Investor *information*

In this section

Financial record

Quarterly trend

An unaudited analysis of the Group results is provided by quarter in Sterling for the financial year 2013.

Income statement – total

	12 months 2013			Q4 2013		
	£m	CER%	£%	£m	CER%	£%
Turnover – Pharmaceuticals and Vaccines	21,318	1	–	5,688	6	3
– Consumer Healthcare	5,187	2	–	1,218	–	(4)
Total turnover	26,505	1	–	6,906	5	2
Cost of sales	(8,585)	8	8	(2,526)	26	25
Selling, general and administration	(8,480)	(3)	(4)	(2,200)	2	–
Research and development	(3,923)	(2)	(1)	(1,070)	(6)	(6)
Royalty income	387	25	26	98	28	29
Other operating income	1,124			1,233		
Operating profit	7,028	(1)	(4)	2,441	36	27
Net finance costs	(706)			(159)		
Profit on disposal of interest in associates and joint ventures	282			253		
Share of after tax profits of associates and joint ventures	43			11		
Profit before taxation	6,647	4	1	2,546	57	47
Taxation	(1,019)			(41)		
Tax rate %	15.3%			1.6%		
Profit after taxation for the period	5,628	24	20	2,505	>100	>100
Profit attributable to non-controlling interests	192			44		
Profit attributable to shareholders	5,436			2,461		
Basic earnings per share (pence)	112.5p	27	23	51.3p	>100	>100
Diluted earnings per share (pence)	110.5p			50.4p		

Income statement – core

Total turnover	26,505	1	–	6,906	5	2
Cost of sales	(7,549)	6	6	(2,006)	10	9
Selling, general and administration	(7,928)	1	–	(2,005)	6	3
Research and development	(3,400)	(3)	(2)	(905)	9	8
Royalty income	387	25	26	98	28	29
Operating profit	8,015	–	(3)	2,088	(1)	(8)
Net finance costs	(692)			(155)		
Share of after tax profits of associates and joint ventures	43			11		
Profit before taxation	7,366	–	(2)	1,944	1	(7)
Taxation	(1,695)			(431)		
Tax rate %	23.0%			22.2%		
Profit after taxation for the period	5,671	2	(1)	1,513	1	(7)
Profit attributable to non-controlling interests	250			69		
Profit attributable to shareholders	5,421			1,444		
Adjusted earnings per share (pence)	112.2p	4	1	30.1p	1	(7)

The calculation of core results is described on page 58.

Q3 2013			Q2 2013			Q1 2013		
£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
5,197	–	(1)	5,309	1	2	5,124	(2)	(3)
1,313	4	2	1,309	2	3	1,347	1	–
6,510	1	–	6,618	2	2	6,471	(2)	(3)
(2,111)	1	1	(1,972)	(3)	(1)	(1,976)	9	9
(1,984)	(14)	(11)	(2,216)	(2)	1	(2,080)	3	(3)
(900)	(5)	(4)	(1,049)	12	14	(904)	(7)	(7)
94	1	2	82	23	24	113	56	57
(40)			(25)			(44)		
1,569	1	(5)	1,438	(13)	(16)	1,580	(26)	(22)
(181)			(186)			(180)		
–			29			–		
14			7			11		
1,402	1	(6)	1,288	(12)	(16)	1,411	(29)	(24)
(392)			(204)			(382)		
28.0%			15.8%			27.1%		
1,010	(7)	(14)	1,084	(14)	(17)	1,029	(30)	(25)
41			39			68		
969			1,045			961		
20.0p	(4)	(12)	21.5p	(11)	(14)	19.9p	(30)	(25)
19.7p			21.2p			19.6p		

6,510	1	–	6,618	2	2	6,471	(2)	(3)
(1,878)	2	1	(1,818)	5	7	(1,847)	8	7
(1,876)	(6)	(4)	(2,092)	3	6	(1,955)	2	(5)
(791)	(10)	(9)	(847)	(6)	(4)	(857)	(4)	(4)
94	1	2	82	23	24	113	56	57
2,059	11	6	1,943	–	(2)	1,925	(11)	(6)
(178)			(183)			(176)		
14			7			11		
1,895	12	7	1,767	1	(2)	1,760	(12)	(7)
(446)			(424)			(394)		
23.5%			24.0%			22.4%		
1,449	13	8	1,343	3	–	1,366	(8)	(3)
49			64			68		
1,400			1,279			1,298		
28.9p	16	10	26.3p	4	1	26.9p	(6)	–

Pharmaceuticals and Vaccines turnover by therapeutic area 2013

Therapeutic area/ major products	Total				USA			Europe			EMAP			Rest of World		
	2013 £m	2012 (restated) £m	Growth CER%	Growth £%	2013 £m	Growth CER%	Growth £%	2013 £m	Growth CER%	Growth £%	2013 £m	Growth CER%	Growth £%	2013 £m	Growth CER%	Growth £%
Respiratory	**7,516**	**7,291**	**4**	**3**	**3,655**	**7**	**8**	**1,907**	**(3)**	**–**	**877**	**4**	**2**	**1,077**	**6**	**(5)**
Avamys/Veramyst	249	246	5	1	42	(29)	(29)	69	8	11	71	16	13	67	23	8
Flixonase/Flonase	110	133	(14)	(17)	7	(50)	(50)	31	(6)	(3)	49	(14)	(14)	23	(7)	(23)
Flixotide/Flovent	796	779	2	2	482	6	8	117	(7)	(4)	58	7	5	139	(3)	(10)
Seretide/Advair	5,274	5,046	4	5	2,769	8	9	1,458	(2)	1	429	4	3	618	6	(5)
Serevent	129	145	(10)	(11)	51	(2)	–	55	(17)	(14)	4	33	33	19	(15)	(30)
Ventolin	642	631	2	2	291	4	5	127	(2)	1	171	2	–	53	(4)	(7)
Xyzal	137	129	26	6	–	–	–	–	–	–	18	6	13	119	28	5
Zyrtec	76	81	4	(6)	–	–	–	–	–	–	41	17	14	35	(7)	(22)
Other	103	101	4	2	13	100	>100	50	(9)	(6)	36	–	(10)	4	>100	100
Anti-virals	**667**	**753**	**(6)**	**(11)**	**57**	**(2)**	**–**	**66**	**(14)**	**(11)**	**293**	**(20)**	**(19)**	**251**	**14**	**(4)**
Hepsera	96	126	(21)	(24)	–	–	–	–	–	–	70	(28)	(26)	26	–	(16)
Valtrex	224	252	(2)	(11)	45	26	29	29	(15)	(12)	40	11	8	110	(10)	(25)
Zovirax	81	89	(4)	(9)	1	(67)	(67)	19	(10)	(10)	35	3	–	26	(3)	(13)
Zeffix	182	243	(26)	(25)	13	(13)	(13)	12	(25)	(25)	140	(28)	(26)	17	(17)	(29)
Other	84	43	>100	95	(2)	<(100)	<(100)	6	25	50	8	60	60	72	>100	>100
Central nervous system	**1,483**	**1,670**	**(8)**	**(11)**	**440**	**(15)**	**(14)**	**355**	**(11)**	**(8)**	**341**	**7**	**4**	**347**	**(8)**	**(22)**
Imigran/Imitrex	188	190	1	(1)	80	11	11	63	(7)	(6)	7	–	–	38	(5)	(12)
Lamictal	557	610	(7)	(9)	276	(18)	(17)	110	(4)	(2)	78	8	4	93	21	2
Requip	125	164	(18)	(24)	7	(63)	(63)	52	(33)	(32)	14	–	–	52	15	(5)
Seroxat/Paxil	285	374	(16)	(24)	–	100	100	53	(11)	(7)	79	(4)	(6)	153	(23)	(35)
Wellbutrin	97	84	14	15	16	33	33	51	11	16	30	7	7	–	–	–
Other	231	248	(5)	(7)	61	(21)	(20)	26	(20)	(13)	133	14	10	11	(38)	(48)
Cardiovascular and urogenital	**2,239**	**2,431**	**(8)**	**(8)**	**1,244**	**(16)**	**(15)**	**533**	**2**	**6**	**281**	**(2)**	**(4)**	**181**	**18**	**4**
Arixtra	167	195	(15)	(14)	50	(26)	(26)	84	(12)	(8)	28	–	–	5	(13)	(38)
Avodart	857	790	10	8	312	(3)	(2)	273	15	20	104	27	24	168	20	4
Coreg	131	133	(2)	(2)	130	(2)	(2)	–	–	–	–	–	–	1	–	–
Fraxiparine	221	233	(7)	(5)	–	–	–	138	(8)	(5)	83	(6)	(5)	–	(100)	(100)
Lovaza	584	607	(5)	(4)	581	(5)	(4)	–	–	–	–	–	–	3	–	–
Other	279	473	(42)	(41)	171	(51)	(50)	38	(8)	(5)	66	(26)	(29)	4	–	–
Metabolic	**174**	**171**	**10**	**2**	**4**	**>100**	**>100**	**42**	**41**	**45**	**68**	**9**	**5**	**60**	**(20)**	**(31)**
Other	174	171	10	2	4	>100	>100	42	41	45	68	9	5	60	(20)	(31)
Anti-bacterials	**1,239**	**1,247**	**–**	**(1)**	**27**	**30**	**35**	**393**	**(6)**	**(2)**	**750**	**5**	**2**	**69**	**(15)**	**(22)**
Augmentin	630	608	5	4	1	–	–	203	(3)	–	393	11	7	33	(5)	(13)
Other	609	639	(4)	(5)	26	32	37	190	(9)	(5)	357	(1)	(3)	36	(22)	(29)
Oncology and emesis	**969**	**798**	**22**	**21**	**380**	**17**	**18**	**339**	**28**	**32**	**149**	**18**	**14**	**101**	**27**	**12**
Arzerra	75	60	23	25	46	18	21	27	29	29	–	–	–	2	100	100
Promacta	186	130	46	43	73	33	35	55	47	53	22	92	83	36	50	29
Tyverb/Tykerb	207	239	(13)	(13)	55	(21)	(19)	82	(9)	(6)	47	(9)	(13)	23	(10)	(23)
Votrient	331	183	80	81	144	56	58	130	91	97	37	77	68	20	>100	>100
Other	170	186	(9)	(9)	62	(10)	(11)	45	(9)	(2)	43	2	–	20	(26)	(26)
Dermatology	**770**	**850**	**(8)**	**(9)**	**140**	**(40)**	**(39)**	**170**	**5**	**8**	**397**	**6**	**2**	**63**	**(9)**	**(19)**
Bactroban	98	124	(19)	(21)	29	(45)	(43)	24	(12)	(8)	38	5	(3)	7	-	(13)
Duac	72	87	(17)	(17)	15	(61)	(61)	29	17	21	16	38	23	12	(8)	-
Other	600	639	(4)	(6)	96	(32)	(31)	117	7	9	343	5	2	44	(11)	(23)
Rare diseases	**495**	**495**	**7**	**–**	**113**	**(4)**	**(3)**	**129**	**1**	**5**	**48**	**2**	**–**	**205**	**17**	**(1)**
Flolan	147	135	21	16	–	–	–	82	10	12	11	22	22	54	40	20
Volibris	103	127	(16)	(24)	25	(24)	(24)	18	(26)	(22)	–	–	–	60	(9)	(24)
Other	245	233	12	5	88	4	5	29	–	7	37	(3)	(5)	91	30	10
Immuno-inflammation	**161**	**70**	**>100**	**>100**	**148**	**>100**	**>100**	**8**	**100**	**100**	**1**	**–**	**–**	**4**	**>100**	**>100**
Benlysta	146	70	>100	>100	134	>100	>100	8	100	100	1	–	–	3	100	>100
Other	15	–	–	–	14	–	–	–	–	–	–	–	–	1	–	–
Other pharmaceuticals	**799**	**786**	**6**	**2**	**6**	**(74)**	**(68)**	**175**	**(7)**	**(2)**	**369**	**(3)**	**(10)**	**249**	**48**	**37**
Vaccines	**3,420**	**3,325**	**2**	**3**	**978**	**17**	**18**	**1,049**	**3**	**7**	**1,124**	**1**	**2**	**269**	**(31)**	**(35)**
Boostrix	288	238	19	21	183	23	24	65	19	23	20	25	25	20	(9)	(9)
Cervarix	172	270	(37)	(36)	6	–	–	61	11	15	92	23	23	13	(90)	(90)
Fluarix, FluLaval	251	200	25	26	146	65	66	35	(21)	(19)	43	(2)	(2)	27	8	8
Hepatitis	629	646	(4)	(3)	263	(3)	(1)	198	(3)	1	123	(2)	(4)	45	(15)	(18)
Infanrix, Pediarix	862	775	9	11	271	23	24	398	2	6	132	11	10	61	3	–
Rotarix	375	360	5	4	108	7	8	59	49	51	164	3	3	44	(21)	(29)
Synflorix	405	385	2	5	–	–	–	48	2	7	350	1	5	7	17	17
Other	438	451	(4)	(3)	1	(100)	–	185	2	6	200	(14)	(13)	52	27	16
	19,932	**19,887**	**1**	**–**	**7,192**	**1**	**3**	**5,166**	**–**	**3**	**4,698**	**1**	**–**	**2,876**	**3**	**(9)**
ViiV Healthcare (HIV)	**1,386**	**1,374**	**–**	**1**												
	21,318	**21,261**	**1**	**–**												

CER% represents growth at constant exchange rates. £% represents growth at actual exchange rates.

