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 2014.

Income statement – total

	12 months 2014			Q4 2014		
	£m	CER%	£%	£m	CER%	£%
Turnover – Pharmaceuticals and Vaccines	18,670	(6)	(12)	5,070	(7)	(10)
– Consumer Healthcare	4,336	(11)	(18)	1,116	(7)	(10)
Total turnover	23,006	(7)	(13)	6,186	(7)	(10)
Cost of sales	(7,323)	(11)	(15)	(2,029)	(18)	(20)
Selling, general and administration	(8,246)	4	(3)	(2,207)	4	–
Research and development	(3,450)	(8)	(12)	(979)	(7)	(9)
Royalty income	310	(18)	(20)	67	(31)	(32)
Other operating income	(700)			(347)		
Operating profit	3,597	(40)	(49)	691	(69)	(72)
Net finance costs	(659)			(171)		
Profit on disposal of interest in associates and joint ventures	–			–		
Share of after tax profits of associates and joint ventures	30			11		
Profit before taxation	2,968	(46)	(55)	531	(77)	(79)
Taxation	(137)			494		
Tax rate %	4.6%			(93.0)%		
Profit after taxation for the period	2,831	(41)	(50)	1,025	(56)	(59)
Profit attributable to non-controlling interests	75			(8)		
Profit attributable to shareholders	2,756			1,033		
Basic earnings per share (pence)	57.3p	(40)	(49)	21.5p	(55)	(58)
Diluted earnings per share (pence)	56.7p			21.3p		

Income statement – core

Total turnover	23,006	(3)	(10)	6,186	(5)	(8)
Cost of sales	(6,535)	(3)	(8)	(1,798)	(3)	(6)
Selling, general and administration	(7,074)	(2)	(9)	(1,864)	(2)	(5)
Research and development	(3,113)	(4)	(8)	(821)	(8)	(9)
Royalty income	310	(18)	(20)	67	(31)	(32)
Operating profit	6,594	(6)	(15)	1,770	(9)	(12)
Net finance costs	(646)			(168)		
Share of after tax profits of associates and joint ventures	30			11		
Profit before taxation	5,978	(6)	(16)	1,613	(10)	(14)
Taxation	(1,172)			(246)		
Tax rate %	19.6%			15.3%		
Profit after taxation for the period	4,806	(2)	(12)	1,367	(2)	(6)
Profit attributable to non-controlling interests	222			52		
Profit attributable to shareholders	4,584			1,315		
Adjusted earnings per share (pence)	95.4p	(1)	(12)	27.3p	(1)	(6)

The calculation of core results is described on page 52.

Q3 2014			Q2 2014			Q1 2014		
£m	CER%	£%	£m	CER%	£%	£m	CER%	£%
4,575	(4)	(12)	4,539	(6)	(14)	4,486	(5)	(12)
1,071	(13)	(20)	1,022	(14)	(23)	1,127	(9)	(18)
5,646	(6)	(13)	5,561	(8)	(16)	5,613	(6)	(13)
(1,829)	(9)	(13)	(1,722)	(7)	(13)	(1,743)	(7)	(12)
(2,013)	15	1	(2,055)	1	(7)	(1,971)	(3)	(5)
(803)	(6)	(11)	(809)	(18)	(23)	(859)	(1)	(5)
101	11	7	72	(10)	(12)	70	(36)	(38)
(399)			90			(44)		
703	(52)	(55)	1,137	(8)	(21)	1,066	(12)	(33)
(165)			(159)			(164)		
–			–			–		
10			8			1		
548	(58)	(61)	986	(9)	(23)	903	(13)	(36)
(163)			(284)			(184)		
29.7%			28.8%			20.4%		
385	(59)	(62)	702	(22)	(35)	719	(6)	(30)
(16)			48			51		
401			654			668		
8.3p	(56)	(59)	13.6p	(23)	(37)	13.9p	(4)	(30)
8.2p			13.4p			13.7p		
5,646	(3)	(10)	5,561	(4)	(13)	5,613	(2)	(10)
(1,641)	(1)	(6)	(1,538)	(3)	(9)	(1,558)	(5)	(10)
(1,477)	(6)	(19)	(1,922)	3	(6)	(1,811)	(3)	(5)
(742)	(1)	(6)	(766)	(3)	(9)	(784)	(4)	(8)
101	11	7	72	(10)	(12)	70	(36)	(38)
1,887	(1)	(6)	1,407	(14)	(25)	1,530	–	(18)
(161)			(156)			(161)		
10			8			1		
1,736	(1)	(5)	1,259	(14)	(26)	1,370	–	(20)
(348)			(277)			(301)		
20.0%			22.0%			22.0%		
1,388	4	(1)	982	(12)	(24)	1,069	1	(20)
47			61			62		
1,341			921			1,007		
27.9p	5	–	19.1p	(12)	(25)	21.0p	2	(20)

