

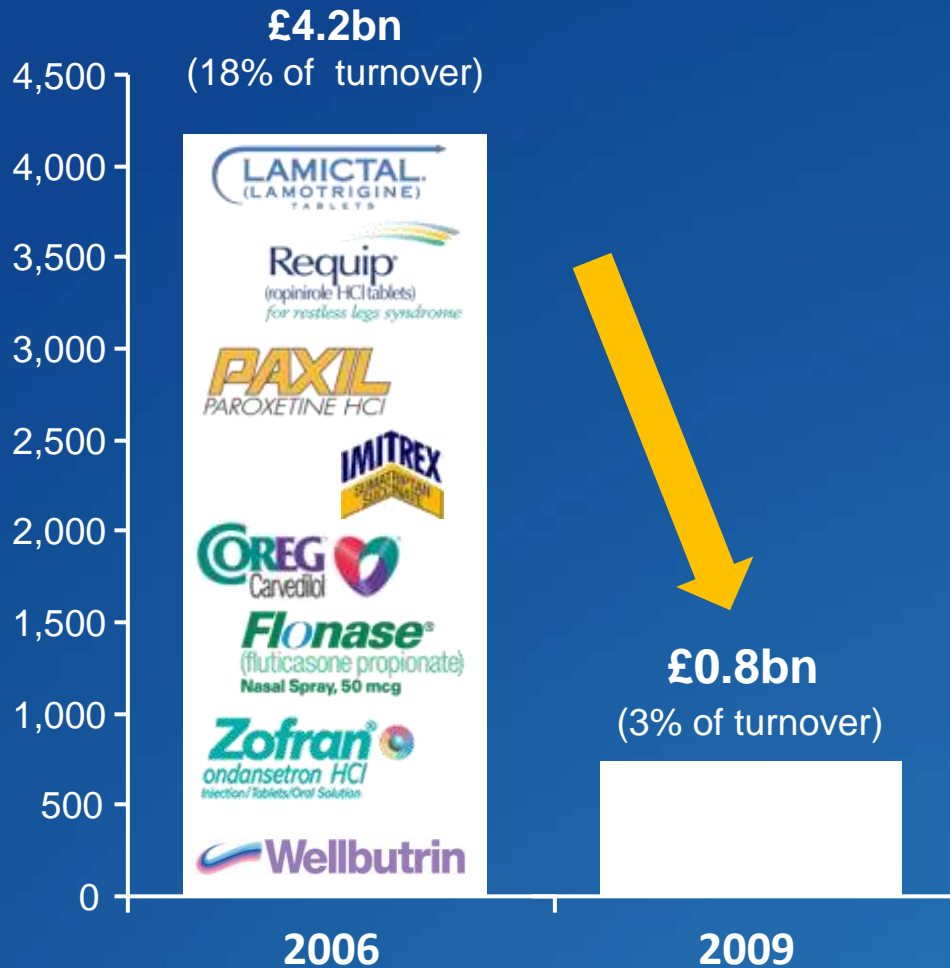


Andrew Witty

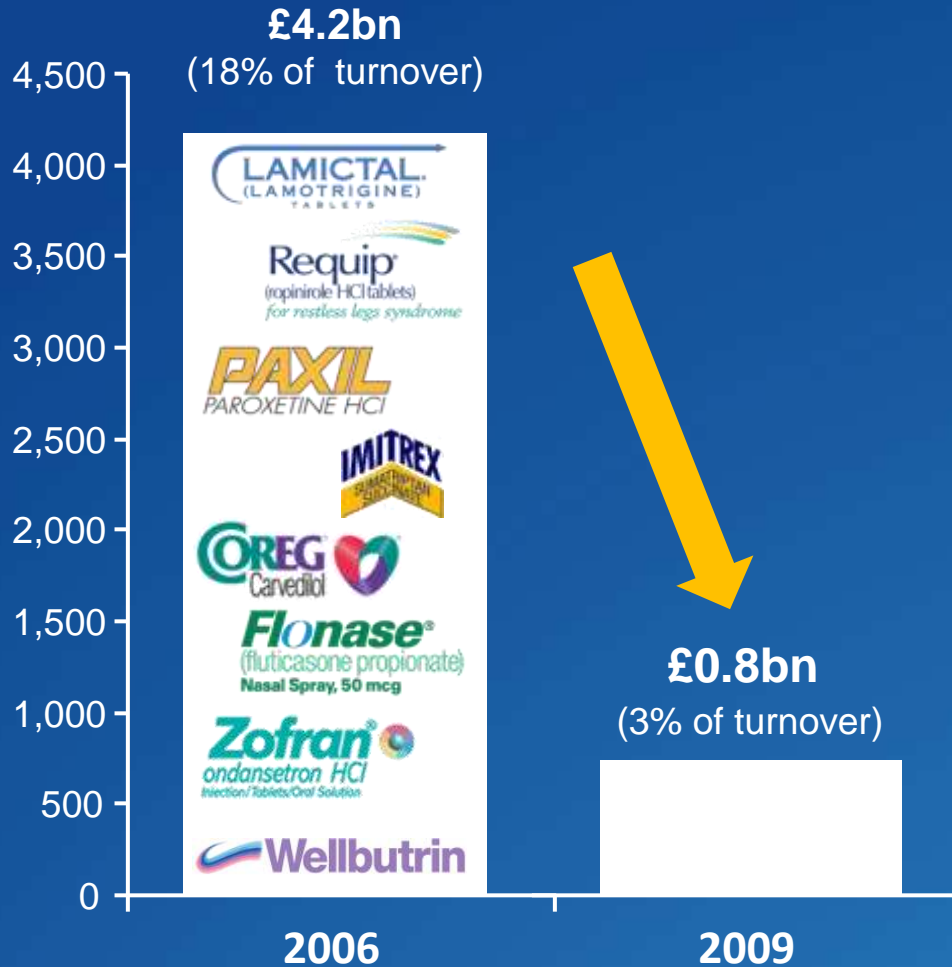
Chief Executive Officer

November 2010

GSK's '07 – '09 patent cliff



GSK's '07 – '09 patent cliff + Avandia