Pharmaceuticals and Vaccines turnover by therapeutic area 2012

Therapeutic area/ major products	Total				USA			Europe			EMAP			Rest of World		
	2012 £m	2011 (restated) £m	Growth CER%	Growth £%	2012 £m	Growth CER%	Growth £%	2012 £m	Growth CER%	Growth £%	2012 £m	Growth CER%	Growth £%	2012 £m	Growth CER%	Growth £%
Respiratory	**7,291**	7,298	**1**	**–**	**3,388**	**1**	**3**	**1,906**	**(5)**	**(10)**	**858**	**13**	**10**	**1,139**	**3**	**3**
Avamys/Veramyst	246	241	5	2	59	(6)	(5)	62	2	(5)	63	24	17	62	2	3
Flixonase/Flonase	133	138	(3)	(4)	14	100	100	32	(11)	(14)	57	14	16	30	(31)	(33)
Flixotide/Flovent	779	813	(4)	(4)	448	(1)	–	122	(15)	(19)	55	8	6	154	(6)	(6)
Seretide/Advair	5,046	5,061	1	–	2,533	1	2	1,447	(4)	(8)	417	12	10	649	3	4
Serevent	145	182	(19)	(20)	51	(19)	(18)	64	(22)	(25)	3	–	–	27	(13)	(16)
Ventolin	631	602	6	5	277	14	16	126	(6)	(11)	171	10	7	57	(8)	(8)
Xyzal	129	64	100	>100	–	–	–	–	–	–	16	–	–	113	>100	>100
Zyrtec	81	96	(16)	(16)	–	–	–	–	–	–	36	28	24	45	(34)	(33)
Other	101	101	6	–	6	(33)	(33)	53	4	(5)	40	16	8	2	(100)	(100)
Anti-virals	**753**	842	**(11)**	**(11)**	**57**	**(42)**	**(41)**	**74**	**(23)**	**(27)**	**360**	**2**	**3**	**262**	**(12)**	**(12)**
Hepsera	126	127	(2)	(1)	–	–	–	–	–	–	95	(3)	(1)	31	–	–
Valtrex	252	339	(25)	(26)	35	(51)	(51)	33	(27)	(31)	37	–	(3)	147	(19)	(19)
Zovirax	89	109	(16)	(18)	3	(73)	(73)	21	(19)	(22)	35	(3)	(5)	30	(9)	(12)
Zeffix	243	237	–	3	15	27	36	16	(29)	(33)	188	3	7	24	(4)	(8)
Other	43	30	37	43	4	100	100	4	100	100	5	>100	>100	30	12	20
Central nervous system	**1,670**	1,721	**(2)**	**(3)**	**510**	**6**	**8**	**386**	**(15)**	**(20)**	**329**	**8**	**6**	**445**	**(3)**	**(2)**
Imigran/Imitrex	190	210	(8)	(10)	72	(13)	(12)	67	(4)	(9)	7	–	–	44	(6)	(6)
Lamictal	610	536	14	14	332	18	20	112	(9)	(15)	75	7	6	91	58	60
Requip	164	218	(22)	(25)	19	(55)	(55)	76	(29)	(33)	14	25	17	55	8	8
Seroxat/Paxil	374	435	(14)	(14)	(1)	100	67	57	(9)	(14)	84	(5)	(5)	234	(19)	(18)
Treximet	49	57	(14)	(14)	49	(16)	(14)	–	–	–	–	–	–	–	–	–
Wellbutrin	84	85	4	(1)	12	(25)	(25)	44	4	(2)	28	26	22	–	–	–
Other	199	180	13	11	27	>100	>100	30	(39)	(41)	121	15	10	21	31	31
Cardiovascular and urogenital	**2,431**	2,454	**–**	**(1)**	**1,461**	**(5)**	**(4)**	**504**	**1**	**(6)**	**292**	**18**	**16**	**174**	**23**	**23**
Arixtra	195	276	(27)	(29)	68	(54)	(54)	91	–	(6)	28	33	33	8	(27)	(27)
Avodart	790	748	7	6	317	(5)	(4)	228	9	2	84	26	22	161	28	29
Coreg	133	155	(15)	(14)	132	(15)	(14)	–	–	–	–	–	–	1	–	–
Fraxiparine	233	234	4	–	–	–	–	145	(4)	(10)	87	26	24	1	(50)	(50)
Lovaza	607	569	5	7	604	5	7	–	–	–	–	–	–	3	–	50
Vesicare	175	126	37	39	174	37	38	–	–	–	1	–	–	–	–	–
Other	298	346	(13)	(14)	166	(20)	(18)	40	(17)	(23)	92	1	1	–	–	–
Metabolic	**171**	331	**(47)**	**(48)**	**(12)**	**–**	**–**	**29**	**(49)**	**(52)**	**65**	**10**	**3**	**89**	**(24)**	**(24)**
Avandia products	6	123	(94)	(95)	(12)	–	–	–	–	–	12	(33)	(33)	6	(59)	(65)
Other	165	208	(18)	(21)	–	–	–	29	(52)	(55)	53	27	18	83	(18)	(17)
Anti-bacterials	**1,247**	1,390	**(7)**	**(10)**	**20**	**(63)**	**(63)**	**403**	**(17)**	**(21)**	**735**	**5**	**2**	**89**	**(12)**	**(11)**
Augmentin	608	641	(1)	(5)	1	–	–	202	(13)	(19)	367	8	4	38	(10)	(7)
Other	639	749	(12)	(15)	19	(65)	(65)	201	(20)	(24)	368	2	(1)	51	(14)	(14)
Oncology and emesis	**798**	683	**19**	**17**	**321**	**18**	**20**	**256**	**11**	**4**	**131**	**48**	**42**	**90**	**15**	**15**
Arzerra	60	44	36	36	38	23	23	21	83	75	–	–	–	1	(100)	–
Promacta	130	75	76	73	54	66	69	36	65	57	12	>100	>100	28	87	87
Tyverb/Tykerb	239	231	6	3	68	5	6	87	(5)	(10)	54	36	29	30	7	7
Votrient	183	100	88	83	91	59	63	66	89	78	22	>100	>100	4	–	–
Other	186	233	(19)	(20)	70	(18)	(18)	46	(34)	(39)	43	11	13	27	(21)	(21)
Dermatology	**850**	898	**(2)**	**(5)**	**228**	**(14)**	**(13)**	**156**	**5**	**–**	**388**	**7**	**1**	**78**	**(19)**	**(19)**
Bactroban	124	123	3	1	51	(2)	–	26	–	(7)	39	17	11	8	(11)	(11)
Duac	87	109	(19)	(20)	38	(38)	(37)	24	4	–	13	8	–	12	–	–
Other	639	666	–	(4)	139	(9)	(9)	106	6	1	336	6	1	58	(23)	(23)
Rare diseases	**495**	463	**8**	**7**	**117**	**10**	**11**	**123**	**(6)**	**(12)**	**48**	**20**	**17**	**207**	**16**	**16**
Flolan	135	179	(25)	(25)	33	(14)	(11)	23	(42)	(47)	–	–	–	79	(21)	(20)
Volibris	127	97	35	31	–	–	–	73	12	6	9	80	80	45	96	96
Other	233	187	26	25	84	22	24	27	4	–	39	11	8	83	50	48
Immuno-inflammation	**70**	15	**>100**	**>100**	**65**	**>100**	**>100**	**4**	**>100**	**>100**	**–**	**–**	**–**	**1**	**–**	**–**
Benlysta	70	15	>100	>100	65	>100	>100	4	>100	>100	–	–	–	1	–	–
Other pharmaceuticals	**786**	908	**(9)**	**(13)**	**19**	**25**	**19**	**180**	**(23)**	**(32)**	**408**	**(2)**	**(7)**	**179**	**(7)**	**(6)**
Vaccines	**3,325**	3,497	**(2)**	**(5)**	**826**	**–**	**1**	**980**	**(4)**	**(10)**	**1,107**	**14**	**9**	**412**	**(29)**	**(29)**
Boostrix	238	192	25	24	147	35	36	53	17	10	16	78	78	22	(19)	(19)
Cervarix	270	506	(46)	(47)	6	(25)	(25)	53	(2)	(9)	75	(19)	(20)	136	(61)	(61)
Fluarix, FluLaval	200	230	(11)	(13)	88	(35)	(33)	43	15	8	44	35	29	25	8	4
Hepatitis	646	688	(5)	(6)	266	(10)	(9)	197	(8)	(13)	128	21	15	55	(11)	(4)
Infanrix, Pediarix	775	690	17	12	218	32	34	376	–	(7)	120	85	76	61	9	9
Nimenrix	1	–	–	–	–	–	–	1	–	–	–	–	–	–	–	–
Rotarix	360	300	21	20	100	(11)	(9)	39	2	(5)	159	25	23	62	>100	>100
Synflorix	385	350	17	10	–	–	–	45	(8)	(13)	334	22	14	6	–	–
Other	450	541	(13)	(17)	1	–	–	173	(18)	(22)	231	(12)	(16)	45	7	2
	19,887	20,500	**(1)**	**(3)**	**7,000**	**(2)**	**–**	**5,001**	**(7)**	**(12)**	**4,721**	**10**	**6**	**3,165**	**(6)**	**(5)**
ViiV Healthcare (HIV)	**1,374**	1,569	**(10)**	**(12)**												
	21,261	22,069	**(2)**	**(4)**												

CER% represents growth at constant exchange rates. £% represents growth at actual exchange rates.

ViiV Healthcare turnover

Therapeutic area/ major products	Total 2013 £m	Total 2012 (restated) £m	Total Growth CER%	Total Growth £%	USA 2013 £m	USA Growth CER%	USA Growth £%	Europe 2013 £m	Europe Growth CER%	Europe Growth £%	EMAP 2013 £m	EMAP Growth CER%	EMAP Growth £%	Rest of World 2013 £m	Rest of World Growth CER%	Rest of World Growth £%
Combivir	**116**	179	(36)	(35)	**35**	46	48	**39**	(41)	(39)	**35**	(56)	(56)	**7**	(36)	(42)
Epivir	**43**	49	(10)	(12)	**10**	25	27	**16**	(29)	(26)	**11**	(5)	(5)	**6**	(2)	(22)
Epzicom/Kivexa	**763**	665	14	15	**269**	9	10	**328**	11	15	**78**	38	37	**88**	22	12
Selzentry	**143**	128	10	12	**58**	1	2	**63**	8	13	**6**	67	60	**16**	47	40
Trizivir	**97**	107	(10)	(9)	**58**	(6)	(4)	**32**	(17)	(14)	**4**	(26)	(30)	**3**	1	(18)
Other	**224**	246	(10)	(9)	**122**	(5)	(4)	**48**	(22)	(19)	**37**	(7)	(8)	**17**	(9)	(10)
	1,386	1,374	–	1	**552**	5	6	**526**	(3)	–	**171**	(12)	(14)	**137**	12	3

Therapeutic area/ major products	Total 2012 £m	Total 2011 (restated) £m	Total Growth CER%	Total Growth £%	USA 2012 £m	USA Growth CER%	USA Growth £%	Europe 2012 £m	Europe Growth CER%	Europe Growth £%	EMAP 2012 £m	EMAP Growth CER%	EMAP Growth £%	Rest of World 2012 £m	Rest of World Growth CER%	Rest of World Growth £%
Combivir	179	322	(43)	(44)	24	(81)	(81)	64	(27)	(31)	79	(2)	(5)	12	(42)	(37)
Epivir	49	110	(54)	(55)	8	(81)	(81)	21	(31)	(35)	12	(55)	(56)	8	(23)	(38)
Epzicom/Kivexa	665	617	10	8	243	4	6	285	11	5	57	37	34	80	10	11
Lexiva	127	142	(9)	(11)	68	(9)	(8)	33	(20)	(26)	19	25	21	7	(14)	–
Selzentry	128	110	20	16	57	25	26	56	16	9	4	9	2	11	30	10
Trizivir	107	126	(13)	(15)	61	(11)	(10)	37	(21)	(25)	5	4	(1)	4	25	–
Other	119	142	(16)	(16)	59	(24)	(24)	27	(10)	(13)	22	5	5	11	(17)	(8)
	1,374	1,569	(10)	(12)	520	(22)	(21)	523	(3)	(9)	198	3	–	133	(2)	(3)

Five year record

A record of financial performance is provided, analysed in accordance with current reporting practice. The information included in the Five year record is prepared in accordance with IFRS as adopted by the European Union and also with IFRS as issued by the International Accounting Standards Board.

Turnover by division	2013 £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m	2009 (restated) £m
Pharmaceuticals	**17,898**	17,936	18,572	18,958	19,947
Vaccines	**3,420**	3,325	3,497	4,326	3,706
Pharmaceuticals and Vaccines	**21,318**	21,261	22,069	23,284	23,653
Consumer Healthcare	**5,187**	5,170	5,318	5,108	4,715
	26,505	26,431	27,387	28,392	28,368
Group turnover by geographic region					
USA	**8,730**	8,476	8,696	9,346	10,316
Europe	**7,511**	7,326	8,276	9,097	9,702
EMAP	**6,746**	6,788	6,407	6,078	5,024
Japan	**1,890**	2,225	2,318	2,155	1,782
Other	**1,628**	1,616	1,690	1,716	1,544
	26,505	26,431	27,387	28,392	28,368
Group turnover by segment					
USA	**7,192**	7,000	7,022	7,629	8,571
Europe	**5,166**	5,001	5,700	6,479	7,063
EMAP	**4,698**	4,721	4,441	4,347	3,615
Japan	**1,657**	1,969	2,082	1,959	1,605
ViiV Healthcare (HIV)	**1,386**	1,374	1,569	1,566	1,605
Other trading and unallocated pharmaceuticals	**1,219**	1,196	1,255	1,304	1,194
Pharmaceuticals and Vaccines	**21,318**	21,261	22,069	23,284	23,653
Consumer Healthcare	**5,187**	5,170	5,318	5,108	4,715
	26,505	26,431	27,387	28,392	28,368

Five year record continued

Pharmaceuticals and Vaccines turnover by therapeutic area	2013 £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m	2009 (restated) £m
Respiratory	**7,516**	7,291	7,298	7,238	6,977
Anti-virals	**667**	753	842	1,167	2,474
Central nervous system	**1,483**	1,670	1,721	1,753	1,870
Cardiovascular and urogenital	**2,239**	2,431	2,454	2,314	2,077
Metabolic	**174**	171	331	647	1,151
Anti-bacterials	**1,239**	1,247	1,390	1,396	1,457
Oncology and emesis	**969**	798	683	679	620
Dermatology	**770**	850	898	849	547
Rare diseases	**495**	495	463	408	364
Immuno-inflammation	**161**	70	15	–	–
Other pharmaceuticals	**799**	786	908	941	805
Vaccines	**3,420**	3,325	3,497	4,326	3,706
ViiV Healthcare (HIV)	**1,386**	1,374	1,569	1,566	1,605
	21,318	21,261	22,069	23,284	23,653

Consumer Healthcare turnover					
Total wellness	**1,935**	2,057	2,310	2,217	2,172
Oral care	**1,884**	1,806	1,722	1,596	1,479
Nutrition	**1,096**	1,050	1,025	953	851
Skin health	**272**	257	261	342	213
	5,187	5,170	5,318	5,108	4,715

Financial results – total	2013 £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m	2009 (restated) £m
Turnover	**26,505**	26,431	27,387	28,392	28,368
Operating profit	**7,028**	7,300	7,734	3,715	8,408
Profit before taxation	**6,647**	6,600	7,625	3,089	7,874
Profit after taxation	**5,628**	4,678	5,405	1,806	5,657

	pence	pence	pence	pence	pence
Basic earnings per share	**112.5**	91.6	103.6	31.2	108.9
Diluted earnings per share	**110.5**	90.2	102.1	30.9	108.0

Financial results – core	2013 £m	2012 (restated) £m	2011 (restated) £m
Turnover	**26,505**	26,431	27,387
Operating profit	**8,015**	8,238	8,730
Profit before taxation	**7,366**	7,543	8,038
Profit after taxation	**5,671**	5,705	5,954

	pence	pence	pence
Core earnings per share	**112.2**	111.4	114.5
Core diluted earnings per share	**110.2**	109.7	112.9

	2013 millions	2012 millions	2011 millions	2010 millions	2009 millions
Weighted average number of shares in issue:					
Basic	**4,831**	4,912	5,028	5,085	5,069
Diluted	**4,919**	4,989	5,099	5,128	5,108

	%	% (restated)	% (restated)	% (restated)	% (restated)
Return on capital employed	**91.4**	84.9	82.3	30.2	82.9

Return on capital employed is calculated as total profit before taxation as a percentage of average net assets over the year.

Five year record continued

Balance sheet	2013 £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m	2009 (restated) £m
Non-current assets	**26,859**	27,789	24,921	26,207	25,307
Current assets	**15,227**	13,692	16,167	16,036	17,570
Total assets	**42,086**	41,481	41,088	42,243	42,877
Current liabilities	**(13,677)**	(13,815)	(15,010)	(12,794)	(12,118)
Non-current liabilities	**(20,597)**	(20,929)	(17,264)	(19,724)	(20,041)
Total liabilities	**(34,274)**	(34,744)	(32,274)	(32,518)	(32,159)
Net assets	**7,812**	6,737	8,814	9,725	10,718
Shareholders' equity	**6,997**	5,800	8,019	8,867	9,981
Non-controlling interests	**815**	937	795	858	737
Total equity	**7,812**	6,737	8,814	9,725	10,718

Number of employees

	2013	2012	2011	2010	2009
USA	**16,530**	17,201	16,707	17,555	22,594
Europe	**38,367**	38,788	38,696	39,910	42,048
EMAP	**37,747**	36,738	35,080	31,992	28,327
Japan	**3,531**	3,515	3,573	3,461	3,264
Other	**3,276**	3,246	3,333	3,543	3,680
	99,451	99,488	97,389	96,461	99,913
Manufacturing	**31,502**	31,369	30,664	30,611	31,162
Selling	**45,397**	45,601	45,155	43,918	44,621
Administration	**10,232**	9,607	8,883	8,850	9,405
Research and development	**12,320**	12,911	12,687	13,082	14,725
	99,451	99,488	97,389	96,461	99,913

The geographic distribution of employees in the table above is based on the location of GSK's subsidiary companies. The number of employees is the number of permanent employed staff at the end of the financial period. It excludes those employees who are employed and managed by GSK on a contract basis.

Exchange rates

As a guide to holders of ADS, the following tables set out, for the periods indicated, information on the exchange rate of US dollars for Sterling as reported by the Bank of England (4pm buying rate).

	2013	2012	2011	2010	2009
Average	**1.56**	1.59	1.60	1.55	1.56

The average rate for the year is calculated as the average of the 4pm buying rates for each day of the year.

