GSK strategy is delivering
Focus on innovation and portfolio optimisation to maximise returns

Grow
a diversified global business

Non US/EU sales:
26% in 2008
39% in 2013

Deliver
more products of value

Major approvals in the last 18 months:
- Breo / Relvar Ellipta
- Anoro Ellipta
- Incruse Ellipta
- Arnuity Ellipta
- Mekinist
- Tafinlar
- QIV ‘flu
- Eperzan / Tanzeum
- Tivicay
- Triumeq

Simplify
the operating model

- ~ £4bn annual OE/major change savings*
- Plus structural savings: ~£300m in 2013, ~£200m in 2014

* Includes £2.8bn of Operational Excellence annual savings already delivered and £1bn of Major Change annual savings due to be delivered by 2016
Proposed Novartis transaction accelerates GSK strategy

Accelerating GSK strategy to generate sustainable, broadly sourced growth

- **Unique opportunity to substantially strengthen two of our core businesses**
  - Creating a new global leader in Consumer Healthcare
  - Strengthening global leadership in Vaccines
  - Realising attractive value for oncology business now

- **Creates stronger, higher quality earnings profile**
  - Accretive to core EPS from the first year, with growing contribution from 2017 from cost savings and new growth opportunities
  - Potential annual cost savings of ~£1.0bn by year 5; ~50% by year 3

- **Drives significant value for shareholders**
  - Capital return of £4.0bn in 2015 (~5% reduction in shares), funded by net after-tax proceeds of $7.8bn
Strengthening our leadership in 3 core businesses

World class franchises driving better balance and quality of earnings

Vaccines
14%

Pharma
62%

Consumer
24%

including:

Respiratory
27%

HIV
5%

#1 global position

~$25bn market growing at ~10% p.a.

#1 global position

~$34bn market growing at ~4% p.a.

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

#2 globally

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

#1 OTC globally

Source: Internal and external data, Euromonitor, Visiongain.
Consumer Healthcare: focused on 4 key categories

- Highly complementary brand portfolios, with #1 or #2 positions in core categories
- Leveraging Pharmaceutical R&D and broader OTC/FMCG capabilities

<table>
<thead>
<tr>
<th>Category</th>
<th>Revenue (FY2013 Pro Forma)</th>
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<tbody>
<tr>
<td>Wellness</td>
<td>£3.4bn</td>
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<tr>
<td>Oral care</td>
<td>£1.9bn</td>
</tr>
<tr>
<td>Nutrition</td>
<td>£0.6bn</td>
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<tr>
<td>Skin Health</td>
<td>£0.6bn</td>
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</table>

Source: Individual company accounts, company guidance.
Notes: (1) Includes revenues from GSK’s Indian and Nigerian businesses.
Vaccines: Strengthening global leadership

$25bn global vaccines market

Novartis transaction

- Clear strategic rationale
  - Strengthen the breadth of GSK’s portfolio and pipeline – notably in meningitis
  - Complementary R&D organisations
  - Strengthens US market access
  - EM opportunity for Novartis portfolio

- Improved flexibility and competitiveness of supply chain in Vaccines
  - Vertical integration of paediatric franchise

- Substantial cost saving opportunities

Source: 2013 Annual Reports (sales value for top 6 vaccine manufacturers).
Pharma: ViiV Healthcare (HIV) positioned for sustained growth

Tivicay launch in US outpacing all other recent launches in HIV

Source: GSK R3 Model based on IMS Health June 2014
Pharma: Continued respiratory leadership

33% share of ~$34bn global market

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<th>LABA</th>
<th>ICS / LABA</th>
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Source: GSK R3 Model based on IMS Health June 2014

New launches & late stage pipeline gives GSK unrivalled breadth

- 33% share of ~$34bn global market
- New launches & late stage pipeline gives GSK unrivalled breadth

- SABA
- ICS
- LABA
- ICS / LABA
- LAMA
- LAMA / LABA
- IGE
- Anti IL 5
- LABA / ICS / LAMA
- MABA
- ICS / LAMA
- p38
- Anti IL 13
2014 H1 headline results

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2014</th>
<th>CER</th>
<th>£</th>
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<tr>
<td>Turnover</td>
<td>11,174</td>
<td>(3)</td>
<td>(12)</td>
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<tr>
<td>Core operating profit</td>
<td>2,937</td>
<td>(7)</td>
<td>(22)</td>
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<tr>
<td>Core EPS</td>
<td>40.1p</td>
<td>(5)</td>
<td>(22)</td>
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<tr>
<td>Adjusted net cash inflow from operations*</td>
<td>1,939</td>
<td>(36)</td>
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</table>

- Challenges: US Respiratory pricing/contracting; Lovaza generics; Consumer supply
- Strong H1 performances: EM (+7%), Japan (+5%), ViiV (+9%), Vaccines (+4%)
- 2014 guidance: Core EPS expected to be broadly similar to 2013 (at CER, ex divestments)

*Adjusted net cash inflow from operations exclude legal
Future of GSK: sustainable growth and improving returns

- **Sales growth**
- **Operating leverage**
- **Financial efficiency**
- **Cash flow growth**

Better balanced and broader range of growth drivers

Significant synergy and operating leverage efficiencies

Continued financial efficiencies

More balanced and sustained cashflow

EPS

Free cash flow

Returns to shareholders
Cautionary statement regarding forward-looking statements

GSK cautions investors that any forward-looking statements or projections made by GSK, including those made in this presentation, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Such factors include, but are not limited to, those described under Item 3.D ‘Risk factors’ in the company’s Annual Report on Form 20-F for 2013.