

PROSPECTUS



GlaxoSmithKline plc

(incorporated in England and Wales with limited liability under registered number 3888792)

GlaxoSmithKline Capital Inc.

(incorporated in the State of Delaware with limited liability under registered number 22383-62)

GlaxoSmithKline Capital plc

(incorporated in England and Wales with limited liability under registered number 2258699)

£15,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed in the case of Notes issued by

GlaxoSmithKline Capital Inc. and GlaxoSmithKline Capital plc by

GlaxoSmithKline plc

(incorporated in England and Wales with limited liability under registered number 3888792)

On 4th December, 2001 GlaxoSmithKline Capital Inc. ("**GSK Capital Inc.**") and GlaxoSmithKline Capital plc ("**GSK Capital plc**") established a Euro Medium Term Note Programme (the "**Programme**"). On 16th May, 2003 GlaxoSmithKline Capital Kabushiki Kaisha ("**GSK Capital K.K.**") was added as an issuer under the Programme. On 13th May, 2004 GlaxoSmithKline plc ("**GSK plc**") was added as an issuer under the Programme. GSK Capital K.K. ceased to be an issuer under the Programme on 9th March, 2007. This Prospectus supersedes all previous prospectuses. Any Notes (as defined below) issued under the Programme on or after the date of this Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue. Pursuant to the Programme, GSK plc, GSK Capital Inc. and GSK Capital plc (each an "**Issuer**" and together the "**Issuers**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts owing in respect of the Notes issued by GSK Capital Inc. and GSK Capital plc ("**Guaranteed Notes**") will be unconditionally and irrevocably guaranteed by GSK plc (the "**Guarantor**") under the terms of a trust deed dated 4th December, 2001, as modified and/or supplemented and/or restated from time to time, (the "**Trust Deed**") (such guarantee, the "**Guarantee**").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £15,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase at any time.

The Notes may be issued on a continuing basis to one or more of the Dealers specified on the penultimate page and the back cover of this Prospectus and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a "**Dealer**" and, together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) purchased by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

In relation to each separate issue of Notes, the final offer price and amount of such Notes will be determined by the relevant Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the applicable Final Terms (as defined below).

Application will be made to the Financial Services Authority in its capacity as competent authority (the "**UK Listing Authority**") under the Financial Services and Markets Act 2000 (the "**FSMA**") for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "**Official List**") and application will be made to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be permitted to be admitted to trading on the London Stock Exchange's Regulated Market. References in this Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Regulated Market and have been admitted to the Official List. The London Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in final terms (the "**Final Terms**") which, with respect to Notes to be admitted to the Official List and admitted to trading on the London Stock Exchange's Regulated Market, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche and will be so delivered when otherwise required.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the Trustee (as defined herein) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) a further prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Guarantor has a senior unsecured debt rating of A1 by Moody's Investors Service Limited ("**Moody's**") and A+ by Standard & Poor's Credit Market Services Europe Limited, a division of The McGraw-Hill Companies ("**Standard & Poor's**"). Each of Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms and such ratings will not necessarily be the same as the ratings assigned to the Programme. The Final Terms will disclose whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, or sell, or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning credit rating agency.

Where information relating to the terms of the relevant offer required pursuant to Directive 2003/71/EC, as amended by Directive 2010/73/EU (together, the "Prospectus Directive") is not contained in this Prospectus, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.

Factors which may affect the ability of the Issuers or the Guarantor to fulfil their obligations under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out on pages 20 to 32.

**Arranger
Citigroup**

Dealers

**Barclays
Credit Suisse
Goldman Sachs International
J.P. Morgan Cazenove
Morgan Stanley**

**Citigroup
Deutsche Bank
HSBC
Mizuho Securities
The Royal Bank of Scotland**

UBS Investment Bank

The date of this Prospectus is 5th September, 2012

Each Issuer and the Guarantor (the “**Responsible Persons**”) accepts responsibility for the information contained in this Prospectus and each Final Terms relating to issues of Notes under the Programme. To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

PricewaterhouseCoopers LLP’s responsibility for its report in relation to the special purpose financial information of GSK Capital plc for the financial years ended 31st December, 2011 and 31st December, 2010 is set out on page A-5 of Annex 1 to this Prospectus.