Financial record
continued

Pharmaceuticals and Vaccines turnover by therapeutic area 2014

	Total				USA			Europe			Emerging Markets			Japan		
Therapeutic area/ major products	2014 £m	2013 (restated) £m	CER%	Growth £%	2014 £m	CER%	Growth £%	2014 £m	CER%	Growth £%	2014 £m	CER%	Growth £%	2014 £m	CER%	Growth £%
Respiratory	**6,181**	**7,289**	**(10)**	**(15)**	**2,810**	**(18)**	**(22)**	**1,675**	**(3)**	**(7)**	**777**	**3**	**(7)**	**475**	**(2)**	**(14)**
Avamys/Veramyst	238	249	5	(4)	31	(21)	(26)	69	4	–	73	15	3	48	10	(2)
Flixotide/Flovent	702	796	(6)	(12)	432	(6)	(10)	102	(9)	(13)	55	9	(5)	28	(24)	(33)
Relvar/Breo Ellipta	67	8	>100	>100	29	>100	>100	18	–	–	2	–	–	17	>100	>100
Seretide/Advair	4,229	5,274	(15)	(20)	1,972	(25)	(29)	1,330	(5)	(9)	400	3	(7)	228	(6)	(18)
Ventolin	665	642	11	4	328	18	13	124	2	(2)	165	8	(4)	7	(11)	(22)
Other	280	320	(3)	(13)	18	>100	>100	32	10	3	82	(18)	(24)	147	(3)	(16)
Oncology	**1,202**	**969**	**33**	**24**	**509**	**41**	**34**	**417**	**29**	**23**	**169**	**30**	**13**	**65**	**17**	**3**
Arzerra	54	75	(24)	(28)	28	(35)	(39)	23	(11)	(15)	1	–	–	3	>100	>100
Mekinist	68	10	>100	>100	67	>100	>100	–	–	–	–	–	–	–	–	–
Promacta	231	186	34	24	91	32	25	71	36	29	29	50	32	33	27	10
Tafinlar	135	16	>100	>100	58	>100	>100	67	>100	>100	–	–	–	–	–	–
Tyverb/Tykerb	171	207	(11)	(17)	45	(15)	(18)	67	(15)	(18)	47	13	–	8	(41)	(53)
Votrient	410	331	33	24	181	32	26	153	23	18	46	49	24	17	>100	89
Other	133	144	(1)	(8)	39	–	(5)	36	(10)	(12)	46	19	7	4	(33)	(33)
Cardiovascular, metabolic and urology (CVMU)	**965**	**1,073**	**(3)**	**(10)**	**364**	**(16)**	**(20)**	**293**	**–**	**(5)**	**145**	**20**	**7**	**114**	**14**	**–**
Avodart	805	857	1	(6)	258	(13)	(17)	280	8	3	113	20	9	114	14	–
Other	160	216	(21)	(26)	106	(23)	(26)	13	(63)	(63)	32	19	3	–	–	–
Immuno-inflammation	**214**	**161**	**40**	**33**	**196**	**39**	**32**	**12**	**63**	**50**	**3**	**>100**	**>100**	**–**	**–**	**–**
Benlysta	173	146	25	18	155	22	16	12	63	50	3	>100	>100	–	–	–
Other	41	15	>100	>100	41	>100	>100	–	–	–	–	–	–	–	–	–
Other pharmaceuticals	**2,407**	**2,674**	**(2)**	**(10)**	**171**	**(31)**	**(34)**	**660**	**(4)**	**(8)**	**1,053**	**5**	**(6)**	**256**	**1**	**(12)**
Dermatology	481	631	(18)	(24)	49	(56)	(57)	150	(8)	(12)	240	(9)	(17)	22	(7)	(21)
Augmentin	573	630	(2)	(9)	1	–	–	189	(2)	(7)	356	(1)	(9)	11	–	(15)
Other anti-bacterials	215	224	3	(4)	6	(14)	(14)	61	(3)	(8)	145	6	(2)	2	(33)	(33)
Rare diseases	417	495	(8)	(16)	67	(38)	(41)	134	9	4	40	(6)	(17)	157	(3)	(15)
Other	721	694	15	4	48	>100	92	126	(12)	(17)	272	30	11	64	16	2
Innovative Pharmaceuticals	**10,969**	**12,166**	**(3)**	**(10)**	**4,050**	**(12)**	**(16)**	**3,057**	**–**	**(4)**	**2,147**	**7**	**(4)**	**910**	**2**	**(11)**
Vaccines	**3,192**	**3,420**	**(1)**	**(7)**	**930**	**–**	**(5)**	**978**	**(2)**	**(7)**	**1,056**	**1**	**(6)**	**27**	**(14)**	**(25)**
Boostrix	317	288	16	10	163	(7)	(11)	78	26	20	55	>100	>100	–	–	–
Cervarix	118	172	(26)	(31)	5	(17)	(17)	48	(16)	(21)	63	(24)	(32)	–	(100)	(100)
Fluarix, FluLaval	215	251	(9)	(14)	142	2	(3)	22	(34)	(37)	30	(23)	(30)	–	–	–
Hepatitis	558	629	(6)	(11)	234	(6)	(11)	186	(2)	(6)	97	(15)	(21)	–	–	–
Infanrix, Pediarix	828	862	2	(4)	297	15	10	369	(3)	(7)	104	(12)	(21)	–	–	–
Rotarix	376	375	7	–	86	(16)	(20)	67	19	14	179	18	9	28	28	12
Synflorix	398	405	4	(2)	–	–	–	40	(13)	(17)	355	7	1	–	–	–
Other	382	438	(6)	(13)	3	>100	>100	168	(5)	(9)	173	(6)	(14)	(1)	<(100)	<(100)
Innovative Pharmaceuticals and Vaccines	**14,161**	**15,586**	**(3)**	**(9)**	**4,980**	**(10)**	**(14)**	**4,035**	**–**	**(5)**	**3,203**	**5**	**(5)**	**937**	**1**	**(11)**
ViiV Healthcare (HIV)	**1,498**	**1,386**	**15**	**8**	**670**	**28**	**21**	**534**	**6**	**2**	**142**	**(4)**	**(17)**	**63**	**35**	**18**
Combivir	59	116	(46)	(49)	11	(67)	(68)	18	(52)	(54)	25	(20)	(27)	2	(15)	(26)
Epzicom/Kivexa	768	763	8	1	274	7	2	335	7	2	71	7	(9)	36	14	–
Lexiva/Agenerase	87	113	(17)	(23)	45	(24)	(27)	20	(25)	(28)	18	22	1	2	(27)	(36)
Selzentry	136	143	–	(5)	53	(4)	(9)	58	(3)	(7)	7	37	16	2	(16)	(26)
Tivicay	282	19	>100	>100	200	>100	>100	56	>100	>100	1	–	–	14	–	–
Trizivir	36	97	(61)	(63)	10	(81)	(82)	22	(28)	(31)	1	(53)	(61)	–	–	–
Other	130	135	5	(4)	77	55	51	25	(30)	(32)	19	(33)	(37)	7	(22)	(22)
Established Products	**3,011**	**3,874**	**(16)**	**(22)**	**854**	**(31)**	**(34)**	**601**	**(13)**	**(16)**	**1,050**	**(1)**	**(9)**	**444**	**(15)**	**(25)**
Coreg	124	131	(1)	(5)	123	(1)	(5)	–	–	–	–	–	–	–	–	–
Hepsera	85	96	(5)	(11)	–	–	–	–	–	–	64	(3)	(9)	20	(8)	(20)
Imigran/Imitrex	172	188	(4)	(9)	83	5	4	61	2	(3)	6	–	(14)	17	(21)	(29)
Lamictal	531	557	3	(5)	253	(4)	(8)	106	1	(4)	78	10	–	89	22	7
Lovaza	240	584	(57)	(59)	238	(57)	(59)	–	–	–	–	–	–	–	–	–
Requip	109	125	(4)	(13)	7	–	–	39	(19)	(25)	14	14	–	48	6	(6)
Serevent	108	129	(12)	(16)	43	(12)	(16)	48	(9)	(13)	3	(25)	(25)	9	(23)	(31)
Seroxat/Paxil	210	285	(19)	(26)	–	–	–	43	(15)	(19)	62	(13)	(22)	98	(19)	(29)
Valtrex	154	224	(24)	(31)	26	(40)	(42)	27	(3)	(7)	33	(3)	(18)	50	(45)	(53)
Zeffix	166	182	(3)	(9)	3	(77)	(77)	8	(25)	(33)	141	7	1	13	(13)	(19)
Other	1,112	1,373	(12)	(19)	78	(28)	(33)	269	(19)	(22)	649	(3)	(10)	100	(17)	(28)
	18,670	**20,846**	**(4)**	**(10)**												

The table above includes the sales by product reported in the Other trading and unallocated pharmaceuticals segment (which includes Canada, Puerto Rico, Australasia, central vaccine tender sales and contract manufacturing sales) in the total column only.

