK vaccines: broad geographic opportunity

GSK vaccines 2009 sales
£3.7bn +30%



1Q 2010 sales: £713m +18%
Incl. pandemic: £1,411m

GSK has the broadest vaccine portfolio in EM

| | GSK | Merck | Sanofi | Pfizer | Novartis |
|------------------------|-----|-------|--------|--------|----------|
| DTPw combos | ✓ | | ✓ | | ✓ |
| DTPa combos | ✓ | | ✓ | | |
| MMR / <i>Varicella</i> | ✓ | ✓ | ✓ | | |
| Hepatitis | ✓ | ✓ | ✓ | | |
| Rotavirus | ✓ | ✓ | | | |
| Meningococcal | ✓ | | ✓ | | d |
| Pneumococcal | ✓ | | | ✓ | |
| Influenza | ✓ | | ✓ | | ✓ |
| HPV | ✓ | ✓ | | | |
| Malaria | d | | | | |
| Dengue | d | | d | | |

✓ = available in EM; d = in development

Opportunity in Japan

Japanese vaccine market
underdeveloped

Cervarix first HPV vaccine
approved in Japan

Rotarix first rotavirus vaccine
filed in Japan

GSK key supplier of H1N1 pandemic
vaccine to Japanese government

Partnership with Kaketsuken in flu
and flu cell-culture

Japan fully integrated into key global
phase III clinical trial programmes



New Products ('07 - '10 launches)

Tykerb[™]
lapatinib ditosylate

Treximet[™]
sumatriptan/
naproxen sodium

REQUIP[™]XL
(ropinirole
extended-release tablets)

Synflorix

Veramyst[™]
(fluticasone furoate)
Nasal Spray

Cervarix[®]

NEW Volibris[™]
ambrisentan

**H1N1
Prepandrix**[™]

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

Kinrix[™]

