



Full Year Results, 2014

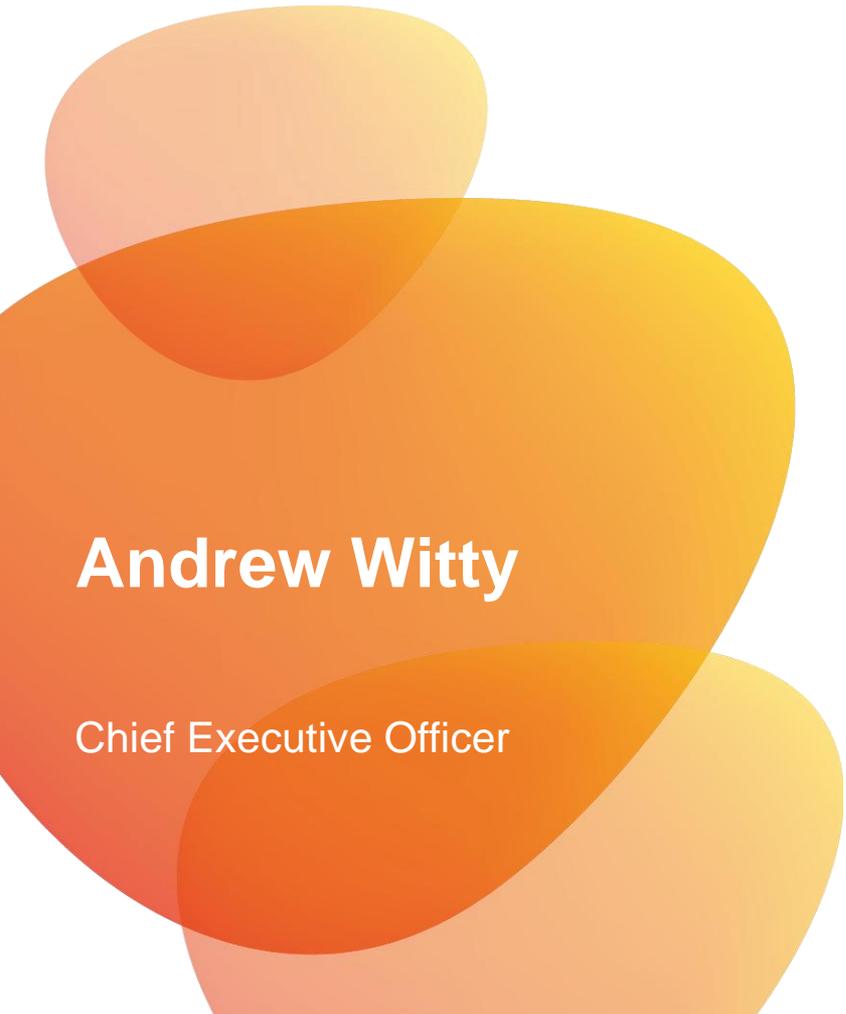
4 February 2015

Cautionary statement regarding forward-looking statements



Under the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995, the company cautions investors that any forward-looking statements or projections made by the company, including those made in this document are subject to risks and uncertainties that may cause actual results to differ materially from those projected.

Nothing in this document should be construed as a profit forecast.



Andrew Witty

Chief Executive Officer

Changing environment



- Global economic dynamics
- US market dynamics
- Emerging Markets volume potential

Rebuild sales growth momentum

- Product launch uptake
- Supply bounce back opportunity

R&D pipeline next waves

- Advanced pipeline
- Up to 10 Phase III Rx starts
- 15 Phase II Rx NME starts

Restructuring and cost reduction

- ~ £5bn benefits

Novartis transaction

- Financial benefits
- Cost synergies
- Revenue synergies

Innovation and access

Financial efficiencies and cost reduction helped to mitigate 2014 sales reduction and supports shareholder return

Core results	
Sales	-3%
Operating profit	-6%
EPS	-1%
Dividend	+3%

Addressing challenges in US respiratory

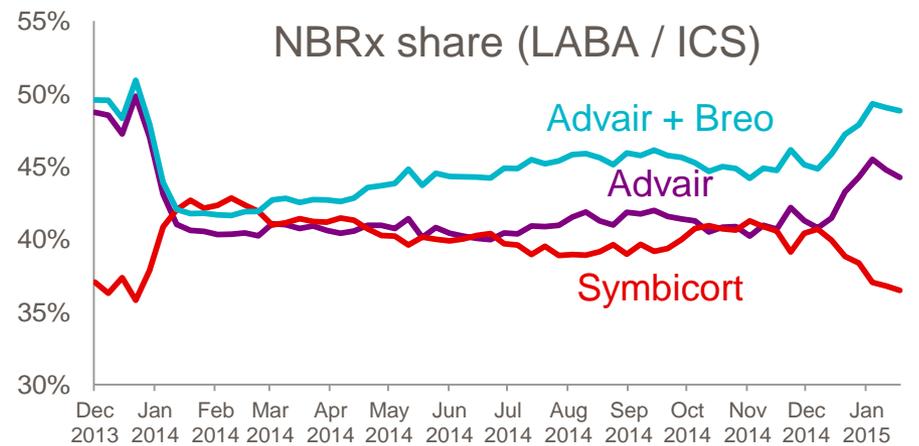
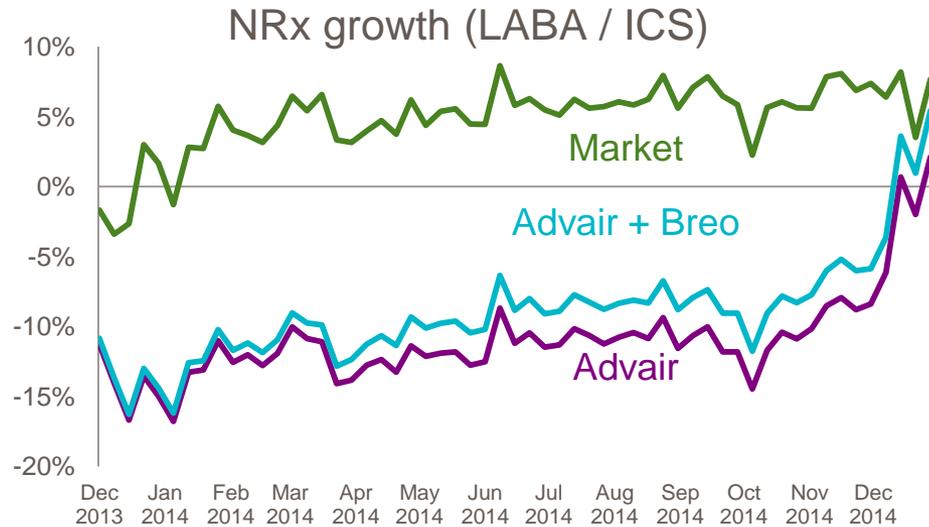


Improved formulary coverage expected to improve outlook

Medicare Part D coverage

	Jan 2014	Jan 2015
Breo	2%	74%

* Data presented for Advair removed due to restatement, please call GSK Investor Relations if you have questions.