	2014 Feb	2014 Jan	2013 Dec	2013 Nov	2013 Oct	2013 Sep
High	1.67	1.66	1.65	1.64	1.62	1.62
Low	1.63	1.63	1.62	1.59	1.59	1.55

The 4pm buying rate on 21 February 2014 was £1= US$1.67.

Pipeline, products and competition

Pharmaceuticals and Vaccines product development pipeline

Key

†	In-licence or other alliance relationship with third party
S	Month of first submission
A	Month of first regulatory approval (for MAA, this is the first EU approval letter)
BLA	Biological Licence Application
MAA	Marketing Authorisation Application (Europe)
NDA	New Drug Application (USA)

Phase I	Evaluation of clinical pharmacology, usually conducted in volunteers
Phase II	Determination of dose and initial evaluation of efficacy, conducted in a small number of patients
Phase III	Large comparative study (compound versus placebo and/or established treatment) in patients to establish clinical benefit and safety
PO	Month of EU Positive Opinion

MAA and NDA/BLA regulatory review milestones shown in the table below are those that have been achieved. Future filing dates are not included in this list.

				Achieved regulatory review milestones	
Compound	Type	Indication	Phase	MAA	NDA/BLA
Respiratory					
2126458	phosphoinositide 3 kinase inhibitor	idiopathic pulmonary fibrosis	I		
2256294	soluble epoxide hydrolase inhibitor	COPD	I		
2269557	phosphoinositide 3 kinase inhibitor	asthma & COPD	I		
2793660	cathepsin C inhibitor	bronchiectasis	I		
2862277	tumour necrosis factor receptor-1 domain antibody	acute lung injury	I		
danirixin (1325756)	CXCR2 chemokine receptor antagonist	COPD	I		
fluticasone furoate + vilanterol† + umeclidinium	glucocorticoid agonist + long-acting beta2 agonist + muscarinic acetylcholine antagonist	COPD	I		
961081†	muscarinic acetylcholine antagonist, beta2 agonist	COPD	II		
2245035	toll-like receptor 7 agonist	asthma	II		
2339345	sodium channel blocker	cough	II		
2586881†	recombinant human angiotensin converting enzyme 2	acute lung injury	II		
fluticasone furoate + umeclidinium	glucocorticoid agonist + muscarinic acetylcholine antagonist	asthma	II		
losmapimod	p38 kinase inhibitor (oral)	COPD (also acute coronary syndrome)	II		
mepolizumab	IL5 monoclonal antibody	nasal polyposis	II		
mepolizumab	IL5 monoclonal antibody	severe asthma (also eosinophilic granulomatosis with polyangiitis)	III		
Relvar/Breo Ellipta (vilanterol† + fluticasone furoate)	long-acting beta2 agonist + glucocorticoid agonist	COPD – mortality outcomes	III		
vilanterol†	long-acting beta2 agonist	COPD	III		
fluticasone furoate	glucocorticoid agonist	asthma	Submitted		S: Oct13
*Incruse Ellipta** (umeclidinium)	muscarinic acetylcholine antagonist	COPD (also hyperhidrosis)	Submitted	PO: Feb14	S: Apr13
Anoro Ellipta (umeclidinium + vilanterol†)	muscarinic acetylcholine antagonist + long-acting beta2 agonist	COPD	Approved	PO: Feb14	A: Dec13
Relvar/Breo Ellipta (vilanterol† + fluticasone furoate)	long-acting beta2 agonist + glucocorticoid agonist	asthma	Approved	A: Nov13	
Relvar/Breo Ellipta (vilanterol† + fluticasone furoate)	long-acting beta2 agonist + glucocorticoid agonist	COPD	Approved	A: Nov13	A:May13
Paediatric Vaccines					
RSV	recombinant	respiratory syncytial virus prophylaxis (maternal immunisation)	I		
RSV	recombinant viral vector	respiratory syncytial virus prophylaxis	I		
S. pneumoniae next generation†	recombinant – conjugated	Streptococcus pneumoniae disease prophylaxis	II		
MMR	live attenuated	measles, mumps, rubella prophylaxis	III (US)	A: Nov 97	
Mosquirix (Malaria RTS,S)†	recombinant	malaria prophylaxis (*Plasmodium falciparum*)	III		N/A
Nimenrix (MenACWY-TT)	conjugated	Neisseria meningitis groups A, C, W & Y disease prophylaxis	Approved (II, US)	A: Apr12	
Other Vaccines					
HIV†	recombinant	HIV disease prophylaxis	I		
NTHi†	recombinant	non-typeable Haemophilus influenzae prophylaxis	I		
Hepatitis C	recombinant viral vector	hepatitis C virus prophylaxis	II		
HIV†	recombinant	HIV disease immunotherapy	II		
Tuberculosis†	recombinant	tuberculosis prophylaxis	II		
Zoster†	recombinant	Herpes Zoster prophylaxis	III		
Flu (pre-) pandemic	H5N1 inactivated split – monovalent (Quebec)	pre-pandemic & pandemic influenza prophylaxis	Approved	N/A	A: Nov13
Flu vaccine	inactivated split – quadrivalent	seasonal influenza prophylaxis	Approved	A: Feb13	A: Dec12

* The use of the brand name is not approved by any regulatory authorities

Pharmaceuticals and Vaccines product development pipeline continued

Compound	Type	Indication	Phase	Achieved regulatory review milestones MAA	NDA/BLA
Antigen-Specific Cancer Immunotherapeutic					
PRAME immunotherapeutic†	recombinant	treatment of resectable non-small cell lung cancer	II		
MAGE-A3 immunotherapeutic†	recombinant	treatment of bladder cancer	II		
WT1 immunotherapeutic	recombinant	treatment of breast cancer	II		
MAGE-A3 immunotherapeutic†	recombinant	treatment of melanoma	III		
MAGE-A3 immunotherapeutic†	recombinant	treatment of non-small cell lung cancer	III		
HIV (ViiV Healthcare)					
1265744	HIV integrase inhibitor (long-acting parenteral formulation)	HIV infections	II		
dolutegravir + abacavir sulphate + lamivudine	HIV integrase inhibitor + reverse transcriptase inhibitors (fixed dose combination)	HIV infections - fixed dose combination	Submitted	S:Oct13	S:Oct13
Tivicay (dolutegravir)	HIV integrase inhibitor	HIV infections	Approved	A: Jan14	A: Aug13
Oncology					
525762	bromodomain inhibitor	NUT gene midline carcinoma	I		
2141795 + trametinib†	AKT protein kinase inhibitor + MEK1/2 inhibitor	cancer	I		
2256098	focal adhesion kinase inhibitor	cancer	I		
2636771	phosphatidylinositol 3-kinase inhibitor	cancer	I		
2849330	ErbB3 monoclonal antibody	cancer	I		
3052230†	fibroblast growth factor ligand trap	cancer	I		
afuresertib (2110183)	AKT protein kinase inhibitor	multiple myeloma	I		
Votrient (pazopanib) + MK-3475†	multi-kinase angiogenesis inhibitor + PD-1 monoclonal antibody	renal cell cancer	I		
afuresertib (2110183)	AKT protein kinase inhibitor	ovarian cancer	II		
foretinib†	mesenchymal-epithelial transition factor (C-met) kinase inhibitor	non-small cell lung cancer	II		
Mekinist (trametinib)† + *Tafinlar* (dabrafenib) + panitumumab†	MEK1/2 inhibitor + BRAF protein kinase inhibitor + human anti-EGFR monoclonal antibody	colorectal cancer	II		
Revolade/Promacta (eltrombopag)†	thrombopoietin receptor agonist	acute myeloid leukaemia	II		
Revolade/Promacta (eltrombopag)†	thrombopoietin receptor agonist	aplastic anaemia	II		
Revolade/Promacta (eltrombopag)†	thrombopoietin receptor agonist	myelodysplastic syndromes	II		
Tafinlar (dabrafenib)	BRAF protein kinase inhibitor	non-small cell lung cancer	II		
Arzerra (ofatumumab)†	CD20 human monoclonal antibody	chronic lymphocytic leukaemia, use in relapsed patients	III		
Arzerra (ofatumumab)†	CD20 human monoclonal antibody	diffuse large B cell lymphoma (relapsed patients)	III		
Arzerra (ofatumumab)†	CD20 human monoclonal antibody	follicular lymphoma (refractory & relapsed patients)	III		
Mekinist (trametinib)† + *Tafinlar* (dabrafenib)	MEK1/2 inhibitor + BRAF protein kinase inhibitor	metastatic melanoma, adjuvant therapy	III		
Tyverb/Tykerb (lapatinib)	human epidermal growth factor receptor-2 (Her2) and epidermal growth factor receptor (EGFR) dual kinase inhibitor	breast cancer, neo-adjuvant & adjuvant therapy	III		
Votrient (pazopanib)	multi-kinase angiogenesis inhibitor	renal cell cancer, adjuvant therapy	III		
Arzerra (ofatumumab)†	CD20 human monoclonal antibody	chronic lymphocytic leukaemia, first line therapy	Submitted	S: Oct13	S: Oct13
Votrient (pazopanib)	multi-kinase angiogenesis inhibitor	ovarian cancer, maintenance therapy	Submitted	S: Aug13	
Mekinist (trametinib)†	MEK1/2 inhibitor	metastatic melanoma	Approved	S: Feb13	A: May13
Mekinist (trametinib)† + *Tafinlar* (dabrafenib)	MEK1/2 inhibitor + BRAF protein kinase inhibitor	metastatic melanoma	Approved	S: Feb13	A:Jan14
Revolade/Promacta (eltrombopag)†	thrombopoietin receptor agonist	hepatitis C induced thrombocytopaenia	Approved	A: Sep13	A: Nov12
Tafinlar (dabrafenib)	BRAF protein kinase inhibitor	metastatic melanoma	Approved	A:Aug13	A:May13
Tyverb/Tykerb (lapatinib)	Her2 and EGFR dual kinase inhibitor	metastatic breast cancer, in combination with trastuzumab	Approved	A: Jul13	

Pharmaceuticals and Vaccines product development pipeline continued

Compound	Type	Indication	Phase	Achieved regulatory review milestones MAA	NDA/BLA
Cardiovascular & Metabolic					
1278863	prolyl hydroxylase inhibitor (topical)	wound healing	I		
2881078	selective androgen receptor modulator	heart failure	I		
1278863	prolyl hydroxylase inhibitor	anaemia associated with chronic renal disease & peri-operative risk reduction	II		
2330672	ileal bile acid transport inhibitor	type 2 diabetes	II		
camicinal	motilin receptor agonist	delayed gastric emptying	II		
losmapimod	p38 kinase inhibitor	acute coronary syndrome (also COPD)	II		
retosiban	oxytocin antagonist	threatened pre-term labour	II		
darapladib	Lp-PLA2 inhibitor	atherosclerosis (also diabetic macular oedema)	III		
Eperzan (albiglutide)	GLP 1 agonist	type 2 diabetes	Submitted	PO: Jan14	S: Jan13
Immuno-inflammation					
2586184†	Janus kinase 1 (JAK1) inhibitor	ulcerative colitis	I		
2618960	IL7 receptor monoclonal antibody	autoimmune disease	I		
3117391†	macrophage targeted histone deacetylase inhibitor	rheumatoid arthritis	I		
2586184†	Janus kinase 1 (JAK1) inhibitor	systemic lupus erythematosus (also psoriasis)	II		
3196165 (MOR103)†	granulocyte macrophage colony-stimulating factor monoclonal antibody	rheumatoid arthritis	II		
belimumab	B lymphocyte stimulator monoclonal antibody (i.v.)	transplant rejection (also myaesthenia gravis)	II		
Benlysta (belimumab)	B lymphocyte stimulator monoclonal antibody (s.c.)	systemic lupus erythematosus	III		
Benlysta (belimumab)	B lymphocyte stimulator monoclonal antibody (i.v.)	vasculitis	III		
sirukumab†	IL6 human monoclonal antibody (s.c.)	rheumatoid arthritis	III		
Rare Diseases					
2398852†	SAP monoclonal antibody	amyloidosis	I		
2696274†	ex-vivo stem cell gene therapy	metachromatic leukodystrophy	II		
2696275†	ex-vivo stem cell gene therapy	Wiscott-Aldrich syndrome	II		
ozanezumab	neurite outgrowth inhibitor (NOGO-A) monoclonal antibody	amyotrophic lateral sclerosis	II		
2696273†	ex-vivo stem cell gene therapy	adenosine deaminase severe combined immune deficiency (ADA-SCID)	III		
mepolizumab	IL5 monoclonal antibody (s.c.)	eosinophilic granulomatosis with polyangiitis (also severe asthma)	III		
Volibris (ambrisentan)†	endothelin A antagonist	chronic thromboembolic pulmonary hypertension	III		
Infectious Diseases					
2838232	antiviral maturation inhibitor	HIV infections	I		
2878175	NS5B polymerase inhibitor	hepatitis C	I		
1322322	polypeptide deformylase inhibitor	bacterial infections	II		
2140944	type 2 topoisomerase inhibitor	bacterial infections	II		
tafenoquine†	8-aminoquinoline	Plasmodium vivax malaria	II		
Relenza i.v. (zanamivir)†	neuraminidase inhibitor (i.v.)	influenza	III		
Neurosciences					
2647544	Lp-PLA2 inhibitor	Alzheimer's disease	I		
239512	H3 receptor antagonist	multiple sclerosis	II		
249320	myelin-associated glycoprotein monoclonal antibody	stroke	II		
belimumab	B lymphocyte stimulator monoclonal antibody (i.v.)	myaesthenia gravis (also transplant rejection)	II		
ofatumumab†	CD20 human monoclonal antibody (s.c.)	multiple sclerosis (also pemphigus vulgaris)	II		
rilapladib	Lp-PLA2 inhibitor	Alzheimer's disease	II		

Pharmaceuticals and Vaccines product development pipeline continued

Compound	Type	Indication	Phase	Achieved regulatory review milestones MAA	NDA/BLA
Ophthalmology					
933776	beta amyloid monoclonal antibody	geographic retinal atrophy	II		
darapladib	Lp-PLA2 inhibitor	diabetic macular oedema (also atherosclerosis)	II		
Dermatology					
1940029	stearoyl CoA desaturase 1 inhibitor (topical)	acne vulgaris	I		
umeclidinium	muscarinic acetylcholine antagonist (topical)	hyperhidrosis (also COPD)	I		
2586184†	Janus kinase 1 (JAK1) inhibitor	psoriasis (also lupus)	II		
2894512†	non-steroidal anti-inflammatory	atopic dermatitis & psoriasis	II		
ofatumumab†	CD20 human monoclonal antibody (s.c.)	pemphigus vulgaris (also multiple sclerosis)	II		
Toctino (alitretinoin)†	retinoic acid receptor modulator	chronic hand eczema	III	N/A	
Duac low dose	clindamycin/benzoyl peroxide gel	acne vulgaris	Approved	A: Mar13	N/A

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

Option-based alliances with third parties that include assets in Phase I and Phase II development:

Company	Disease Area	Phase
Cancer Research UK	cancer	I
Dynavax Technologies	cutaneous & systemic lupus erythematosus	II
ISIS Pharmaceuticals	transthyretin-mediated amyloidosis hepatitis B	II/III I
OncoMed Pharmaceuticals	oncology	I/II*
Shionogi	bacterial infection	I

* Two assets

Pharmaceutical products, competition and intellectual property

Products	Compounds	Indication(s)	Major competitor brands	Patent expiry dates USA	EU
Respiratory					
Anoro Ellipta	umeclidinium bromide/ vilanterol terfenatate	COPD	Spiriva, Onbrez	2025 (NCE) 2016-2029 (device)	2025 (NCE) 2016-2029 (device)
Avamys/Veramyst	fluticasone furoate	rhinitis	Nasonex	2021[1]	2023
Flixotide/Flovent	fluticasone propionate	asthma/COPD	Qvar, Singulair	2016 (*Diskus* device) 2013-2025 (HFA-device/ formulation)	expired (*Diskus* device) 2017 (HFA-device/ formulation)
Relvar/Breo Ellipta	fluticasone furoate/ vilanterol terfenatate	asthma/COPD (US – COPD only)	Symbicort, Foster, Flutiform, Dulera	2022 (NCE) 2016-2029 (device)	2022 (NCE) 2016-2029 (device)
*Seretide/Advair**	salmeterol xinafoate/ fluticasone propionate	asthma/COPD	Symbicort, Foster, Flutiform, Dulera	2016 (*Diskus* device) 2013-2025 (HFA-device/ formulation)	expired (*Diskus* device) 2017 (HFA-device/ formulation)
Serevent	salmeterol xinafoate	asthma/COPD	Foradil, Spiriva, Onbrez	2016 (*Diskus* device)	expired (*Diskus* device) 2019 (HFA-device/ formulation)
Ventolin HFA	albuterol sulphate	asthma/COPD	generic companies	2015-2025 (HFA-device/ formulation)	2012-2017 (HFA-device/ formulation)
Anti-virals					
Relenza	zanamivir	influenza	Tamiflu	expired	2014
Valtrex	valaciclovir	genital herpes, coldsores, shingles	Famvir	expired	expired
Zeffix/Epivir-HBV	lamivudine	chronic hepatitis B	Hepsera	2014 (use)	expired (use)
Central nervous system					
Lamictal	lamotrigine	epilepsy, bipolar disorder	Keppra, Dilantin	expired	expired
Imigran/Imitrex	sumatriptan	migraine	Zomig, Maxalt, Relpax	expired	expired
Requip XL	ropinirole	Parkinson's disease	Mirapex	expired	expired
Seroxat/Paxil	paroxetine	depression, various anxiety disorders	Effexor, Cymbalta, Lexapro	expired	expired
Cardiovascular and urogenital					
Avodart	dutasteride	benign prostatic hyperplasia	Proscar, Flomax, finasteride	2015[1]	2017
Coreg CR	carvedilol phosphate	mild-to-severe heart failure, hypertension, left ventricular dysfunction post MI	Toprol XL	2016[†] (formulation)	NA
Lovaza	omega-3 acid ethyl esters	very high triglycerides	Tricor	expired	NA

* See 'Risk factors' on page 232 for details of uncertainty on the timing of follow-on competition.

