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Hong Kong, 14 November 2011

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GlaxoSmithKline
Q3 2011 Corporate performance

- Q3 Earnings per share before major restructuring 28.5p (+1%)
- Total turnover £7,104 m
- Reported total sales +3%, Underlying total sales* +6%
- Underlying sales growth in Emerging Markets (+11%), Japan (+57%) and USA (+1%), offsetting decline in Europe (-4%)
- Consumer Healthcare growth +5%
- Group sales outside USA and Europe £2.7 billion (+17%), representing around 38% of reported turnover
- Dividend increased by 6% to 17p
- 2011 share buyback increased to up to £2.3bn (9mYTD total £1.8bn repurchased)

* excludes pandemic, Avandia and Valtrex
Emerging Markets & Asia Pacific Region is increasingly important to GSK

GSK 9month YTD2011 Group turnover £20.4bn (-3%*)
3Q11 £7.1bn (+3%*)

9 month YTD 2011 Turnover and CER growth rates; Business performance
* Underlying global sales growth excluding pandemic products, Avandia and Valtrex : 9month YTD 2011= +5% ; 3Q11=+6%
GSK’s total presence in Emerging Markets

Pharma sales

- £3.8bn (+13%)
- 9m YTD 2011

Consumer sales

- £1.6bn (+13%)
- 9m YTD 2011

Total

- £5.4bn (+13%)
- 9m YTD 2011

(£6.8bn, +15% FY2010)

26% of GSK Group Turnover
(24% in FY2010; 21% in FY2009; 20% in FY2008)
EMAP Market is forecast to outgrow Developed Markets

CAGR 2010 -2015: EMAP:12.2% , USA: 2.4%, Europe 1.4%, Japan 3.4%

Year: 2010
- US, £195bn
- Europe, £152bn
- Others, £81bn
- EMAP, £146bn

Year: 2015
- US, £219bn
- Europe, £163bn
- Others, £81bn
- EMAP, £259bn
- £382bn
Looking ahead: Key risks and uncertainties

- Slowing market growth in EMAP
- Increased protectionism
- Pricing pressures
- Market inflation
- Generic impacts
- Winning the war for talent
GSK Vision in Emerging Markets & Asia Pacific

To build the leading, pioneering pharmaceuticals company in EMAP bringing affordable, quality GSK medicines of value to more people who need them across the Region
Position GSK EMAP for sustainable growth

Prior to 2008:
- Priced for profit
- Focus on Innovative brands

2008 - 2012:
- Priced for access
- Bolt-on acquisitions
- Invest in salesforce
- Build Classic brands business
- Focus on vaccines for EMAP

2012 onwards:
- Build a sustainable & profitable business
- Rx/Cx collaboration

GSK EMAP sales growth inc pandemic
GSK EMAP sales growth exc pandemic
Adapting GSK’s EMAP business around our strategic growth platforms

- **EMAP**
  - 2007: £3.0bn
  - 2010: £4.7bn

- **Innovative brands**
  - 2007: £1.2bn
  - 2010: £1.8bn

- **Classic brands**
  - 2007: £1.3bn
  - 2010: £1.7bn

- **Vaccines**
  - 2007: £0.5bn
  - 2010: £1.2bn

- **Derm**
  - 2007: £0.1bn
  - 2010: £0.4bn

* Innovative brands includes the dermatology brands split out below
80% of GSK EMAP business is spread over 19 markets

- China/HK
- Brazil
- Australia
- India
- Korea
- Mexico
- Turkey
- Argentina
- Saudi Arabia
- Russia
- Egypt
- Pakistan
- Philippines
- Taiwan
- Algeria
- Thailand
- Malaysia
- Venezuela
- Colombia

SEPT YTD 2011 SALES £M
Broad portfolio of brands representing 80% of GSK EMAP business

SEPT YTD 2011 SALES £M

- Serelide
- Dermatologicals
- Augmentin
- Synthorax
- Pentolin
- Zelitik
- Roterix
- Pediatric Vaccines
- Hepatitis Vaccines
- Zinaceff/Pauli
- Cevarix
- Hespera
- Priorix (MMR)
- Lamical
- Amoxil
- Avodar/Avole
- Frazamene
- Valtrex
- Phavitix
- Flocladeto/Flowent
- Vanilix
- Fortum
- Zanac
- Veranavol/Aventis
- Flosmaset/Folense
- Keptra
- Tynelt/Tyverb
- Betnovate
- Zilacte
- Demovate
GSK EMAP strategic drivers