Addressing challenges in US respiratory



Improved formulary coverage expected to improve outlook

Medicare Part D coverage

	April 2014	Jan 2015
Anoro	0%	65%

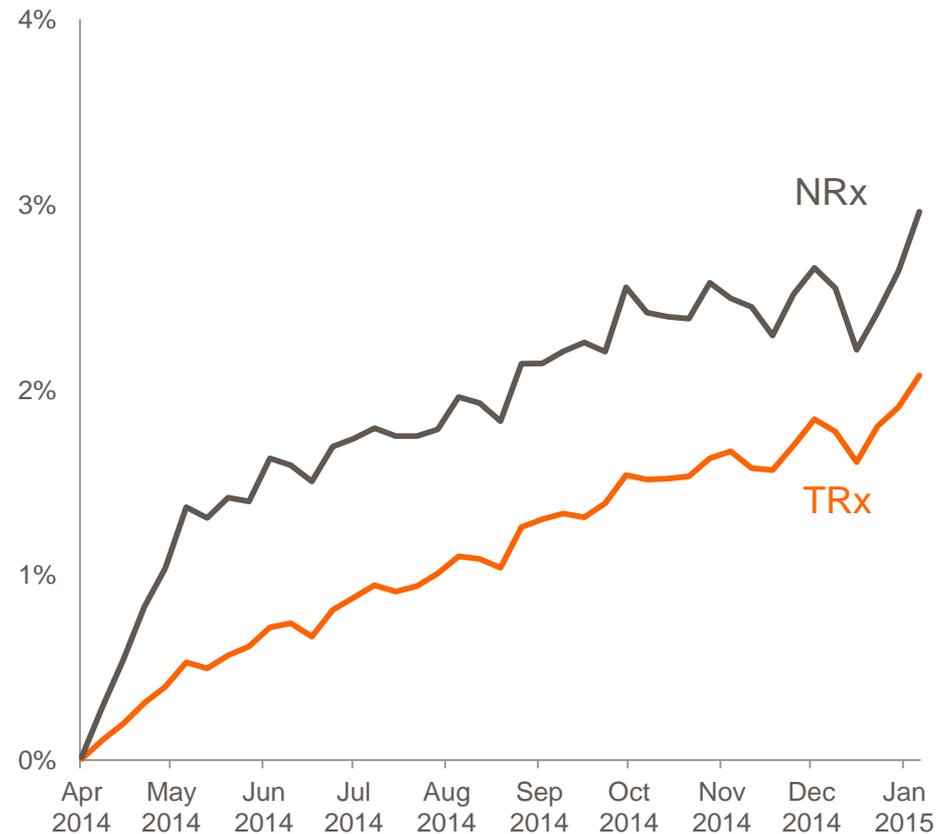
Positive head-to-head vs tiotropium in promotional materials September

DTC campaign began Q1 2015

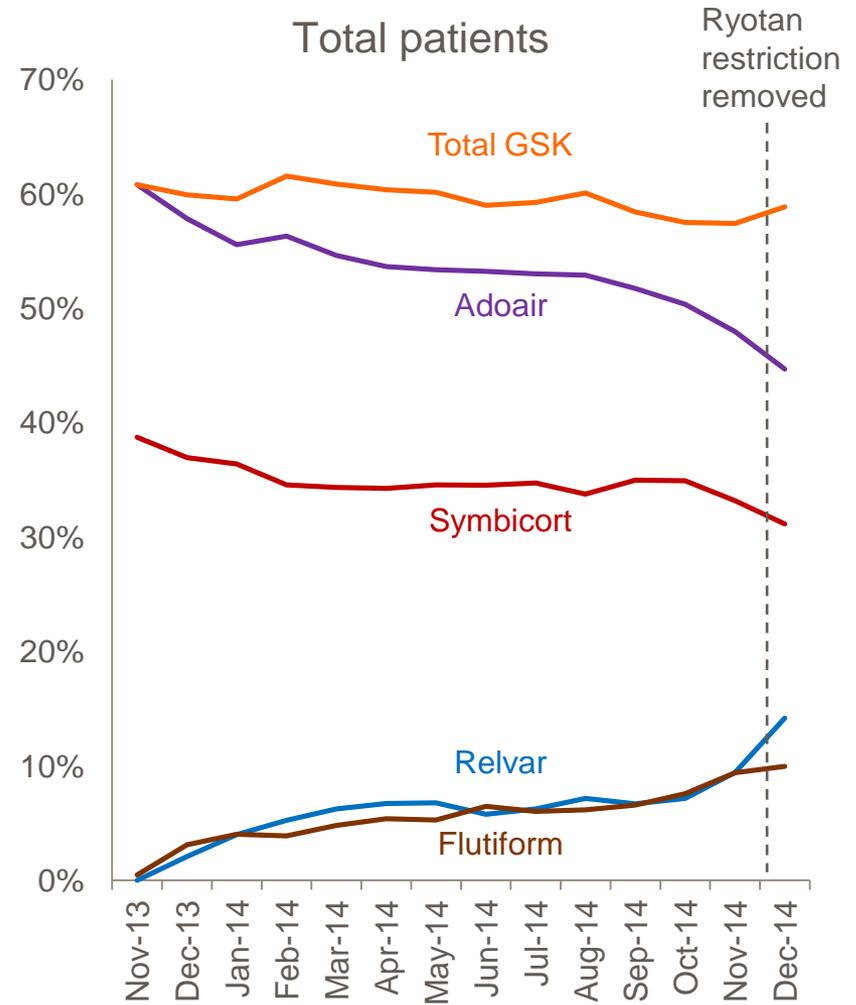
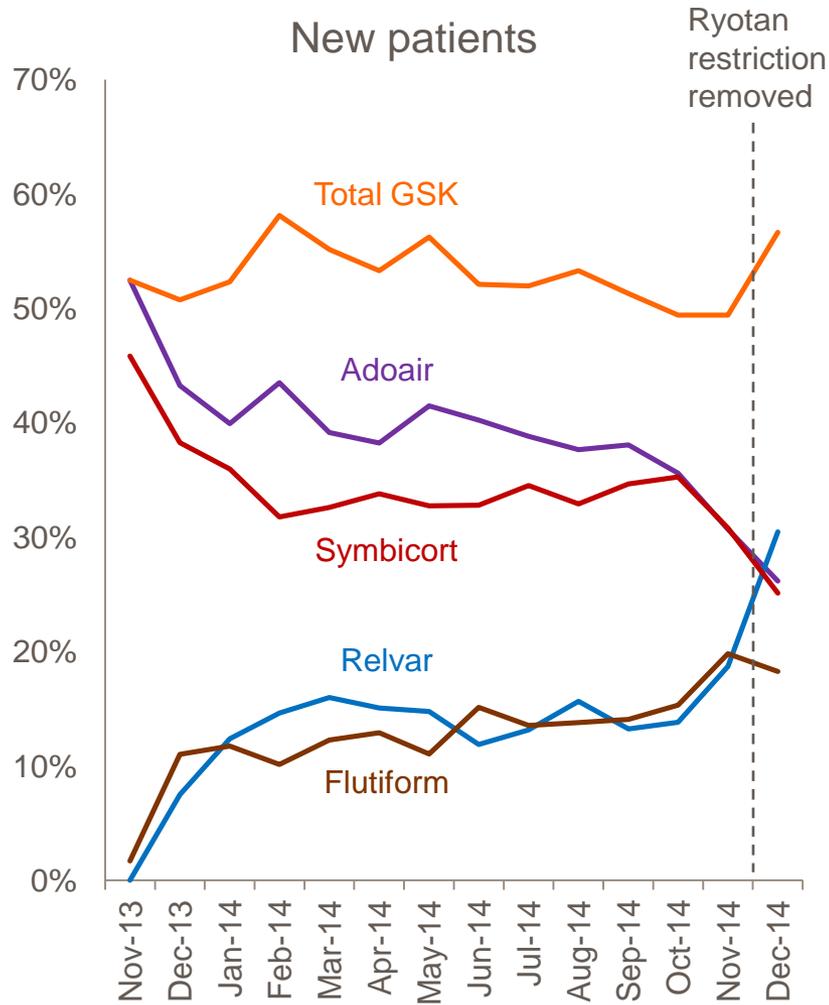