PROMACTA[®]
(eltrombopag)
25mg, 50mg tablets

Votrient
pazopanib

ALTABAX[™]
retapamulin ointment, 1%

Rotarix[®]
Rotavirus Vaccine,
Live, Oral

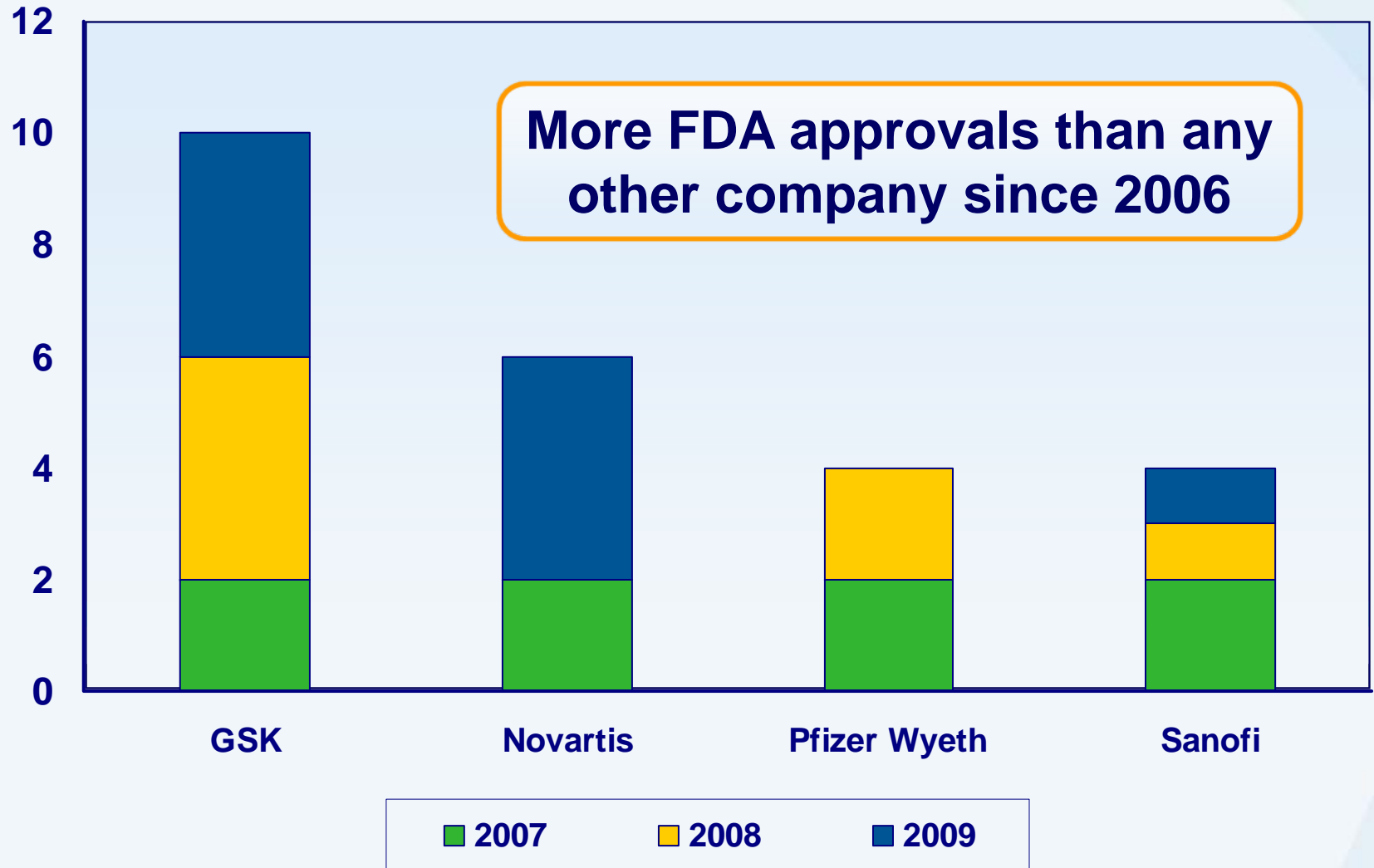
**LAMICTAL
XR & ODT**

Arzerra[™]
ofatumumab

ENTEREG[™]
(alvimopan)

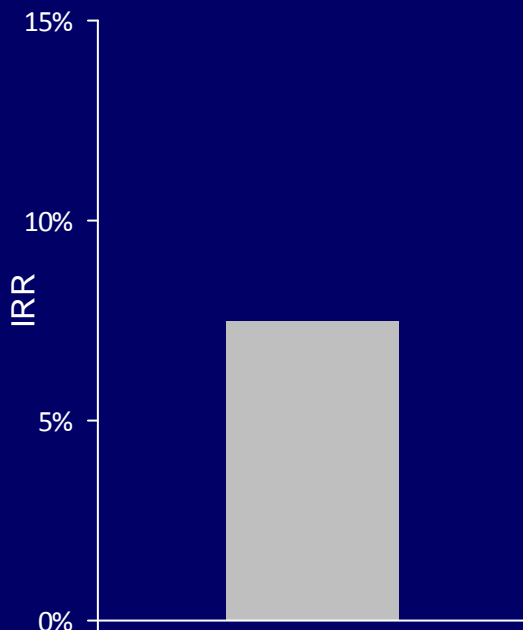
1Q2010 total sales: £412m +65%
Including pandemic vaccines: £1,110m

Delivering more products of value

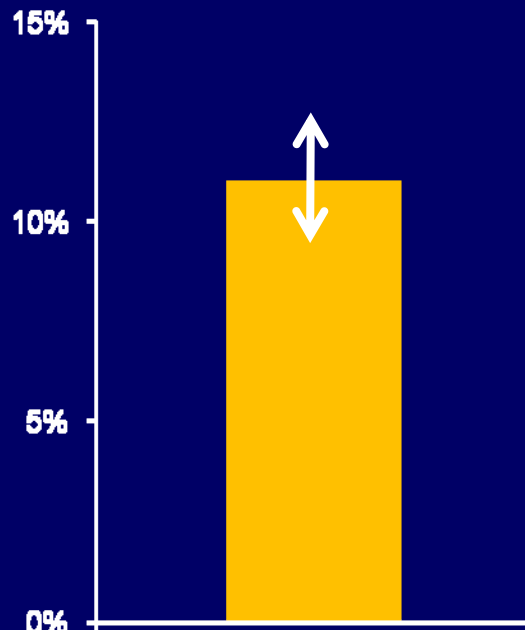


Committed to improving returns in R&D

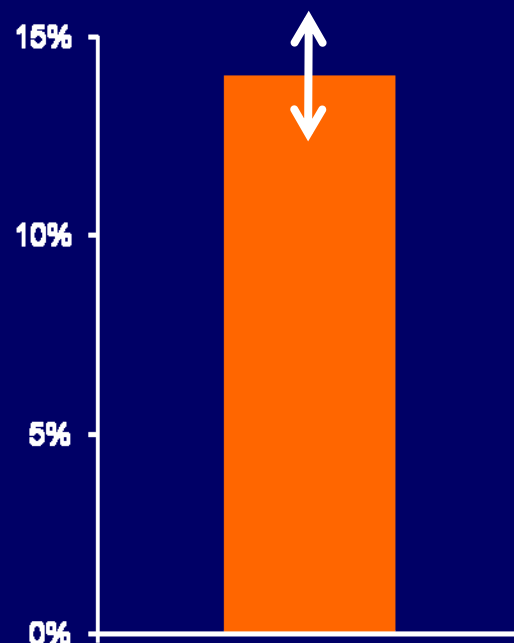
R&D returns over the last decade have been disappointing¹



