2008 Annual General Meeting

JP Garnier
Chief Executive Officer
GSK Performance and return to shareholders

- **2007 EPS growth**: +10%
- **2007 Dividend**: 53p +10%
- **Share buy-backs**: £12bn over 2 years; £3.5bn completed
1st Quarter

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.
2008: The year unfolding ...

1st Quarter

Issues

Avandia (£230m*)

Generics (£249m*)

Growth Drivers

* CER growth. Global Avandia decline; generic decline due to Coreg franchise, Zofran and Flonase (global sales)
**Strong pharma performances in first quarter**

<table>
<thead>
<tr>
<th>Product</th>
<th>Revenue (£m)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advair</td>
<td>£954m</td>
<td>+10%</td>
</tr>
<tr>
<td>Vaccines</td>
<td>£436m</td>
<td>+10%</td>
</tr>
<tr>
<td>Lamictal</td>
<td>£290m</td>
<td>+16%</td>
</tr>
<tr>
<td>Valtrex</td>
<td>£249m</td>
<td>+9%</td>
</tr>
<tr>
<td>Requip</td>
<td>£94m</td>
<td>+15%</td>
</tr>
<tr>
<td>Avodart</td>
<td>£85m</td>
<td>+30%</td>
</tr>
<tr>
<td>Lovaza</td>
<td>£50m</td>
<td>+72%*</td>
</tr>
<tr>
<td>Boniva</td>
<td>£49m</td>
<td>+50%</td>
</tr>
<tr>
<td>Arixtra</td>
<td>£35m</td>
<td>+70%</td>
</tr>
<tr>
<td>Tykerb, Veramyst</td>
<td>£32m</td>
<td>&gt;100%</td>
</tr>
</tbody>
</table>

* Pro forma CER growth
**Advair/Seretide** – sales £954 million +10%

Reported sales and CER growth rate

- 1Q06: +12%
- 2Q06: +12%
- 3Q06: +14%
- 4Q06: +9%
- 1Q07: +11%
- 2Q07: +12%
- 3Q07: +7%
- 4Q07: +12%
- 1Q08: +10%

CER growth rates
US Vaccine sales £109m +34%

Current portfolio

- Engerix-B
- Havrix
- Hepatitis A Vaccine, Inactivated
- Twinrix
- Pediarix
- Infanrix
- Fluvarix
- FluLaval
- Influenza Virus Vaccine
- Boostrix

New opportunities ‘08 & ‘09

- Rotarix
- Kinrix
- Cervarix
- Boostrix expanded age
- H5N1 pandemic
Only FDA-approved prescription omega-3 product

Dramatic reductions in triglycerides - in a very natural way

A product with ‘No Warnings’
Consumer Healthcare continuing strong performance

1Q08 sales £893 million +8%

- Nutritionals +14%
- OTC (excl. NRT) +12%
- Oralcare +8%
- NRT -27%

- Lucozade £86m +18%
- Sensodyne £86m +19%
- Panadol £80m +19%

CER growth rates
R&D: “life blood of the company”

- Strengthening Biopharm
- Strong pipeline flow
- New CEDDs
- China R&D open for business
Evolution of the GSK R&D model

- **Late 90’s**
  - Vaccines, successful CEDD prototype

- **‘01**
  - ‘Gold Pass’ used

- **‘02**
  - New CEDD structure for drug discovery

- **‘03**
  - Creation of MDCs for late-stage development

- **‘04**
  - New Biopharm CEDD

- **‘05**
  - Expansion of CEDDs

- **‘06**
  - Creation of CEEDD

- **‘07**
  - Discovery Performance Units

- **‘08**
  - China R&D Center
Pipeline is delivering

33 Phase III / Filed#

Phase II

Phase I

Up to 25 potential launches 2007-2009*

13 NCEs
5 Vaccines
7 PLEs

# Key projects in Phase III/Filed
* Includes launches which have taken place during 2007 and up to May 2008
Significant number of new product contributions

2007 Key launches

- Tykerb™ lapatinib ditosylate
- Arixtra® (fondaparinux sodium)
- Veramyst® (fluticasone furoate) Nasal Spray
- Altabax® retapamulin ointment, 1%
- Coreg® CR Carvedilol Phosphate extended-release capsules
- Advair® in Japan
- Cervarix®
Significant number of new product contributions

**2007 Key launches**

- Tykerb™
  - lapatinib ditosylate
- AriXtra®
  - fondaparinux sodium
  - New ACS indication
- Veramyst®
  - fluticasone furoate (Nasal Spray)
- ALTABAX™
  - retapamulin ointment, 1%
- COREG CR™
  - Carvedilol Phosphate extended-release capsules
- Advair in Japan
- Prepandrix

**Just approved…**

- ENTEREG (alvimopan)
  - For POI
- ADVAIR DISKUS®
  - COPD exacerbations
  - (CombAT study)
- AVODART®
  - dutasteride
- Rotarix
  - Rotavirus Vaccine, Live, Oral
- Treximet™
- Prepandrix
- Volibris™
  - ambrisentan
Significant number of new product contributions

2007 Key launches
- Tykerb
- Arixtra
- Veramyst
- ALTABAX
- COREG CR
- Advair
- Cervarix
- Prepandrix

Just approved...
- ENTEREGR (alvimopan)
- ADVAIR DISKUS
- AYOARD (dutasteride)
- Rotavirix
- Trelimex
- Volibris

...2008 pending
- Tyverb
- Kinrix
- BOOSTRIX
- PROMACTA
- REQUIP

- New ACS indication -
- COPD exacerbations
- For POI
- (CombAT study)
- Expanded age
- (EU)
Leading the industry

Mid-to-late-stage pipeline products

- GSK
- Sanofi
- Pfizer
- Novartis
- Roche
- Bayer
- SGP
- AZ
- Wyeth
- Merck
- Tanabe
- Eli Lilly

Cowen Dec 07
Lehman Brothers Pharma Pipelines (Sept 2007)
Pharma Replacement Power – NPV

Lehman Bros Method: [NPV of recent launches (06-07) + NPV of pipeline opportunities from ‘08-'13] / NPV of products marketed before 2006.

…with significant “reloadability”
2008 Outlook for GSK

- **GSK: Strong fundamentals**
- **Challenging and fast changing environment**
- **Need to continue to adjust the business model**