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

Pharmaceuticals and Vaccines turnover by therapeutic area 2013

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 £%	Emerging Markets 2013 £m	Emerging Markets Growth CER%	Emerging Markets Growth £%	Japan 2013 £m	Japan Growth CER%	Japan Growth £%
Respiratory	**7,289**	**7,044**	**4**	**3**	**3,594**	**7**	**8**	**1,802**	**(2)**	**1**	**837**	**4**	**3**	**554**	**10**	**(8)**
Avamys/Veramyst	249	246	5	1	42	(29)	(29)	69	8	11	71	16	13	49	28	7
Flixotide/Flovent	796	779	2	2	482	6	8	117	(7)	(4)	58	7	5	42	(7)	(24)
Relvar/Breo Ellipta	8	–	–	–	5	–	–	–	–	–	–	–	–	3	–	–
Seretide/Advair	5,274	5,046	4	5	2,769	8	9	1,458	(2)	1	429	4	3	277	8	(10)
Ventolin	642	631	2	2	291	4	5	127	(2)	1	171	2	–	9	–	(18)
Other	320	342	4	(6)	5	(69)	(69)	31	(6)	(3)	108	(1)	(1)	174	14	(5)
Oncology	**969**	**798**	**22**	**21**	**380**	**17**	**18**	**339**	**28**	**32**	**149**	**18**	**14**	**63**	**36**	**13**
Arzerra	75	60	23	25	46	18	21	27	29	29	–	–	–	1	–	–
Mekinist	10	–	–	–	10	–	–	–	–	–	–	–	–	–	–	–
Promacta	186	130	46	43	73	33	35	55	47	53	22	92	83	30	44	20
Tafinlar	16	–	–	–	11	–	–	4	–	–	–	–	–	–	–	–
Tyverb/Tykerb	207	239	(13)	(13)	55	(21)	(19)	82	(9)	(6)	47	(9)	(13)	17	(5)	(23)
Votrient	331	183	80	81	144	56	58	130	91	97	37	77	68	9	>100	>100
Other	144	186	(23)	(23)	41	(40)	(41)	41	(17)	(11)	43	2	–	6	(25)	(25)
Cardiovascular, metabolic and urology (CVMU)	**1,073**	**1,144**	**(5)**	**(6)**	**456**	**(27)**	**(26)**	**308**	**18**	**23**	**135**	**27**	**24**	**114**	**25**	**4**
Avodart	857	790	10	8	312	(3)	(2)	273	15	20	104	27	24	114	25	4
Other	216	354	(40)	(39)	144	(53)	(53)	35	48	52	31	24	24	–	–	–
Immuno-inflammation	**161**	**70**	**>100**	**>100**	**148**	**>100**	**>100**	**8**	**100**	**100**	**1**	**–**	**–**	**–**	**–**	**–**
Benlysta	146	70	>100	>100	134	>100	>100	8	100	100	1	–	–	–	–	–
Other	15	–	–	–	14	–	–	–	–	–	–	–	–	–	–	–
Other pharmaceuticals	**2,674**	**2,630**	**5**	**2**	**261**	**(25)**	**(24)**	**720**	**2**	**7**	**1,124**	**2**	**(2)**	**291**	**36**	**13**
Dermatology	631	680	(5)	(7)	115	(37)	(36)	170	6	10	289	8	4	28	3	(15)
Augmentin	630	608	5	4	1	–	–	203	(3)	–	393	11	7	13	(6)	(19)
Other anti-bacterials	224	233	(4)	(4)	7	–	–	66	5	10	148	(4)	(6)	3	–	–
Rare diseases	495	495	7	–	113	(4)	(3)	129	1	5	48	2	–	184	18	(2)
Other	694	614	18	13	25	(37)	(36)	152	6	12	246	(12)	(16)	63	>100	>100
Innovative Pharmaceuticals	**12,166**	**11,686**	**2**	**4**	**4,839**	**2**	**3**	**3,177**	**2**	**7**	**2,246**	**2**	**2**	**1,022**	**2**	**(1)**
Vaccines	**3,420**	**3,325**	**2**	**3**	**978**	**17**	**18**	**1,049**	**3**	**7**	**1,124**	**1**	**2**	**36**	**(76)**	**(80)**
Boostrix	288	238	19	21	183	23	24	65	19	23	20	25	25	–	–	–
Cervarix	172	270	(37)	(36)	6	–	–	61	11	15	92	23	23	10	(90)	(92)
Fluarix, FluLaval	251	200	25	26	146	65	66	35	(21)	(19)	43	(2)	(2)	–	–	–
Hepatitis	629	646	(4)	(3)	263	(3)	(1)	198	(3)	1	123	(2)	(4)	–	–	–
Infanrix, Pediarix	862	775	9	11	271	23	24	398	2	6	132	11	10	–	–	–
Rotarix	375	360	5	4	108	7	8	59	49	51	164	3	3	25	(30)	(43)
Synflorix	405	385	2	5	–	–	–	48	2	7	350	1	5	–	–	–
Other	438	451	(4)	(3)	1	(100)	–	185	2	6	200	(14)	(13)	1	–	–
Innovative Pharmaceuticals and Vaccines	**15,586**	**15,011**	**4**	**4**	**5,817**	**4**	**6**	**4,226**	**3**	**7**	**3,370**	**3**	**2**	**1,058**	**6**	**(12)**
ViiV Healthcare (HIV)	**1,386**	**1,374**	**–**	**1**	**552**	**5**	**6**	**526**	**(3)**	**–**	**171**	**(12)**	**(14)**	**54**	**14**	**(6)**
Combivir	116	179	(36)	(35)	35	46	48	39	(41)	(39)	35	(56)	(56)	3	(11)	(26)
Epzicom/Kivexa	763	665	14	15	269	9	10	328	11	15	78	38	37	36	21	1
Lexiva/Agenerase	113	127	(11)	(11)	62	(10)	(9)	27	(22)	(18)	18	(1)	(6)	3	(7)	(23)
Selzentry	143	128	10	12	58	1	2	63	8	13	6	67	60	3	49	23
Tivicay	19	–	–	–	19	–	–	–	–	–	-	–	–	–	–	–
Trizivir	97	107	(10)	(9)	58	(6)	(4)	32	(17)	(14)	4	(26)	(30)	–	–	–
Other	135	168	(20)	(20)	51	(25)	(24)	37	(26)	(23)	30	(8)	(8)	9	(5)	(21)
Established Products	**3,874**	**4,351**	**(8)**	**(11)**	**1,300**	**(7)**	**(6)**	**718**	**(14)**	**(11)**	**1,157**	**(5)**	**(7)**	**595**	**(5)**	**(22)**
Coreg	131	133	(2)	(2)	130	(2)	(2)	–	–	–	–	–	–	–	–	–
Hepsera	96	126	(21)	(24)	–	–	–	–	–	–	70	(28)	(26)	25	(3)	(19)
Imigran/Imitrex	188	190	1	(1)	80	11	11	63	(7)	(6)	7	–	–	24	(13)	(25)
Lamictal	557	610	(7)	(9)	276	(18)	(17)	110	(4)	(2)	78	8	4	83	28	6
Lovaza	584	607	(5)	(4)	581	(5)	(4)	–	–	–	–	–	–	–	–	–
Requip	125	164	(18)	(24)	7	(63)	(63)	52	(33)	(32)	14	–	–	51	11	(7)
Serevent	129	145	(10)	(11)	51	(2)	–	55	(17)	(14)	4	33	33	13	(20)	(35)
Seroxat/Paxil	285	374	(16)	(24)	–	–	–	53	(11)	(7)	79	(4)	(6)	138	(22)	(36)
Valtrex	224	252	(2)	(11)	45	26	29	29	(15)	(12)	40	11	8	106	(2)	(18)
Zeffix	182	243	(26)	(25)	13	(13)	(13)	12	(25)	(25)	140	(28)	(26)	16	(5)	(20)
Other	1,373	1,507	(6)	(9)	117	(5)	(1)	344	(14)	(10)	725	2	(3)	139	(5)	(23)
	20,846	**20,736**	**1**	**1**												

The table above includes the sales by product reported in the Other trading and unallocated pharmaceuticals segment (which includes Canada, Puerto Rico, Australasia, central vaccine tender sales and contract manufacturing sales) in the total column only.

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

Financial record
continued

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.

The Established Products segment has been created and certain product reclassifications, principally the OTC dermatology brands acquired with the Stiefel business, have been made between Pharmaceuticals and Vaccines segments and the Consumer Healthcare segment, with effect from 1 January 2014. Comparative turnover information in all four years has been restated accordingly. In addition, the 2013 and 2012 core results have been restated to exclude the divestments completed in 2013.

Comparative information for 2012 is also reported including the effect of the divestments completed in 2013.

Turnover by division	2014 £m	2013 (restated) £m	2012 (restated) £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m
Pharmaceuticals	**15,478**	17,426	17,411	17,838	18,474	18,890
Vaccines	**3,192**	3,420	3,325	3,325	3,497	4,326
Pharmaceuticals and Vaccines	**18,670**	20,846	20,736	21,163	21,971	23,216
Consumer Healthcare	**4,336**	4,756	4,747	5,268	5,416	5,176
	23,006	25,602	25,483	26,431	27,387	28,392
Divestments	**–**	903	948	–	–	–
Total turnover including divestments	**23,006**	26,505	26,431	26,431	27,387	28,392
Group turnover by geographic region						
USA	**7,340**	8,620	8,330	8,476	8,696	9,346
Europe	**6,412**	6,862	6,675	7,330	8,276	9,097
Emerging Markets	**6,193**	6,579	6,629	6,784	6,407	6,078
Japan	**1,608**	1,886	2,219	2,225	2,318	2,155
Other	**1,453**	1,655	1,630	1,616	1,690	1,716
	23,006	25,602	25,483	26,431	27,387	28,392
Divestments	**–**	903	948	–	–	–
Total turnover including divestments	**23,006**	26,505	26,431	26,431	27,387	28,392
Group turnover by segment						
USA	**4,980**	5,817	5,508	5,556	5,338	5,430
Europe	**4,035**	4,226	3,956	3,956	4,374	4,899
Emerging Markets	**3,203**	3,370	3,309	3,309	3,067	3,287
Japan	**937**	1,058	1,203	1,203	1,257	1,182
ViiV Healthcare (HIV)	**1,498**	1,386	1,374	1,374	1,569	1,566
Established Products	**3,011**	3,874	4,351	4,730	5,325	6,069
Other trading and unallocated pharmaceuticals	**1,006**	1,115	1,035	1,035	1,041	783
Pharmaceuticals and Vaccines	**18,670**	20,846	20,736	21,163	21,971	23,216
Consumer Healthcare	**4,336**	4,756	4,747	5,268	5,416	5,176
	23,006	25,602	25,483	26,431	27,387	28,392
Divestments	**–**	903	948	–	–	–
Total turnover including divestments	**23,006**	26,505	26,431	26,431	27,387	28,392

Pharmaceuticals and Vaccines turnover by therapeutic area	2014 £m	2013 (restated) £m	2012 (restated) £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m
Respiratory	**6,181**	7,289	7,044	7,044	7,012	6,930
Oncology and emesis	**1,202**	969	798	798	683	679
Cardiovascular, Metabolic and urogenital	**965**	1,073	1,144	1,144	1,108	946
Immuno-inflammation	**214**	161	70	70	15	–
Other pharmaceuticals	**2,407**	2,674	2,630	2,678	2,762	2,700
Established Products	**3,011**	3,874	4,351	4,730	5,325	6,069
Vaccines	**3,192**	3,420	3,325	3,325	3,497	4,326
ViiV Healthcare (HIV)	**1,498**	1,386	1,374	1,374	1,569	1,566
	18,670	20,846	20,736	21,163	21,971	23,216

Five year record continued

Consumer Healthcare turnover	2014 £m	2013 (restated) £m	2012 (restated) £m	2012 (restated) £m	2011 (restated) £m	2010 (restated) £m
Wellness	**1,596**	1,865	1,991	1,998	2,310	2,217
Oral care	**1,797**	1,884	1,806	1,806	1,722	1,596
Nutrition	**633**	627	590	1,104	1,025	953
Skin health	**310**	380	360	360	359	410
	4,336	4,756	4,747	5,268	5,416	5,176

Financial results – total	2014 £m	2013 £m	2012 £m	2012 £m	2011 £m	2010 £m
Turnover	**23,006**	26,505	26,431	26,431	27,387	28,392
Operating profit	**3,597**	7,028	7,300	7,300	7,734	3,715
Profit before taxation	**2,968**	6,647	6,600	6,600	7,625	3,089
Profit after taxation	**2,831**	5,628	4,678	4,678	5,405	1,806
	pence	pence	pence	pence	pence	pence
Basic earnings per share	**57.3**	112.5	91.6	91.6	103.6	31.2
Diluted earnings per share	**56.7**	110.5	90.2	90.2	102.1	30.9
	2014 millions	2013 millions	2012 millions	2012 millions	2011 millions	2010 millions
Weighted average number of shares in issue:						
Basic	**4,808**	4,831	4,912	4,912	5,028	5,085
Diluted	**4,865**	4,919	4,989	4,989	5,099	5,128