No other person has authorised or is responsible for the whole or any part of this Prospectus or has any liability with respect to it.

The previous paragraph should be read in conjunction with pages 3 to 4 of this Prospectus (see “*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*”).

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Trustee or the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided in connection with the Programme. Neither the Trustee nor any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided in connection with the Programme.

No person is or has been authorised by any of the Issuers, the Guarantor, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Trustee or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any of the Issuers, the Guarantor, the Trustee or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Each such potential investor must determine the suitability of its investment in the Notes in light of its own circumstances and, in particular, each such potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer and/or the Guarantor, the Trustee or any of the Dealers to any person to subscribe for or to purchase any Notes.

Restrictions on offers of Notes in Relevant Member States

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a “**Public Offer**”. This Prospectus has been prepared on a basis that permits Public Offers of Notes. Any person making or intending to make a Public Offer of Notes (the “**Offeror**”) in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) may only do so if this Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, and if the relevant Issuer has consented to the use by the Offeror of this Prospectus in connection with such offer as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*” and the terms of that consent are complied with by the Offeror.

Save as provided above, none of the Issuers nor any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuers or any Dealer to publish or supplement a prospectus for such offer.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning any Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee and the Dealers expressly do not undertake to review the financial condition or affairs of any Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

Any person (an “**Investor**”) intending to acquire or acquiring any Notes from any Offeror other than the relevant Issuer or a relevant Dealer should be aware that, in the context of a Public Offer of such Notes, the relevant Issuer will be responsible to the Investor for this Prospectus under section 90 of the FSMA only if the relevant Issuer has consented to the use of this Prospectus by that Offeror to make the Public Offer to the Investor. None of the Issuers nor any Dealer makes any representation as to the compliance by that Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuers nor any Dealer has any responsibility or liability for the actions of that Offeror. **Save as provided below, none of the Issuers nor any Dealer has authorised the making of any Public Offer by any Offeror or consented to the use of this Prospectus by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the relevant Issuer is unauthorised and none of the Issuers nor any Dealer accepts any responsibility or liability for the actions of any person making any such unauthorised offer.** If the relevant Issuer has not consented to the use of this Prospectus by an Offeror, the Investor should check with the Offeror whether anyone is responsible for this Prospectus for the purposes of section 90 of the FSMA in the context of the relevant Public Offer and, if so, who that person is. Any Investor in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents should take legal advice.

In connection with a Tranche of Notes which is to be the subject of a Public Offer, and provided that the applicable Final Terms specifies an Offer Period, the Issuers consent to the use of this Prospectus in connection with such Public Offer subject to the following conditions:

- (i) the consent is only valid during the Offer Period so specified;
- (ii) the only Offerors authorised to use this Prospectus to make the Public Offer of the relevant Tranche of Notes are the relevant Dealer and either:
 - (a) (i) if the applicable Final Terms names financial intermediaries authorised to offer the relevant Tranche of Notes, the financial intermediaries so named or (ii) if the relevant Issuer appoints additional financial intermediaries after the date of the applicable Final Terms and publishes details of them on its website, each financial intermediary whose details are so published; or
 - (b) in any other case, any financial intermediary which is authorised to make such offers under Directive 2004/39/EC (the “**Markets in Financial Instruments Directive**”) which states on its website that it has been duly appointed as a financial intermediary to offer the relevant Tranche of Notes during the Offer Period and that it is relying on this Prospectus to do so;
- (iii) the consent only extends to the use of this Prospectus to make Public Offers of the relevant Tranche of Notes in each Relevant Member State specified in the applicable Final Terms; and
- (iv) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