† Generic competition possible in 2014.

[1] See Note 44 to the financial statements, 'Legal proceedings'.

Pharmaceutical products, competition and intellectual property continued

Products	Compounds	Indication(s)	Major competitor brands	Patent expiry dates USA	EU
Anti-bacterials					
Augmentin	amoxicillin/clavulanate potassium	common bacterial infections	generic products	NA	expired
Oncology					
Arzerra	ofatumumab	refractory chronic lymphocytic leukaemia	MabThera/Rituxan, Imbruvica	2030	2023
Mekinist	trametinib	metastatic melanoma	Yervoy, Zelboraf	2025	NA
Promacta/ Revolade	eltrombopag	idiopathic thrombocytopenic purpura, Hepatitis C associated thrombocytopenia	Nplate, MabThera/Rituxan	2022	2025
Taflinar	dabrafenib mesylate	metastatic melanoma	Yervoy, Zelboraf	2030	not yet granted
Tykerb/Tyverb	lapatanib	advanced and metastatic breast cancer in HER2 positive patients	Herceptin, Kadcyla	2020	2023
Votrient	pazopanib	soft tissue sarcoma metastatic renal cell carcinoma	Yondelis, Sutent, Nexavar, Afinitor	2023	2025
Rare diseases					
Volibris	ambrisentan	pulmonary hypertension	Tracleer, Revatio	NA	2020
Immuno-inflammation					
Benlysta	belimumab	systemic lupus erythematosus		2023	2021
Vaccines					
Boostrix	diphtheria, tetanus, acellular pertussis	booster vaccination	Adacel	2017	2017
Infanrix/Pediarix	diphtheria, tetanus, pertussis, polio, hepatitis B, Haemophilus influenzae type B	diphtheria, tetanus, pertussis, polio, hepatitis B Haemophilus influenzae type B	Pentacel, Pediacel, Pentaxim, Pentavac, Hexaxim	2017	2014
Cervarix	HPV 16 & 18 virus like particles (VLPs), AS04 adjuvant (MPL + aluminium hydroxide)	human papilloma virus type 16 and 18	Gardasil (Silgard)	2020	2020
Fluarix	split inactivated influenza virus subtypes A and subtype B antigens	seasonal influenza	Vaxigrip, Mutagrip, Fluzone, Influvac, Aggripal, Fluad, Intenza, Flumist	2022	2022
Fluarix Tetra	split inactivated influenza virus subtypes A and subtype B antigens	seasonal influenza	Intenza, Flumist QIV, Vaxigrip QIV, Fluzone QIV, Fluzone High Dose	2022	2022
FluLaval	split inactivated influenza virus subtypes A and subtype B antigens	seasonal influenza	Vaxigrip, Mutagrip, Fluzone, Influvac, Aggripal, Fluad, Intenza, Flumist	none	none
Pandemrix	derived split inactivated influenza virus antigen, AS03 adjuvant	A(H1N1)v2009 influenza prophylaxis	Focetria, Celvapan,	2014	2014
Prepandrix	derived split inactivated influenza virus antigen, AS03 adjuvant	pandemic H5N1 influenza prophylaxis	Aflunov, Vepacel	2014	2014
Synflorix	conjugated pneumococcal polysaccharide	invasive pneumococcal disease, pneumonia acute otitis media	Prevenar (Prevnar)	NA	2021

Pharmaceutical products, competition and intellectual property continued

Products	Compounds	Indication(s)	Major competitor brands	Patent expiry dates USA	EU
HIV					
Combivir	lamivudine and zidovudine	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	expired (combination)	expired (combination)
Epivir	lamivudine	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	expired	expired
Epzicom/Kivexa	lamivudine and abacavir	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	2016[1] (combination)	2019 (combination)
Lexiva	fosamprenavir	HIV/AIDS	Prezista, Kaletra, Reyataz	2017[1]	2019
Selzentry	maraviroc	HIV/AIDS	Isentress, Intelence, Prezista	2021	2022
Tivicay	dolutegravir	HIV/AIDS	Isentress, Prezista Reyataz, Kaletra	2027	2026
Trizivir	lamivudine, zidovudine and abacavir	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	2016[1,2] (combination)	2016 (combination)

[2] Generic competition commenced in 2014

Consumer Healthcare products and competition

Brand	Products	Application	Markets	Competition
Total wellness				
Panadol	tablets, caplets, infant drops	paracetamol-based treatment of headache and joint pain, fever, cold symptoms	global except USA	Reckitt-Benckiser's Nurofen
NicoDerm, NiQuitin CQ, and *Nicabate.* Also *Nicorette* (US only)	gum, patch, mini lozenge, original lozenge	treatment of nicotine withdrawal as an aid to quitting smoking	global	Novartis' Nicotinell Johnson & Johnson's Nicorette in Europe retailers' own brands
ENO *Tums*	effervescent and chewable tablets	rapid relief antacid	global	Hypermarcas' Estomazil Pfizer's Gelusil Sanofi's Rolaids Johnson & Johnson's Mylanta
Oral care				
Sensodyne	toothpastes, toothbrushes mouthwashes	prevention of dental sensitivity	global	Colgate-Palmolive's Colgate Pro Relief
Polident *Poligrip* *Corega*	denture adhesive, denture cleanser	improve comfort of fitted dentures and to clean dentures	global	Procter & Gamble's Fixodent Reckitt-Benckiser's Kukident and Steradent
Aquafresh	toothpastes, toothbrushes mouthwashes	prevention of caries, gum disease and bad breath	global	Colgate-Palmolive's Colgate Procter & Gamble's Crest and Oral-B
Parodontax	toothpastes, mouthwashes	help stop bleeding gums gum health	global	Colgate-Palmolives's Colgate Pro-Gum
Nutrition				
Horlicks	malted, milk-based drinks and foods	nutrition	UK, Ireland, India	Mondelez's Bournvita Nestle's Milo
Maxinutrition	sports nutrition, protein powder, bars	nutrition	UK	Myprotein Optimum Nutrition
Skin health				
Physiogel	moisturising, creams, lotions and cleansers	face and body care for dry, sensitive and irritated skin	Germany, France, Italy, Poland, Spain	L'Oreal's La Roche Posay Beiersdorf's Eucerin Pierre Fabre's Avene
Oilatum	emollient bath and creams, shampoo	soothing treatment for eczema and dry skin conditions	UK, Poland, other markets	Reckitt-Benckiser's E45 Sanofi's Emolium

Principal risks and uncertainties
Risk factors

The principal risks discussed below are the risks and uncertainties relevant to our business, financial condition and results of operations that may affect our performance and ability to achieve our objectives. The factors below are those that we believe could cause our actual results to differ materially from expected and historical results.

We operate on a global basis in an industry that is both highly competitive and highly regulated. Our competitors may make significant product innovations and technical advances and may intensify price competition. In light of this competitive environment, continued development of commercially viable new products and the development of additional uses for existing products are critical to our ability to maintain or increase overall sales.

Developing new pharmaceutical and vaccine products is a costly, lengthy and uncertain process, however, and a product candidate may fail at any stage, including after significant Group economic and human resources have been invested. Our competitors' products or pricing strategies or any failure on our part to develop commercially successful products or to develop additional uses for existing products could materially and adversely affect our financial results.

We must also adapt to and comply with a broad range of laws and regulations. These requirements apply to research and development, manufacturing, testing, approval, distribution, sales and marketing of Pharmaceutical, Vaccine and Consumer Healthcare Products, and affect not only the cost of product development but also the time required to reach the market and the uncertainty of successfully doing so.

Moreover, as rules and regulations change, and governmental interpretation of those rules and regulations evolves, the nature of a particular risk may alter. Changes to certain regulatory regimes, such as the US healthcare system, may be substantial. Any change in, and any failure to comply with, applicable law and regulation could materially and adversely affect our financial results.

Similarly, our business exposes us to litigation and government investigations, including but not limited to product liability litigation, antitrust litigation and sales and marketing litigation. Litigation and government investigations, including related provisions we may make for unfavourable outcomes and increases in related costs such as insurance premiums, could materially and adversely affect our financial results. More detail on the status and various uncertainties involved in the significant unresolved disputes and potential litigation is set out in Note 44, 'Legal proceedings,' on page 204.

UK regulations require a discussion of mitigating activities a company takes to address principal risks and uncertainties. A summary of the mitigation activities accompanies each principal risk to represent the main actions we have taken to manage each of our principal risks. The principal risk factors and uncertainties are not listed in order of significance.

Patient safety

Strategic priority: Deliver more products of value. Grow a diversified global company.

Risk definition

Failure to appropriately collect, review, follow up, or report adverse events from all potential sources. This could compromise our ability to conduct robust safety signal detection and interpretation and to ensure that appropriate decisions are taken with respect to the risk/benefit profile of our products, including the completeness and accuracy of product labels and the pursuit of additional studies/analyses, as appropriate.

Risk impact

The impacts of the risk include potential harm to patients, reputational damage, product liability claims or other litigation, governmental investigation, regulatory action such as fines, penalties or loss of product authorisation.

Context

Pre-clinical and clinical trials are conducted during the development of investigational Pharmaceutical, Vaccine and Consumer Healthcare Products to determine the safety and efficacy of the products for use by humans. Notwithstanding the efforts we make to determine the safety of our products through appropriate pre-clinical and clinical trials, unanticipated side effects may become evident only when products are widely introduced into the marketplace. Questions may be raised not only by our ongoing safety surveillance and post-marketing studies but also by governmental agencies and third-parties who may analyse publicly available clinical trial results.

The Group is currently a defendant in a number of product liability lawsuits, including class actions, that involve significant claims for damages related to our products. Litigation, particularly in the US, is inherently unpredictable. Class actions that seek to sweep together all persons who were prescribed our products increase the potential liability. Claims for pain and suffering and punitive damages are frequently asserted in product liability actions and, if allowed, can represent potentially open-ended exposure and thus, could materially and adversely affect the Group's financial results.

Mitigating activities

We have constructed a system of medical governance to help ensure the safety and efficacy of the Pharmaceuticals, Vaccines and Consumer Healthcare Products the Group produces.

The Chief Medical Officer (CMO) is responsible for medical governance for the Group under a global policy. Under that policy, safeguarding human subjects in our clinical trials and patients who take our products is of paramount importance, and the CMO has the authoritative role for evaluating and addressing matters of human safety. Individual Medical Officers and the Group's substantial Global Safety and Pharmacovigilance keep track of any adverse issues reported for our products during the course of clinical studies.

Once a Group product is approved for marketing, the Group has an extensive post-marketing surveillance and signal detection system. Information on possible side effects of medicines is received from several sources including unsolicited reports from health professionals and patients, regulatory authorities, medical and scientific literature and the media. It is our policy that employees are required to report immediately any issues relating to the safety or quality of its medicines. Each of our country managers is responsible for monitoring, exception tracking and training that helps assure the collection of safety information and reporting the information to the relevant central safety department, in accordance with Group policy and legal requirements.

Information that changes the benefit/risk profile of one of the Group's medicines will result in certain actions to characterise, communicate and minimise the risk. Proposed actions are discussed with regulatory authorities and can include modifying the prescribing information, communications to physicians and other healthcare providers, restrictions on product prescribing/availability to help assure safe use, and sometimes carrying out further clinical trials. In certain cases, it may be appropriate to stop clinical trials or to withdraw the medicine from the market. The Group's Global Safety Board (GSB), comprising senior physicians and representatives of supporting functions, is an integral component of the system. The GSB (including subsidiary boards dedicated to Consumer Healthcare Products and Vaccines) reviews the safety of investigational and marketed products across the Group and has the authority to stop a clinical trial if deemed possibly harmful to human volunteers.

In addition to the medical governance framework within the Group as described above, the Group uses several mechanisms to foster the early evaluation, mitigation, and resolution of disputes as they arise and of potential claims even before they arise. The goal of the programmes is to create a culture of early identification and evaluation of risks and claims (actual or potential), in order to minimise liability and litigation.

Intellectual property

Strategic priority: Deliver more products of value. Grow a diversified global company.

Risk definition

Failure to appropriately secure and protect intellectual property rights.

Risk impact

Any loss of patent protection, including reducing the scope of patent rights or compulsory licensing (in which a government forces a manufacturer to license its patents for specific products to a competitor), could materially and adversely affect our financial results in those markets. Absence of adequate patent or data exclusivity protection could limit the opportunity to rely on such markets for future sales growth for our products, which could also materially and adversely affect our financial results.

Context

As an innovative Pharmaceutical, Vaccine and Consumer Healthcare Products company, we seek to obtain appropriate intellectual property protection for our products. Our ability to obtain and enforce patents and other proprietary rights with regard to our products is critical to our business strategy and success. Pharmaceutical and Vaccine products are usually only protected from being copied by generic manufacturers during the period of exclusivity provided by an issued patent or related intellectual property rights such as Regulatory Data Protection or Orphan Drug status. Following expiration of certain intellectual property rights, a generic manufacturer may lawfully produce a generic version of the product but may face technological or regulatory barriers to marketing.

We operate in markets where intellectual property laws and patent offices are still developing and where governments may be unwilling to grant or enforce intellectual property rights in a fashion similar to more developed regions such as the EU, Japan and the USA. Some developing countries have reduced, or threatened to reduce, effective patent protection for Pharmaceutical products generally, or in particular therapeutic areas, to facilitate early competition within their markets from generic manufacturers.

We face competition from manufacturers of proprietary and generic pharmaceutical products in all of our major markets. Introduction of generic products, particularly in the USA where we have our highest turnover and margins, typically leads to a dramatic loss of sales and reduces our revenues and margins for our proprietary products. In 2013, we had 10 Pharmaceutical and Vaccine products with over £500 million in annual global sales. For certain of these products, there is generic competition in the USA and some markets in Europe. We may also experience an impact on sales of one of our products due to the expiry or loss of patent protection for a product marketed by a competitor in a similar product class or for treatment of a similar disease condition.