Financial results – core	2014 £m	2013 (restated) £m	2012 (restated) £m	2012 £m	2011 £m	2010 £m
Turnover	**23,006**	25,602	25,483	26,431	27,387	28,392
Operating profit	**6,594**	7,771	7,974	8,238	8,730	9,429
Profit before taxation	**5,978**	7,122	7,279	7,543	8,038	8,798
Profit after taxation	**4,806**	5,487	5,511	5,705	5,954	6,553
	pence	pence	pence	pence	pence	pence
Core earnings per share	**95.4**	108.4	107.4	111.4	114.5	124.6
	%	%	%	%	%	%
Return on capital employed	**46.6**	91.4	84.9	84.9	82.3	30.2

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

Financial record
continued

Five year record continued

Balance sheet	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Non-current assets	**25,973**	26,859	27,789	24,921	26,207
Current assets	**14,678**	15,227	13,692	16,167	16,036
Total assets	**40,651**	42,086	41,481	41,088	42,243
Current liabilities	**(13,295)**	(13,677)	(13,815)	(15,010)	(12,794)
Non-current liabilities	**(22,420)**	(20,597)	(20,929)	(17,264)	(19,724)
Total liabilities	**(35,715)**	(34,274)	(34,744)	(32,274)	(32,518)
Net assets	**4,936**	7,812	6,737	8,814	9,725
Shareholders' equity	**4,263**	6,997	5,800	8,019	8,867
Non-controlling interests	**673**	815	937	795	858
Total equity	**4,936**	7,812	6,737	8,814	9,725

Number of employees

	2014	2013	2012	2011	2010
USA	**16,579**	16,530	17,201	16,707	17,555
Europe	**37,899**	38,367	38,788	38,696	39,910
Emerging Markets	**36,730**	37,747	36,738	35,080	31,992
Japan	**3,560**	3,531	3,515	3,573	3,461
Other	**3,153**	3,276	3,246	3,333	3,543
	97,921	99,451	99,488	97,389	96,461
Manufacturing	**32,171**	31,502	31,369	30,664	30,611
Selling	**42,785**	45,397	45,601	45,155	43,918
Administration	**10,630**	10,232	9,607	8,883	8,850
Research and development	**12,335**	12,320	12,911	12,687	13,082
	97,921	99,451	99,488	97,389	96,461

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).

	2014	2013	2012	2011	2010
Average	**1.65**	1.56	1.59	1.60	1.55

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

	2015 Feb	2015 Jan	2014 Dec	2014 Nov	2014 Oct	2014 Sep
High	1.54	1.54	1.57	1.60	1.62	1.66
Low	1.50	1.50	1.55	1.56	1.59	1.61

The 4pm buying rate on 19 February 2015 was £1= US$1.54.

Pipeline, products and competition

Pharmaceuticals and Vaccines product development pipeline

Key

†	In-licence or other alliance relationship with third party
*	Also being developed for indications in another therapeutic area
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

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 (PI3K) inhibitor	idiopathic pulmonary fibrosis	I		
2256294	soluble epoxide hydrolase (sEH) inhibitor	chronic obstructive pulmonary disease (COPD)	I		
2862277	tumour necrosis factor receptor-1 (TNFR1) domain antibody	acute lung injury	I		
961081† + fluticasone furoate	muscarinic acetylcholine antagonist, beta2 agonist (MABA) + glucocorticoid agonist	COPD	I		
961081†	MABA	COPD	II		
2245035	toll-like receptor 7 agonist	asthma	II		
2269557	PI3K inhibitor	asthma & COPD	II		
2586881†	recombinant human angiotensin converting enzyme 2	acute lung injury	II		
danirixin	CXCR2 chemokine receptor antagonist	COPD	II		
fluticasone furoate + umeclidinium	glucocorticoid agonist + muscarinic acetylcholine antagonist	asthma COPD overlap syndrome	II		
losmapimod	p38 kinase inhibitor (oral)	COPD*	II		
mepolizumab	IL5 monoclonal antibody	nasal polyposis*	II		
fluticasone furoate + vilanterol† + umeclidinium	glucocorticoid agonist + long-acting beta2 agonist + muscarinic acetylcholine antagonist	COPD	III		
mepolizumab	IL5 monoclonal antibody	COPD*	III		
Relvar/Breo Ellipta (vilanterol† + fluticasone furoate)	long-acting beta2 agonist + glucocorticoid agonist	COPD – mortality outcomes	III		
vilanterol†	long-acting beta2 agonist	COPD	III		
mepolizumab	IL5 monoclonal antibody	severe eosinophilic asthma*	Submitted	S: Nov14	S: Nov14
Anoro Ellipta (umeclidinium + vilanterol†)	muscarinic acetylcholine antagonist + long-acting beta2 agonist	COPD	Approved	A: May14	A: Dec13
Arnuity Ellipta (fluticasone furoate)	glucocorticoid agonist	asthma	Approved	N/A	A: Aug14
Incruse Ellipta (umeclidinium)	muscarinic acetylcholine antagonist	COPD*	Approved	A: Apr14	A:Apr14
Relvar/Breo Ellipta (vilanterol† + fluticasone furoate)	long-acting beta2 agonist + glucocorticoid agonist	asthma	Approved	A: Nov13	S: Jun14
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)	N/A	
Mosquirix (Malaria RTS,S)†	recombinant	malaria prophylaxis (Plasmodium falciparum)	Submitted	S: Jun14	N/A
DTPa-HBV-IPV/Hib†	conjugated	diphtheria, tetanus, pertussis, poliomyelitis, hepatitis B, haemophilus influenza	Approved II (US)	N/A	
Nimenrix (MenACWY-TT)	conjugated	Neisseria meningitis groups A, C, W & Y disease prophylaxis	Approved II (US)	A: Apr12	

Pipeline, products and competition
continued

Pharmaceuticals and Vaccines product development pipeline continued

Compound	Type	Indication	Phase	Achieved regulatory review milestones MAA	NDA/BLA
Other Vaccines					
Malaria next generation†	recombinant	malaria prophylaxis (Plasmodium falciparum)	II		
NTHi†	recombinant	non-typeable Haemophilus influenzae prophylaxis	II		
Tuberculosis†	recombinant	tuberculosis prophylaxis	II		
Hepatitis C	recombinant viral vector	hepatitis C virus prophylaxis	II		
Ebola†	recombinant viral vector	prevention of filovirus haemorrhagic fevers caused by Ebola Zaire virus	III		
Zoster†	recombinant	Herpes Zoster prophylaxis	III		
Antigen-Specific Cancer Immunotherapeutic					
MAGE-A3 immunotherapeutic†	recombinant	treatment of melanoma	III		
HIV (ViiV Healthcare)					
cabotegravir (1265744)	HIV integrase inhibitor (long-acting parenteral formulation)	HIV infections	II		
cabotegravir (1265744)	HIV integrase inhibitor (long-acting parenteral formulation)	HIV pre-exposure prophylaxis	II		
Triumeq (dolutegravir + abacavir sulphate + lamivudine)	HIV integrase inhibitor + reverse transcriptase inhibitors (fixed dose combination)	HIV infections – fixed dose combination	Approved	A: Sep14	A: Aug14
Oncology					
525762	bromodomain inhibitor	cancer	I		
2256098	focal adhesion kinase inhibitor	cancer	I		
2636771	PI3K inhibitor	cancer	I		
2816126	enhancer of zeste homologue2 (EZH2) inhibitor	cancer	I		
2849330	ErbB3 monoclonal antibody	cancer	I		
2857916	beta cell maturation antigen antibody drug conjugate	multiple myeloma	I		
2879552	lysine-specific demethylase 1 (LSD1) inhibitor	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		
Mekinist (trametinib)† + Tafinlar (dabrafenib)	MEK1/2 inhibitor + BRAF protein kinase inhibitor	non-small cell lung cancer	II		
Mekinist (trametinib)† + Tafinlar (dabrafenib)	MEK1/2 inhibitor + BRAF protein kinase inhibitor	rare cancers	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		
Arzerra (ofatumumab)†	CD20 human monoclonal antibody	chronic lymphocytic leukaemia, use in 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		
Revolade/*Promacta* (eltrombopag)†	thrombopoietin receptor agonist	myelodysplastic syndromes	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	Approved	A: Jun14	A: Apr14
Mekinist (trametinib)†	MEK1/2 inhibitor	metastatic melanoma	Approved	A: Jul14	A: May13
Mekinist (trametinib)† + *Tafinlar* (dabrafenib)	MEK1/2 inhibitor + BRAF protein kinase inhibitor	metastatic melanoma	Approved		A: Jan 14
Revolade/*Promacta* (eltrombopag)†	thrombopoietin receptor agonist	aplastic anaemia	Approved	S: Nov14	A: Aug14

