Do more, feel better, live longer

Annual Summary 2012
Despite operating in a very challenging environment – particularly in Europe – in 2012 we were able to maintain core earnings per share (CER)*, generate net cash inflows of £7 billion (before legal settlements) and return £6.3 billion to shareholders. We also made outstanding progress in research and development.

Although reported sales for the year were down 1%, sales were flat adjusting for the disposal of our non-core Consumer Healthcare brands. This reflects continued strong performance from our ‘growth’ businesses, helping to offset pressure in Western markets.

In emerging markets, the benefits of investments made to increase our exposure in Pharmaceuticals and Vaccines, as well as Consumer Healthcare, were evident. Total sales in emerging markets now account for 26% of our business and grew 10% during the year.

In Japan, we continue to strengthen our business through further product launches and our performance continues to improve in our US business, which we have been re-shaping to reflect changing market dynamics and to prepare for the launch of multiple new products. We continue to view the USA and Japan very positively as markets that reward and are willing to pay for healthcare innovation.

In Europe, we are restructuring our business and evaluating further strategic options to ensure we are able to maximise the value of our current and future portfolio in the region.

In 2012, we also continued to strengthen our core business through acquisitions and equity investments, while delivering targeted divestments to realise value for shareholders.

In R&D, the Group made significant progress in 2012. We now have six key new products under regulatory review and expect Phase III data on 14 assets in 2013 and 2014. We are also confident that we can sustain this level of productivity. In total, over the next three years, we have the potential to launch around 15 new medicines and vaccines globally.
We remain committed to operating responsibly. During the year, we made further advances in this area, particularly in increasing transparency of our clinical data. We already publish all our clinical trial results, and we will soon enable independent researchers to access more detailed data that lies behind these results.

I was very pleased that GSK was again number one in the Access to Medicines (ATM) Index in 2012, which ranks companies’ efforts to increase access to medicines across the world. We also expanded our efforts to tackle neglected tropical diseases and supply low-price vaccines for use in the world’s poorest countries.

Looking to the future, our globally diversified sales base and improved R&D output provide a clear platform for growth, with 2013 marking the start of what should be a series of growth years for the Group.

In closing, I would like to thank all our employees, partners and suppliers for their continued commitment and support. We are more confident than ever that GSK is well placed to deliver innovation and benefits to patients and sustained performance and returns to shareholders.

Sir Andrew Witty  
Chief Executive Officer

* The calculation of constant exchange rate (CER) growth is described on page 56 of our Annual Report 2012.
What we do

We are a science-led global healthcare company that researches and develops innovative products

Our business

We have three primary areas of business: Pharmaceuticals, Vaccines and Consumer Healthcare. Our objective is to deliver sustainable growth across this portfolio.

<table>
<thead>
<tr>
<th><strong>Pharmaceuticals</strong></th>
<th><strong>Vaccines</strong></th>
<th><strong>Consumer Healthcare</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>£18.0bn</td>
<td>£3.3bn</td>
<td>£5.1bn</td>
</tr>
<tr>
<td>Turnover</td>
<td>Turnover</td>
<td>Turnover</td>
</tr>
<tr>
<td>68%</td>
<td>13%</td>
<td>19%</td>
</tr>
</tbody>
</table>

of Group             of Group               of Group

Our Pharmaceuticals business develops and makes available medicines to treat a broad range of serious and chronic diseases. Our portfolio is made up of established brands and newer innovative patent-protected medicines.

Our Vaccines business is one of the largest in the world, producing paediatric and adult vaccines against a range of infectious diseases. In 2012, we distributed nearly 900 million doses to 170 countries, of which over 80% were supplied to developing countries.

We develop and market a range of consumer health products based on scientific innovation. We have brands in four main categories: Total wellness, Oral care, Nutrition and Skin health.

R&D

Our business is sustained through investment in R&D. In 2012 we spent £3.5 billion before non-core items,* £4.0 billion in total, in our search to develop new medicines, vaccines and innovative consumer products.