We depend on certain key products for a significant portion of our sales. The timing and impact of entry in the USA and major markets in Europe for a 'follow-on' product to *Seretide/Advair* is uncertain. The US patent for compositions containing the combination of active substances in *Seretide/Advair* expired during 2010 although the US patent on a component of the *Advair Diskus* device continues until August 2016. We are not able to predict when a generic competitor to *Seretide/Advair* may enter the US market.

Generic drug manufacturers have also exhibited a readiness to market generic versions of many of our most important products prior to the expiration of our patents. Their efforts may involve challenges to the validity or enforceability of a patent or assertions that their generic product does not infringe our patents. As a result, we are and may continue to be involved in legal proceedings involving patent challenges, which may materially and adversely affect our financial results. Moreover, in the USA, it has become increasingly common for patent infringement actions to prompt claims that anti-trust laws have been violated during the prosecution of the patent or during litigation involving the defence of that patent. Such claims by direct and indirect purchasers and other payers are typically filed as class actions. The relief sought may include treble damages and restitution claims. Similarly, anti-trust claims may be brought by government entities or private parties following settlement of patent litigation, alleging that such settlements are anti-competitive and in violation of anti-trust laws. A successful anti-trust claim by a private party or government entity could materially and adversely affect our financial results.

The expiration dates for patents for our major products which may affect the dates on which generic versions of our products may be introduced are set out on pages 229-231. Legal proceedings involving patent challenges are set out in Note 44 to the financial statements, 'Legal proceedings'.

Mitigating activities

Our Global Patents group focuses on securing and protecting our patent rights. This global group maintains internal processes designed to help ensure successful procurement, enforcement and defence of our patents with the goal of maintaining exclusive rights in markets for our products.

The Global Patents group monitors new developments in international patent law to help ensure appropriate protection of our assets. Sometimes acting through trade associations, we work with local governments to seek to secure effective and balanced intellectual property protection designed to meet the needs of patients and payers while supporting long-term investment in innovation.

Product quality

Strategic priority: Deliver more products of value. Grow a diversified global company.

Risk definition

Failure to ensure product quality throughout manufacturing and distribution processes resulting in non-compliance with good manufacturing practice (GMP) and regulations.

Risk impact

A failure to ensure product quality could have far reaching implications in terms of the health of patients and customers, product recalls, potential damage to our reputation, as well as regulatory, legal, and financial consequences, which could materially and adversely affect our financial results.

Context

Patients, consumers and healthcare professionals trust the quality of our products at the point of use. A failure to ensure product quality is an enterprise risk which is applicable across all of our business activities. Product quality may be influenced by many factors including product and process understanding, consistency of manufacturing components, compliance with GMP, accuracy of labelling, reliability and security of the supply chain, and the embodiment of an overarching quality culture. The internal and external environment continues to evolve as new products, new markets and new legislation are introduced, particularly around security of supply, good distribution practice and product standards.

Mitigating activities

In medicines development, scientists adopt the principles of quality by design for new products and devise control strategies to be deployed throughout the product lifecycle to help ensure consistency and reliability in their performance and supply.

We have adopted a single Quality Management System (QMS) that defines our quality standards and systems for our businesses associated with Pharmaceuticals, Vaccines and Consumer Healthcare Products and R&D investigational materials. The QMS has a broad scope, covering the end-to-end supply chain from starting materials to distributed product, and is applicable throughout the complete lifecycle of products from R&D to mature commercial supply.

The QMS is periodically updated based on experience, evolving regulatory agency expectations and requirements and improved scientific understanding to help ensure that operations comply with GMP requirements globally, and support the delivery of consistent and reliable products. A large network of quality and compliance professionals is aligned with each business unit to provide oversight and assist the delivery of quality performance and operational compliance. Management oversight of those activities is accomplished through a hierarchy of quality council meetings. Staff are trained to help ensure that standards, as well as expected behaviours based on our values, are followed.

We have implemented a risk-based approach to assessing and managing our third-party suppliers that provide materials used in finished products. Contract manufacturers making our products are expected to comply with standards identified by the Group and are audited to help provide assurance that expected standards are met.

The Chief Product Quality Officer oversees the activities of the GSK Quality Council which serves as a forum to escalate emerging risks, share experiences of handling quality issues from all of our businesses and help ensure that lessons learned are assessed and deployed globally. The preparation for and implementation of new legislation is regularly reviewed by the GSK Quality Council and advocacy and communication programmes are used to maintain awareness of the external environment and convey consistent messages across the Group. There is emphasis on quality performance metrics and a culture of ‘right first time’.

Supply chain continuity

Strategic priority: Simplify the operating model. Deliver more products of value.

Risk definition

Failure to deliver a continuous supply of compliant finished product.

Risk impact

Any interruption of supply or exclusion from healthcare programmes could impact patient access to our products, expose us to litigation or regulatory action and materially and adversely affect our financial results. In particular, the incurring of fines or disgorgement as a result of noncompliance with manufacturing practice regulations could also materially and adversely affect the Group's financial results and result in reputational damage.

Context

Our supply chain operations are subject to review and approval by various regulatory agencies that effectively provide our licence to operate. Failure by our manufacturing and distribution facilities or by suppliers of key services and materials could lead to litigation or regulatory action such as product recalls and seizures, interruption of supply, delays in the approval of new products, and revocation of our licence to operate pending resolution of manufacturing or logistics issues.

Materials and services provided by third-party suppliers are necessary for the commercial production of our products, including active pharmaceutical ingredients (API), antigens, intermediates, commodities and components necessary for the manufacture and packaging of many of our Pharmaceutical, Vaccine and Consumer Healthcare Products. Some of the third-party services procured, such as services provided by clinical research organisations to support development of key products, are important to the continuous operation of our businesses. Although we undertake business continuity planning, single sourcing of certain components, bulk API, finished products, and services creates a risk of failure of supply in the event of regulatory non-compliance or physical disruption at the manufacturing sites and to logistics.

The failure of a small number of single-source, third-party suppliers or service providers to fulfil their contractual obligations in a timely manner or as a result of regulatory non-compliance or physical disruption of logistics and manufacturing sites may result in delays or service interruptions.

Mitigating activities

Our supply chain model is designed to help ensure the supply, quality and security of our products globally. We closely monitor the delivery of our products to help ensure that our customers have the medicines, vaccines and products they need. Safety stocks and backup supply arrangements for high revenue and medically-critical products are in place, where practical, to help mitigate this risk. In addition, the standing of manufacturing external suppliers is routinely monitored in order to identify and manage supply base risks.

Where practical, dependencies on single sources of critical items are removed. During 2013, our reliance on single source components was reduced for several key products through qualification of alternative materials that will help improve supply chain robustness.

During 2013, our supply chain operating model was modified to strengthen the link between commercial forecasting and manufacturing. This action will over time decrease the risk associated with demand fluctuations impacting ability to supply or write-offs associated with product exceeding expiry dating. Under the new model, each node of the supply chain is being optimised to help ensure adequate safety stock while balancing working capital associated with the end-to-end supply chain.

Financial reporting and disclosure

Strategic priority: Simplify the operating model.

Risk definition

Failure to report accurate financial information in compliance with accounting standards and applicable legislation.

Risk impact

Non-compliance with existing or new financial reporting and disclosure requirements, or changes to the recognition of income and expenses, could expose us to litigation and regulatory action and could materially and adversely affect our financial results.

Context

New or revised accounting standards, rules and interpretations issued from time to time by the International Accounting Standards Board could result in changes to the recognition of income and expense that may materially and adversely affect our financial results.

The Group is also required by the laws of various jurisdictions to publicly disclose its financial results, and regulators routinely review the financial statements of listed companies for compliance with accounting and regulatory requirements. The Group believes that it complies with the appropriate regulatory requirements concerning our financial statements and disclosures. However, should we be subject to an investigation into potential non-compliance with accounting and disclosure requirements there is potential for restatements of previously reported results and we could be subject to significant penalties.

Mitigating activities

The Group maintains a control environment designed to identify material errors in financial reporting and disclosure. The design and operating effectiveness of key financial reporting controls is periodically tested. This provides us with the assurance that controls over key financial reporting and disclosure processes have operated effectively.

We keep up-to-date with the latest developments in financial reporting requirements by working with our external auditor and other advisors to help ensure adherence to relevant reporting and disclosure requirements.

There is shared accountability for financial results across our businesses. Financial results are reviewed and approved by regional management and then reviewed with the Financial Controller and the Chief Financial Officer (CFO). This allows our Financial Controller and our CFO to assess the evolution of the business over time, and to evaluate performance to plan. Significant judgments are reviewed and confirmed by senior management.

Tax and treasury

Strategic priority: Simplify the operating model.

Risk definition

Failure to comply with tax law or significant losses due to treasury activities.

Risk impact

Changes in tax laws or in their application with respect to matters such as transfer pricing, foreign dividends, controlled companies, R&D tax credits, taxation of intellectual property or a restriction in tax relief allowed on the interest on intra-group debt, could impact our effective tax rate. Significant losses may arise from Treasury activities through inconsistent application of Treasury policies, dealing or settlement errors, or counterparty defaults. Any such changes in tax laws or their application, failure to comply with tax law or significant losses due to treasury activities could materially and adversely affect our financial results.

Context

The Group's Treasury group deals in high value transactions, mostly foreign exchange and cash management transactions, on a daily basis.

The Group's effective tax rate is driven by rates of tax in jurisdictions that are both higher and lower than the UK. In addition, many jurisdictions currently offer regimes that encourage innovation and investment in science by providing tax incentives, such as R&D tax credits and lower tax rates on income derived from patents. Furthermore, as an international business, we face risks associated with intra-group transfer pricing.

The tax charge included in our financial statements is our best estimate of tax liability pending audits by tax authorities. We submit tax returns according to statutory time limits and engage tax authorities to help ensure our tax affairs are current. In exceptional cases where matters cannot be settled by agreement with tax authorities, we may have to resolve disputes through formal appeals or other proceedings. As an international business, we are also subject to a range of other duties and taxes carrying similar types of risk.

There is an increased focus on the tax position of multinational businesses, as a consequence of the challenging economic environment and the priority placed by the G20 on addressing allegations of tax avoidance. We have seen some increase in audits as governments seek to raise revenues, both from corporate taxes and above the line taxes such as customs duties.

Mitigating activities

Treasury does not operate as a profit centre and does not enter into financial derivative transactions for speculative purposes. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities. Treasury activities are governed by policies approved by the Board of Directors and compliance is regularly reviewed by the Treasury Management Group (TMG), which is chaired by the CFO.

Liquidity risk is managed by diversifying our liquidity sources using a range of facilities and by maintaining broad access to funding markets in order to meet anticipated future funding requirements. We also hold significant amounts of cash and investments which are invested in line with strict investment guidelines.

Interest rate risk is managed by limiting the amount of floating rate interest payments to a prescribed percentage of operating profit, and the mix of debt at fixed and floating interest rates is monitored regularly by the TMG.

Foreign currency transaction risk arising on internal and external trade flows is not generally hedged. Our internal trading transactions are matched centrally, and we manage inter-company payment terms to reduce foreign currency risk. Foreign currency cash flows can be hedged selectively under the management of Treasury and the TMG. Where possible, we manage the cash surpluses or borrowing requirements of subsidiary companies centrally. In order to reduce foreign currency translation exposure, we seek to denominate borrowings in the currencies of our principal assets and cash flows. The TMG reviews the ratio of borrowings to assets for the major currencies monthly.

Counterparty risk is managed by setting global counterparty limits for each of our banking and investment counterparties based on long-term credit ratings from Moody's and Standard and Poor's. Treasury's usage of these limits is monitored daily by a Corporate Compliance Officer (CCO) who operates independently of Corporate Treasury. The CCO also monitors the credit rating of these counterparties and, when changes in ratings occur, notifies Treasury so that changes can be made to investment levels or to authority limits as appropriate.

We monitor government debate on tax policy in our key jurisdictions to deal proactively with any potential future changes in tax law. Tax risk is managed by a set of policies and procedures to help ensure consistency and compliance with tax legislation. We engage advisors and legal counsel to review tax legislation and applicability to our business.

We attempt to mitigate the risk of more aggressive tax authority audits by being as up to date as possible with our tax affairs and working proactively with tax authorities where possible. We have also moved to a more centralised and simplified intellectual property ownership and trading model. The model centralises our Pharmaceutical intellectual property into the UK, reducing the complexity of our inter-company arrangements enabling us to drive more bilateral Advance Pricing Agreements (APAs) between the UK and other jurisdictions where we operate. APAs give greater certainty to the application of transfer pricing and our direct tax affairs and hence reduce risks. Internal structures have been enhanced through a centralised team of dedicated specialists responsible for managing transactional tax reporting and compliance.

Anti-bribery and corruption

Strategic priority: Grow a diversified global company.

Risk definition

Failure to foster a culture within the Group in which bribery and corruption are unacceptable; adopt measures and embed procedures to prevent bribery and corruption by employees, complementary workers and through third party interactions; investigate allegations of bribery and corruption and remediate issues identified; and comply with applicable anti-bribery and corruption (ABAC) legislation.

Risk impact

Failure to comply with applicable local and international ABAC legislation could expose the Group and associated persons to governmental investigation, regulatory action and civil and criminal liability, as well as damage the Group's reputation, shareholder value, and our licence to operate, all of which could materially and adversely affect our financial results.

Context

Like other large organisations, the Group faces the risk of fraud by members of staff. The nature, scale and geography of our international business activities increase the possibility of this bribery and corruption risk. Additionally, the healthcare industry is highly regulated, and some of our overseas markets, such as our operations in emerging markets, are more susceptible to bribery and corruption risks.

Mitigating activities

Our Code of Conduct, values and behaviours and commitment to zero tolerance are integral to how we mitigate this risk. The Group has an enterprise-wide ABAC programme designed to respond to the threat and risk of bribery and corruption. It builds on the Group's values and existing standards to form a comprehensive and practical approach to compliance in this complex risk area.

Our ABAC programme is supported by: top-level commitment; a global policy and proportionate procedures (including a 'Speak Up' procedure); ongoing training and communications (including a confidential reporting line); ongoing risk assessment; monitoring and investigations; and third party due diligence including contracting requirements and monitoring and oversight. In addition, the programme mandates enhanced controls over interactions with government officials and when undertaking business development transactions. Programme governance is provided by the Group's ABAC Oversight Committee which includes representation from key functional areas.

Additionally, we have a dedicated ABAC team responsible for driving the implementation and evolution of the programme in response to developments in the internal and external environment. This capability includes an ABAC investigations team empowered to review bribery and corruption allegations and make recommendations for remedial action and improvement. They are supported by a network of functional experts from our Legal, Compliance and Audit & Assurance groups.

We continually benchmark our ABAC programme and use external expertise to review and help improve elements of the programme.

Commercial practices and scientific engagement

Strategic priority: Deliver more products of value. Grow a diversified global company.

Risk definition

Failure to engage in commercial and/or scientific activities that are consistent with the letter and spirit of legal, industry, or the Group's requirements relating to marketing and communications about our medicines and associated therapeutic areas; appropriate interactions with healthcare professionals (HCPs) and patients; and legitimate and transparent transfer of value.

Risk impact

Failure to comply with applicable laws, rules and regulations may result in governmental investigation, regulatory action and legal proceedings brought against the Group by governmental and private plaintiffs. Failure to provide accurate and complete information related to our products may result in incomplete awareness of the benefit:risk profile of our medicines and possibly suboptimal treatment of patients. Any of these consequences could materially and adversely affect our financial results. Any practices that are found to be misaligned with our values could also result in reputational damage and dilute trust established with key stakeholders.

Context

The Group disseminates information about its products through both promotion and non-promotional Scientific Engagement. The latter is the interaction and exchange of information between the Group and partners and external communities in order to advance scientific and medical understanding including the appropriate development and use of our products; the management of disease; and patient care. It is distinct from promotional activities which may take place only after authorisation of a new product or indication, and must be conducted strictly in accordance with promotional laws, codes and the Group's Policy.

