The value of vaccination

Widely recognised as one of the very best investments in healthcare

Tremendous progress for global health...

~3m deaths prevented annually

...but still underserved populations

~22m infants still missing basic vaccines

Target populations are growing...

~1bn 60+ year olds by 2020 (+20%)

...and major diseases remain without vaccines

RSV
Group B Strep
TB
HIV & more...

UN, WHO, CDC.
Vaccines is an attractive business

- Growing market: ~£17bn in 2014\(^1\)
- Few global players
- Large capital investment
- Complex manufacturing
- Importance of combinations/lifecycle management
- Intellectual property
- Very long product lifecycles
- Pharma like operating margins

\[\text{#1 global company 2014 sales}\]

- GSK ~27% pro forma
- Pfizer
- Merck
- Sanofi
- Novartis Vx (ex. Flu)
- SPMSD

1 Market data from Evaluate Pharma, GSK internal estimates.

2014 Annual Reports. Sales value for top 5 vaccine manufacturers (~80% of market). GSK sales pro forma eliminating DT bulk sales.
GSK Vaccines: a snapshot

*CapEx excludes Novartis investments. All other data represents pro forma business.

**Includes major market approvals: Arepandrix, Bexsero, Cervarix, Fendrix, Fluarix / FluLaval (QIV), Ixiaro, Menhibrix, Menitorix, Menveo, Pandemrix, Prepandrix, Priorix Tetra, Rotarix, Synflorix. Excludes Nimenrix (to be divested).
Strong track record of growth

Supply constraints impacted 2014 growth (-1% CER)

CAGR 2006-2014 ~8% CER (ex Novartis)

CAGR 2006-2014 uses 2005 as base year.
Broadest vaccines portfolio offering worldwide *(pre-transaction)*

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<thead>
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<th>Key immunisation segments</th>
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P – Project in late stage pipeline
**Key immunisation segments**

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- DTaP hexa
- Inactivated Polio (IPV)
- Haemophilus influenzae type b (Hib)
- Meningitis ACWY
- Meningitis B
- Pneumococcal
- Measles, Mumps, Rubella (MMR) and Varicella
  - Rotavirus
  - Hepatitis A and B
  - Influenza

**Adolescent**
- Human papillomavirus (HPV)
- Tdap booster
- Meningitis ACWY
- Meningitis B
- Hepatitis A and B
- Influenza

**Adults/Travellers**
- Tdap booster
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- TBE
- Rabies
- Typh
- Hepatitis A and B
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**Elderly**
- Zoster
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**Broadest vaccines portfolio offering worldwide** *(pre-transaction)*

P – Project in late stage pipeline
Vaccines business

Keys to success

Supply
Recommendations
Portfolio breadth by segment
Geographic footprint
Price/Volume
R&D productivity and clinical trials infrastructure

GSK well-positioned

World class, some volume constraints
>90% of portfolio with US/EU universal recommendations
Strong ex-US, improving in US
177 countries, global Rx benefits
Best in class mix
Over 1 million subjects in clinical trials since 2000
Our strategic focus

- Reliable sustainable supply
- Focus on US approvals and success
- Bolster innovation pipeline
- Build broader talent pool
- Flawless execution
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Novartis transaction accelerates strategy
### Strong portfolio synergy post-transaction

#### Key immunisation segments

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P – Project in late stage pipeline.
Key focus areas for 2015-2016

Novartis integration – well underway

Commercial operations in countries almost complete

R&D: accelerated and portfolio review completed

Manufacturing: ongoing above site, no disruption within sites

Delivery of cost synergies: ~£400m by 2017

Subject to “hold-separate” requirements of the vaccines businesses to be divested under EU commitments
Vaccines global R&D centre in US
Rockville, Maryland
Key focus areas for 2015-2016

- Designed to meet and exceed regulatory requirements: quality and current GMP
- Ensure sustainability for the long term
- Some supply constraints impacting HepA and Pa containing vaccines: 2014-2016

State-of-the-art pertussis mfg site
Key growth drivers

Key near term drivers 2015-2016
Meningitis franchise, Flu QIV, Synflorix, Rotarix
Key growth drivers

Key near term drivers 2015-2016
Meningitis franchise, Flu QIV, Synflorix, Rotarix

New products 2017-2018
Expected launches: Shingrix (HZ/su), malaria, MMR US
Late stage development: Group B Strep, RSV, MenABCWY
Shingrix HZ(su):
Significant opportunity to prevent herpes zoster

