2008 performance overview

Total Group turnover was £24.4 billion, down 3% CER, 5% in sterling terms

- Turnover of £20.4 billion (2007: £21.1 billion), down 3% CER, 5% in sterling terms
- Revenue from operations of £15.3 billion (2007: £15.9 billion), down 4% CER, 6% in sterling terms
- Expenses of £12.8 billion (2007: £13.1 billion), down 2% CER, 4% in sterling terms
- Operating profit of £2.5 billion (2007: £2.9 billion), down 14% CER, 16% in sterling terms
- Profit before tax of £7.8 billion (2007: £8.9 billion), down 12% CER, 14% in sterling terms
- Profit after tax of £5.6 billion (2007: £6.6 billion), down 15% CER, 17% in sterling terms
- Profit attributable to minority interests of £110 million (2007: £124 million), down 11% CER, 12% in sterling terms
- Net assets of £9.4 billion (2007: £11.5 billion), down 17% CER, 19% in sterling terms
- Shareholders’ equity of £10.7 billion (2007: £12.7 billion), down 16% CER, 18% in sterling terms
- Exchange adjustments of £(261) million (2007: £23 million), change of £(284) million
- Share repurchases of £40 million (2007: £40 million), change of £0 million

Dividends per share

- Basic dividend per share of 53p (2007: 68p), down 22% as reported, 24% in sterling terms
- Final dividend per share of 88.6p (2007: 96.1p), down 9% as reported, 11% in sterling terms

Results and strategic priorities 2008

A year in numbers

At a glance

<table>
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<th>Year</th>
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A new approach for 2008

This year we've taken a new approach to how we report to our shareholders. In place of the Annual Review we have published this short summary and have moved to more dynamic reporting on our website, where you can also link to live share price information.

Our aim is to keep you updated on our top level results via this summary, while also giving you the opportunity to access more detailed information through the Internet.

We are now also able to give you the option to receive email notifications of our annual results, please see the Shareholder Information section overleaf for details.

Our strategy for the future

Earlier this year we launched our new strategic priorities:

• Grow a diversified global business
• Deliver more products of value
• Simplify the operating model

Underpinning these strategic priorities are a number of plans, which we have published throughout this chain. Our mission and strategic priorities are available at www.gsk.com/mission-strategy.

To find out more about GSK visit www.gsk.com.

Deliver more products of value

We are investing to drive innovation, to build a pipeline of quality products that deliver real benefit to patients and are also well positioned for future commercial success.

Grow a diversified global business

We are reducing risk by broadening and balancing our portfolio, diversifying into new product areas that show potential, while also fully capturing opportunities for our products across all geographic boundaries.

Simplify the operating model

GSK is a complex organisation. We recognise that we need to simplify our operating model further, changing the way we work, removing unnecessary processes and structures which slow us down and distract us from our mission.

We are striving to build one of the strongest pipelines in the industry. We are transforming R&D to ensure that we not only deliver the current pipeline but are also able to sustain the flow of products for years to come.

In 2008 we set out three new strategic priorities that aim to improve our long-term financial performance.

We believe these priorities will enable us to navigate the coming years successfully and retain our leadership as a company able to meet patients’ and payers’ needs into the future.

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To find out more about GSK visit www.gsk.com

Grow a diversified global business

The plans which underpin this strategic priority:

• Drive growth in the pharmaceutical business in our core markets
• Deliver our ambitious vaccines forecast
• Fulfil the potential of emerging markets
• Expand our business in Japan
• Grow the Consumer Healthcare business

Deliver more products of value

We are striving to build a strong pipeline of new products to the market, which will enable us to deliver the next generation of blockbuster medicines and also add substantial flows of new products for years to come.

The plans which underpin this strategic priority:

• Focus on the best science
• Diversify through externalisation
• Re-personalise R&D
• Focus on return on investment

www.gsk.com/mission-strategy

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The plans which underpin this strategic priority:

• Evolve our commercial model
• Re-shape manufacturing
• Streamline our processes
• Reduce working capital

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Results and strategic priorities 2008

Andrew Witty
Chief Executive Officer

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Everyone at GSK has a part to play in putting these plans into action, to contribute to our challenging and inspiring mission – enabling people to do more, feel better and live longer.

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£24bn
£4.7bn

88.6p
57p

Dividend per share

Dividend per share

50
55
60
65

• Grow a diversified global business
• Rescaled and redeployed US pharmaceuticals sales force of £1.7 billion by 2011
• Restructuring programme expanded to deliver annual savings
  - 12 key products launched, including Avamys in Europe and Tyverb, Volibris in the USA.
  - Nutritional healthcare but sales fell in OTC due to lower sales
  - Continued market share growth in Oral healthcare and more geographically diverse portfolio
  - Excluding genericised products, pharmaceutical turnover was £20.4 billion, down 3% CER, and vaccines
  - Emerging Markets sales up 12% CER to £2.3 billion
  - Total Group turnover was £24.4 billion, down 3% CER*

Our 2008 Annual Report is available at www.gsk.com/annualreport

Shareholder information

Dividends

Dividends per share

£m
profit attributable to minority interests
57
53
30
110
96

This document does not constitute a set of summary financial statements as defined under section 251 of the Companies Act 1985.