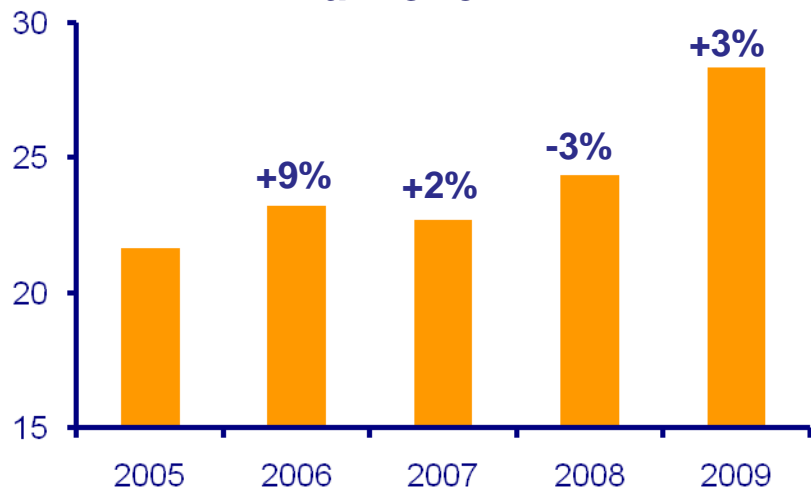
Avandia Global sales

2006: £1.6bn

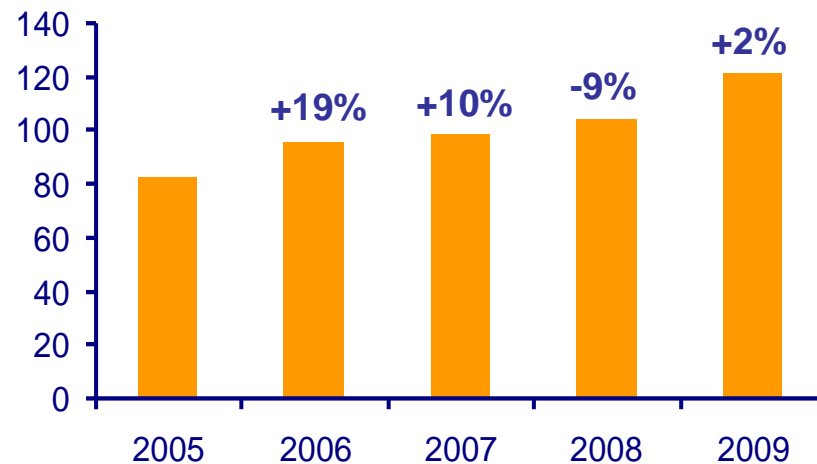
2009: £0.8bn

Positive performance and dividend progression through the patent cliff+Avandia