Any Offeror falling within sub-paragraph (ii)(b) above who meets all of the other conditions stated above and wishes to use this Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website that it is relying on this Prospectus for such Public Offer with the consent of the relevant Issuer.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Prospectus. The Issuers and the Guarantor accept responsibility, in the jurisdictions to which the consent to use the Prospectus extends, for the content of this Prospectus in relation to any Investor who acquires any Notes in a Public Offer made by any person to whom consent has been given to use this Prospectus in that connection in accordance with the preceding paragraph, provided that such Public Offer has been made in accordance with all the Conditions attached to that consent.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A NON-EXEMPT OFFER FROM AN OFFEROR OTHER THAN THE RELEVANT ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE RELEVANT ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUERS NOR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) (see “*Subscription and Sale*”).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor, the Trustee or the Dealers represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any Issuer, the Guarantor, the Trustee or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) (see “*Subscription and Sale*”).

The Notes and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States, or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the events of the offering of the Notes and the Guarantee or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

All references in this document to “**Sterling**” and “**£**” refer to pounds sterling, references to “**euro**”, “**EUR**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended, and references to “**U.S.\$**”, “**USD**” and “**U.S. Dollars**” are to United States dollars.

In connection with the issue of any Tranche of Notes, one or more relevant Dealer(s) (if any) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in connection with such issue of Notes may over-allot such Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Notwithstanding anything to the contrary contained herein, each prospective purchaser (and each employee, representative, or other agent of each prospective purchaser) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Prospectus and all materials of any kind that are provided to the prospective purchaser relating to such tax treatment and tax structure (as such terms are defined in U.S. Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions between any of the Issuers, the Dealers or their respective representatives and each prospective purchaser regarding the transactions contemplated herein.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been previously published or are published simultaneously with the Prospectus and have been filed with the Financial Services Authority shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the audited consolidated annual financial statements for the financial year ended 31st December, 2011, of the Guarantor and its subsidiaries and associated undertakings (the “**Group**”), the notes thereto and the audit report prepared in connection therewith (the “**Group’s Annual Report 2011**”) found on pages 134 to 221 of the Group’s Annual Report 2011, and the audited consolidated annual financial statements for the financial year ended 31st December, 2010 of the Group, the notes thereto and the audit report prepared in connection therewith (the “**Group’s Annual Report 2010**”) found on pages 102 to 191 of the Group’s Annual Report 2010;
- (b) the section entitled “*Our marketplace – General overview*” on page 13 of the Group’s Annual Report 2011;
- (c) the section entitled “*Pharmaceutical market*” on page 13 of the Group’s Annual Report 2011;
- (d) the section entitled “*Regulatory pressures*” on pages 14 to 15 of the Group’s Annual Report 2011;
- (e) the section entitled “*Financial review*” on pages 51 to 66 of the Group’s Annual Report 2011;
- (f) the section entitled “*Corporate governance - Governance and policy*” on page 84, the section entitled “*Corporate governance – AGM*” on pages 94 to 95, the section entitled “*Corporate governance – Committee reports – Audit & Risk Committee Report*” on pages 97 to 101 and the section entitled “*Remuneration Report*” on pages 106 to 133 of the Group’s Annual Report 2011;
- (g) the section entitled “*Legal proceedings*” on pages 208 to 215 of the Group’s Annual Report 2011;
- (h) the section entitled “*Shareholder information*” on pages 222 to 233 of the Group’s Annual Report 2011;
- (i) the section entitled “*Pharmaceutical products, competition and intellectual property*” on pages 239 to 240 of the Group’s Annual Report 2011;
- (j) the section entitled “*Consumer Healthcare products, competition and intellectual property*” on page 241 of the Group’s Annual Report 2011;
- (k) the section entitled “*About GSK*” on the inside back cover of the Group’s Annual Report 2011;
- (l) the press release dated 25th July, 2012 containing the unaudited interim condensed financial information of the Group for the quarter and half year period ended 30th June, 2012 (the “**June Interim 2012 Financial Information**”); and
- (m) the press release dated 1st August, 2012 containing the unaudited financial statements for the six months ended 30th June, 2012 of GSK Capital plc,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Certain information contained in the documents listed above has not been incorporated by reference in this Prospectus. Such information is not relevant for prospective investors or is covered elsewhere in this Prospectus.