Anoro share of market

Market = LAMA containing (Anoro, Spiriva, Tudorza)



Encouraging early uptake of Relvar in Japan



Respiratory expected to return to growth in 2016*



Key milestones in 2015

Incruse
Launch

Arnuity
Launch

Relvar / Breo and Anoro
Ongoing global launches

Breo
Asthma PDUFA
April

Relvar / Breo
SUMMIT COPD
mortality study

mepolizumab
Severe asthma
decision

Open triple
(Incruse + Breo)
Expect to file

Future opportunities

Closed triple
ICS/LABA/LAMA

MABA +/- ICS

ICS / LAMA

LABA
VI monotherapy

mepolizumab
COPD

Early pipeline

PI3K δ inhibitor
COPD

Haemophilus influenza vaccine
COPD exacerbations

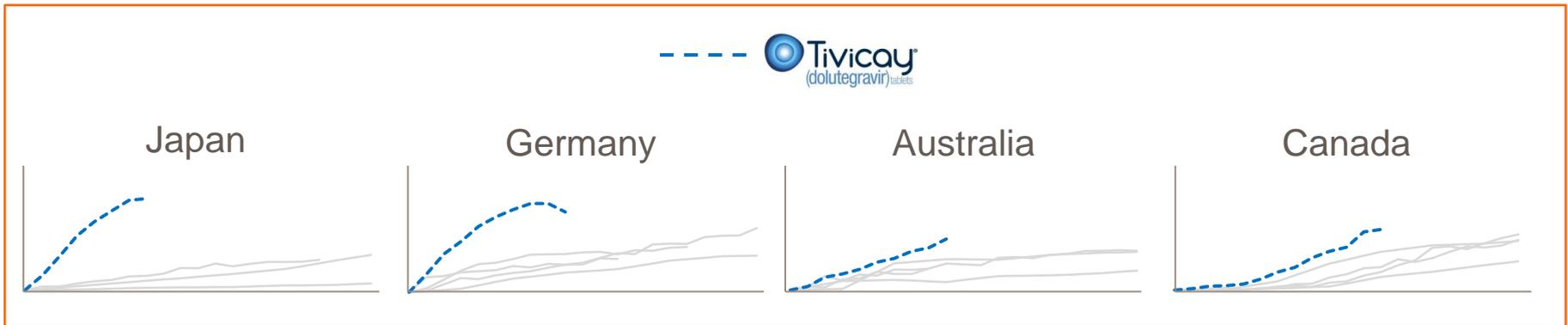
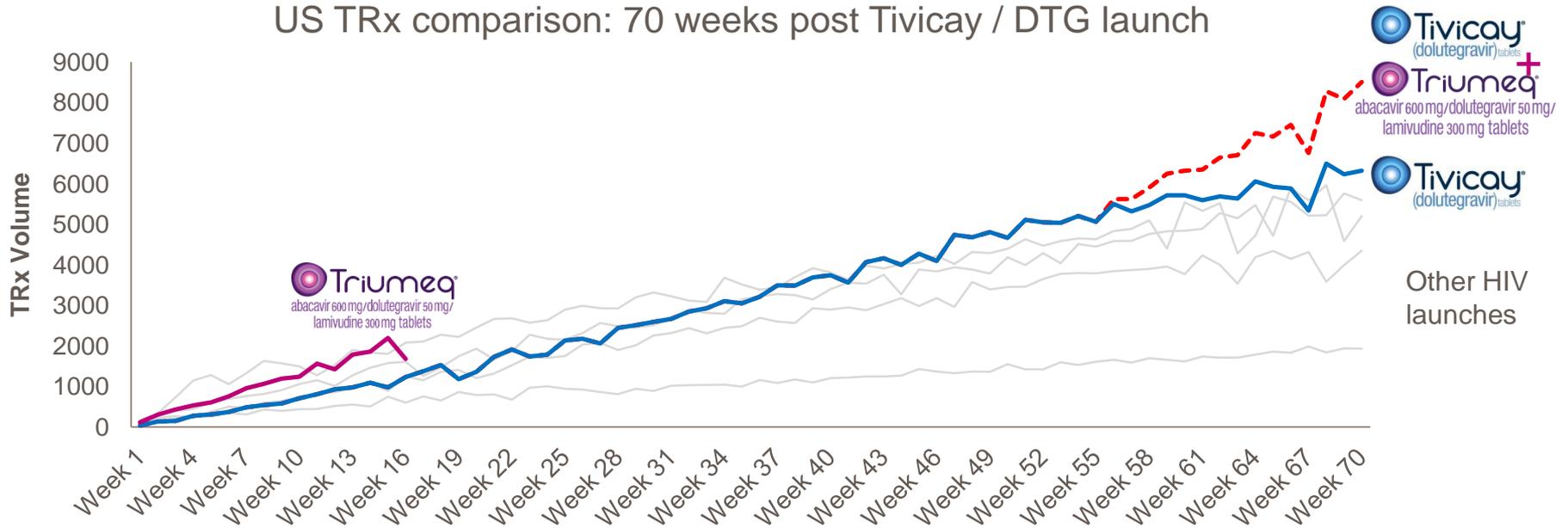
* Assuming no material impact from A/B rated substitutable Advair generics in the US in 2016