The Annual Report and the Notice of Annual General Meeting and the Remuneration Report and Auditors' Report contained in the Annual Report together need to be read by shareholders as they provide information needed to give as full an understanding of the results, state of affairs, risks and uncertainties of the company and the Group as is required in accordance with the Companies Act 1985.

The information in this document is only a summary of certain key items from the Annual Report. More information on www.gsk.com

Shareholder and Investor contacts

You may choose to receive future notifications from us by email. Please visit www.gsk.com/annualreport

Printed in the UK on paper produced from 100% post-consumer waste.

Our responsibility

We seek to be a global leader in pharmaceuticals and healthcare, delivering life-improving products and services to people around the world in the greatest need. We consider sustainability as fundamental to our role as a global company. Following the principles of an integrated value chain, we are committed to developing a sustainable product portfolio, and reducing the environmental impact of our operations, from sourcing ingredients to manufacturing, packaging, distribution and disposal of products. We believe that sustainable business practices are not only right, but also good for business.

www.gsk.com/responsibility

Results and strategies 2008
2008 performance summary

- Total Group turnover was £24.4 billion, down 3% CER*.
- Consumer Healthcare turnover up 3% CER to £4 billion.
- Net assets were £22.124 billion.
- Operating profit: 8,259 (£8,259 million).
- Profit before tax: 7,782 (£7,782 million).
- Earnings per share: 94.4p.
- Dividends per share: 53p.

Share price

UK share price

US ADR price (US$)

- Developed more than £500 million of cash flow benefits from the working capital reduction programme which started in 2008.
- Five new assets moved into phase III development during 2008.
- Nutritional healthcare but sales fell in OTC due to lower sales of Crest and Cavity Protection products.
- Continued market share growth in Oral healthcare and pre-pandemic Avandia.
- ‘CER: Growth at constant exchange rates (CER) calculated as if exchange rates in 2008 had remained unchanged from those used in 2007.

Shareholders’ equity

Shareholders’ equity was £13,626 billion.

Summary balance sheet

- Current assets
- 31,003 (£31,003 million).
- Non-current assets
- 17,269 (£17,269 million).
- Shareholders’ equity
- 9,603 (£9,603 million).
- Summary income statement
- Operating profit
- 8,259 (£8,259 million).
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- 7,782 (£7,782 million).
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- 94.4p.
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Free cash flow

- Operating profit
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- Earnings per share
- 94.4p.
- Dividends per share
- 53p.

Shareholder information

- The Annual General Meeting of the company will be held on Wednesday 20 May 2009 at: The Queen Elizabeth II Conference Centre, 103 Westminster Bridge Road, London SW1P 3EE. Registered number: 3888792.
- The information in this document is only a summary of certain information in the Annual Report and the Notice of Annual General Meeting of the company and the Group for the year ended 31 December 2008 and does not contain all the information needed to give as full an understanding of the results, state of affairs, risks and uncertainties of the company and the Group.
- Under the ‘safe harbor’ provisions of the US Private Securities Litigation Reform Act of 1995, the company cautions shareholders that any forward looking statements or projections made by the company, including those made in this Annual Summary and announcement, are subject to the safe harbor protections and are subject to those factors that may be discussed under the caption ‘Risk factors’ in the company’s Annual Report on Form 10-K for the year ended December 31, 2008 and other filings with the U.S. Securities and Exchange Commission.
- This document does not constitute a part of summary financial statements, as defined under section 251 of the Companies Act 1985.
At a glance

- £24bn turnover
- £4.7bn free cash flow
- £88.6p diluted earnings per share
- 57p ordinary earnings per share