GSK saw significant delivery from our late stage pipeline. We now have six key new products under regulatory review and expect Phase III data on 14 assets in 2013 and 2014.

In total, over the next three years, GSK has the potential to launch around 15 new medicines and vaccines globally.

6 key medicines filed with regulators

c.15 potential medicine and vaccine launches over next 3 years

12% return on R&D investment

c.30 assets in late stage pipeline

* The calculation of core results and non-core items is described on page 56 of our Annual Report 2012.
How we performed

We measure our performance against a number of key indicators, and use core results for our planning and reporting purposes.

### Group turnover

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>28.4</td>
<td>27.4</td>
<td>26.4</td>
</tr>
</tbody>
</table>

£26.4bn

Growth CER %

<table>
<thead>
<tr>
<th>(1)</th>
<th>(3)</th>
<th>(1)</th>
</tr>
</thead>
</table>

**How we performed**

Reported sales were down 1% but were flat adjusting for the disposal of our non-core OTC Consumer Healthcare brands.

**Why it’s important**

A key objective of our strategy is to deliver sustainable broadly-sourced sales growth.

### Cash returned to shareholders

<table>
<thead>
<tr>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>3.4</td>
<td>3.8</td>
</tr>
</tbody>
</table>

£6.3bn

Growth %

<table>
<thead>
<tr>
<th>7</th>
<th>75</th>
<th>13</th>
</tr>
</thead>
</table>

**How we performed**

During 2012, we returned £6.3bn to shareholders via dividends and buy-backs.

**Why it’s important**

We continue to focus on delivering dividend growth and returning free cash flow to shareholders through share buy-backs where this offers a more attractive return than alternative investments.

### Core operating profit

£8.3bn

Total operating profit £7.4 bn

<table>
<thead>
<tr>
<th>2012</th>
<th>£m</th>
<th>£m</th>
</tr>
</thead>
</table>

**Reconciliation**

<table>
<thead>
<tr>
<th>Core operating profit</th>
<th>8,330</th>
</tr>
</thead>
</table>

Intangible asset amortisation | (477) |
Intangible asset impairment | (693) |
Major restructuring costs | (557) |
Legal charges | (436) |
Other operating income | 1,254 |
Addition accounting adjustments | (29) |

Total operating profit | 7,392 |

### Core earnings per share

112.7p

Total earnings per share 92.9p

<table>
<thead>
<tr>
<th>2012</th>
<th>pence</th>
<th>pence</th>
</tr>
</thead>
</table>

Core earnings per share | 112.7 |

Intangible asset amortisation | (6.8) |
Intangible asset impairment | (7.3) |
Major restructuring costs | (17.4) |
Legal charges | (5.8) |
Other operating income | 18.2 |
Addition accounting adjustments | (0.7) |

Total earnings per share | 92.9 |

We use a number of adjusted measures to report the performance of our business. These include core results (and CER growth), which are used by management for planning and reporting purposes and may not be directly comparable with similarly described measures used by other companies. Core results exclude the following items from total results: amortisation and impairment of intangible assets and goodwill; major restructuring costs; legal charges; other operating income; disposals of associates, products and businesses, and addition accounting adjustments for material acquisitions, together with the tax effects of these items.
Returns to shareholders

We continue to generate good returns to shareholders

Relative total shareholder return

<table>
<thead>
<tr>
<th>Date</th>
<th>GlaxoSmithKline Total Return</th>
<th>GlaxoSmithKline Pharma Peers Return Index*</th>
<th>FTSE 100 Total Return Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>31/12/07</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>31/12/08</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>31/12/09</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>31/12/10</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>31/12/11</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>31/12/12</td>
<td>160</td>
<td>160</td>
<td>160</td>
</tr>
</tbody>
</table>

* The constituents of the Pharma Peers Return Index are set out in the Remuneration report in our Annual Report 2012

Dividends

<table>
<thead>
<tr>
<th>Dividend</th>
<th>Payment date</th>
<th>2012 pence</th>
<th>2011 pence</th>
</tr>
</thead>
<tbody>
<tr>
<td>First interim</td>
<td>5 July 2012</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Second interim</td>
<td>4 October 2012</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Third interim</td>
<td>3 January 2013</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Fourth interim</td>
<td>11 April 2013</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>74</strong></td>
<td><strong>70</strong></td>
</tr>
<tr>
<td>Supplemental</td>
<td></td>
<td>–</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>74</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

The ordinary dividend of 74p is an increase of 6% over the 70p in 2011, excluding the 2011 supplemental dividend.