ViiV launches



Sales of £339m in 2014 for Tivicay and Triumeq

US TRx comparison: 70 weeks post Tivicay / DTG launch



Sustainable R&D pipeline to support future sales growth



Today

Newly launched products

- Breo/Relvar
- Anoro
- Tivicay
- Tafinlar
- Mekinist
- Tanzeum
- QIV Flu
- Benlysta
- Duodart
- Synflorix

£1.5bn, +84% CER,
8% of Rx + Vx

Significant late-stage assets (Phase II/III)

- mepolizumab (asthma/COPD)
- sirukumab (RA)
- cabotegravir (HIV)
- losmapimod (ACS)
- ICS/LAMA/LABA (COPD)
- PHI (Anaemia)
- RTS,S (Malaria)
- '273 (ADA-SCID)
- HZ/su (shingles) vaccine
- Tuberculosis vaccine

Early / mid stage pipeline

- Immuno-oncology (OX-40, ICOS, TLR-4, Adaptimmune technology)
- Epigenetics (BETi, EZH2, LSD-1)
- Respiratory (PI3Kδ)
- Cardiovascular (TRPV4)
- Immuno-inflammation (GM-CSF mAb, IL-7R mAb, RIP1 and RIP2 kinases)
- Respiratory syncytial virus (RSV) vaccine

R&D investor day to profile new pharma and vaccines pipelines to be held in October 2015

Organic restructuring*

Programme	Scope	Period	Final year benefits
OE programme	Operating model	2008-14	£2.9bn
Major Change	R&D and manufacturing	2012-16	£1.0bn
Global pharmaceutical restructuring	Pharma: Commercial and R&D	2015-17	£1.0bn
			~£5bn

Novartis transaction**



*Excludes structural savings

** Subject to approvals and regulatory clearances

Reshaping GSK: Proposed Novartis transaction



Better balance, quality and durability of earnings

Consumer

~25%*



#1 OTC globally

Total consumer
~\$73bn market
growing at ~4% p.a.

Vaccines

~14%*



#1 global position

~\$26bn market
growing at mid
single digit

Pharma

~61%*

Respiratory

27%*



#1 global position

~\$29bn market
growing at ~2% p.a.

HIV

5%*



#2 globally

~\$20bn market
growing at ~8% p.a.

Complemented by strength in Emerging Markets and Japan

* Percentage of sales based on 2013 Pro-forma of GSK post transaction with Novartis

Source: Internal and external data, Euromonitor, Visiongain, Evaluate Pharma



Sales force compensation

Fundamental change in our business model



US sales force voted #1

Ranked 1st amongst peers by HCPs in 2014



HCP engagement

Leveraging medical and multichannel communication opportunities



Malaria

30 years and counting

Regulatory decision
in 2015



Ebola

Responding to a crisis

Phase III trials started
February 2015



Access to Medicines Index

Number 1 for the fourth
consecutive time

What to expect in 2015



Regulatory decision for RTS,S malaria vaccines

Closure of Novartis transaction**

Return of £4 billion to shareholders following Novartis transaction close*

Dividend of 80p per share (same level as 2014)

Results from the Combi-d trial

Investor Day (post Novartis completion)

File GSK's first cell & gene therapy for ADA-SCID ('273)

Up to 10 Phase III starts and 15 Phase II NME starts

AdCom and PDUFA decision on asthma indication for Breo

ViiV IPO decision

AdCom and PDUFA decision on mepolizumab for severe eosinophilic asthma

Phase III data for sirukumab for RA

Readout of Breo SUMMIT study of mortality and morbidity in COPD

R&D Investor Day

Confirmation of filing strategy for HZ/su shingles vaccine

* 2015 returns assumes positive readout of Combi-d

** Subject to approvals and regulatory clearances

The left side of the slide features several overlapping, semi-transparent abstract shapes in shades of orange and yellow, creating a modern, organic design.

Simon Dingemans

Chief Financial Officer

Headline results



Core EPS -1% despite top line pressure

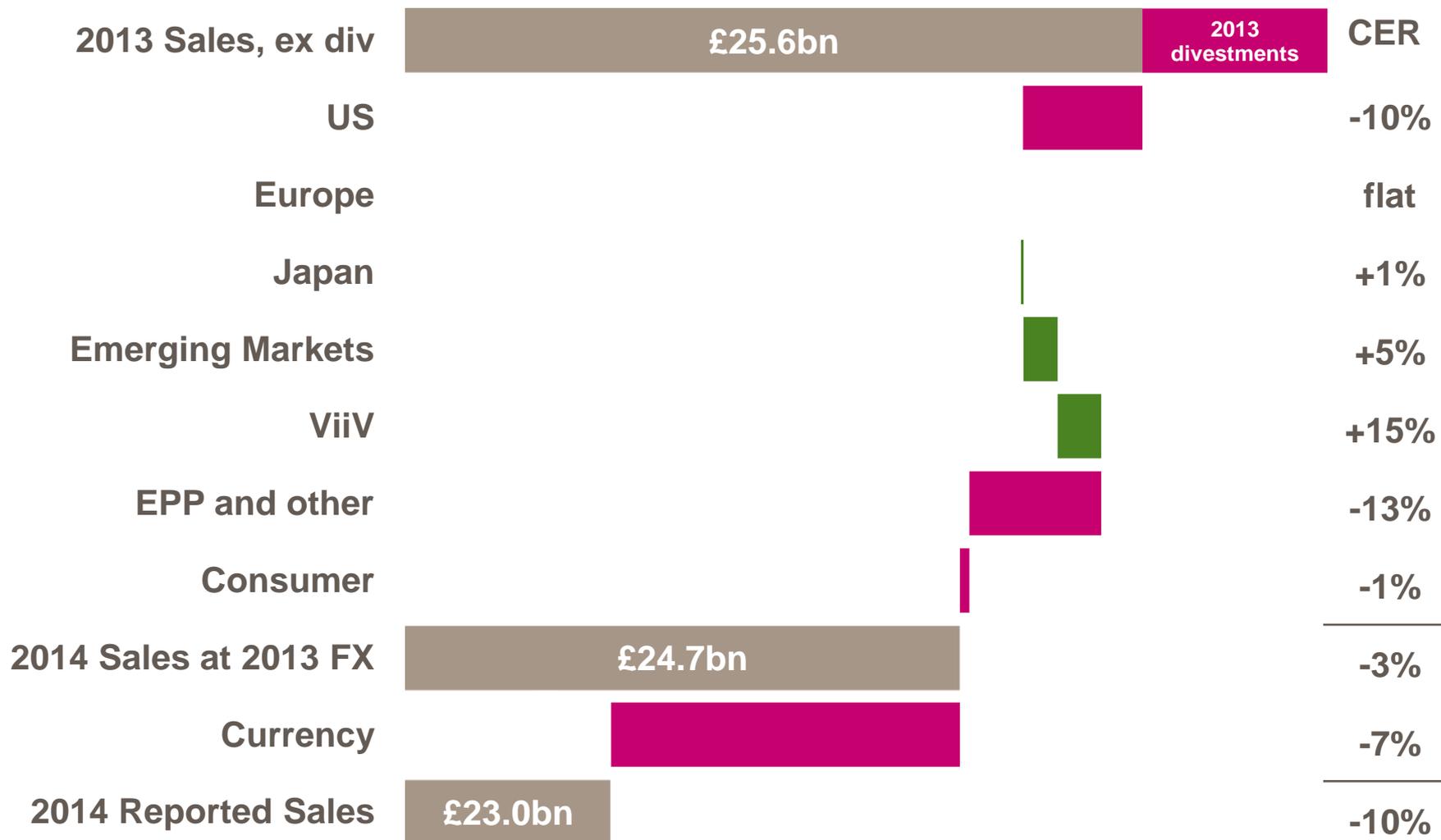
£m	2014	Growth %	
		CER	£
Turnover	23,006	(3)	(10)
Core operating profit	6,594	(6)	(15)
Core EPS	95.4p	(1)	(12)
Adjusted net cash inflow from operations*	5,878		(20)
Adjusted FCF*	3,322		(30)