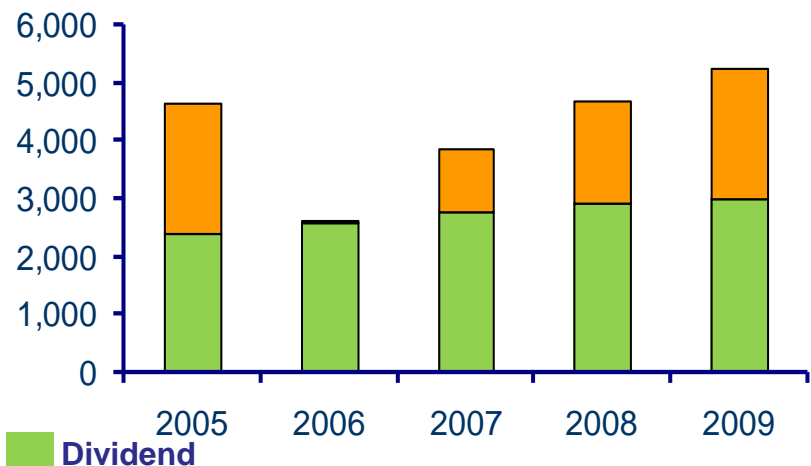
Turnover



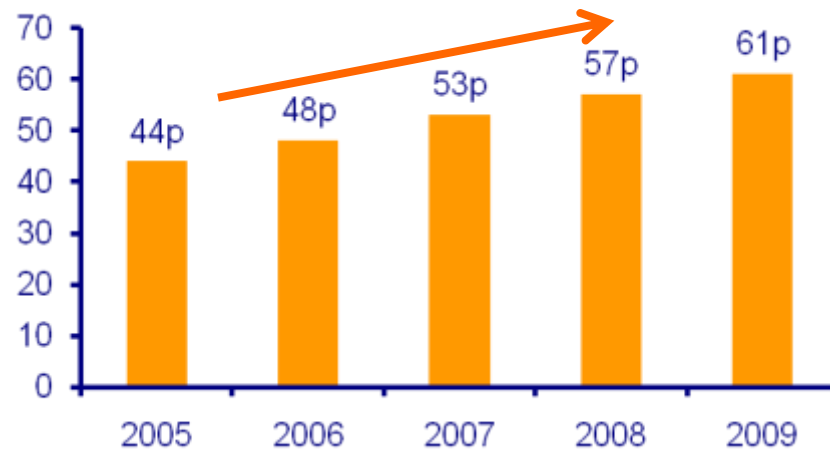
EPS



Free cash flow generation



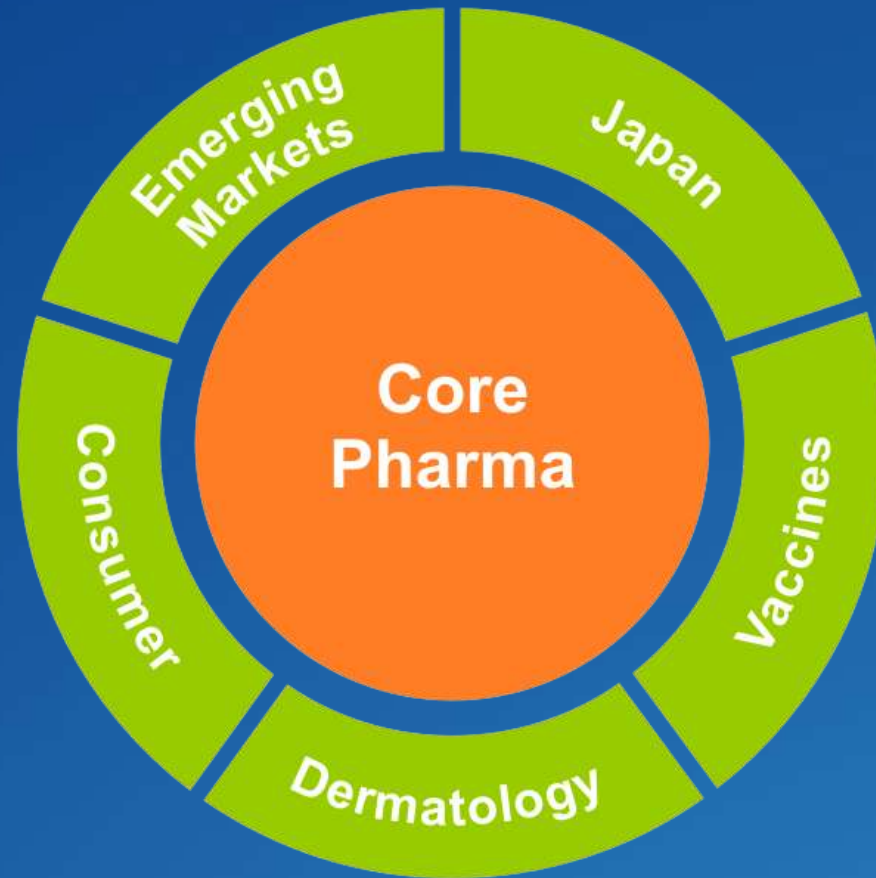