Following the publication of this Prospectus a supplement may be prepared by the Issuers and the Guarantor and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement or contained in any document incorporated by reference therein, shall, to the extent applicable, be deemed to modify or supersede statements (whether expressly, by implication or otherwise) contained in this Prospectus or in a document, which is incorporated by reference herein. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any documents themselves incorporated by reference in the documents listed at (a) to (m) above shall not form a part of this Prospectus.

Each Issuer and the Guarantor will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Company Secretary, 980 Great West Road, Brentford, Middlesex, TW8 9GS, U.K. or to the Issuers at their respective offices set out at the end of this Prospectus. In addition, such documents will be available from the principal office in England of Citibank, N.A., London Branch for Notes admitted to the Official List and admitted to trading on the London Stock Exchange's Regulated Market.

Each Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of any Notes prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes.

If the terms of the Programme are modified or amended in a manner which would make this Prospectus, as so modified or amended, inaccurate or misleading, a new prospectus or a supplement to this Prospectus will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the Programme and the Terms and Conditions of the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “*Form of the Notes*”.

The Notes issued by any Issuer will not constitute direct obligations of any of the other two Issuers.

This Prospectus and any supplement will only be valid for admitting Notes to the Official List and to trading on the London Stock Exchange’s Regulated Market, or on any other or further stock exchanges or markets in the European Economic Area agreed between the Issuer and any relevant Dealer in relation to a Series of Notes, during the period of 12 months from the date of this Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed £15,000,000,000 or its equivalent in other currencies. For the purpose of calculating the sterling equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the sterling equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes”) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation; and
- (b) the sterling equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

This Summary is made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of ‘not applicable’.

Where information is not included in the body of a prospectus in relation to a particular Element, a reference to ‘not applicable’ should appear followed by a short description of the disclosure requirement. ‘Not applicable’ should not be abbreviated to ‘N/A’.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

A. INTRODUCTION AND WARNINGS	
A.1 Introduction and Warning	This summary must be read as an introduction to this prospectus relating to the Programme (the “ Prospectus ”) and any decision to invest in any Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference, together with the supplements thereto, if any, and with the relevant Final Terms. Where a claim in relation to the information contained in the Prospectus is brought before a court, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before legal proceedings are initiated. No civil liability will attach to the person who presented the summary, including the translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, including the documents incorporated by reference, or, following the implementation of the relevant provisions of Directive 2010/73/EU in each Member State of the European Economic Area, that it does not provide, when read together with the other parts of the Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in any Notes.
B. ISSUERS AND THE GUARANTOR	
B.1 Legal and Commercial Name	GlaxoSmithKline Capital Inc. (“ GSK Capital Inc. ”), GlaxoSmithKline Capital plc (“ GSK Capital plc ”) and GlaxoSmithKline plc (“ GSK plc ” or the “ Guarantor ”).
B.2 Domicile/Legal Form/ Legislation/Country of Incorporation	GSK Capital Inc. was incorporated with limited liability under the laws of the State of Delaware on 9th August, 1990 with registered number 2238362. The principal objects of GSK Capital Inc. are set out in section 3 of GSK Capital Inc.’s certificate of incorporation. GSK Capital plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 16th May, 1988 with registered number 2258699. The principal objects of GSK Capital plc are set out in clause 4 of its memorandum of association and include carrying on business as a general commercial company.