*Adjusted net cash inflow from operations and adjusted FCF exclude legal charges

Sales growth



Most significant headwinds from US Advair, Lovaza and Consumer supply

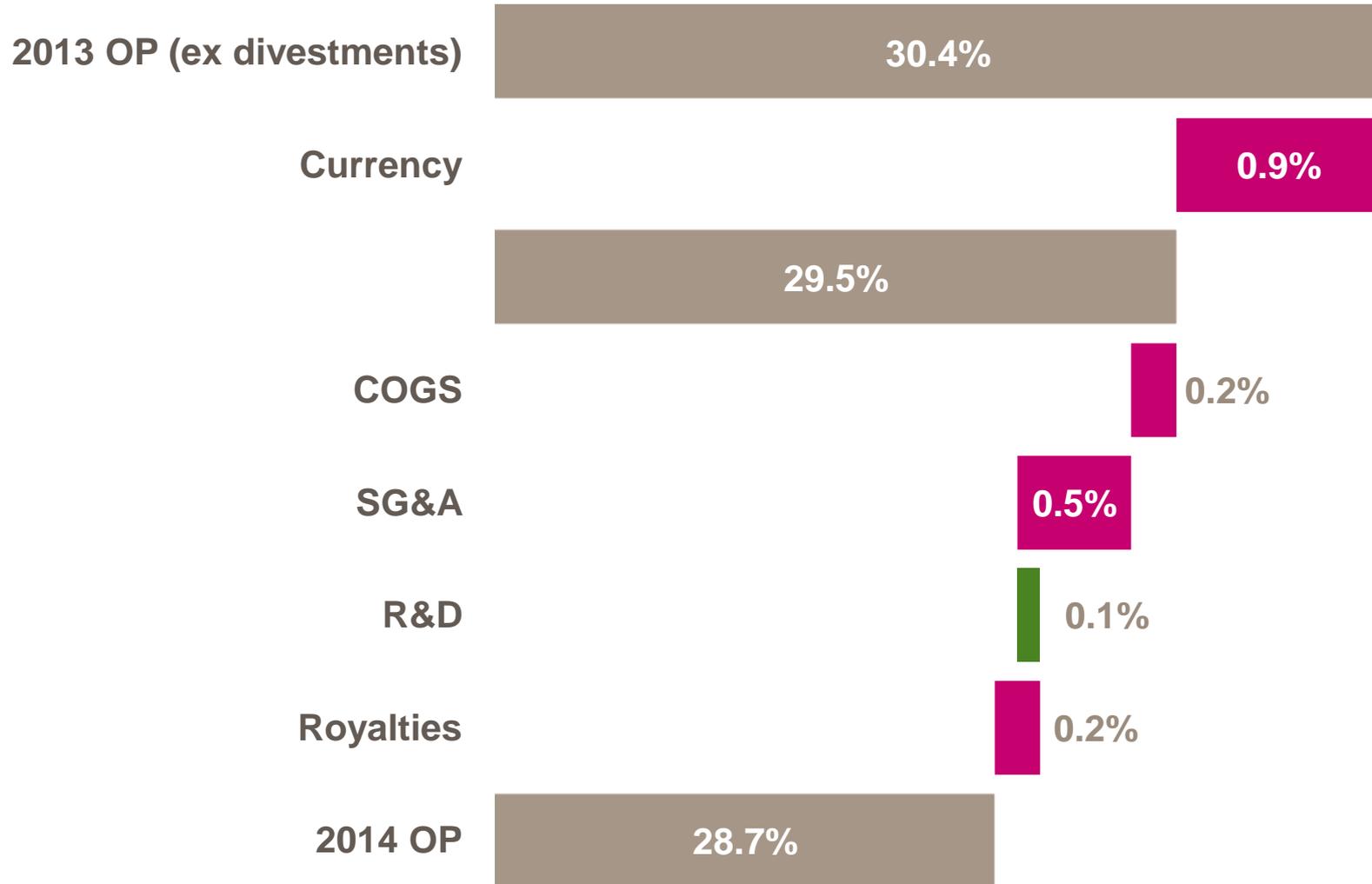


2013 divestments primarily *Lucozade, Ribena, Arixtra and Fraxiparine*

Operating profit margin breakdown



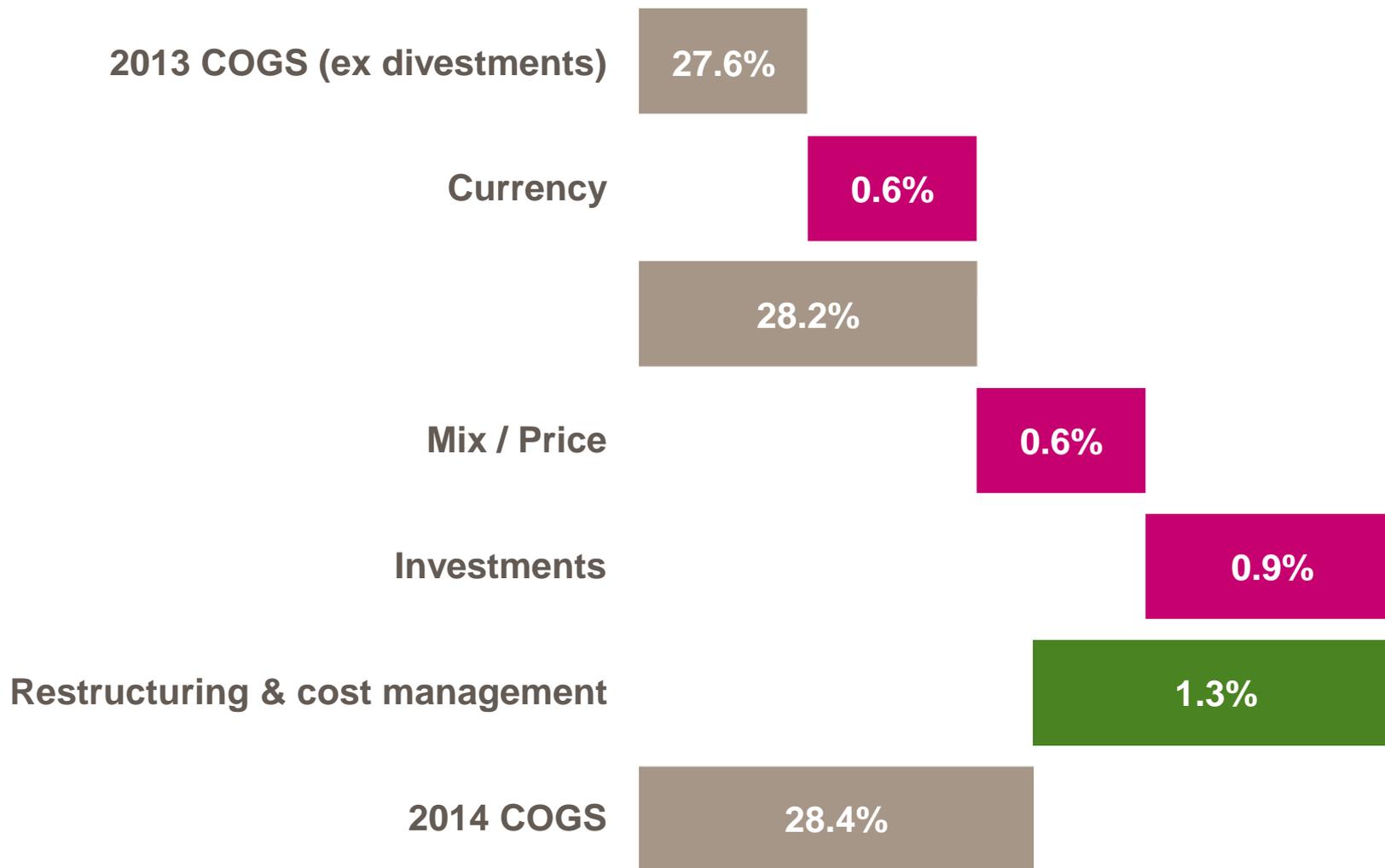
Reduced margin primarily reflects FX, lower sales, mix and investments