Our estimates for GSK's late-stage portfolio²



Our goal is to improve this return by 25% via our R&D strategy

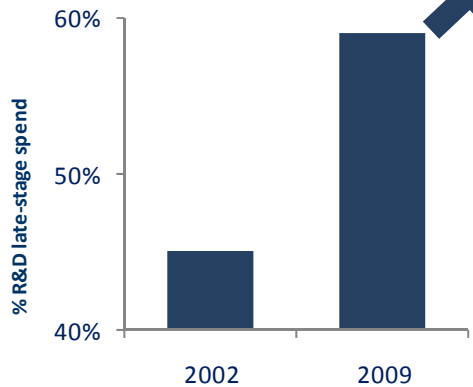


1. McKinsey, *Nature Reviews, Drug Discovery* (Aug 09) for small molecules. 13% for biopharms.

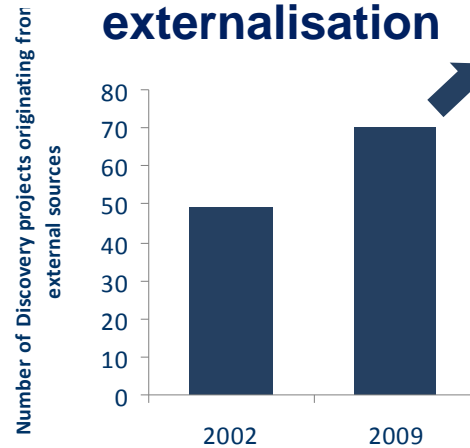
2. We have estimated the projected rate of return based on the investment made to create our late stage pipeline and our expectations on future long term sales performance. Our current late-stage portfolio includes pharma assets (eg small molecules and biopharms) and vaccines launched from 2007 onwards plus current phase IIb & III pipeline.

Five levers to improve returns in pharma R&D

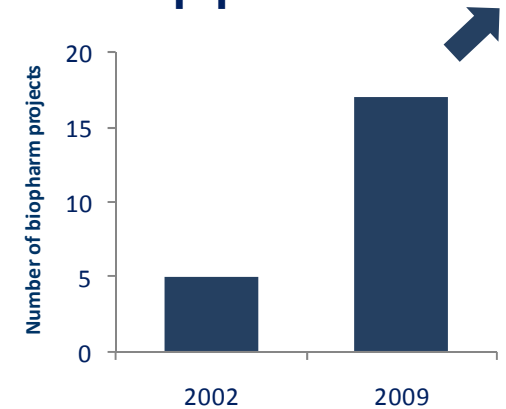
Shift R&D spend from early to late¹



Increase Discovery² externalisation



Grow biopharm pipeline



More rigorous focus on potential differentiation prior to commit to full development

Drive efficiencies throughout R&D

Do more with the same or less cost

1. Early = pre-Commit to Medicines Development (C2MD); Late = post-C2MD

2. Discovery = Start of Chemistry to C2MD

Driving efficiencies through clinical development

Number of sites recruiting zero patients reduced from 29% to 17%
(2006 to 2010)

Number of patients per site has doubled from 5 to 10
(2006 to 2010)

Over \$120m saved by reducing clinical trial supply overages
(cumulative from 2006)

Clinical study country footprint reduced from 70 to 48 countries (target 40)
Recruited 73% patients from 22 specialist countries

5 Syncria studies (>3,000 pts) fully recruited in 9 months in 11 countries
Packaging 5 core studies together saved ~£50m (2009)

Maintaining ~30 assets in Ph III/registration

Benlysta
(lupus)

denosumab
(osteoporosis)

otelixizumab
(type 1 diabetes)

ofatumumab
(CLL/NHL)

ofatumumab
(RA)

Syncria
(type 2 diabetes)

Arixtra
(ACS)

Avandamet XR
(T2DM)

Avandia+statin
(T2DM)

darapladib
(atherosclerosis)

Avodart
(prostate Ca)

Duodart
(Avodart + tams)

pazopanib
(sarcoma, ovarian)

Promacta
(Hep C / liver)

Tykerb
H&N/Gastric

almorexant
(sleep)

retigabine
(epilepsy)

'262
(RLS)

Relovair
(asthma/COPD)

MAGE-A3
(lung cancer)

MAGE-A3
(melanoma)

MenACWY
(meningitis)

Menhibrix
(meningitis)

Mosquirix
(malaria)

Next gen flu
(for elderly)

Biopharm

CV/metabolic

Oncology

Neuro

Respiratory

Vaccines



GlaxoSmithKline