Summary financial information

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>Change to 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£24.4bn</td>
<td>(3%)</td>
</tr>
<tr>
<td>Consumer Healthcare</td>
<td>£4.0bn</td>
<td>(7%)</td>
</tr>
<tr>
<td>Pharmaceutical turnover</td>
<td>£20.4bn</td>
<td>(3%)</td>
</tr>
<tr>
<td>Vaccines</td>
<td>£2.5bn</td>
<td>(15%)</td>
</tr>
<tr>
<td>Total turnover</td>
<td>£24.4bn</td>
<td>(3%)</td>
</tr>
<tr>
<td>Segmental profit before tax</td>
<td>£7.8bn</td>
<td>(14%)</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>£7.7bn</td>
<td>(14%)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>£7.8bn</td>
<td>11%</td>
</tr>
<tr>
<td>Earnings before tax</td>
<td>£7.7bn</td>
<td>(11%)</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>£5.4bn</td>
<td>2%</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>88.6p</td>
<td>10%</td>
</tr>
<tr>
<td>Ordinary earnings per share</td>
<td>57p</td>
<td>7%</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>71p</td>
<td>4%</td>
</tr>
<tr>
<td>EPS excluding exceptional items</td>
<td>65p</td>
<td>4%</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>(480m)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Tax charged</td>
<td>(2.3bn)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Profit tax before exceptional items</td>
<td>(2.6bn)</td>
<td>(2%)</td>
</tr>
<tr>
<td>EPS excluding tax</td>
<td>(1.9bn)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>(1.8bn)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>94.4p</td>
<td>(2%)</td>
</tr>
</tbody>
</table>

Shareholder information

- 57p ordinary earnings per share
- 88.6p diluted earnings per share

Simplify the operating model
- Deliver more products of value
- Grow a diversified global business
- Secured 17% of FDA approvals for new chemical entities
- Created 35 Discovery Performance Units, small teams each
- Treximet, Entereg, Promacta, Kinrix
- Avamys
- Nutritional healthcare but sales fell in OTC due to lower sales
- of £16.4 billion and grew by 10%

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- of £16.4 billion and grew by 10%

2008 performance summary

- Our full 2008 Annual Report is available at www.gsk.com/annualreport

Results and strategic priorities 2008

1. Turnover
2. Consumer Healthcare
3. Pharmaceutical turnover
4. Vaccines
5. Total turnover
6. Segmental profit before tax
7. Earnings before tax
8. Profit before tax
9. Earnings before tax
10. Profit attributable to shareholders
11. Diluted earnings per share
12. Ordinary earnings per share
13. Basic earnings per share
14. EPS excluding exceptional items
15. Exceptional items
16. Tax charged
17. Profit tax before exceptional items
18. EPS excluding tax
19. Profit attributable to shareholders
20. Diluted earnings per share

This document does not constitute a set of summary financial statements as defined under section 251 of the Companies Act 1985.
Summarised financial information

<table>
<thead>
<tr>
<th>Financial Statement</th>
<th>2008</th>
<th>2007</th>
<th>% change</th>
<th>2008 constant exchange rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (UK£m)</td>
<td>24,352</td>
<td>21,377</td>
<td>14%</td>
<td>22,124</td>
</tr>
<tr>
<td>Operating profit (UK£m)</td>
<td>7,931</td>
<td>6,659</td>
<td>19%</td>
<td>6,910</td>
</tr>
<tr>
<td>Profit before tax (UK£m)</td>
<td>7,593</td>
<td>6,161</td>
<td>23%</td>
<td>6,729</td>
</tr>
<tr>
<td>Profit attributable to shareholders (UK£m)</td>
<td>5,472</td>
<td>4,712</td>
<td>16%</td>
<td>5,214</td>
</tr>
<tr>
<td>Diluted earnings per share (pence)</td>
<td>88.1</td>
<td>81.5</td>
<td>8%</td>
<td>83.7</td>
</tr>
<tr>
<td>Free cash flow (UK£m)</td>
<td>6,161</td>
<td>5,214</td>
<td>17%</td>
<td>5,551</td>
</tr>
<tr>
<td>Net cash from operations (UK£m)</td>
<td>3,221</td>
<td>2,153</td>
<td>49%</td>
<td>2,619</td>
</tr>
<tr>
<td>Net cash from financing (UK£m)</td>
<td>48</td>
<td>103</td>
<td>-53%</td>
<td>75</td>
</tr>
<tr>
<td>Net cash outflow from investing activities (UK£m)</td>
<td>(2,643)</td>
<td>(1,991)</td>
<td>33%</td>
<td>(2,076)</td>
</tr>
<tr>
<td>Exchange adjustments (UK£m)</td>
<td>(1,702)</td>
<td>(2,158)</td>
<td>-21%</td>
<td>(1,578)</td>
</tr>
<tr>
<td>Net cash at end of period (UK£m)</td>
<td>8,318</td>
<td>9,910</td>
<td>-16%</td>
<td>10,748</td>
</tr>
</tbody>
</table>

Shareholder information

The annual dividend per share was 88.6p, an increase of 9% compared to the previous year’s dividend of 81.5p per share.

The company will propose a final dividend of 88.6p per share, subject to the approval of shareholders at the annual general meeting. The dividend payment date is 8 August 2009.

The Group’s results for the year to 31 December 2008 are reflected in the financial statements.

This document does not constitute a set of summary financial statements, as defined under section 571 of the Companies Act 1985.