There are legal, regulatory, financial and reputational risks for the Group if these activities are, or are perceived to be, exceeding their proper boundaries or inappropriately influencing HCPs. In 2012, we paid $3 billion to resolve government investigations in the USA focused in large part on promotional practices.

Mitigating activities

We are committed to legitimate Scientific Engagement and the ethical and responsible commercialisation of medicines to support our mission to improve the quality of human life by enabling people to do more, feel better, and live longer. To accomplish this mission, we engage the healthcare community in various ways to advance our scientific knowledge as well as to provide important information about our medicines.

We have an obligation to learn from Scientific Engagement interactions and provide accurate and complete information through appropriate channels; in a careful, correct, non-promotional manner. Researchers, HCPs, healthcare organisations (HCOs) and other external experts that we engage should be fairly compensated for services and expertise provided. However, payments must not be excessive and must never be or be perceived to be an inducement or reward for prescribing our products.

Promotion of approved medicines helps ensure that HCPs globally have access to information they need, that patients have access to the medicines they need and that medicines are prescribed and used in a manner that provides the maximum healthcare benefit to patients. We are committed to communicating information related to our approved products in a responsible, legal, and ethical manner.

We have taken action at all levels of the Group to enhance and improve standards and procedures for Scientific Engagement and promotional interactions, based on our values of transparency, respect, integrity and patient focus. We have policies and standards governing promotional activities and Scientific Engagement undertaken by the Group or on its behalf. All of these activities we conduct worldwide must conform to high ethical, medical, and scientific standards. Where local standards differ from global standards, the more stringent of the two applies.

All promotional materials and activities must be reviewed and approved according to the Group's standards, and conducted in accordance with local laws and regulations, to help ensure that these materials and activities fairly represent the products or services of the Group. When necessary, we have disciplined (up to and including termination) employees who have engaged in misconduct and have broadened our ability to claw back remuneration from senior management in the event of misconduct.

In recent years, we have taken several steps that we feel are industry leading in various areas of commercial practices and Scientific Engagement. Examples where the Group stance has been recognised as industry-leading include removing prescription-volume incentives from compensation of sales representatives in the US and global standards for Scientific Engagement.

Research practices

Strategic priorities: Deliver more products of value. Grow a diversified global company.

Risk definition

Failure to protect and inform patients involved in human clinical trial research; conduct objective, ethical preclinical and clinical trials using sound scientific principles; guarantee the integrity of discovery, preclinical, and clinical development data; manage human biological samples according to established ethical standards and regulatory expectations; treat animals ethically and practice good animal welfare; appropriately disclose human subject research for medicinal products; and ensure the integrity of our regulatory filings and of the data that we publish.

Risk impact

The impacts of the risk include harm to patients, reputational damage, failure to obtain the necessary regulatory approvals for our products, governmental investigation, legal proceedings (product liability suits and claims for damages), and regulatory action such as fines, penalties or loss of product authorisation, which could materially and adversely affect our financial results.

Context

Research relating to animals and humans can raise ethical concerns. While we attempt to proactively address this, animal studies remain a vital part of our research. In many cases, they are the only method that can be used to investigate the effects of a potential new medicine in a living body before it is tested in humans, which is generally mandated by regulators and ethically imperative. Animal research can also provide critical information about the causes of diseases and how they develop. Some countries require additional animal testing even when medicines have been approved for use elsewhere.

Clinical trials in healthy volunteers and patients are used to assess and demonstrate an investigational product's efficacy and safety or further evaluate the product once it has been approved for marketing. We also work with human biological samples. These samples are fundamental to the discovery, development and safety monitoring of our products.

The integrity of our data is essential to success in all stages of the research data lifecycle: design, generation, recording and management, analysis, reporting and storage and retrieval. Our research data is governed by legislation and regulatory requirements.

Research data and supporting documents are core components at various stages of pipeline progression decision-making and also form the content of regulatory submissions. Poor data integrity can compromise our research efforts.

There are innate complexities and interdependencies required for regulatory filings, particularly given our global research and development footprint. Currently, rapid changes in submission requirements in developing countries are increasing the complexity of meeting regulatory requirements.

Mitigating activities

We proactively address ethical concerns raised by research relating to animals and humans by being transparent about our practices and regularly engaging with academics, scientists, regulators, policymakers, industry colleagues and other stakeholders to request advice or help ensure best practice. We are committed to acting ethically, providing for the animals' health and well-being, reducing the number of animals and finding alternatives to the use of animals.

We are also committed to reporting the results of human subject research used to evaluate our products, regardless of whether the outcomes are perceived to be positive or negative. We believe this is fundamental to the advancement of medical science and helps to inform prescribers and patients about our products. Further, we are committed to making the data publicly available to enable valid scientific research. With respect to human biological samples, we are committed to managing these samples in a manner that respects the rights of research and clinical participants as well as meeting all applicable legal, regulatory and ethical obligations.

We implement controls to help ensure trials are conducted in accordance with the Good Clinical Practice (GCP) guidelines developed by the International Conference on Harmonisation, and based on the principles contained in the World Medical Association Declaration of Helsinki on the Ethical Principles for Medical Research Involving Human Subjects (2013).

We established an Office of Animal Welfare, Ethics and Strategy (OAWES), led by the Chief Animal Welfare, Ethics and Strategy, to help ensure the humane and responsible care of animals and increase the knowledge and application of non-animal alternatives for the Group. OAWES embeds a framework of animal welfare governance, explores opportunities for cross-industry data sharing, creates consistency and metrics for the 3Rs (replacement, refinement, and reduction of animals in research), and conducts quality assessments.

We report the results of our human subject research for our medicines and vaccines on our publicly accessible clinical study register website, on government-required repositories, and we submit human research results as manuscripts for publication in peer reviewed scientific journals. We have committed to expanding the register to include clinical study reports. During 2013, a system was introduced to allow researchers to request access to anonymised patient-level data from the Group's clinical trials, subject to review for scientific validity by an independent panel and certain other conditions.

We have a Global Human Biological Samples Management (HBSM) governance framework in place to oversee the ethical and lawful acquisition and management of human biological samples. Our global HBSM network champions HBSM activities and provides an experienced group to support internal Sample Custodians on best practice.

Continuing to enhance our data integrity controls remains an important priority. During 2013, scientific data misrepresentation was discovered in relation to a 2010 Nature Medicine publication. We took immediate action to retract the publication. A full analysis of the incident of scientific data misrepresentation discovered in 2013 was undertaken and based on this analysis, improved controls are being implemented across R&D.

The Chief Regulatory Officer oversees the activities of the Regulatory Governance Board which includes promoting compliance with regulatory requirements and Group-wide standards, making regulatory services more efficient and agile, and further aligning regulatory capabilities with our international business needs at the enterprise and local levels.

Environment, health and safety and sustainability

Strategic priorities: Grow a diversified global company.

Risk definition

Failure to ethically manage environment, health and safety and sustainability (EHSS) consistent with the Group's objectives, policies and relevant laws and regulations.

Risk impact

Failure to manage EHSS risks could lead to significant harm to people, the environment and communities in which we operate, fines, failure to meet stakeholder expectations and regulatory requirements, litigation or regulatory action and could materially and adversely affect our financial results.

Context

The Group is subject to health, safety and environmental laws of various jurisdictions. These laws impose actual and potential obligations to remediate contaminated sites. We have also been identified as a potentially responsible party under the US Comprehensive Environmental Response Compensation and Liability Act at a number of sites for remediation costs relating to our use or ownership of such sites.

Failure to manage these environmental risks properly could result in litigation, regulatory action and additional remedial costs that may materially and adversely affect our financial results. See Note 44 to the financial statements, 'Legal proceedings', for a discussion of the environmental related proceedings in which we are involved. We routinely accrue amounts related to our liabilities for such matters.

Mitigating activities

Management of EHSS risk is fundamental to our performance and reputation. We are committed to appropriately managing EHSS risk and have embedded its importance into our mission to improve the quality of human life by enabling people to do more, feel better, live longer.

We operate rigorous procedures that help us eliminate hazards where practicable and protect employees' health and well-being, but the right culture is our essential starting point. Our employment practices are designed to create a work place culture in which all employees feel valued, respected, empowered and inspired to achieve our goals.

Through our continuing efforts to improve environmental sustainability we have reduced water consumption, hazardous waste, and energy consumption. We actively manage our environmental remediation obligations to help ensure practices are environmentally sustainable and compliant.

Our EHSS performance results are shared with the public each year in our Corporate Responsibility Report.

Information protection

Strategic priorities: Simplify the operating model.

Risk definition

Risk to the Group's business activity if critical or sensitive computer systems or information are not available when needed, are accessed by those not authorised, or are deliberately changed or corrupted.

Risk impact

Failure to adequately protect critical and sensitive systems and information may result in our inability to maintain patent rights, loss of commercial or strategic advantage, damage to our reputation or business disruption including litigation or regulatory sanction and fines, which could materially and adversely affect our financial results.

Context

We rely on critical and sensitive systems and data, such as corporate strategic plans, sensitive personally identifiable information, intellectual property, manufacturing systems and trade secrets. There is the potential that malicious or careless actions expose our computer systems or information to misuse or unauthorised disclosure.

Mitigating activities

The Group has a global information protection policy that is supported through a dedicated programme of activity. To increase our focus on information security, the Group established the Office of the Chief Information Security Officer to provide strategy, direction, and oversight while enhancing our global information security capabilities.

We assess changes in our information protection risk environment through briefings by government agencies, subscription to commercial threat intelligence services and knowledge sharing with other Pharmaceutical and cross-industry companies.

We aim to use industry best practices as part of our information security policies, processes and technologies and invest in strategies that are commensurate with the changing nature of the security threat landscape.

We are also subject to various laws that govern the processing of Personally Identifiable Information (PII). To help ensure compliance with cross-border PII transfer requirements, the Group's Binding Corporate Rules (BCRs) have been approved by the UK Information Commissioner's Office for human resource and research activities data. BCRs make it possible to transfer PII internationally between the Group's entities without individual privacy agreements in each European Union country.

Crisis and continuity management

Strategic priorities: Deliver more products of value. Grow a diversified global company.

Risk definition

Inability to recover and sustain critical operations following a disruption or to respond to a crisis incident in a timely manner regardless of cause.

Risk impact

Failure to manage crisis and continuity management (CCM) effectively can lead to prolonged business disruption, greater damage to the Group's assets, and risk of a medicine's supply disruption to patients and could materially and adversely affect our financial results. Delays to R&D activities and delivery of our products to consumers and patients who rely on them could also expose us to litigation or regulatory action, materially and adversely affect our financial results and lead to reputational damage.

Context

Patients, consumers and healthcare professionals rely on our products being readily available when needed even in the event of a crisis. Our international operations, and those of our partners, maintain a vast global footprint exposing our people, facilities, operations and information technology to potential disruption resulting from a natural event (eg storm or earthquake), a man-made event (eg civil unrest, terrorism), or a global emergency (eg global public health emergency).

Mitigating activities

The Group has in place crisis management and business continuity plans over all critical business operations. These plans include authorised response and recovery strategies, key areas of responsibility and clear communication plans. We have established a CCM governance board with representatives from across the Group to provide vital information to the CCM programme team regarding new threats, acquisitions or significant business or organisational changes.

A dedicated team of CCM experts supports the business. Their responsibilities include: Coordinating crisis management and business continuity training; facilitating exercises and monitoring to provide for global consistency and alignment; and centrally storing and monitoring plan updates for crisis management plans and business continuity plans supporting our critical business processes to help ensure an appropriate level of readiness and response capability is maintained. We also develop and maintain partnerships with external bodies like the Business Continuity Institute and the UN International Strategy for Disaster Risk Reduction which helps improve our business continuity initiatives in disaster prone areas.

We continually improve training programmes and tools based on learning from plan activations. For example, in-depth video case studies were created to share lessons learned from how we responded to the 2011 Japan Earthquake and the 2012 US super-storm Sandy. We regularly evaluate and introduce new tools to improve our CCM practices.

Shareholder information

Share capital and control

Details of our issued share capital and the number of shares held in Treasury as at 31 December 2013 can be found in Note 33 to the financial statements, 'Share capital and share premium account'.

Our shares are listed on the London Stock Exchange and are also quoted on the New York Stock Exchange (NYSE) in the form of American Depositary Shares (ADS). Each ADS represents two Ordinary Shares. For details of listed debt and where it is listed refer to Note 32 to the financial statements, 'Net debt'.

Holders of Ordinary Shares are entitled to receive dividends (when declared) and the company's Annual Report, to attend and speak at general meetings of the company, to appoint proxies and to exercise voting rights.

There are no restrictions on the transfer, or limitations on the holding, of Ordinary Shares and no requirements to obtain approval prior to any transfers. No Ordinary Shares carry any special rights with regard to control of the company and there are no restrictions on voting rights. Major shareholders have the same voting rights per share as all other shareholders.

There are no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements on restrictions on share transfers or on voting rights.

Shares acquired through our share schemes and plans rank equally with the other shares in issue and have no special rights. The trustees of our Employee Share Ownership Plan trusts have waived their rights to dividends on shares held by those trusts.

Exchange controls and other limitations affecting security holders

Other than certain economic sanctions, which may be in force from time to time, there are currently no applicable laws, decrees or regulations restricting the import or export of capital or affecting the remittance of dividends or other payments to holders of the company's shares who are non-residents of the UK. Similarly, other than certain economic sanctions which may be in force from time to time, there are no limitations relating only to non-residents of the UK under English law or the company's Articles of Association on the right to be a holder of, and to vote in respect of, the company's shares.

Interests in voting rights

Other than as stated below, as far as we are aware, there are no persons with significant direct or indirect holdings in the company. Information provided to the company pursuant to the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the company's website.

At 21 February 2014, the company had received notifications in accordance with the FCA's DTRs of the following notifiable interests in the voting rights in the company's issued share capital:

	No. of shares	*Percentage of issued capital (%)
BlackRock, Inc.	289,405,229	5.96%
Invesco Asset Management	178,053,354	3.66%
Legal & General Group Plc	162,498,927	3.34%

* Percentage of Ordinary Shares in issue, excluding Treasury shares.

We have not acquired or disposed of any interests in our own shares during the period under review, other than in connection with our share buy-back programme.

Share buy-back programme

The Board has been authorised to issue and allot Ordinary Shares under Article 9 of the company's Articles of Association. The power under Article 9 and the authority for the company to make purchases of its own shares are subject to shareholder authorities which are sought on an annual basis at our Annual General Meeting (AGM). Any shares purchased by the company may be cancelled or held as Treasury shares.

During 2013, we continued our long-term buy-back programme and 92 million shares were purchased at a total cost of £1,504 million. No shares were purchased in the period 1 January 2014 to 5 February 2014. In the period 6 February 2014 to 21 February 2014 1.4 million shares were purchased at a cost of £22.4 million.

Our programme covers purchases of shares for cancellation or to be held as Treasury shares, in accordance with the authority renewed by shareholders at the AGM in May 2013, when the company was authorised to purchase a maximum of just under 491 million shares. Details of shares purchased, those cancelled, and those held as Treasury shares are disclosed in Note 33 to the financial statements 'Share capital and share premium account'.

The exact amount and timing of any future purchases, and the extent to which repurchased shares will be held as Treasury shares rather than being cancelled, will be determined by the company and is dependent on market conditions and other factors.

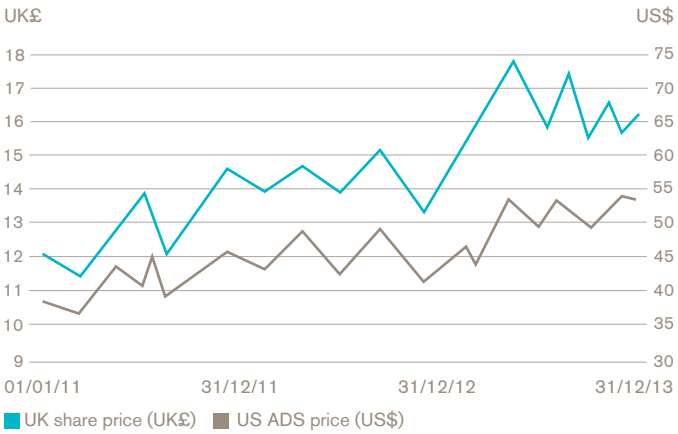
Market capitalisation

The market capitalisation, based on shares in issue excluding Treasury shares, of GSK at 31 December 2013 was £78.24 billion. At that date, GSK was the fifth largest company by market capitalisation in the FTSE index.