Progressive Dividend



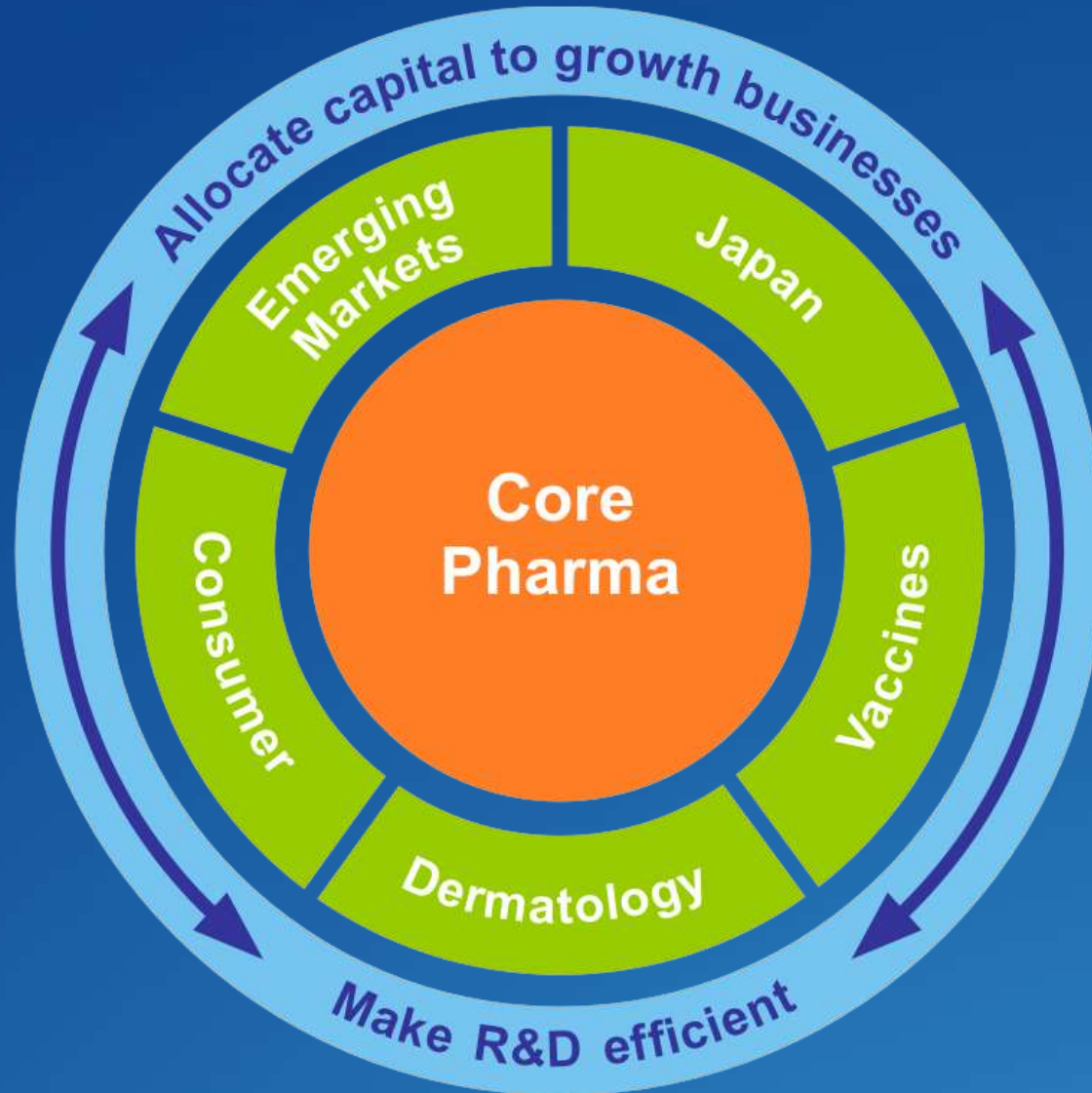
GSK's strategic priorities

- 1. Grow a diversified global business**
- 2. Deliver more products of value**
- 3. Simplify the operating model**