	The Guarantor was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 6th December, 1999 with registered number 3888792. The principal objects of the Guarantor are not subject to any limitation or restriction in its Articles of Association and are therefore unrestricted in accordance with Section 31 Companies Act 2006.																																																																					
B.4b Known Trends	Not applicable; there are no known trends affecting the GlaxoSmithKline plc group (the “ Group ”) and the markets in which it operates.																																																																					
B.5 Group	GSK Capital Inc. is a wholly owned indirect subsidiary of the Guarantor. GSK Capital plc is a wholly owned indirect subsidiary of the Guarantor. The Guarantor is the parent company of the Group.																																																																					
B.9 Profit Forecast or Estimate	Not applicable; there are no profits forecasts or estimates included in this Prospectus.																																																																					
B.10 Audit Report Qualification	Not applicable; there is no qualification to the audit reports included in the Group’s Annual Report 2010 the Group’s Annual Report 2011 or the audited special purpose financial information of GSK Capital plc for the financial years ended 31st December, 2010 and 31st December, 2011.																																																																					
B.12 Summary Financial Information	<p>Group – Consolidated Income Statement</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">30th June (unaudited)</th> <th colspan="2">31st December</th> </tr> <tr> <th>2012</th> <th>2011</th> <th>2011</th> <th>2010</th> </tr> <tr> <th></th> <th>£m</th> <th>£m</th> <th>£m</th> <th>£m</th> </tr> </thead> <tbody> <tr> <td>Turnover</td> <td>13,102</td> <td>13,305</td> <td>27,387</td> <td>28,392</td> </tr> <tr> <td>Operating Profit</td> <td>3,773</td> <td>3,813</td> <td>7,807</td> <td>3,783</td> </tr> <tr> <td>Net Finance Expense</td> <td>(352)</td> <td>(362)</td> <td>(709)</td> <td>(715)</td> </tr> <tr> <td>Profit on disposal of interest in associates</td> <td>–</td> <td>584</td> <td>585</td> <td>8</td> </tr> <tr> <td>Share of after tax profits of associates and joint ventures</td> <td>10</td> <td>21</td> <td>15</td> <td>81</td> </tr> <tr> <td>Profit Before Taxation</td> <td>3,431</td> <td>4,056</td> <td>7,698</td> <td>3,157</td> </tr> <tr> <td>Taxation</td> <td>(722)</td> <td>(1,325)</td> <td>(2,240)</td> <td>(1,304)</td> </tr> <tr> <td>Profit After Taxation</td> <td>2,709</td> <td>2,731</td> <td>5,458</td> <td>1,853</td> </tr> <tr> <td>Profit Attributable to Non-controlling interests</td> <td>130</td> <td>100</td> <td>197</td> <td>219</td> </tr> <tr> <td>Profit Attributable to Shareholders</td> <td>2,579</td> <td>2,631</td> <td>5,261</td> <td>1,634</td> </tr> <tr> <td></td> <td>2,709</td> <td>2,731</td> <td>5,458</td> <td>1,853</td> </tr> </tbody> </table>		30th June (unaudited)		31st December		2012	2011	2011	2010		£m	£m	£m	£m	Turnover	13,102	13,305	27,387	28,392	Operating Profit	3,773	3,813	7,807	3,783	Net Finance Expense	(352)	(362)	(709)	(715)	Profit on disposal of interest in associates	–	584	585	8	Share of after tax profits of associates and joint ventures	10	21	15	81	Profit Before Taxation	3,431	4,056	7,698	3,157	Taxation	(722)	(1,325)	(2,240)	(1,304)	Profit After Taxation	2,709	2,731	5,458	1,853	Profit Attributable to Non-controlling interests	130	100	197	219	Profit Attributable to Shareholders	2,579	2,631	5,261	1,634		2,709	2,731	5,458	1,853
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Group – Consolidated Balance Sheet