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		
2798745	transient receptor potential cation channel V4 (TRPV4) antagonist	heart failure	I		
2881078	selective androgen receptor modulator	muscle wasting	I		
1278863	prolyl hydroxylase inhibitor	anaemia associated with chronic renal disease	II		
2330672	ileal bile acid transport inhibitor	type 2 diabetes & cholestatic pruritus	II		
camicinal	motilin receptor agonist	delayed gastric emptying	II		
Eperzan/Tanzeum (albiglutide)	GLP 1 agonist	type 1 diabetes	II		
losmapimod	p38 kinase inhibitor	focal segmental glomerular sclerosis*	II		
otelixizumab	CD3 monoclonal antibody	new onset type 1 diabetes	II		
losmapimod	p38 kinase inhibitor	acute coronary syndrome*	III		
retosiban	oxytocin antagonist	threatened pre-term labour	III		
Eperzan/Tanzeum (albiglutide)	GLP 1 agonist	type 2 diabetes	Approved	A: Mar14	A:Apr14
Immuno-inflammation					
2618960	IL7 receptor monoclonal antibody	autoimmune disease	I		
2646264	spleen tyrosine kinase (Syk) inhibitor (topical)	chronic urticaria	I		
2831781†	LAG3 monoclonal antibody	autoimmune disease	I		
2982772	RIP1 kinase inhibitor	autoimmune disease	I		
3050002†	CCL20 monoclonal antibody	autoimmune disease	I		
3117391†	macrophage targeted histone deacetylase inhibitor	rheumatoid arthritis	I		
3196165 (MOR103)†	granulocyte macrophage colony-stimulating factor monoclonal antibody	rheumatoid arthritis	II		
Benlysta (belimumab)	B lymphocyte stimulator monoclonal antibody (i.v.)	transplant rejection*	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† + 23156898†	SAP monoclonal antibody + SAP depleter (CPHPC)	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*	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		
2140944	type 2 topoisomerase inhibitor	bacterial infections	II		
tafenoquine†	8-aminoquinoline	Plasmodium vivax malaria	III		
Relenza i.v. (zanamivir)†	neuraminidase inhibitor (i.v.)	influenza	III		
Neurosciences					
ofatumumab†	CD20 human monoclonal antibody (s.c.)	neuromyelitis optica*	II		
Benlysta (belimumab)	B lymphocyte stimulator monoclonal antibody (i.v.)	myaesthenia gravis*	II		
ofatumumab†	CD20 human monoclonal antibody (s.c.)	multiple sclerosis*	II		
rilapladib	Lp-PLA2 inhibitor	Alzheimer's disease	II		

Pipeline, products and competition
continued

Pharmaceuticals and Vaccines product development pipeline continued

Compound	Type	Indication	Phase	Achieved regulatory review milestones: MAA	Achieved regulatory review milestones: NDA/BLA
Ophthalmology					
933776	beta amyloid monoclonal antibody	geographic retinal atrophy	II		
Dermatology					
1940029	stearoyl CoA desaturase 1 inhibitor (topical)	acne vulgaris	I		
umeclidinium	muscarinic acetylcholine antagonist (topical)	hyperhidrosis*	I		
2894512†	non-steroidal anti-inflammatory	atopic dermatitis & psoriasis	II		
chlorhexidine	cationic polybiguanide (topical)	umbilical cord care	III		
ofatumumab†	CD20 human monoclonal antibody (s.c.)	pemphigus vulgaris*	III		
Toctino (alitretinoin)†	retinoic acid receptor modulator	chronic hand eczema	III	N/A	

Brand names appearing in italics are trade marks either owned by and/or licensed to GSK or associated companies.

Option-based alliances with third parties that include assets in phase I and phase III development:

Company	Disease Area	Phase
Adaptimmune	cancer	I
Cancer Research UK	cancer	I
ISIS Pharmaceuticals	hepatitis B	I
	transthyretin-mediated amyloidosis	III
OncoMed Pharmaceuticals	oncology	I
	oncology	II
Shionogi	bacterial infection	I

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) 2016-2030 (device/ formulation)	2025 (NCE) 2016-2026 (device/ formulation)
Arnuity Ellipta	fluticasone furoate	asthma	Qvar, Pulmicort Asmanex, Alvesco	2021 (NCE) 2016-2030 (device/ formulation)	2023 (NCE) 2016-2026 (device/ formulation)
Avamys/Veramyst	fluticasone furoate	rhinitis	Nasonex	2021[3]	2023
Flixotide/Flovent	fluticasone propionate	asthma/COPD	Qvar, Singulair	2016 (*Diskus* device) 2015-2025 (HFA-device)	expired (*Diskus* device) 2017 (HFA-device)
Incruse Ellipta	umeclidinium bromide	COPD	Spiriva, Seebri	2025 (NCE) 2016-2030 (device/ formulation)	2025 (NCE) 2016-2026 (device/ formulation)
Relvar/Breo Ellipta	fluticasone furoate/ vilanterol terfenatate	asthma/COPD (US – COPD only)	Symbicort, Foster, Flutiform, Dulera	2022 (NCE) 2016-2030 (device/ formulation)	2022 (NCE) 2016-2026 (device/ formulation)
*Seretide/Advair**	salmeterol xinafoate/ fluticasone propionate	asthma/COPD	Symbicort, Foster, Flutiform, Dulera	2016 (*Diskus* device) 2015-2026 (HFA-device)	expired (*Diskus* device) 2017 (HFA-device)
Serevent	salmeterol xinafoate	asthma/COPD	Foradil, Spiriva, Onbrez	2016 (*Diskus* device)	expired (*Diskus* device) 2019 (HFA-device)
Ventolin HFA	albuterol sulphate	asthma/COPD	generic companies	2015-2025 (HFA-device)	2015-2017 (HFA-device)
Anti-virals					
Relenza	zanamivir	influenza	Tamiflu	expired	expired
Valtrex	valaciclovir	genital herpes, coldsores, shingles	Famvir	expired	expired
Zeffix/Epivir-HBV	lamivudine	chronic hepatitis B	Hepsera	expired	expired
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					
Eperzan/Tanzeum	albiglutide	Type 2 diabetes	Victoza, Byetta Bydureon, Lyxumia Trulicity	2022	2022
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[2] (formulation)	NA
Lovaza	omega-3 acid ethyl esters	very high triglycerides	Tricor	expired	NA

* See 'Risk factors' on page 233 for details of uncertainty on the timing of follow-on competition.
[1] See Note 45 to the financial statements, 'Legal proceedings'.
[2] Generic competition possible in 2015.
[3] Generic competition possible in 2016.

Pipeline, products and competition
continued

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	BRAF V600+ metastatic melanoma	Yervoy, Opdivo, Keytruda	2025	NA
Promacta/ Revolade	eltrombopag	idiopathic thrombocytopenic purpura, hepatitis C associated thrombocytopenia	Nplate, MabThera/Rituxan	2022	2025
Tafinlar	dabrafenib	BRAF V600+ metastatic melanoma	Yervoy, Zelboraf Opdivo, Keytruda	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 Temsirolimus	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	NA	2016
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,	NA	2020
Prepandrix	derived split inactivated influenza virus antigen, AS03 adjuvant	pandemic H5N1 influenza prophylaxis	Aflunov, Vepacel	not yet granted	2026
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[3] USA	EU
HIV					
Epzicom/Kivexa	lamivudine and abacavir	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	2016[1] (combination)	2019[1] (combination)
Lexiva/Telzir	fosamprenavir	HIV/AIDS	Prezista, Kaletra, Reyataz	2018[1]	2019
Selzentry	maraviroc	HIV/AIDS	Isentress, Intelence, Prezista	2021	2022
Tivicay	dolutegravir	HIV/AIDS	Isentress, Prezista Reyataz, Kaletra	2027	2026
Triumeq	dolutegravir, lamivudine and abacavir	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	2027	2026
Trizivir	lamivudine, zidovudine and abacavir	HIV/AIDS	Truvada, Atripla Stribild Complera/Eviplera	2016[1,2] (combination)	2016 (combination)

[1] See Note 45 to the financial statements, 'Legal proceedings'.
[2] Generic competition commenced in 2014.
[3] Includes Supplementary Protection Certificates and other patent term extensions, where granted.