Share price

	2013 £	2012 £	2011 £
At 1 January	**13.35**	14.72	12.40
At 31 December	**16.12**	13.35	14.72
Increase/(decrease)	**20.7%**	(9.3%)	18.7%
High during the year	**17.82**	15.08	14.74
Low during the year	**13.35**	13.18	11.28

The table above sets out the middle market closing prices. The company's share price increased by 20.7% in 2013. This compares with an increase in the FTSE 100 index of 14.4% during the year. The share price on 21 February 2014 was £16.81.



Analysis of shareholdings at 31 December 2013

	Number of accounts	% of total accounts	% of total shares	Number of shares
Holding of shares				
Up to 1,000	101,131	71.15	0.69	37,275,643
1,001 to 5,000	32,682	22.99	1.31	69,879,454
5,001 to 100,000	7,184	5.05	1.93	102,952,396
100,001 to 1,000,000	781	0.55	5.01	267,493,525
Over 1,000,000	367	0.26	91.06	4,864,605,678
	142,145	100.00	100.00	5,342,206,696
Held by				
Nominee companies	8,235	5.79	70.31	3,756,333,812
Investment and trust companies	28	0.02	0.18	9,397,532
Insurance companies	9	0.01	0.00	6,598
Individuals and other corporate bodies	133,871	94.18	5.20	277,596,502
BNY (Nominees) Limited	1	0.00	15.19	811,438,589
Held as Treasury shares by GlaxoSmithKline	1	0.00	9.12	487,433,663
	142,145	100.00	100.00	5,342,206,696

BNY Mellon the Depositary for the company's ADSs, which are listed on the NYSE. Ordinary shares representing the company's ADR programme, which is managed by the Depositary, are registered in the name of BNY (Nominees) Limited. At 21 February 2014, BNY (Nominees) Limited held 812,080,863 Ordinary Shares representing 16.72% of the issued share capital (excluding Treasury shares) at that date.

At 21 February 2014, the number of holders of shares in the USA was 1,070 with holdings of 1,157,342 shares, and the number of registered holders of ADS was 27,411 with holdings of 406,040,431 ADS. Certain of these shares and ADS were held by brokers or other nominees. As a result, the number of holders of record or registered holders in the USA is not representative of the number of beneficial holders or of the residence of beneficial holders.

Nature of trading market

The following tables set out, for the periods indicated, the high and low middle market closing quotations in pence for the shares on the London Stock Exchange, and the high and low closing prices in US dollars for the ADS on the NYSE.

	Pence per share	
Ordinary Shares	High	Low
February 2014*	1691	1554
January 2014	1663	1564
December 2013	1620	1549
November 2013	1665	1609
October 2013	1644	1546
September 2013	1672	1558
Quarter ended 31 December 2013	1665	1546
Quarter ended 30 September 2013	1753	1558
Quarter ended 30 June 2013	1782	1520
Quarter ended 31 March 2013	1539	1359
Quarter ended 31 December 2012	1465	1318
Quarter ended 30 September 2012	1508	1409
Quarter ended 30 June 2012	1479	1392
Quarter ended 31 March 2012	1497	1387
Year ended 31 December 2011	1474	1312
Year ended 31 December 2010	1340	1095
Year ended 31 December 2009	1334	987

	US dollars per ADS	
ADS	High	Low
February 2014*	56.66	50.90
January 2014	54.95	51.54
December 2013	53.39	51.05
November 2013	53.68	51.94
October 2013	52.63	49.31
September 2013	51.96	50.17
Quarter ended 31 December 2013	53.68	49.31
Quarter ended 30 September 2013	52.96	50.17
Quarter ended 30 June 2013	53.59	46.79
Quarter ended 31 March 2013	46.91	43.93
Quarter ended 31 December 2012	47.45	41.90
Quarter ended 30 September 2012	47.23	44.26
Quarter ended 30 June 2012	47.29	43.45
Quarter ended 31 March 2012	46.35	43.73
Year ended 31 December 2011	45.74	40.53
Year ended 31 December 2010	42.97	32.34
Year ended 31 December 2009	42.91	27.27

* to 21 February 2014

Dividends

The company pays dividends quarterly. It continues to return cash to shareholders through its dividend policy and ongoing long-term share buy-back programme. Dividends remain an essential component of total shareholder return and the company is committed to increasing its dividend over the long term. Details of the dividends declared, the amounts and the payment dates are given in Note 16 to the financial statements, 'Dividends'.

Dividends per share

The table below sets out the dividend per share and per ADS for the last five years. The dividend per ADS is translated into US dollars at applicable exchange rates.

Year	Dividend	pence	US$
2013		78	2.47
2012		74	2.35
2011		70	2.25
2011	Supplemental*	5	0.16
2010		65	2.04
2009		61	1.99

* The 2011 supplemental dividend related to the disposal of certain non-core OTC brands in North America. This was paid with the fourth quarter ordinary dividend for 2011.

Dividend calendar

Quarter	Ex-dividend date	Record date	Payment date
Q4 2013	19 February 2014	21 February 2014	10 April 2014
Q1 2014	14 May 2014	16 May 2014	10 July 2014
Q2 2014	6 August 2014	8 August 2014	2 October 2014
Q3 2014	5 November 2014	7 November 2014	8 January 2015

Tax information for shareholders

A summary of certain UK tax and US federal income tax consequences for holders of shares and ADR who are citizens of the UK or the USA is set out below. It is not a complete analysis of all the possible tax consequences of the purchase, ownership or sale of these securities. It is intended only as a general guide. Holders are advised to consult their advisers with respect to the tax consequences of the purchase, ownership or sale of their shares or ADR and the consequences under state and local tax laws in the USA and the implications of the current UK/US tax conventions.

US holders of ADR generally will be treated as the owners of the underlying shares for the purposes of the current USA/UK double taxation conventions relating to income and gains (Income Tax Convention), estate and gift taxes (Estate and Gift Tax Convention), and for purposes of the Internal Revenue Code of 1986, as amended (the Code).

UK shareholders

This summary only applies to a UK resident shareholder that holds shares as capital assets.

Taxation of dividends

UK resident shareholders will generally be subject to UK income tax on the full amount of dividends paid, grossed up for the amount of a tax credit. The tax credit may be set against the individual's income tax liability in respect of the gross dividend, but is not repayable to shareholders with a tax liability of less than the associated tax credit. For the tax year 2010-11 and subsequent tax years, an additional rate of income tax on dividends was imposed for taxpayers whose income is above £150,000. UK resident shareholders that are corporation taxpayers should note that dividends are generally entitled to exemption from corporation tax.

Taxation of capital gains

UK shareholders may be liable for UK tax on gains on the disposal of shares or ADR. For disposals by individuals and subject to the availability of any exemption or relief such as the annual exempt amount, a taxable capital gain accruing on a disposal of shares or ADR will be taxed at 28% if, after all allowable deductions, such shareholder's taxable income for the tax year exceeds the basic rate income tax limit. In other cases, a taxable capital gain accruing on a disposal of shares or ADR may be taxed at 18% or 28% or at a combination of both rates. Corporation taxpayers may be entitled to an indexation allowance which applies to reduce capital gains to the extent that such gains arise due to inflation. Indexation allowance may reduce a chargeable gain but will not create an allowable loss.

Inheritance tax

Individual shareholders may be liable to inheritance tax on the transfer of shares or ADR. Tax may be charged on the amount by which the value of the shareholder's estate is reduced as a result of any transfer by way of gift or other disposal at less than full market value. If such a gift or other disposal were subject to both UK inheritance tax and US estate or gift tax, the Estate and Gift Tax Convention would generally provide for tax paid in the USA to be credited against tax payable in the UK.

Stamp duty

UK stamp duty or stamp duty reserve tax (SDRT) will, subject to certain exemptions, be payable on the transfer of shares at a rate of 0.5% of the consideration for the transfer.

US shareholders

This summary only applies to a shareholder (who is a citizen or resident of the USA or a domestic corporation or a person that is otherwise subject to US federal income tax on a net income basis in respect of the shares or ADR) that holds shares or ADR as capital assets, is not resident in the UK for UK tax purposes and does not hold shares for the purposes of a trade, profession or vocation that is carried on in the UK through a branch or agency.

The summary also does not address the tax treatment of holders that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, dealers in securities or currencies, persons that hold shares or ADR as part of an integrated investment (including a 'straddle') comprised of a share or ADR and one or more other positions, and persons that own (directly or indirectly) 10% or more of the voting stock of the company.

Taxation of dividends

The gross amount of dividends received is treated as foreign source dividend income for US tax purposes. It is not eligible for the dividend received deduction allowed to US corporations. Dividends on ADR are payable in US dollars; dividends on shares are payable in pounds Sterling. Dividends paid in pounds Sterling will be included in income in the US dollar amount calculated by reference to the exchange rate on the day the dividends are received by the holder. Subject to certain exceptions for short-term or hedged positions, an individual eligible US holder will be subject to US taxation at a maximum rate of 23.8% in respect of qualified dividends.

Taxation of capital gains

Generally, US holders will not be subject to UK capital gains tax, but will be subject to US tax on capital gains realised on the sale or other disposal of shares or ADR. Such gains will be long-term capital gains (subject to reduced rates of taxation for individual holders) if the shares or ADR were held for more than one year.

Information reporting and backup withholding

Dividends and payments of the proceeds on a sale of shares or ADR, paid within the USA or through certain US-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless the US holder is a corporation or other exempt recipient or provides a taxpayer identification number and certifies that no loss of exemption has occurred. Non-US holders generally are not subject to information reporting or backup withholding, but may be required to provide a certification of their non-US status in connection with payments received. Any amounts withheld will be allowed as a refund or credit against a holder's US federal income tax liability provided the required information is furnished to the Internal Revenue Service.

Estate and gift taxes

Under the Estate and Gift Tax Convention, a US shareholder is not generally subject to UK inheritance tax.

Stamp duty

UK stamp duty or SDRT will, subject to certain exemptions, be payable on any transfer of shares to the ADR custodian or depository at a rate of 1.5% of the amount of any consideration provided (if transferred on sale), or their value (if transferred for no consideration).

No SDRT would be payable on the transfer of, or agreement to transfer an ADR. No UK stamp duty should be payable on the transfer of an ADR provided that any instrument of transfer is executed and remains at all times outside the UK. Any stamp duty on the transfer of an ADR would be payable at a rate of 0.5% of the consideration for the transfer. Any sale of the underlying shares would, subject to certain exceptions, result in liability to UK stamp duty or, as the case may be, SDRT at a rate of 0.5%.

Annual General Meeting 2014

2.30pm (UK) on Wednesday, 7 May 2014
The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE

The AGM is the company's principal forum for communication with private shareholders. In addition to the formal business, there will be a presentation by the CEO on the performance of the Group and its future development. There will be an opportunity for questions to be asked to the Board. Chairmen of the Board's Committees will take questions relating to those Committees.

Investors holding shares through a nominee service should arrange with that nominee service to be appointed as a proxy in respect of their shareholding in order to attend and vote at the meeting.

ADR holders wishing to attend the meeting must obtain a proxy from BNY Mellon. This will enable them to attend and vote on the business to be transacted. ADR holders may instruct BNY Mellon Depositary Receipts as to the way in which the shares represented by their ADR should be voted by completing and returning the voting card provided by the bank.

Documents on display

The Articles of Association of the company and other documents referred to in this Annual Report are available for inspection at the company's registered office and on our website and will be made available for inspection at the AGM.

Financial reporting calendar

Publication	Date
Results announcements	
Quarter 1	April 2014
Quarter 2	July 2014
Quarter 3	October 2014
Preliminary/Quarter 4	February 2015
Annual Report/Summary	February/March 2015

Results announcements

Results announcements are issued to the London Stock Exchange and are available on its news service. They are also sent to the US Securities and Exchange Commission and the NYSE, issued to the media and made available on our website.

Financial reports

The company publishes an Annual Report and, for the shareholder not needing the full detail of the Annual Report, a Summary. These documents are available on our website from the date of publication. The Summary is sent to all shareholders. Shareholders may elect to receive the Annual Report by contacting the registrar. Alternatively, shareholders may elect to receive notification by email of the publication of financial reports by registering on www.shareview.co.uk.

Copies of previous financial reports are available on our website. Printed copies can be obtained from our registrar in the UK and from the GSK Response Center in the USA, (see pages 249 and 250 for the contact details).

Donations to political organisations and political expenditure

With effect from 1 January 2009, to ensure a consistent approach to political contributions across the Group, we introduced a global policy to stop voluntarily all corporate political contributions.

In the period from 1 January 2009 to 31 December 2013, the Group did not make any political donations to EU or non-EU organisations.

Notwithstanding the introduction of this policy, in accordance with the Federal Election Campaign Act in the USA, we continue to support an employee-operated Political Action Committee (PAC) that facilitates voluntary political donations by eligible GSK employees.

The PAC is not controlled by GSK. Decisions on the amounts and recipients of contributions are made by participating employees exercising their legal right to pool their resources and make political contributions, which are subject to strict limitations. In 2013, a total of US$484,810 (US$565,630 in 2012) was donated to political organisations by the GSK employee PAC.

At the AGM in May 2001, shareholders first authorised the company to make donations to EU political organisations and to incur EU political expenditure, under the provisions of the Political Parties, Elections and Referendums Act 2000, of up to £100,000 each year. This authority has since been renewed annually. The Companies Act 2006 requires companies to continue to obtain shareholder approval before they can make donations to EU political organisations or incur EU political expenditure.

However, we do not make and do not intend to make donations to political parties or independent election candidates, nor do we make any donations to EU political organisations or incur EU political expenditure.

The definitions of political donations, political expenditure and political organisations used in the legislation are very wide. In particular, the definition of EU political organisations may extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment, which the company and its subsidiaries might wish to support. As a result, the definitions may cover legitimate business activities not in the ordinary sense considered to be political donations or political expenditure.

Such activities are not designed to support any political party or independent election candidate. The authority which the Board has sought annually is a precautionary measure to ensure that the company and its subsidiaries do not inadvertently breach the legislation.

Directors

Our Directors' powers are determined by UK legislation and our Articles of Association, which are available on our website. The Articles may be amended by a special resolution of the members. The Directors may exercise all the company's powers provided that the Articles or applicable legislation do not stipulate that any such powers must be exercised by the members.

The rules about the appointment and replacement of Directors are contained in our Articles. They provide that Directors may be appointed by an ordinary resolution of the members or by a resolution of the Directors, provided that, in the latter instance, a Director appointed in this way retires at the first AGM following his or her appointment.

Our Articles also provide that Directors should normally be subject to re-election at the AGM at intervals of three years or annually if they have held office for a continuous period of nine years or more. However, the Board agreed in 2011 that all Directors who wish to continue as members of the Board should seek re-election annually in accordance with the UK Corporate Governance Code. Members may remove a Director by passing an ordinary resolution of which special notice has been given, or by passing a special resolution.

A Director may automatically cease to be a Director if:

- he or she becomes bankrupt or compounds with his or her creditors generally
- he or she ceases to be a Director by virtue of the Companies Act or the Articles
- he or she is suffering from mental or physical ill health and the Board resolves that he or she shall cease to be a Director
- he or she has missed Directors' meetings for a continuous period of six months without permission and the Board resolves that he or she shall cease to be a Director
- he or she is prohibited from being a Director by law
- he or she resigns
- he or she offers to resign and the Board accepts that offer
- all other Directors (being at least three in number) require him or her to resign.

Directors' conflicts of interest

All Directors have a duty under the Companies Act 2006 to avoid a situation in which they have, or could have, a direct or indirect conflict of interest or possible conflict with the company. The duty applies, in particular, to the exploitation of any property, information or opportunity whether or not the company could take advantage of it. Our Articles provide a general power for the Board to authorise such conflicts.