Portfolio of growth businesses with optionality on R&D upside



Portfolio of growth businesses with optionality on R&D upside



Investment businesses reaching significant scale and delivering sustained growth

30% of GSK sales generated from expansion markets



Vx: 11% of GSK
+7% in 9 mths '10
+2% in 2009



Cx: 19% of GSK
+5% in 9 mths '10
+7% in 2009



Resp: 26% of GSK
+4% in 9 mths '10
+5% in 2009



Derm: 4% of GSK
+5% in 9 mths '10

CER growth rates

% of GSK based on 9 months YTD excluding pandemic products; vaccines growth excludes pandemic vaccine; (including pandemic FY'09 +30%; 9 months '10 +51%); derm growth rate is proforma Expansion markets = Emerging markets / Asia Pac / Japan & Central & Eastern Europe (Rx +Cx) **8**

2010 YTD Turnover analysis

	Q3 10 £ million	9 mths 10 £ million	% Change CER	
			Q3 10	9 mths 10
Total reported	6,813	21,195	-2%	+4%
Avandia	70	391	-65%	-33%
Pandemic*	76	1,141	-69%	>100%
Valtrex	95	436	-75%	-60%
Total excl. Pandemic, Avandia, Valtrex	6,572	19,227	+6%	+5%

* Pandemic includes includes Relenza and vaccines related to H5N1 pre-pandemic and H1N1 pandemic.

Creating a broader portfolio of potential high value assets as generic exposure declines

New products 9 months YTD '10

- £1.25bn +36% (+55% excluding Rotarix -27%)
- Pandemic vaccine also added £1.0bn

2007 product portfolio including: Prepandrix, ALTABAX (retapamulin ointment, 1%), COREG CR (Carvedilol Phosphate extended release capsules), Tykerb (lapatinib dihydrochloride), REQUIP XL (ropinirole extended-release tablets), Cervarix, and Veramyst (fluticasone furoate) Nasal Spray.

2007

2008 product portfolio including: Rotarix (Rotavirus Vaccine, Live, Oral) US, Kinrix, Volibris (ambisentan), PREPANDRIX, ALTABAX (retapamulin ointment, 1%), COREG CR (Carvedilol Phosphate extended release capsules), Tykerb (lapatinib dihydrochloride), Treximet (sumatriptan/naproxen sodium), ENTEREG (laximopant), PROMACTA (eltrombopag olamine), REQUIP XL (ropinirole extended-release tablets), Cervarix, and Veramyst (fluticasone furoate) Nasal Spray.

2008

2009 product portfolio including: LAMICTAL XR (LAMOTRIGINE) EXTENDED-RELEASE TABLETS, LAMICTAL BBT (LAMOTRIGINE) ORALLY DISINTEGRATING TABLETS, Hiberix, Pandemrix, Rotarix (Rotavirus Vaccine, Live, Oral) US, Kinrix, Volibris (ambisentan), PREPANDRIX, ALTABAX (retapamulin ointment, 1%), COREG CR (Carvedilol Phosphate extended release capsules), Tykerb (lapatinib dihydrochloride), Arzerra (ofatumumab), Votrient (pazopanib), Synflorix, Treximet (sumatriptan/naproxen sodium), ENTEREG (laximopant), PROMACTA (eltrombopag olamine), REQUIP XL (ropinirole extended-release tablets), Cervarix, and Veramyst (fluticasone furoate) Nasal Spray.