Consumer Healthcare products and competition

Brand	Products	Application	Markets	Competition
Wellness				
Panadol and *Panadol Cold & Flu*	tablets, caplets, infant drops	paracetamol-based treatment for headache, joint pain, fever, cold symptoms	global (except US)	Reckitt-Benckiser's Nurofen Bayer's Aspirin Johnson & Johnson's Tylenol Retailer own label
ENO	effervescent	immediate relief antacid	global (except US)	Hypermarcas' Estomazil Pfizer's Gelusil
Tums	chewable tablets	immediate relief antacid	US	Sanofi's Rolaids Bayer's Alka-Seltzer Retailer own label
Nicorette (US), Nicoderm, NiQuitin CQ and *Nicabate*	lozenges, gum and trans-dermal patch	treatment of nicotine withdrawal as an aid to smoking reduction and cessation	global	Novartis's Nicotinell Johnson & Johnson's Nicorette (except US) Retailer own label
Oral health				
Sensodyne	toothpastes, toothbrushes mouth rinse	treat and prevent dental sensitivity and acid erosion	global	Colgate-Palmolive's Colgate Sensitive Pro Relief Proctor and Gamble's Crest Sensi-Relief and Crest Sensi-Stop Strips
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
Nutrition				
Horlicks	malted drinks and foods	nutritional beverages & food	Indian sub continent, UK, Ireland	Mondelez's Bournvita Nestle's Milo
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
Zovirax *Abreva*	topical cream	lip care to treat and prevent the onset of cold sores	global	Johnson & Johnson's Compeed Carma Labs Carmex Blistex Incorporated's Blistex Retailer own label

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, vaccine and consumer healthcare 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 change. Changes to certain regulatory regimes 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, patent and 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 45, 'Legal proceedings,' on page 206.

UK regulations require a discussion of the mitigating activities a company takes to address principal risks and uncertainties. A summary of the activities that the Group takes to manage each of our principal risks accompanies the description of each principal risk below. The principal risk factors and uncertainties are not listed in order of significance.

Patient safety

Risk definition
Failure to appropriately collect, review, follow up, or report adverse events from all potential sources, and to act on any relevant findings in a timely manner.

Risk impact
The impact of this risk is potentially to 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. This could lead to 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 that 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
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 organisation 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 continued conduct of such trial is not ethically or scientifically justified in light of information that has emerged since the start of the trial.

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

Risk definition
Failure to appropriately secure and protect intellectual property rights.

Risk impact
Any failure to obtain or subsequent loss of patent protection, including reducing the availability or 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.

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 US. Some developing countries have limited, or threatened to limit, effective patent protection for pharmaceutical products generally, or in particular therapeutic areas, in order 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 US where we have our highest turnover and margins, typically leads to a rapid and dramatic loss of sales and reduces our revenues and margins for our proprietary products. In 2014, we had nine Pharmaceutical and Vaccine products with over £500 million in annual global sales. For certain of these products, there is generic competition in the US 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. One such product is our respiratory pharmaceutical product *Seretide/Advair* which accounts for 18% of Group sales worldwide. The timing and impact of entry in the US for a generic product containing the same combination of active substances as *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. Generic products containing the same combination of active substances as *Seretide/Advair* (in both metered dose inhalers and dry powder inhalers) have been launched by several manufacturers in a number of European markets. The timing and impact of entry in the US and major markets in Europe for a 'follow-on' product to *Seretide/Advair* is uncertain.

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 US, 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 to 231. Legal proceedings involving patent challenges are set out in Note 45 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.

Principal risks and uncertainties
Risk factors – continued

Product quality

Risk definition
Failure to comply with current Good Manufacturing Practice (cGMP) requirements in commercial manufacture, through the distribution chain, by GSK, its contractors or suppliers; or through inadequate controls and governance of quality through product development, and in supporting regulated activities.

Risk impact
A failure to ensure product quality could have far reaching implications in terms of patient and consumer safety, delays in launching new products, drug shortages, product recalls, potential damage to our reputation and that of the relevant product, as well as regulatory, legal, and financial consequences, which could materially and adversely affect our reputation and financial results.

Context
Patients, consumers and healthcare professionals trust the quality of our products. 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, supply chain security, consistency of manufacturing components, compliance with GMP, accuracy of labeling, reliability of the external 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. Inspectional trending from national authorities during 2014 has highlighted a focus on issues relating to data integrity, contamination and the robustness of quality investigations.

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 cGMP 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. Refresher training on cGMP issues includes a focus on the issues raised in inspectional trends.

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

Risk definition
Failure to deliver a continuous supply of compliant finished product.

Risk impact
A material 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 suspension of manufacturing operations pending resolution of manufacturing or logistics issues. In 2014, our Consumer Healthcare business, particularly our Smokers' Health products, *alli* and *Bactroban*, were impacted by various supply issues and our Vaccines business, particularly our hepatitis vaccines and *Boostrix*, were impacted by supply constraints.

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 contract manufacturing organizations and clinical research organisations to support development of key products, are important to ensure 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 or logistics system.

The failure of a small number of single-source, third-party suppliers or service providers to fulfill 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, through the Supply Chain Governance Committees, the inventory status and 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 compliance 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. Our reliance on single source components was reduced in 2014 for some key products through qualification of alternative materials that will help improve supply chain robustness. In cases, where dual sourcing is not possible, an inventory strategy has been developed to protect the supply chain from unanticipated disruption.

In 2014, we continued to implement anti-counterfeit systems such as product serialization in accordance with emerging requirements to mitigate this risk.

Throughout 2014, our supply chain operating model was improved to strengthen the link between commercial forecasting and manufacturing by implementation of the Core Commercial Cycle methodology. 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

Risk definition
Failure to report accurate financial information and material events 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 disclose publicly its financial results and events that could materially affect the financial results of the Group. 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 disclosure of material information. 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 auditors and legal 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.

The Group maintains a Disclosure Committee which reports to the Board which reviews the Group's quarterly results and Annual Report and determines throughout the year, in consultation with its legal advisors, whether it is necessary to disclose publicly information about the Group through Stock Exchange announcements.

Principal risks and uncertainties
Risk factors – continued

Tax and treasury

Risk definition
Failure to comply with current tax law, or react to the rapidly evolving tax environment. Incurring 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
Our 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 unlawful 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. Such audits regardless of their merit or outcomes can be costly, divert management attention and may adversely impact our reputation. In addition, there are an increasing number of changes to the international tax framework which could lead to an increase or decrease in our tax costs.

Mitigating activities
The Group's Treasury function 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.

Further details on mitigation of Treasury Risks can be found on page 190, Note 41, 'Financial instruments'.

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 in the UK, reducing the complexity of our inter-company arrangements and 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. A centralised team of dedicated specialists are responsible for managing transactional tax reporting and compliance.

Anti-bribery and corruption

Risk definition

There is a risk that GSK personnel, or third parties acting on our behalf, seek to induce improper performance of someone's role in order to gain or retain GSK a business advantage through the offer, promise or giving of a bribe. This goes against our ethical standards and is contrary to the laws by which we are bound.

Risk impact

Failure to mitigate this risk 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 in particular jurisdictions, all of which could materially and adversely affect our financial results.

Context

We are exposed to bribery and corruption risk through our global business operations. In some markets, the government structure and the rule of law are less developed, and this has a bearing on our bribery and corruption risk exposure. In addition to the global nature of our business, the healthcare sector is highly competitive and subject to regulation. This increases the instances where we are exposed to activities and interactions with bribery and corruption risk.

As has previously been disclosed, the Group in 2014 has been subject to regulatory action and media focus with regard to bribery investigations in China and other markets. On 19 September 2014, the Group announced that the Changsha Intermediate People's Court in Hunan Province, China ruled that, according to Chinese law, GSK China Investment Co. Ltd ("GSKCI") had offered money or property to non-government personnel in order to obtain improper commercial gains, and been found guilty of bribing non-government personnel. The verdict followed investigations initiated by China's Ministry of Public Security in June 2013. As a result of the Court's verdict, GSKCI has paid a fine of RMB 3 billion (£301 million) to the Chinese government.

The US and UK authorities are leading extra-territorial ABAC inquires into certain of the Group's operations. These investigations are further discussed in Note 45 'Legal Proceedings'.

Mitigating activities

Our Code of Conduct, values and behaviours and commitment to zero tolerance are integral to how we mitigate this risk. In light of the complexity and geographic breadth of this risk, we constantly enhance our oversight of activities and data, reinforce to our employees and contractors clear expectations regarding acceptable behaviours, and maintain on-going communications between the Group centre headquarters and local markets.

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. Our ABAC programme is supported by: top-level commitment from the Group Board of Directors and leadership throughout the business; ongoing risk assessment; a global policy; control documents that address commercial and other practices that give rise to ABAC risk; due diligence of high risk third parties; ongoing training and communications; a confidential reporting line; monitoring of compliance and an investigations team. 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 and business units.

Additionally, we have a dedicated ABAC team responsible for the implementation and evolution of the programme in response to developments in the internal and external environment. This is complemented with ABAC investigations and ABAC Audit teams which have separate reporting lines.

We continually benchmark our ABAC programme against other large multi-national companies and use external expertise to review and help improve elements of our ABAC programme. As a result of the China and other country investigations, the Group has increased resources in both its centrally located ABAC team as well as regional ABAC teams.