Scale up our Classic Brands business
- Re-energise our heritage brands
- Grow our branded generics
- Develop & launch our evidence based formulations

Drive our Innovative Brands
- Reinvigorate existing brands
- Expand our dermatology franchise
- Execute successful launches

Build and capture the Vaccines market
- Grow our base vaccine business
- Maximise opportunity from new vaccines
- Expand our business in key markets
- Establish and strengthen local partnerships
Growth across the three pillars of our business

**Classic Brands**
£1,361m (+11%)

**Innovative Brands**
£1,442m (+15%)*

**Vaccines**
£835m (+29)**

**Scale up our Classic Brands business**

### Our own portfolio

- **Augmentin**
  - Sales (CER Growth)
  - 2007: £209m (+8%)
  - 9mYTD2011: £258m (+7%)

- **Ventolin HFA**
  - Sales (CER Growth)
  - 2007: £120m (+5%)
  - 9mYTD2011: £139m (+12%)

### Bolt-on acquisitions

- **Bristol-Myers Squibb**
  - **Egypt**: Oct 08
  - **Pakistan**: Dec 08
  - **Near East**: July 09
  - £43m sales 9mYTD 2011

- **ucb**
  - **EM/AP**: Mar 09
  - £102m sales 9mYTD2011

- **STIEFEL**
  - July 09

- **LPACIA**
  - **Algeria**: Dec 09

- **Argentina**
  - June 10

- **China**
  - Dec 10

### Portfolio deals

- **Dr. Reddy’s**
  - June 09
  - Licensing - July 08

### Local Deals

- **Russia**
- **Brazil**
- **Mexico**
- **CSL Behring**
- **IBA BIOTON**
- **Novasipino**
  - The Dual Advantage

### Total Classic Business Growth

- 2007: +4%
- 9mYTD2011: +11%
Work in progress: Executing the Classic Brands strategy

Upgrading portfolio

Evidence-based

BGx

BGx

Classic Brands

Classic Brands

Classic Brands

<2010  2010 - 15  2015 +
Re-energising our heritage Classic brands: Augmentin

**Brazil**
- +22% CAGR

**Ukraine**
- +48% CAGR
Improving Market Access: Augmentin supply chain improvement

- **Network consolidation:**
  - 60% of the network consolidated in 24 months.
  - Six site exits in three years

- **Improve Performance** 43% productivity pack per FTE improvement and 21% cost per pack reduction in three years

- **In-sourcing** Turkey, Philippines, Greece in-sourced

RESULTS: 48% volume increase in four years
Re-energising our heritage Classic brands: Ventolin

**China**

+31% CAGR

**Chile**

+34% CAGR
Core portfolio
9mYTD2011 Turnover

- **Seretide**: £371m (+2%)
- **Zeffix**: £138m (+12%)
- **Fraxiparine**: £50m (+24%)
- **Hepsera**: £67m (-9%)

New portfolio
9mYTD2011 Turnover

- **Tykerb**: £33m (+27%)
- **Veramyst**: £42m (+46%)
- **Arixtra**: £14m (+50%)
- **Avodart**: £52m (+27%)

Future portfolio

- **New products:**
  - Votrient
  - Arzerra
  - Prolia
  - Benlysta
  - Relovair
  - Darapladib

- **Targeted R&D developing EM-specific portfolio**
  - Tykerb for gastric and H&N cancers
  - Liver cancer
  - Market-specific fixed dose combinations

Source: GSK 9mYTD2011 EMAP sales; CER growth rates
Stiefel opportunity is greatest in EMAP

Stiefel acquisition provides access to ~80% of the EMAP Derms market

<table>
<thead>
<tr>
<th></th>
<th>£ Mn</th>
<th>Stiefel</th>
<th>GSK</th>
</tr>
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<tbody>
<tr>
<td>Topical Corticosteroids</td>
<td>957</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Emollients &amp; Protectives</td>
<td>696</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Anti-Acne Preparations</td>
<td>608</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Antifungals Dermatological</td>
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<td>✔</td>
<td>✔</td>
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<tr>
<td>Top Antibiot/Sulph/A-Vir</td>
<td>389</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Woundhealing Agents</td>
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<td>✔</td>
<td>✔</td>
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<tr>
<td>Antiseptics+Disinfectant</td>
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<td>✔</td>
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<tr>
<td>Non-Ster Prd Inflam Skin</td>
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<td>Topical Antipruritics</td>
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<td>Other Dermatological Prd</td>
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<td>✔</td>
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<tr>
<td>Gynaecol.Anti-Infectives</td>
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<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td><strong>Total Dermatology</strong></td>
<td><strong>5318</strong></td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