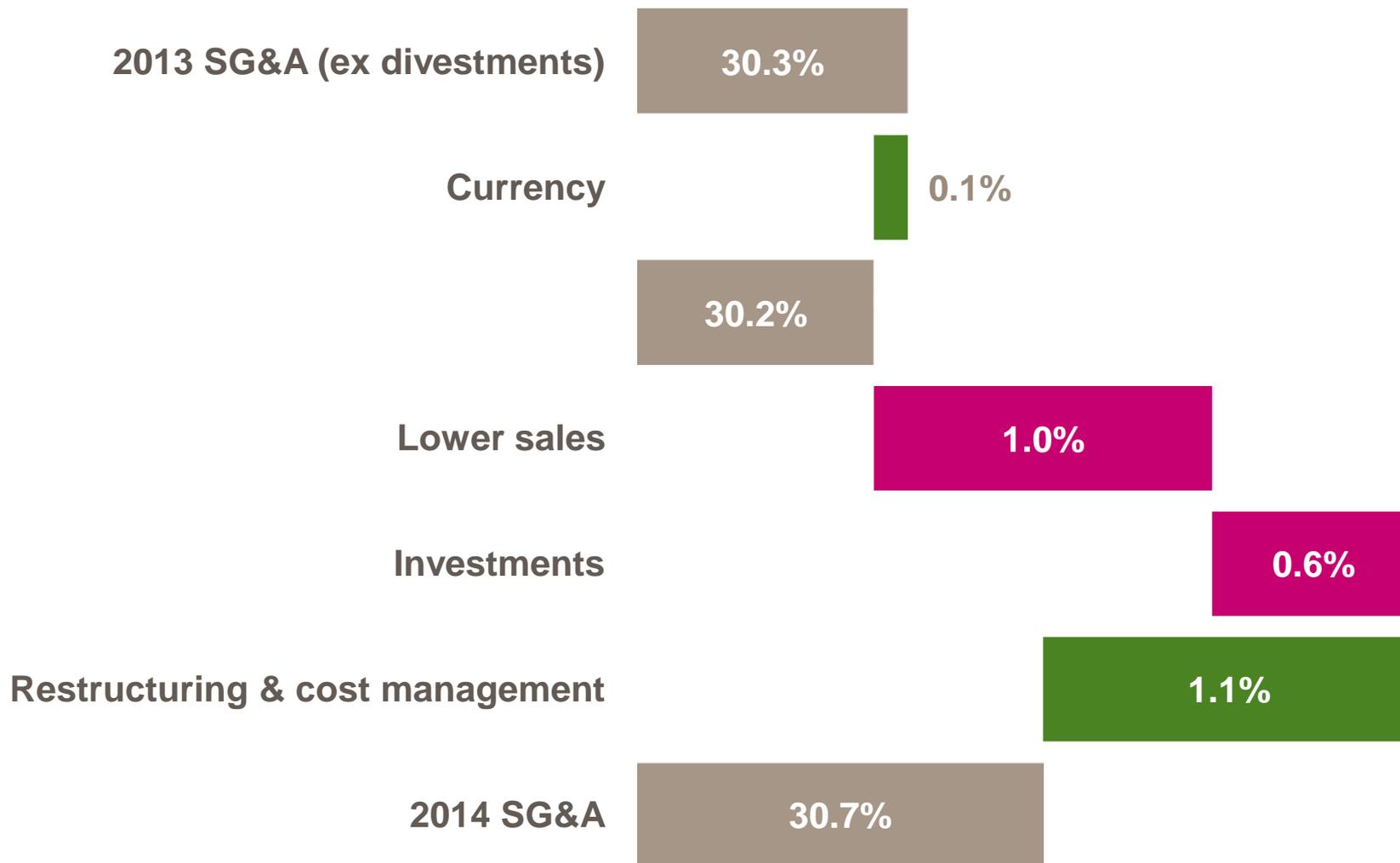
COGS



Mix and investments largely offset by restructuring & cost savings



Cost control offsetting investments and reducing impact of lower sales

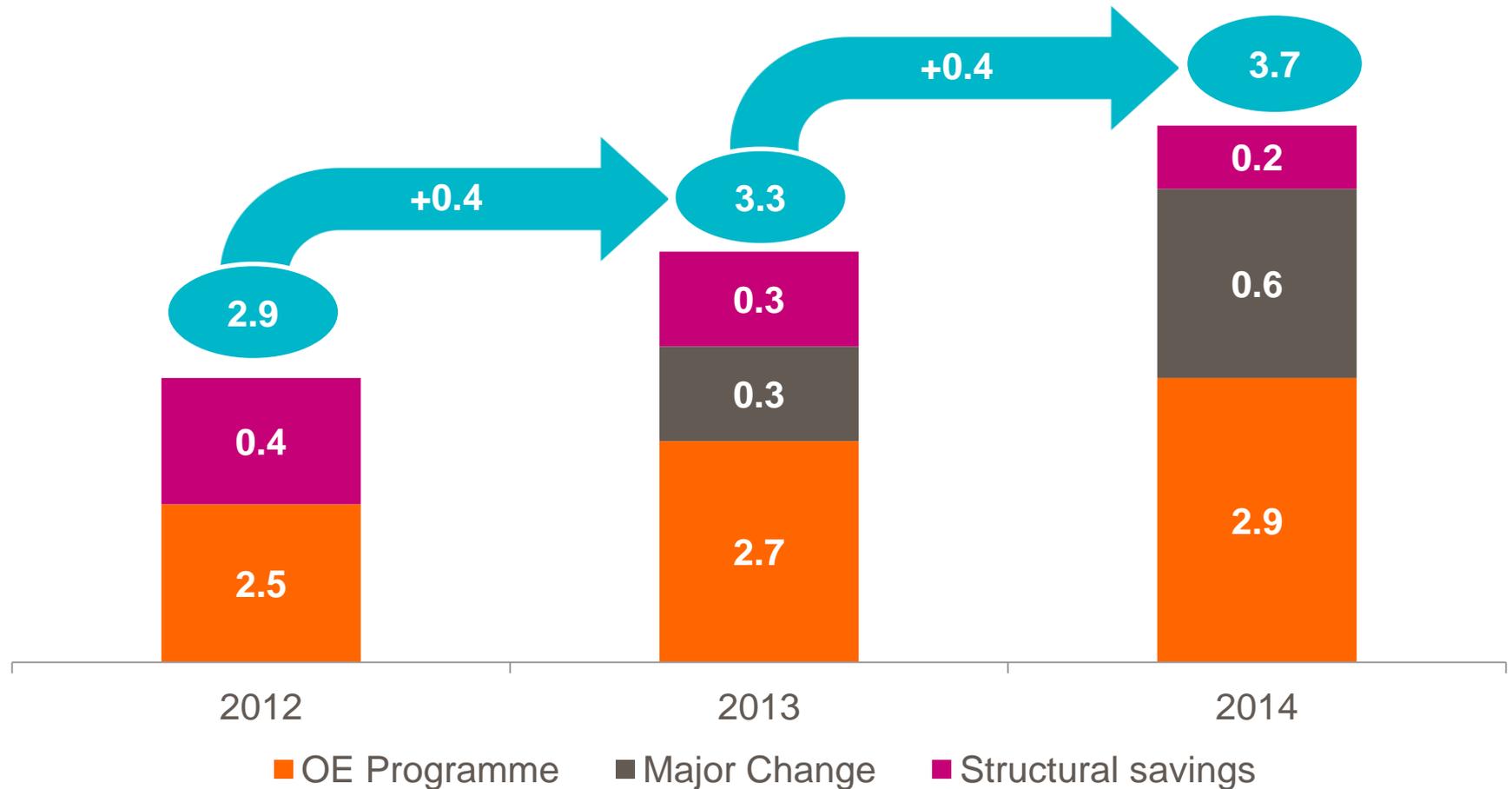


Continued delivery of restructuring and structural benefits



Delivered ~£400m of incremental savings in 2014

£bn



Further financial efficiency gains



Reduced finance costs and a lower tax rate

Operating profit

- Net finance costs £646m in 2014 vs. £692m in 2013
 - Net funding rate below 5% - down 3% since 2010
- Consistent short term debt rating target: A1/P1
- Effective core tax rate in 2014: 19.6%
- £238m share buyback in 2014