	30th June (unaudited)		31st December	
	2012	2011	2010	
	£m	£m	£m	
Non-current assets				
Property, plant, equipment and investments.....	10,033	9,898	10,837	
Intangible assets	11,396	11,556	12,138	
Other non-current assets	3,764	3,459	3,219	
Total Non-Current Assets	<u>25,193</u>	<u>24,913</u>	<u>26,194</u>	
Current Assets				
Cash, cash equivalents and liquid investments ..	7,593	5,898	6,241	
Other current assets	9,671	10,269	9,795	
Total current assets	<u>17,264</u>	<u>16,167</u>	<u>16,036</u>	
Total Assets.....	<u>42,457</u>	<u>41,080</u>	<u>42,230</u>	
	30th June		31st December	
	2012	2011	2010	
	£m	£m	£m	
Current liabilities				
Short-term borrowings	(3,657)	(2,698)	(291)	
Short-term provisions	(2,867)	(3,135)	(4,380)	
Other current Liabilities	(8,878)	(9,177)	(8,123)	
Total Current Liabilities	<u>(15,402)</u>	<u>(15,010)</u>	<u>(12,794)</u>	
Non-current liabilities				
Long-term borrowings	(13,574)	(12,203)	(14,809)	
Other non-current liabilities	(5,685)	(5,040)	(4,882)	
Total non-current liabilities	<u>(19,259)</u>	<u>(17,243)</u>	<u>(19,691)</u>	
Total Liabilities.....	<u>(34,661)</u>	<u>(32,253)</u>	<u>(32,485)</u>	
Net Assets	<u>7,796</u>	<u>8,827</u>	<u>9,745</u>	
Equity				
Shareholders' equity	7,052	8,032	8,887	
Non controlling interests	744	795	858	
Total Equity	<u>7,796</u>	<u>8,827</u>	<u>9,745</u>	

GSK Capital plc - Profit and loss account

	2011	2010
	£'000	£'000
Operating (loss) / profit	(403)	476
Interest receivable and similar income.....	418,846	409,623
Interest payable and similar charges	(414,791)	(406,631)
Net interest receivable	<u>4,055</u>	<u>2,992</u>
Profit on ordinary activities before taxation.....	3,652	3,468
Tax on profit on ordinary activities	(1,002)	(992)
Profit for the financial year	<u>2,650</u>	<u>2,476</u>

GSK Capital plc -Balance sheet

	<u>2011</u>	<u>2010</u>
Debtors: amounts due after one year	5,619,158	8,262,755
Debtors: amounts due within one year.....	2,651,519	136,617
Debtors	8,270,677	8,399,372
Cash at bank and in hand	4	4
Current assets	8,270,681	8,399,376
Creditors: amounts falling due within one year	(2,633,323)	(134,716)
Net current assets	5,637,358	8,264,660
Total assets less current liabilities	5,637,358	8,264,660
Creditors: amounts falling due after more than one year	(5,640,562)	(8,270,708)
Net liabilities	(3,204)	(6,048)
Capital and reserves		
Called up share capital	100	100
Profit and loss account	3,725	1,075
Cash flow hedge reserve.....	(7,029)	(7,223)
Total shareholders' deficit	<u>(3,204)</u>	<u>(6,048)</u>

GSK Capital Inc. submits annual financial results for group consolidation purposes.

There has been no significant change in the financial or trading position of the Guarantor and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 30th June, 2012 and there has been no material adverse change in the prospects of the Guarantor and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 31st December, 2011.

B.13 Recent Events Impacting the Issuers' Solvency Not applicable; there are no recent events which are to a material extent relevant to the evaluation of the Guarantor's, GSK Capital plc's or GSK Capital Inc.'s solvency.

B.14 Group Dependency Neither GSK Capital Inc. nor the Guarantor are dependent on other members of the Group.

As of 31st December, 2011, GSK Capital plc had a net liability position of £3,204,000. As a consequence, GSK Capital plc's intermediate parent company, GlaxoSmithKline Finance plc, has provided GSK Capital plc with a letter of support, pursuant to which it has undertaken to provide financial assistance, for a period of one year from 5th September, 2012, to enable GSK Capital plc to meet its liabilities as they fall due.