Dividend calendar

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Ex-dividend date</th>
<th>Record date</th>
<th>Payment date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2012</td>
<td>20 February 2013</td>
<td>22 February 2013</td>
<td>11 April 2013</td>
</tr>
<tr>
<td>Q1 2013</td>
<td>8 May 2013</td>
<td>10 May 2013</td>
<td>11 July 2013</td>
</tr>
<tr>
<td>Q2 2013</td>
<td>7 August 2013</td>
<td>9 August 2013</td>
<td>3 October 2013</td>
</tr>
<tr>
<td>Q3 2013</td>
<td>13 November 2013</td>
<td>15 November 2013</td>
<td>9 January 2014</td>
</tr>
</tbody>
</table>
**Shareholder information**

**Annual General Meeting**

The Annual Report 2012 and the Notice of Annual General Meeting (AGM), setting out all the resolutions to be proposed at the AGM in May 2013, are available for you to review at [www.gsk.com](http://www.gsk.com).

The GSK AGM will be held at 2.30pm on Wednesday, 1 May 2013 at:

The Queen Elizabeth II Conference Centre
Broad Sanctuary
Westminster
London SW1P 3EE

**More information**

This document contains a summary of certain information in our Annual Report for the year ended 31 December 2012. It does not include all the information needed to give a full understanding of the results, state of affairs, risks and uncertainties of the company and the Group. Full information is provided in the Annual Report 2012.

**Financial advice**

The provision of the details on this page is not intended to be an invitation or inducement to engage in any investment activity. Advice on share dealing should be obtained from a stockbroker or independent financial adviser.

**Shareholder and investor contacts**

The company’s registrar is Equiniti Limited
Aspect House
Spencer Road
Lancing BN99 6DA
0871 384 2991 (in the UK)
+44 (0)121 415 7067 (outside the UK)
[www.shareview.co.uk](http://www.shareview.co.uk)

The ADR programme is administered by BNY Mellon Depositary Receipts
PO Box 43006
Providence
RI 02940-3006
1 877 353 1154 (US toll free)
+1 201 680 6825 (outside the USA)
shrrelations@bnymellon.com
[www.bnymellon.com/shareowner](http://www.bnymellon.com/shareowner)

**Keeping up to date**

To receive future notifications from us by email, please register at [www.shareview.co.uk](http://www.shareview.co.uk).

You can request printed copies of our Annual Report 2012 from Equiniti and BNY Mellon Depositary Receipts.

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Brand names appearing in italics throughout this summary are trademarks either owned by and/or licensed to GlaxoSmithKline or associated companies.

**Cautionary statement**

Under the ‘safe harbor’ provision of the US Private Securities Litigation Reform Act of 1995, GSK cautions shareholders that any forward-looking statements of projections made by GSK including those made in this document, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Factors that may affect the Group’s operations are described under ‘Risk factors’ in GSK’s Annual Report 2012.

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**Front cover**

A child being seen by a doctor working for Brazil’s unified health system, which provides 95% of scheduled vaccinations in the country. We have a long-standing relationship with the government-funded science institution, Oswaldo Cruz Foundation, to manufacture vaccines for public health priorities in Brazil. This began with our first alliance in the 1980s on polio vaccines and continues through to recent technology transfers for products like our pneumococcal vaccine. Brazil is one of a number of large emerging market countries in which we are present and more than a quarter of the Group’s total revenues are now generated in these countries.
As a global healthcare company, our mission is to improve the quality of human life by enabling people to do more, feel better and live longer. Our commercial success depends on us creating innovative new medicines, vaccines and healthcare products and making these accessible to as many people who need them as possible.