Principal risks and uncertainties
Risk factors – continued

Commercial practices and scientific engagement

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. In 2012, we paid $3 billion to resolve government investigations in the US focused in large part on promotional practices.

Context
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.

The Group disseminates information about its products through both non-promotional Scientific Engagement and promotional activities. The former 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.

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.

At times, researchers, HCPs, healthcare organisations (HCOs) and other external experts that we engage may be 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. Consistent with our ABAC policies, they also must comply with a market's ABAC laws if the recipient of any payment is a government official.

Mitigating activities
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.

The Group has harmonized policies and procedures to guide above country Commercial Practices and Scientific Engagement processes as well as clarified applicable standards when engaging in the markets. Specific accountability and authorisation for Scientific Engagement resides within the Medical Governance framework that is overseen by the Medical Governance Executive Committee (MGEC), accountable to the Chief Medical Officer. MGEC is responsible for oversight of applicable Policies and ensuring the highest level of integrity and continuous development of Scientific Engagement at GSK. Commercial Practices activities have oversight from both business unit Risk Management and Compliance Boards (RMCBs) and Country Executive Boards (CEBs) that manage risks across in-country business activities.

All promotional materials and activities must be reviewed and approved according to the Group's policies and 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.

During 2014, we took further proactive risk mitigation steps to assure our operations reflect our values. GSK publicly committed to stop in 2016 various payments to HCPs and Healthcare Organisations (HCOs). GSK also committed extended steps already taken in the US to changing its sales compensation model globally from one based on sales targets to an approach that individually rewards our sales force on the quality of their interactions with healthcare professionals, not on the end result.

Research practices

Risk definition

Failure adequately 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 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, and they are generally mandated by regulators and ethically imperative. Animal research can 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. Rapid changes in submission requirements in developing countries continue to increase the complexity of worldwide product registration.

Mitigating activities

We established an Office of Animal Welfare, Ethics and Strategy (OAWES), led by the Chief of 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, promotes application of 3Rs (replacement, refinement and reduction of animals in research), explores opportunities for cross-industry data sharing, 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. During 2014, we disclosed over 130 Clinical Study Reports of marketed and terminated medicines (once the research results were published in the scientific literature) on our register. In early 2014, the GSK online system to allow researchers to request access to anonymised patient-level data from the Group's clinical trials, was re-configured into a multi-sponsor request site, www.clinicalstudydatarequest.com, to include studies conducted by other sponsors and by the end of 2014 we had listed over 1000 GSK trials available for request.

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.

It remains an important priority to enhance our data integrity controls. During 2014 we established plans to develop new written standards to ensure the integrity of our data across Research and Development (R&D). A Data Integrity Committee was established to provide oversight and a Data Integrity Quality Assurance team was created to provide independent business monitoring of our internal controls for R&D activities.

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.

Principal risks and uncertainties
Risk factors – continued

Environment, health and safety and sustainability

Risk definition
Failure to manage environment, health and safety and sustainability (EHSS) risks consistent with the Group's ethics, 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 damage to the Group's reputation 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 duties to protect people, the environment and the communities in which we operate as well as 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 45 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
The Corporate Executive Team is responsible for EHSS governance for the Group under a global policy. Under that policy, the CET ensures there are systems in place to manage the risks, impacts and legal compliance issues that relate to EHSS and for assigning responsibility to senior managers for providing and maintaining those systems. Individual managers are responsible for making sure the EHSS management system is effective and well implemented in their respective business area and that it is fully compliant with all applicable laws and regulations, adequately resourced, maintained, communicated, and monitored. Additionally, each employee is personally responsible for ensuring that all applicable local standard operating procedures are followed and expected to take responsibility for EHSS matters.

Our risk-based, proactive approach is articulated in our Global EHS Standards which support our EHSS policy and objective to discover, develop, manufacture, supply and sell our products without harming people or the environment. In addition to the design and provision of safe facilities, plant and equipment, we operate rigorous procedures that help us eliminate hazards where practicable and protect employees' health and well-being. 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 Responsible Business Supplement.

Information protection

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 Information Protection & Privacy function 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

Risk definition
Inability to recover and sustain critical operations following a disruption or to respond to a crisis incident in a timely manner.

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 supply disruption to patients of a medicine, any of which could materially and adversely affect our financial results. Delays to operational 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
The Group's international operations, and those of its partners, maintain a vast global footprint exposing our workforce, facilities, operations and information technology to potential disruption resulting from a natural event (e.g. storm or earthquake), a man-made event (e.g. civil unrest, terrorism), or a global emergency (e.g. Ebola outbreak, Flu pandemic). Through effective crisis management and business continuity planning we are committed to providing for the health and safety of our people, minimising damage and impact to the Group, and maintaining functional operations following a natural or man-made disaster, or a public health emergency.

Mitigating activities
CCM governance for the Group is set forth in a global policy. Under that policy, each business unit and functional area head ("BU") ensures effective crisis management and business continuity plans are in place that include authorised response and recovery strategies, key areas of responsibility and clear communication routes before a business disruption occurs. Additionally, each BU is represented on a CCM governance board which performs risk oversight and provides 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: chairing the governance board; coordinating crisis management and business continuity training; facilitating exercises and monitoring to provide for global consistency and alignment; and centrally storing and monitoring updates for plans supporting our critical business processes. These activities 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 and supports the development of community resilience to disasters.

We continually improve our CCM risk management programme and tools based on learning from plan activations. For example, the Group has implemented a Global Disaster Monitoring tool to monitor disruptions and support local crisis teams with guidance and central support as needed. We regularly evaluate and introduce new tools to improve our CCM practices.

Third-Party Oversight

Risk definition
Failure to maintain adequate governance and oversight over third-party relationships; failure of third-parties to meet their contractual, regulatory, confidentiality or other obligations; failure of third-parties to comply with the law or appropriately manage their respective operations to mitigate the Principal Risks to the Group outlined above.

Risk impact
Failure to adequately manage third-party relationships could result in business interruption and exposure to risk ranging from sub-optimal contractual terms and conditions, to severe business sanctions and/or significant reputational damage. Any of these consequences could materially and adversely affect our business operations and financial results.

Context
Third parties are critical to our business delivery and are an integral part of the solution to improve our productivity, quality, service and innovation. We rely on third-parties, including suppliers, distributors, individual contractors, licensees, and other pharmaceutical and biotechnology collaboration partners for discovery, manufacture, and marketing of our products and important business processes.

However, these business relationships present a material risk. For example, we share critical and sensitive information such as marketing plans, clinical data, and employee data with specific third parties who are conducting the relevant outsourced business operations. Inadequate protection or misuse of this information by third parties could have significant business impact. Similarly, we use distributors and agents in a range of activities such as promotion and tendering which have inherent risks such as inappropriate promotion or corruption. Insufficient internal compliance and controls by the distributors could affect our reputation. These risks are further increased by the complexities of working with large numbers of third parties.

Mitigating activities
It is our responsibility that all activities are performed safely and in compliance with applicable laws and GSK's values, standards and code of conduct. Each business unit leadership team retains ultimate accountability for managing third party interactions and risks, and for appropriately governing these interactions. When working with third parties, all GSK employees are expected to manage external interactions and commitments responsibly. This expectation is embedded in our values and code of conduct.

To help guide and enforce our global principles for interactions with third-parties we have in place a policy framework applicable to buying goods and services, managing our external spend, paying and working with our third-parties. This policy framework applies to all employees and complementary workers worldwide. The framework is complemented by technical and local standards designed to help ensure alignment with the nature of third party interactions, such as good manufacturing practice and adherence to local laws and regulations. Independent business monitoring of key financial and operational controls is in place and is supplemented by periodic checks from the company's independent Audit & Assurance function.

To help enhance continuous monitoring and performance of third party interactions we established in 2014 the Third Party Oversight programme. This global programme takes an enterprise view of third party related risks, and will help strengthen due diligence efforts on third parties and improve overall management of our third party risks through the lifecycle of the third-party engagement. Oversight for the programme is provided from GSK's Global Ethics and Compliance group.

Shareholder information

Share capital and control

Details of our issued share capital and the number of shares held in Treasury as at 31 December 2014 can be found in Note 33 to the financial statements, 'Share capital and share premium account'.

Our Ordinary 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 and ADS are entitled to receive dividends (when declared), the company's Annual Report or Annual Summary, 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 ADS and no requirements to obtain approval prior to any transfers. No Ordinary Shares or ADS 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 19 February 2015, 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.	304,779,454	6.27%
Legal & General Group Plc	149,809,659	3.08%

* 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 or used for satisfying Share Options and Grants under Group Employee Share Plans.

We continued our long-term buy-back programme in 2014 and 14.7 million shares were purchased at a total cost of £238 million. The date of the final share purchase in 2014 was 24 June 2014. No shares were purchased in the period 25 June 2014 to 19 February 2015.

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 2014, when the company was authorised to purchase a maximum of just under 486 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'.