2009

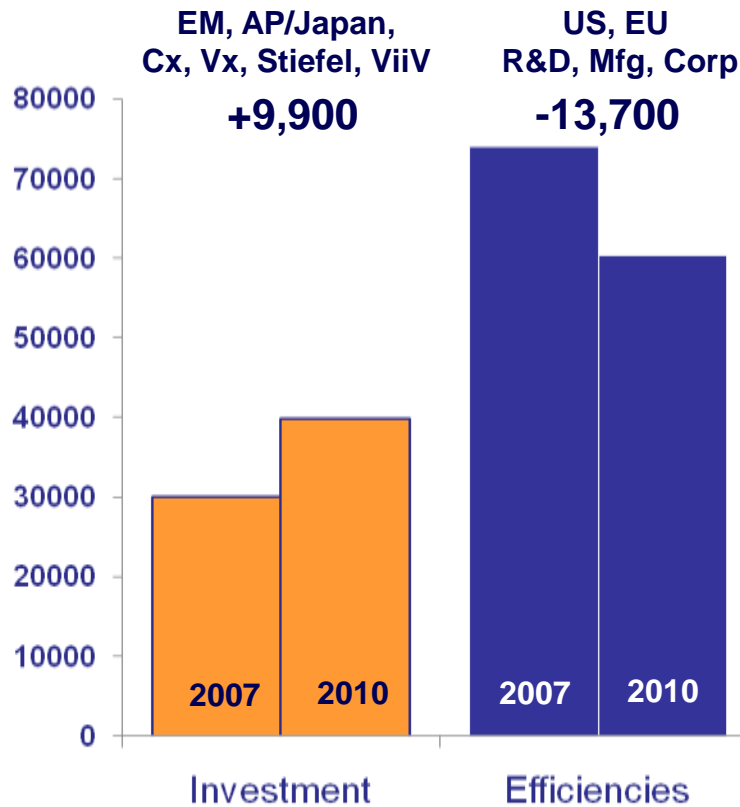
2010/11 product portfolio including: Jalyn (clotasteteride and tamsulosin HCl) Capsules, prolia (denosumab) injection, Hiberix, Pandemrix, Rotarix (Rotavirus Vaccine, Live, Oral) US, Kinrix, Volibris (ambisentan), PREPANDRIX, ALTABAX (retapamulin ointment, 1%), COREG CR (Carvedilol Phosphate extended release capsules), Tykerb (lapatinib dihydrochloride), Arzerra (ofatumumab), Votrient (pazopanib), Synflorix, Treximet (sumatriptan/naproxen sodium), ENTEREG (laximopant), PROMACTA (eltrombopag olamine), REQUIP XL (ropinirole extended-release tablets), Cervarix, and Veramyst (fluticasone furoate) Nasal Spray.

2010/11

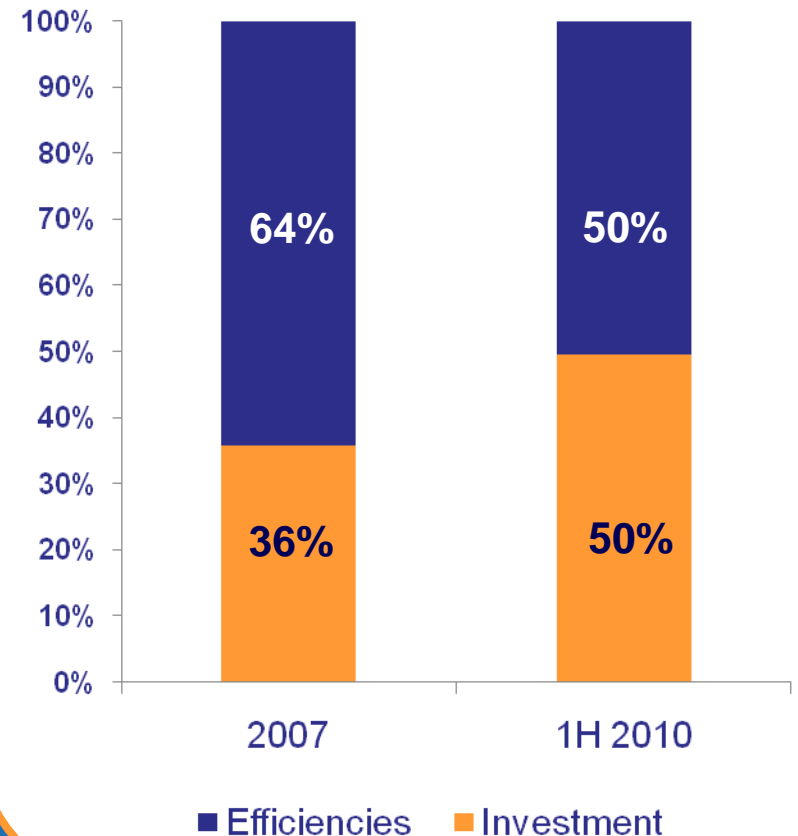
Horizant
Benlysta
retigabine
Nimenrix
Menhibrix