9 months YTD 2011 GSK EMAP Derms Sales £325m (+27%)

Source: Market size IMS Jun 2011 MAT, GSK YTD Sales Unison
Market: Ethical + OTC
What is going well: 2010 access initiatives - Avamys and Avodart

**Avodart**

- 2009: 2 million packs
- 2010: 3 million packs
- Increase: 49%

**Avamys**

- 2009: 1 million packs
- 2010: 6 million packs
- Increase: 184%
Improving Market Access: price reduction of Avodart in Russia

Selling 5 fold number of units pm post price reduction
(Avodart is a self pay product in Russia)

Source: PharmExpert data
Improving Market Access: Tykerb price reduction in India doubled sales

price reduction initiative since June’10

Tab-UN 000's
Build and capture the Vaccines market

GSK has 38% of the market and is growing faster

Total EMAP Vaccines Market 2010
£3.2bn (+25%)

£835m (+29%*)
GSK EMAP Vaccines 9mYTD2011

Significant market growth potential
- Growing government attention to public health agenda
- Large birth cohorts for paediatric vaccines

Significant GSK growth potential
- New geographies
- Broad portfolio, well-positioned to provide for spectrum of needs
- Local partnership is critical

Source: GSK estimates for market; GSK reported sales. (9mYTD 2011 EM AP vaccines data). *excluding pandemic vaccine
## GSK has the broadest vaccine portfolio in EM

<table>
<thead>
<tr>
<th>Vaccine Type</th>
<th>GSK</th>
<th>Merck</th>
<th>Sanofi</th>
<th>Pfizer</th>
<th>Novartis</th>
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<td>DTPa combos</td>
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<tr>
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<tr>
<td>Rotavirus</td>
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<tr>
<td>Meningococcal</td>
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<td>✓</td>
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<tr>
<td>Pneumococcal</td>
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<td>✓</td>
<td></td>
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<tr>
<td>Influenza</td>
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<tr>
<td>HPV</td>
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<td>Malaria</td>
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<tr>
<td>Dengue</td>
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</table>

✓ = available in EM; d = Ph III / registration in EM
Strong launches are building the vaccines business

- The best launch in a decade of new launches in GSK; £247m (+98%) EMAP sales during 9 months YTD2011
- Submitted in 114 & Approved in 78 countries
- Brazil Fiocruz 10+ year contract
- Mexico 3 year contract
- Added to new 6 countries UMV
- AMC 10 year contract for GAVI countries ($1.3bn)

Source: GSK 9mYTD2011 reported sales; CER growth rates
Key success factors for GSK in EMAP

- Attract and develop talented people
- Launch excellence on GSK pipeline
- Leveraging volumes to deliver cost leadership
- Market impact: expand sales forces to improve market reach and execute commercial strategy with excellence
- Successfully identify and integrate M&A targets

Strong presence and broad and relevant product portfolio
GSK Emerging Markets in 2015

Outgrow the market

- EMAP market growth of 10% – 12%
- Our objective is to grow faster than the market\(^2\)

Evolve our business

FY2010

2015 ambition

2 including organic growth and bolt-on acquisition strategy.
Operating profit margin

<table>
<thead>
<tr>
<th>Region</th>
<th>Margin (%)</th>
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<tbody>
<tr>
<td>US</td>
<td>69</td>
</tr>
<tr>
<td>Europe</td>
<td>55</td>
</tr>
<tr>
<td>EMAP</td>
<td>34</td>
</tr>
</tbody>
</table>

GSK’s reported regional margins exclude R&D and legal expenses which are heavily weighted towards Europe and US.

EM AP has been in “investment mode”

EMAP margin expected to remain in mid-30s range.

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1 Operating margin excluding R&D, legal and other unallocated pharmaceuticals costs, and including pandemic.