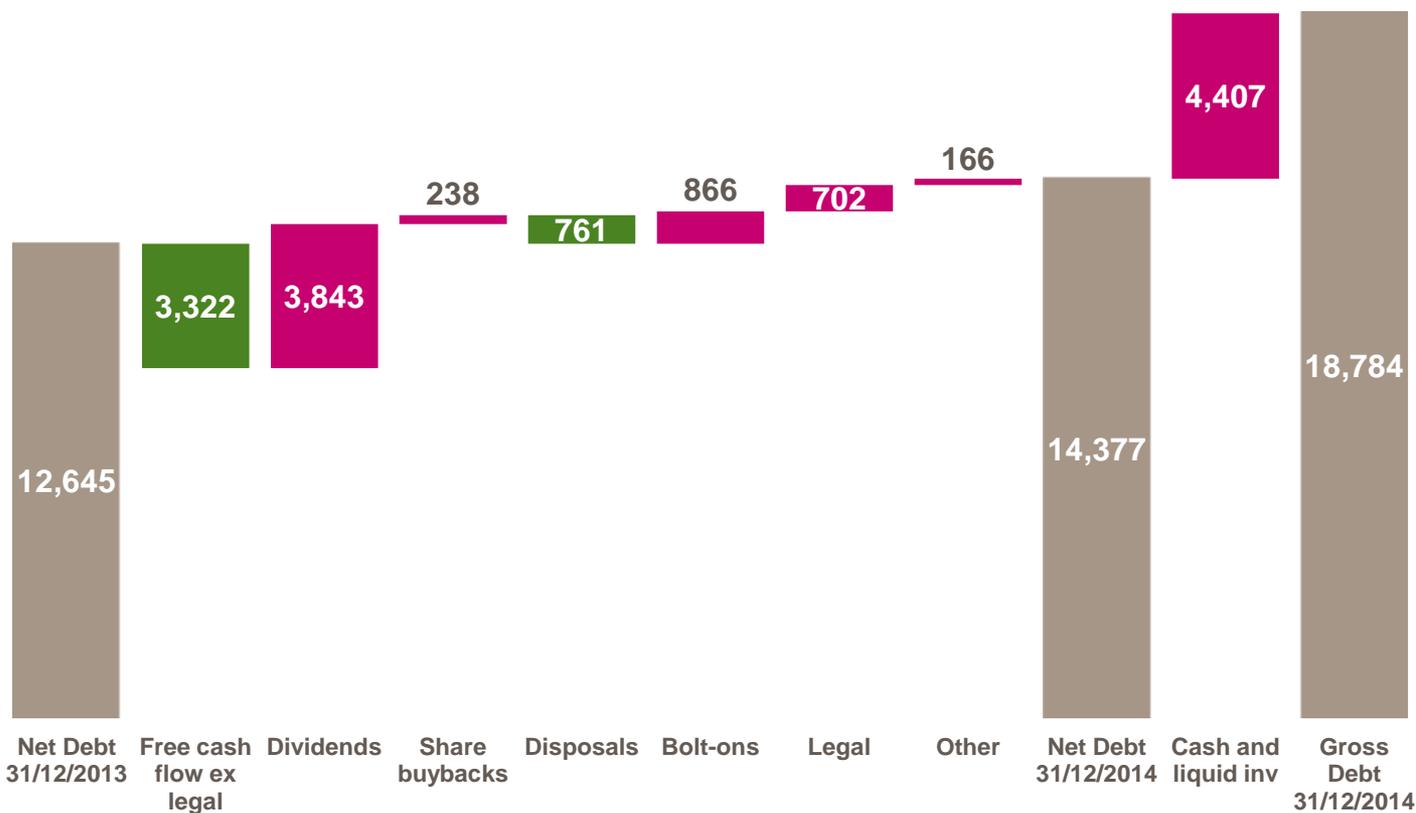
EPS

Cash generation and net debt



Net debt increased to £14.4bn

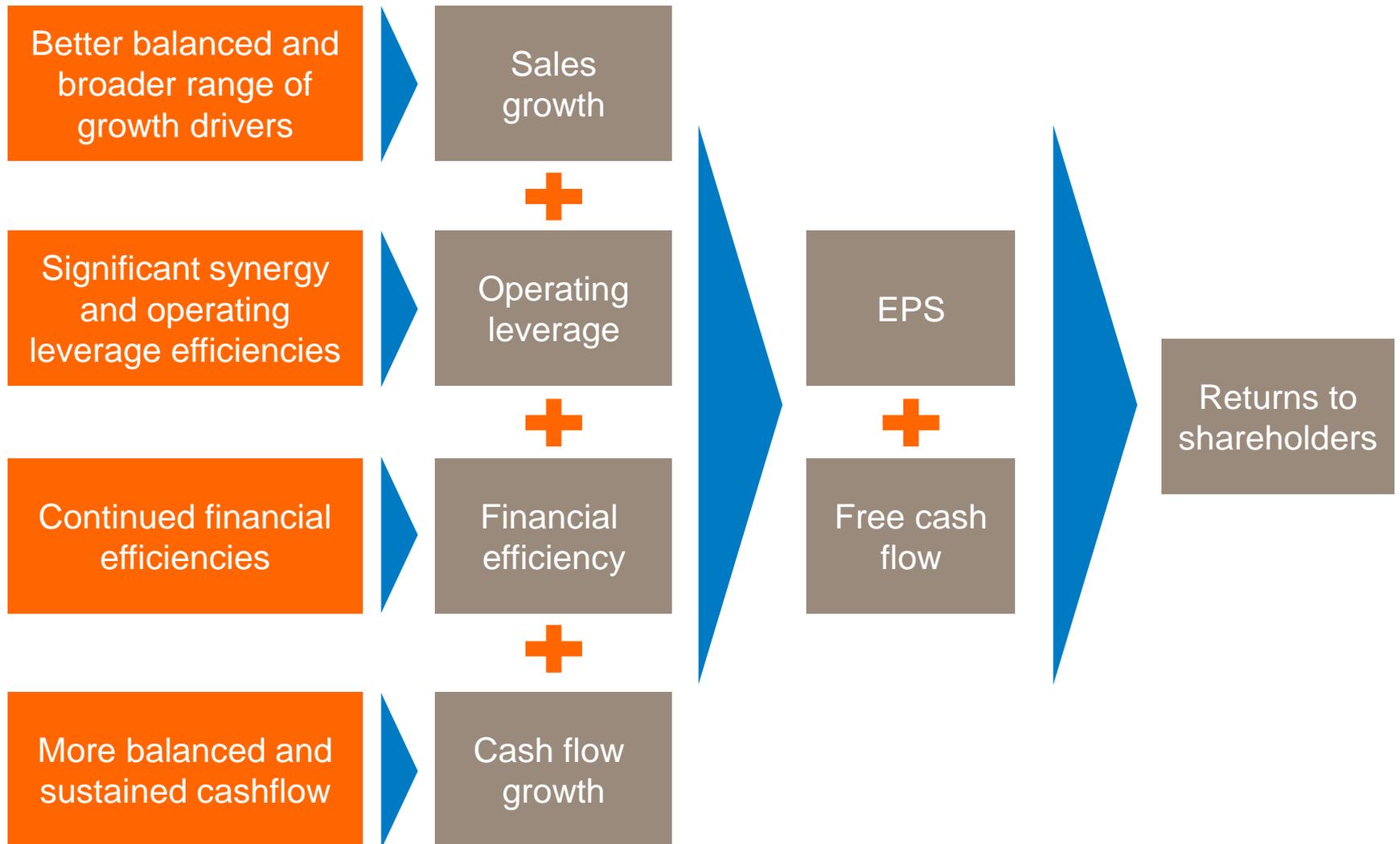
£m



Working capital days

	Reported	Ex divest.
2010	221	221
2011	210	210
2012	194	194
2013	176	190
2014	209	211

Novartis transaction* supports sustainable growth and improving returns



* Subject to approvals and regulatory clearances



Thank you

New product launches* underway across respiratory, HIV, oncology, vaccines and diabetes



Market definition	Respiratory Controller: ICS/LABA	Respiratory Controller: Bronchodilator	Metastatic Melanoma V600	HIV total	Seasonal Flu Vaccines	Type 2 Diabetes GLP-1
Global market size	~£8.4 bn	~£4.8 bn	>£0.4 bn	~£13.6 bn	~£2.0 bn	~£2.1 bn (~£1.5 bn in US)
Current US market share	TRx: Advair: ~57% Breo Ellipta: ~1.9%	TRx: ~2.0%	~85% combined TRx share of V600	TRx: ~7%** (3 rd agent/STR)	~40%*** (3y+ QIV injection segment 2014-2015)	TRx: ~2.6%