The Nominations Committee has been authorised by the Board to grant and periodically, but in any event annually, to review any potential or actual conflict authorisations. Directors are not counted in the quorum for the authorisation of their own actual or potential conflicts. Authorisations granted are recorded by the Company Secretary in a register and are noted by the Board at its next meeting.

On an ongoing basis, the Directors are responsible for informing the Company Secretary of any new actual or potential conflicts that may arise or if there are any changes in circumstances that may affect an authorisation previously given. Even when provided with authorisation, a Director is not absolved from his or her statutory duty to promote the success of the company. If an actual conflict arises post-authorisation, the Board may choose to exclude the Director from receipt of the relevant information and participation in the debate, or suspend the Director from the Board, or, as a last resort, require the Director to resign.

The Nominations Committee reviewed the register of potential conflict authorisations in October 2013 and reported to the Board that the conflicts had been appropriately authorised and that the process for authorisation continues to operate effectively. Except as described in Note 35 to the financial statements, 'Related party transactions', during or at the end of the financial year no Director or connected person had any material interest in any contract of significance with a Group company.

Independent advice

The Board recognises that there may be occasions when one or more of the Directors feel it is necessary to take independent legal and/or financial advice at the company's expense. There is an agreed procedure, which is set out on our website, to enable them to do so.

Indemnification of Directors

Qualifying third party indemnity provisions (as defined in the Companies Act 2006) are in force for the benefit of Directors and former Directors who held office during 2013 and up to the signing of the Annual Report.

Change of control and essential contracts

We do not have contracts or other arrangements which individually are fundamental to the ability of the business to operate effectively, nor is the company party to any material agreements that would take effect, be altered, or terminate upon a change of control following a takeover bid. We do not have agreements with any Director that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the company's share plans may cause options and awards granted under such plans to vest on a takeover. Details of the termination provisions in the company's framework for contracts for Executive Directors are given on pages 122 and 123.

US law and regulation

A number of provisions of US law and regulation apply to the company because our shares are quoted on the New York Stock Exchange (NYSE) in the form of ADS.

NYSE rules

In general, the NYSE rules permit the company to follow UK corporate governance practices instead of those applied in the USA, provided that we explain any significant variations. This explanation is contained in our Form 20-F filing, which can be accessed from the Securities and Exchange Commission's (SEC) EDGAR database or via our website. NYSE rules that came into effect in 2005 require us to file annual and interim written affirmations concerning the Audit & Risk Committee and our statement on significant differences in corporate governance.

Sarbanes-Oxley Act of 2002

Following a number of corporate and accounting scandals in the USA, Congress passed the Sarbanes-Oxley Act of 2002. Sarbanes-Oxley is a wide-ranging piece of legislation concerned largely with financial reporting and corporate governance.

As recommended by the SEC, the company has established a Disclosure Committee. The Committee reports to the CEO, the CFO and to the Audit & Risk Committee. It is chaired by the Company Secretary and the members consist of senior managers from finance, legal, corporate communications and investor relations.

External legal counsel, the external auditors and internal experts are invited to attend its meetings periodically. It has responsibility for considering the materiality of information and, on a timely basis, determining the disclosure of that information. It has responsibility for the timely filing of reports with the SEC and the formal review of the Annual Report and Form 20-F. In 2013, the Committee met 10 times.

Sarbanes-Oxley requires that the Annual Report contains a statement as to whether a member of our Audit & Risk Committee (ARC) is an audit committee financial expert as defined by Sarbanes-Oxley. Such a statement for each of the relevant members of the ARC (Stacey Cartwright, Judy Lewent and Tom de Swaan) is included in the Audit & Risk Committee report on page 89. Additional disclosure requirements arise under section 302 and section 404 of Sarbanes-Oxley in respect of disclosure controls and procedures and internal control over financial reporting.

Section 302: Corporate responsibility for financial reports

Sarbanes-Oxley also introduced a requirement for the CEO and the CFO to complete formal certifications, confirming that:

- they have each reviewed the Annual Report and Form 20-F
- based on their knowledge, the Annual Report and Form 20-F contains no material misstatements or omissions
- based on their knowledge, the financial statements and other financial information fairly present, in all material respects, the financial condition, results of operations and cash flows as of the dates, and for the periods, presented in the Annual Report and Form 20-F
- they are responsible for establishing and maintaining disclosure controls and procedures that ensure that material information is made known to them, and have evaluated the effectiveness of these controls and procedures as at the year-end, the results of such evaluation being contained in the Annual Report and Form 20-F
- they are responsible for establishing and maintaining internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles
- they have disclosed in the Annual Report and Form 20-F any changes in internal controls over financial reporting during the period covered by the Annual Report and Form 20-F that have materially affected, or are reasonably likely to affect materially, the company's internal control over financial reporting, and they have disclosed, based on their most recent evaluation of internal control over financial reporting, to the external auditors and the ARC, all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to affect adversely the company's ability to record, process, summarise and report financial information, and any fraud (regardless of materiality) involving persons that have a significant role in the company's internal control over financial reporting.

The Group has carried out an evaluation under the supervision and with the participation of its management, including the CEO and CFO, of the effectiveness of the design and operation of the Group's disclosure controls and procedures as at 31 December 2013.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

The CEO and CFO expect to complete these certifications and report their conclusions on the effectiveness of disclosure controls and procedures in February 2014, following which the certificates will be filed with the SEC as part of the Group's Form 20-F.

Section 404: Management's annual report on internal control over financial reporting

In accordance with the requirements of section 404 of Sarbanes-Oxley, the following report is provided by management in respect of the company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the US Securities Exchange Act of 1934):

- management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS
- management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework, Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organisations of the Treadway Commission
- there have been no changes in the Group's internal control over financial reporting during 2013 that have materially affected, or are reasonably likely to affect materially, the Group's internal control over financial reporting
- management has assessed the effectiveness of internal control over financial reporting as at 31 December 2013 and its conclusion will be filed as part of the Group's Form 20-F, and

PricewaterhouseCoopers LLP, which has audited the consolidated financial statements of the Group for the year ended 31 December 2013, has also assessed the effectiveness of the Group's internal control over financial reporting under Auditing Standard No. 5 of the Public Company Accounting Oversight Board (United States). Their audit report will be filed with the Group's Form 20-F.

Section 13(r) of the US Securities Exchange Act

Section 13(r) of US Securities Exchange Act of 1934, as amended, requires issuers to make specific disclosure in their Annual Reports of certain types of dealings with Iran, including transactions or dealings with government-owned entities, as well as dealings with entities sanctioned for activities related to terrorism or proliferation of weapons of mass destruction, even when those activities are not prohibited by US law and do not involve US persons. The Group does not have a legal entity based in Iran, but it does export certain pharmaceutical and vaccine products from its Pharmaceuticals and Vaccines businesses to Iran, via sales by non-US entities, to two privately held Iranian distributors and a distributor in the UAE. The Group also does business, via non-US entities, in other jurisdictions targeted by sanctions laws, including Cuba, Syria, and Sudan. We do not believe that any of the Group's direct dealings with Iran require specific disclosure under these requirements, and the Group's policies limit sales to Iran to products of high medical/public health need (determined in part using criteria set by the World Health Organization). The Group has no direct knowledge of the identity of its distributors' downstream customers, and it is possible that these customers include entities, such as government-owned hospitals and pharmacies, that are owned or controlled directly or indirectly by the Iranian government or by persons or entities sanctioned in connection with terrorism or proliferation activities. Because the Group has no direct knowledge of its distributors' customers, it cannot establish the proportion of gross revenue or sales potentially attributable to entities affiliated with the Iranian government or parties sanctioned for disclosable activities. As a result, the Group is reporting the entire gross revenues (£11.3 million) and net profits (£4.2 million) from the Group's sales to Iran in 2013.

Shareholder services and contacts

Registrar

The company's registrar is:

Equiniti Limited
Aspect House, Spencer Road, Lancing, BN99 6DA
www.shareview.co.uk

Tel: 0871 384 2991 (in the UK)*
Tel: +44(0)121 415 7067 (outside the UK)

Equiniti provides a range of services for shareholders:

Service	What it offers	How to participate
Shareview service	This enables you to create a free online portfolio to view your share balance and movements, update your address and dividend payment instructions and register your votes for our AGM.	You can register at: www.shareview.co.uk
Corporate Sponsored Nominee Account	This is a convenient way to manage your shares without requiring a share certificate. The service provides a facility for you to hold your shares in a nominee company sponsored by the company. You will continue to receive dividend payments, annual reports and can attend and vote at the company's general meetings. Shareholders' names do not appear on the publicly available share register and the service is free to join.	An application form can be downloaded from www.shareview.co.uk or requested by telephoning Equiniti.
Dividend payment direct to your bank account	If you currently receive your dividends by cheque through the post, you can instead have them paid directly into your bank or building society account. This is quicker, more secure and avoids the risk of your cheque going astray.	A dividend bank mandate form can be downloaded from www.shareview.co.uk or requested by telephoning Equiniti.
Dividend payment direct to bank account for overseas shareholders	Instead of waiting for a sterling cheque to arrive by post, Equiniti will convert your dividend into your local currency and send it direct to your local bank account. This service is available in over 100 countries worldwide.	For more details on this service and the costs involved please contact Equiniti.
Dividend Reinvestment Plan (DRIP)	As an alternative to receiving cash dividends you may choose to reinvest your dividends to buy more GSK shares.	A DRIP election form can be downloaded from www.shareview.co.uk or requested by telephoning Equiniti.
Duplicate publications or mailings	If you receive duplicate copies of this report or other mailings, please contact Equiniti and they will arrange for your accounts to be merged into one for your convenience and to avoid waste and unnecessary costs.	Please contact Equiniti.
Share dealing service† (please note that market trading hours are from 8.00am to 4.30pm UK, Monday to Friday, excluding UK public holidays)	Shareholders may trade shares, either held in certificate form or held in our Corporate Sponsored Nominee, by internet, telephone or by a postal dealing service provided by Equiniti Financial Services Limited.	For internet transactions, please log on to www.shareview.co.uk/dealing. For telephone transactions, please call 0845 603 7037 (in the UK) or +44 (0)121 415 7560 (outside the UK). For postal transactions, please call 0871 384 2991 to request a dealing form.
Individual Savings Accounts (ISAs)†	The company has arranged for Equiniti Financial Services Limited to provide a GSK Corporate ISA to hold GSK Ordinary Shares.	Details are available from www.shareview.co.uk or can be requested by telephoning Equiniti.

* UK lines are open from 8.30am to 5.30pm, Monday to Friday, except UK public holidays, and calls to the number are charged at 8p per minute plus network extras.

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

ADR Depositary

The ADR programme is administered by:

BNY Mellon Shareowner Services
PO Box 30170
College Station, TX 77842-3170

Overnight correspondence should be sent to:
BNY Mellon Shareowner Services
211 Quality Circle, Suite 210
College Station, TX 77845

www.bnymellon.com/shareowner
Tel: 1 877 353 1154 (US toll free)
Tel: +1 201 680 6825 (outside the USA)
email: shrrelations@bnymellon.com

The Depositary also provides Global BuyDIRECT†, a direct ADS purchase/sale and dividend reinvestment plan for ADR holders. For details of how to enrol please visit www.mbnymdr.com or call the above helpline number to obtain an enrolment pack.

Glaxo Wellcome and SmithKline Beecham Corporate PEPs

The Share Centre Limited
Oxford House, Oxford Road, Aylesbury, Bucks HP21 8SZ
Tel: +44 (0)1296 414 141

Donating shares to Save the Children

In 2013, GSK embarked on an ambitious global partnership with Save the Children to share our expertise and resources with the aim of helping to save the lives of one million children.

The GSK and Save the Children partnership will focus in particular on:

- developing child-friendly medicines to reduce child mortality and new-born deaths
- widening vaccination coverage to reduce the number of child deaths in the hardest to reach communities
- researching new affordable nutritional products to help alleviate malnutrition in children
- increasing investment in the training, reach and scope of health workers in the poorest communities to help reduce child mortality

Shareholders with a small number of shares, the value of which makes it uneconomical to sell, may wish to consider donating them to Save the Children. Donated shares will be aggregated and sold by Save the Children who will use the funds raised to help them reach the above goal.†

To obtain a share donation form, please contact our registrar, Equiniti, who is managing the donation and sale of UK shares to Save the Children free of charge.

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

Share scam alert

If you receive an unsolicited telephone call offering to sell or buy your shares, please take extra care. The caller may be part of a highly organised financial scam.

If you are a UK shareholder, please contact the Financial Conduct Authority for further information on this, or other similar activities, on its consumer helpline:

Tel: 0845 606 1234 (in the UK)
Lines are open from 8.00am to 6.00pm, UK time, Monday to Friday, except UK public holidays.

Corporate Responsibility Report

We are publishing our Corporate Responsibility Report 2013 online. This will outline GSK's approach to, and performance in, our key corporate responsibility areas, Health for all, Our behaviour, Our people and Our planet.

Internet

Information about the company, including the share price, is available on our website at www.gsk.com. Information made available on the website does not constitute part of this Annual Report.

Contacts

GSK Response Center

Tel: 1 888 825 5249 (US toll free)

Investor relations

Investor relations may be contacted as follows:

UK
980 Great West Road,
Brentford
Middlesex
TW8 9GS
Tel: +44 (0)20 8047 5000

USA
Five Crescent Drive
Philadelphia PA 19112
Tel: 1 888 825 5249 (US toll free)
Tel: +1 215 751 4000 (outside the USA)

Glossary of terms

Terms used in the Annual Report	US equivalent or brief description
Accelerated capital allowances	Tax allowance in excess of depreciation arising from the purchase of fixed assets that delay the charging and payment of tax. The equivalent of tax depreciation.
American Depositary Receipt (ADR)	Receipt evidencing title to an ADS. Each GlaxoSmithKline ADR represents two Ordinary Shares.
American Depositary Shares (ADS)	Listed on the New York Stock Exchange; represents two Ordinary Shares.
Basic earnings per share	Basic income per share.
Called up share capital	Ordinary Shares, issued and fully paid.
CER growth	Growth at constant exchange rates.
The company	GlaxoSmithKline plc.
Corporate Integrity Agreement (CIA)	In 2012, the company entered into a settlement with the US Federal Government related to past sales and marketing practices. As part of the settlement the company entered into a Corporate Integrity Agreement with the US Department of Health and Human Services, under which improvements are being built into its existing compliance programmes.
Currency swap	An exchange of two currencies, coupled with a subsequent re-exchange of those currencies, at agreed exchange rates and dates.
Defined benefit plan	Pension plan with specific employee benefits, often called 'final salary scheme'.
Defined contribution plan	Pension plan with specific contributions and a level of pension dependent upon the growth of the pension fund.
Derivative financial instrument	A financial instrument that derives its value from the price or rate of some underlying item.
Diluted earnings per share	Diluted income per share.
Employee Share Ownership Plan Trusts	Trusts established by the Group to satisfy share-based employee incentive plans.
Equity Shareholders' funds	Shareholders' equity.
Finance lease	Capital lease.
Freehold	Ownership with absolute rights in perpetuity.
Gearing ratio	Net debt as a percentage of total equity.
The Group	GlaxoSmithKline plc and its subsidiary undertakings.
GSK	GlaxoSmithKline plc and its subsidiary undertakings.
Hedging	The reduction of risk, normally in relation to foreign currency or interest rate movements, by making off-setting commitments.
Intangible fixed assets	Assets without physical substance, such as computer software, brands, licences, patents, know-how and marketing rights purchased from outside parties.
Profit	Income.
Profit attributable to shareholders	Net income.
Share capital	Ordinary Shares, capital stock or common stock issued and fully paid.
Share option	Stock option.
Share premium account	Additional paid-up capital or paid-in surplus (not distributable).
Shares in issue	The number of shares outstanding.
Subsidiary	An entity in which GlaxoSmithKline exercises control.
Treasury share	Treasury stock.
Turnover	Revenue.
UK Corporate Governance Code	As required by the UK Listing Authority, the company has disclosed in the Annual Report how it has applied the best practice corporate governance provisions of the Financial Reporting Council's UK Corporate Governance Code.

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