- Risk of shingles doubles every decade over age 50
- Non-live, recombinant, 2-dose, adjuvanted vaccine
- Excellent efficacy across all age groups, ~97%
- Acceptable safety and tolerability
- Ongoing trials in 70+ and immuno-compromised
- Expect US, EU, Japan filings in 2016
- Low global penetration of current marketed vaccine
Key growth drivers

New segments 2019-2020 and beyond
Pregnant women

New products 2017-2018
Expected launches: Shingrix (HZ/su), malaria, MMR US
Late stage development: Group B Strep, RSV, MenABCWY

Key near term drivers 2015-2016
Meningitis franchise, Flu QIV, Synflorix, Rotarix
Key growth drivers

Expected CAGR 2016-20*

Mid-to-high single digit sales growth*

New segments 2019-2020 and beyond
Pregnant women

New products 2017-2018
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* Expected CAGR to 2020, using 2015 as the base year. All expectations and targets regarding future performance should be read together with the “2015-2020 Outlook” and “Assumptions and cautionary statement regarding forward-looking statements” sections of the Q1 Results Announcements dated 6 May 2015.

All sales growth rates at CER.
Margin improvements

- GSK Vx (35.4%) + NVS loss making
  - ~22% OPM 2014 pro forma

- Improved leverage from sales growth
  (CoGS, SG&A and disciplined R&D investments)
  - Transaction cost savings ~£400m by 2017
  - Maintain CapEx investments

- Overall vaccines margin 30%+ by 2020

All expectations and targets regarding future performance should be read together with the “2015-2020 Outlook” and “Assumptions and cautionary statement regarding forward-looking statements” sections of the Q1 Results Announcements dated 6 May 2015.
Positioned to be global leader for a very long time

Novartis transaction accelerates strategy

- Reliable sustainable supply
- Focus on US approvals and success
- Bolster innovation pipeline
- Build broader talent pool
- Flawless execution

Strong prospects for revenue and profit growth

All expectations and targets regarding future performance should be read together with the “2015-2020 Outlook” and “Assumptions and cautionary statement regarding forward-looking statements” sections of the Q1 Results Announcements dated 6 May 2015.
Cautionary statement regarding forward-looking statements

This presentation may contain forward-looking statements. Forward-looking statements give the Group’s current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as ‘anticipate’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘project’, ‘plan’, ‘believe’, ‘target’ and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Group undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should, however, consult any additional disclosures that the Group may make in any documents which it publishes and/or files with the US Securities and Exchange Commission (SEC). All investors, wherever located, should take note of these disclosures. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group’s control or precise estimate. The Group cautions investors that a number of important factors, including those in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed under Item 3.D ‘Risk factors’ in the Group’s Annual Report on Form 20-F for 2014 and those discussed in Part 2 of the Circular to Shareholders and Notice of General Meeting furnished to the SEC on Form 6-K on November 24, 2014. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this report.

A number of adjusted measures are used to report the performance of our business. These measures are defined in our Q1 2015 earnings release and annual report on Form 20-F.
The unaudited pro forma financial information in this presentation has been prepared to illustrate the effect of (i) the disposal of the oncology assets, (ii) the Consumer Healthcare joint venture (i.e. the acquisition of the Novartis OTC Business), and (iii) the acquisition of the Vaccines business (which excludes the Influenza Vaccines business) on the results of the Group as if they had taken place as at January 1, 2014.

The unaudited pro forma financial information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position or results. The unaudited pro forma financial does not purport to represent what the Group’s financial position actually would have been if the disposal of the Oncology assets, the Consumer Healthcare joint venture and the Vaccines acquisition had been completed on the dates indicated; nor does it purport to represent the financial condition at any future date.

In addition to the matters noted above, the unaudited pro forma financial information does not reflect the effect of anticipated synergies and efficiencies associated with the Oncology disposal, the Consumer Healthcare joint venture and the Vaccines acquisition.

The unaudited pro forma financial information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. The unaudited pro forma financial information in this presentation should be read in conjunction with the financial statements included in (i) the Group’s Q1 2015 earnings report dated May 6, 2015 and furnished to the SEC on Form 6-K, (ii) the Group’s Annual Report on Form 20-F for 2014 and (iii) the Circular to Shareholders and Notice of General Meeting furnished to the SEC on Form 6-K on November 24, 2014.