Organic capital allocation and bolt-on strategy are fundamentally reshaping GSK

Employees by division Sept 2007 vs June 2010

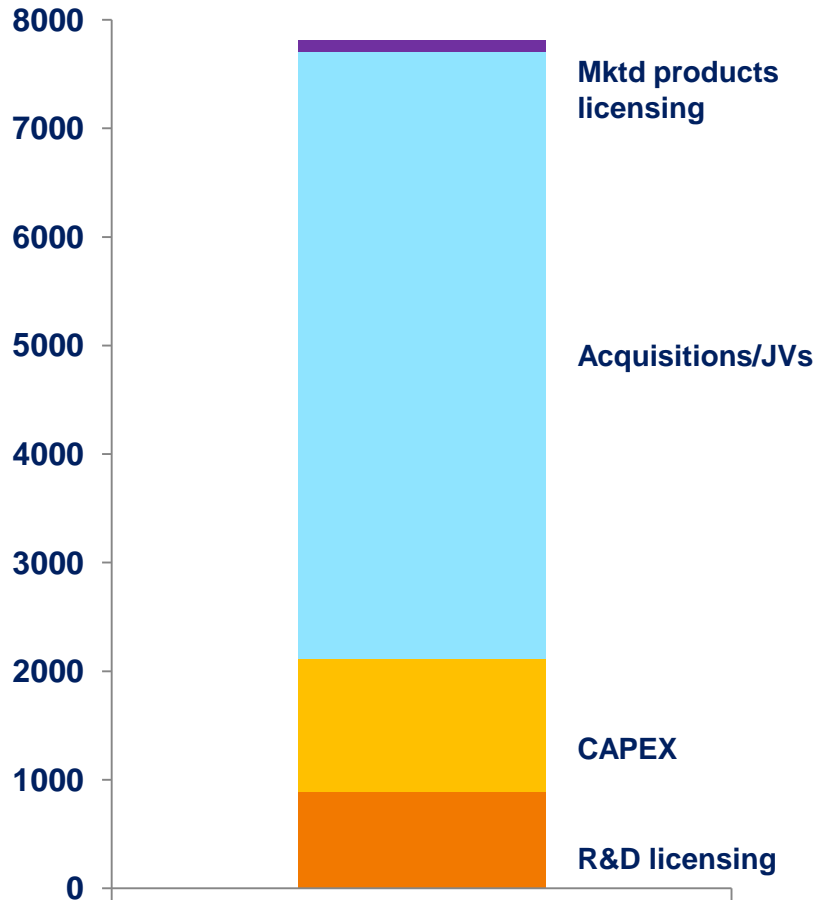


SG&A by division FY 2007 vs 1H 2010

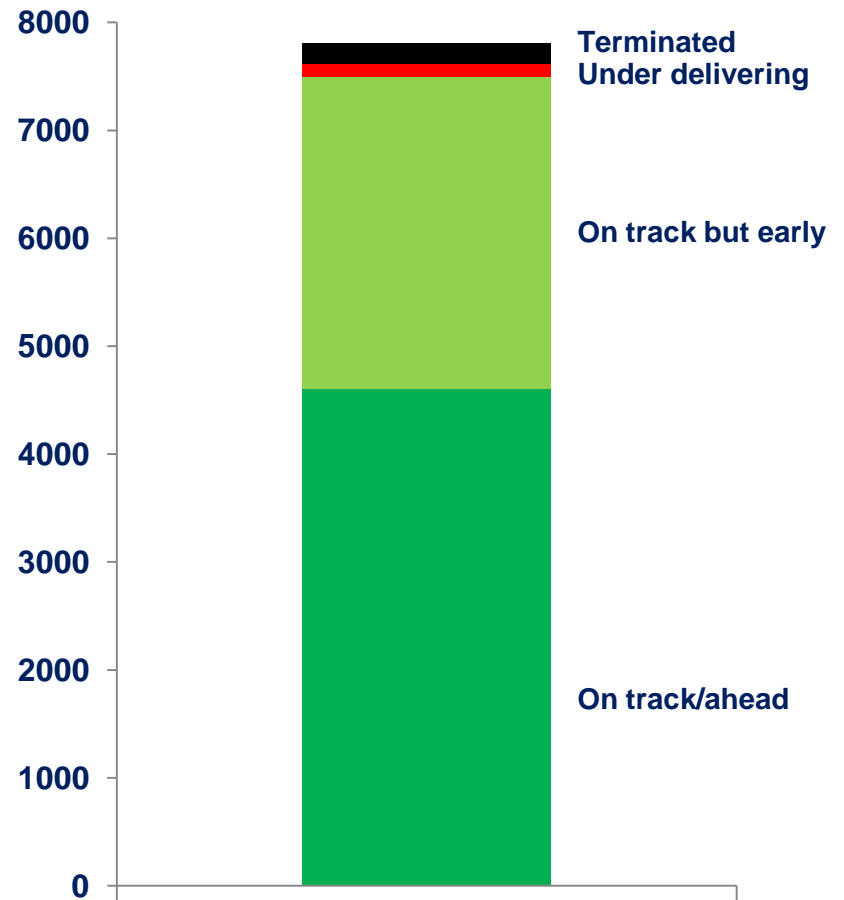


Bolt-on investments are on track to deliver target ROI

£7.8bn of deals assessed



96% of deals on/ahead of track



R&D is becoming more efficient through better resource allocation and improving output

~25% decrease in Pharma R&D headcount since 2006

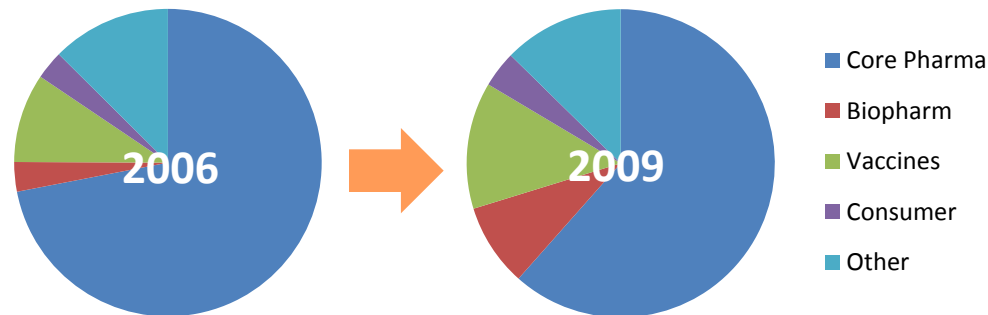