Access % US pts Tier 2/3 unrest.	~67% Commercial ~74% Part D	~83% Commercial ~65% Part D	~92% Favourable Access for combination	~100% Tivicay ~93% Triumeq	~98% Commercial 100% VFC	~66% Commercial ~10% Part D
Key US market share data	NBRx: ~5% All HCP ~11% Pulmonology	NBRx: ~8% All HCP ~13% Pulmonology	~85% combined NRx share of V600	Naive: ~18%** Switch: ~31%** (3 rd agent/STR)	QIV doses ~30% of US flu market 2014-2015 (3y+ QIV injection segment 2014-2015)	NBRx: ~7% All HCP ~5% Endo
Key Markets with price/reimbursement	Launched in ~36 markets globally including 27 in EU & Japan	Launched in ~18 markets globally, including UK, Germany & Japan	Tafinlar launched in EU Mekinist approved in EU	Tivicay launching in EU, Japan and 25 other countries. Triumeq launching in EU.	Launching in some EU and EM markets	Eperzan approved in EU

*Incruse Ellipta and Arnuity Ellipta US launches announced Jan 2015. **Includes both Tivicay and Triumeq. ***Includes both Fluarix QIV and FluLaval QIV. Sources: IMS MIDAS MAT Sept 2014; IMS Health Weekly Rx trends; IPSOS HIV Scope; GSK estimates and CDC data.