In determining specific share repurchase levels, the company considers the development of free cash flow during the year. Given the impact of the sustained strength of Sterling on free cash flow, the company suspended its share repurchase programme during 2014. Following the completion of the Novartis transaction, GSK intends to return to shareholders £4 billion of the net proceeds. The company does not expect to make any Ordinary Share repurchases in 2015.

Market capitalisation

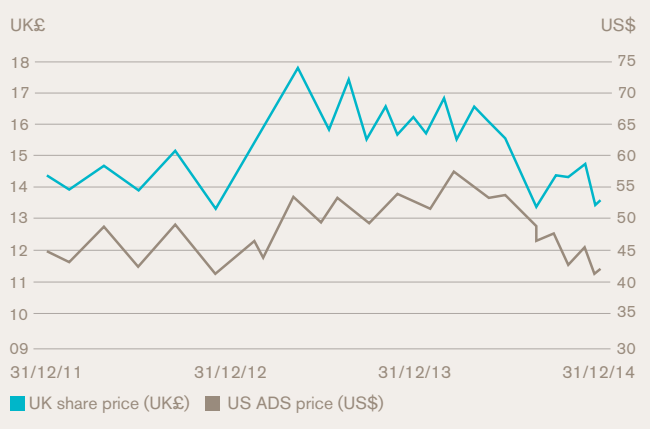
The market capitalisation, based on shares in issue excluding Treasury shares, of GSK at 31 December 2014 was £66.92 billion.

At that date, GSK was the fourth largest company by market capitalisation in the FTSE index.

Share price

	2014 £	2013 £	2012 £
At 1 January	**16.12**	13.35	14.72
At 31 December	**13.76**	16.12	13.35
(Decrease)/increase	**(14.6)%**	20.7%	(9.3)%
High during the year	**16.91**	17.82	15.08
Low during the year	**13.24**	13.35	13.18

The table above sets out the middle market closing prices. The company's share price decreased by 14.6% in 2014. This compares with a decrease in the FTSE 100 index of 2.7% during the year. The share price on 19 February 2015 was £15.26.



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.

	Ordinary Shares		ADS	
	Pence per share		US dollars per share	
	High	Low	High	Low
February 2015*	1556	1453	47.94	43.96
January 2015	1500	1357	45.19	41.68
December 2014	1502	1327	47.14	41.30
November 2014	1485	1414	46.52	44.75
October 2014	1434	1324	45.90	42.88
September 2014	1467	1413	48.62	45.97
August 2014	1475	1377	49.10	46.35
Quarter ended 30 September 2014	1583	1377	54.52	45.97
Quarter ended 30 June 2014	1666	1543	56.39	51.55
Quarter ended 31 March 2014	1691	1554	56.66	50.90
Quarter ended 31 December 2013	1665	1546	53.68	49.31
Quarter ended 30 September 2013	1753	1558	52.96	50.17
Quarter ended 30 June 2013	1782	1520	53.59	46.79
Quarter ended 31 March 2013	1539	1359	46.91	43.93
Quarter ended 31 December 2012	1508	1318	47.45	41.90
Quarter ended 31 December 2011	1474	1312	45.74	40.53
Quarter ended 31 December 2010	1340	1095	42.97	32.34

* to 19 February 2015

Analysis of shareholdings at 31 December 2014

	Number of accounts	% of total accounts	% of total shares	Number of shares
Holding of shares				
Up to 1,000	99,244	71.12	0.68	36,674,916
1,001 to 5,000	32,256	23.12	1.29	68,979,416
5,001 to 100,000	6,929	4.96	1.83	98,225,447
100,001 to 1,000,000	749	0.54	4.91	262,941,428
Over 1,000,000	357	0.26	91.29	4,888,476,025
	139,535	100.00	100.00	5,355,297,232
Held by				
Nominee companies	7,071	5.07	64.62	3,460,457,315
Investment and trust companies	27	0.02	0.06	3,399,366
Insurance companies	5	0.00	0.00	3,648
Individuals and other corporate bodies	132,429	94.91	10.03	537,234,534
BNY (Nominees) Limited	2	0.00	16.11	862,686,419
Held as Treasury shares by GlaxoSmithKline	1	0.00	9.18	491,515,950
	139,535	100.00	100.00	5,355,297,232

BNY Mellon is 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 19 February 2015, BNY (Nominees) Limited held 863,571,705 Ordinary Shares representing 17.75% of the issued share capital (excluding Treasury shares) at that date.

At 19 February 2015, the number of holders of Ordinary Shares in the USA was 1,044 with holdings of 1,088,475 Ordinary Shares, and the number of registered holders of ADS was 26,022 with holdings of 431,785,852 ADS. Certain of these Ordinary 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.

Shareholder information
continued

Dividends

The company pays dividends quarterly and continues to return cash to shareholders through its dividend policy. 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$
2014		80	2.59
2013		78	2.47
2012		74	2.35
2011		70	2.25
2011	Supplemental*	5	0.16
2010		65	2.04

* 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	ADS ex-dividend date	Ex-dividend date	Record date	Payment date
Q4 2014	18 February 2015	19 February 2015	20 February 2015	9 April 2015
Q1 2015	13 May 2015	14 May 2015	15 May 2015	9 July 2015
Q2 2015	12 August 2015	13 August 2015	14 August 2015	1 October 2015
Q3 2015	10 November 2015	12 November 2015	13 November 2015	14 January 2016

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 shareholders' 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 2015

2.30pm (UK time) on Thursday 7 May 2015
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, as Depositary, by notifying them of your request to do so. This will enable you to attend and vote on the business to be transacted. ADR holders may instruct BNY Mellon 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 Depositary.

Documents on display

The Articles of Association of the company and Directors' service contracts or, where applicable, letters of appointment between Directors and the company or any of its subsidiaries (and any side letters relating to severance terms and pension arrangements) are available for inspection at the company's registered office and will be made available for inspection at the AGM.

Shareholder information
continued

Financial calendar

Event	Date
Quarter 1 results' announcement	April/May 2015
Annual General Meeting	May 2015
Quarter 2 results' announcement	July 2015
Quarter 3 results' announcement	October 2015
Preliminary/Quarter 4 results' announcement	February 2016
Annual Report announcement	February/March 2016
Annual Report/Summary distribution	March 2016

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.

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 2014, 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 2014, a total of US$525,900 (US$484,810 in 2013) 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.

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 2014 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 2014 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 124 and 125.

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 ADSs.

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, 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 2014, the Committee met 11 times.

Sarbanes-Oxley requires that the annual report on Form 20-F contain 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 87 and in their biographies on pages 74 and 75. 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.

Shareholder information
continued

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 on Form 20-F
- based on their knowledge, the annual report on 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 on 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 on 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 on Form 20-F any changes in internal controls over financial reporting during the period covered by the annual report on 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 2014.

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 2015, following which the certificates will be filed with the SEC as part of our 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 (2013) issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO)
- there have been no changes in the Group's internal control over financial reporting during 2014 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 2014 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 2014, 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 the 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 to Iran, via sales by non-US entities, to two privately held Iranian distributors. The Group also does business, via non-US entities, in other jurisdictions targeted by sanctions laws, including Syria, Crimea, North Korea 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 limits sales to Iran, North Korea, Syria, Sudan and Cuba to essential medicines (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 in Iran, 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 (£0.2 million) and net losses (£1.36 million) from the Group's sales to Iran in 2014.

The Group is also aware that some hospitals or other medical facilities in Lebanon may be affiliated with or controlled by Hezbollah, which is designated by the United States as a terrorist organization. Again, the Group does not deal directly with such facilities and sells through a distributor. The Group is also unable to identify with certainty the degree or nature of any affiliation of the end customers with Hezbollah, and the Group is unable to establish the proportion of gross revenue or sales potentially attributable to reportable entities. As a result, the Group is reporting the entire gross revenues (£41 million) and net profits (£16.3 million) from the Group's sales to Lebanon in 2014.

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
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.
Dividend payment direct to your bank account (Bank Mandate)	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.
Electronic communications	Shareholders may elect to receive electronic notifications of company communications including our Annual Report, dividend payments (if paid by way of a Bank Mandate), access to electronic tax vouchers and the availability of online voting for all general meetings. Each time GSK mails out hard copy shareholder documents you will receive an email containing a link to the document or relevant website.	You can register at www.shareview.co.uk
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
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 time, Monday to Friday, excluding UK public holidays)	Shareholders may trade shares, either held in certificated 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.
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.
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.

Shareholder information
continued

ADR Depositary

The ADR programme is administered by The Bank of New York Mellon:

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

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.

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.

Contacts

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 4611 (outside the USA)

GSK Response Center

Tel: 1 888 825 5249 (US toll free)

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, at www.fca.org.uk/consumers or 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.

Responsible Business Supplement

We are publishing our Responsible Business Supplement 2014 online. This will outline GSK's approach to, and performance in, our key responsible business areas, Health for all, Our behaviour, Our people and Our planet.