>15% decrease in m² since 2009

Reduced from >30 global CROs and >100 providers to 2 (2010)

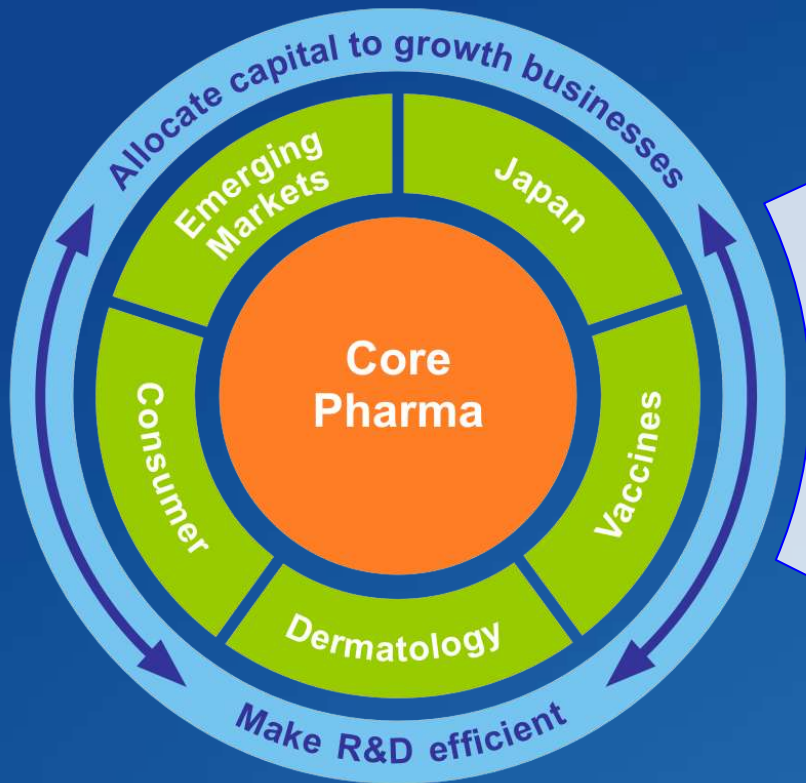
> 5-fold increase in Biopharm spend since 2006

Late-stage Pharma spend increased to ~58% (2009)

Profile of R&D Spend
(~14% of sales)



5 new assets pass “Commit to Ph III” (MEK, BRAF, Prosensa, Zoster, Integrase)



Diverse geographic and business mix

Reducing product concentration

R&D pipeline optionality

Focus on cost reduction

Reducing legal exposure

Strong cash generation

Progressive dividend



GlaxoSmithKline