Other than as described above, GSK Capital plc is not dependent on any other member of the Group.

B.15 Principal Activities The principal activity of GSK Capital Inc. is to raise US dollar denominated finance in the capital markets, guaranteed by the Guarantor, and to lend to other members of the Group.

The principal activity of GSK Capital plc is to raise finance in the capital markets through the issuance of notes under debt programmes of the company and to provide financial services to other members of the Group.

The Guarantor is the parent company of a global healthcare group engaged in the creation, discovery, development, manufacture and marketing of

	pharmaceutical products, including vaccines, over-the-counter (OTC) medicines and health-related consumer products.
B.16 Controlling Shareholders	GSK Capital Inc. is a wholly owned indirect subsidiary of the Guarantor. GSK Capital plc is a wholly owned indirect subsidiary of the Guarantor. The Guarantor is the parent company of the Group.
B.17 Credit Rating	The Guarantor has a senior unsecured debt rating of A1 by Moody's and A+ by Standard & Poor's. Each of Moody's and Standard & Poor's is established in the European Union and is registered under the CRA Regulation. Neither GSK Capital plc nor GSK Capital Inc. are assigned a credit rating.
B.18 Guarantee	In the case of Notes issued by GSK Capital Inc. and GSK Capital plc, Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will be direct, unconditional and (subject to a negative pledge) unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
B.19 Guarantor	Information relating to the Guarantor is set out in this section B.
C. SECURITIES	
C.1 Type of Notes	Notes issued by GSK Capital Inc. under the Programme and which are to be offered to the public (as such term is defined in the Prospectus Directive) in any member state of the European Economic Area or listed on a regulated market may not be issued in denominations of less than €100,000 (or the equivalent amount in any other currency). In addition, Notes issued by GSK Capital Inc. with a maturity of 183 days or less are required to be issued in minimum denominations of U.S.\$500,000 (or the equivalent amount in any other currency). Notes issued by GSK Capital Inc. with a maturity of more than 183 days may not be issued unless it and any Dealer participating in the issue of such Notes has received a written opinion of independent legal counsel of recognised standing stating that the Notes will be treated as being in "registered form" for U.S. federal income tax purposes. The Notes are [Fixed Rate/Floating Rate/Zero Coupon Notes]. ISIN: []. Common Code: [].
C.2 Currencies	Currency: [].
C.5 Transferability	The Notes will be freely transferable.
C.8 Rights attached to the Notes and Ranking	The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

	<p>The Trustee may, in certain circumstances following the occurrence of an event of default, give notice to the relevant Issuer and the Guarantor (in the case of Guaranteed Notes) that the Notes shall be immediately due and payable.</p> <p>The Notes and any matter, claim or dispute arising out of or in connection with the Notes, whether contractual or non-contractual, will be governed by, and shall be construed in accordance with, English law.</p> <p>The Notes will constitute direct, unconditional, unsubordinated and, subject to a negative pledge provision, unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.</p>
C.9 Commercial Terms of the Notes (Price, Maturity, Principal Amount, Interest Rate etc.)	<p>The terms of the relevant Series of Notes will be agreed between the relevant Issuer and the relevant Dealer(s) at the time of the issue of such Series of Notes.</p> <p>Nominal interest rate: [].</p> <p>Interest commencement date: [].</p> <p>Interest payment date(s): [].</p> <p>[Reference rate: []].</p> <p>[Yield: []].</p> <p><i>Redemption, Maturity and Redemption Price</i></p> <p>The terms under which Notes may be redeemed will be agreed between the relevant Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p>Maturity: [].</p> <p>Redemption price: [].</p> <p>Provisions relating to early redemption: [].</p> <p>The Trustee, who represents the Noteholders, is The Law Debenture Trust Corporation p.l.c.</p>
C.10 Notes with Derivative Component	Not applicable; the Programme does not contemplate the issue of Notes with a derivative component.
C.11 Listing	<p>Application will be made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to trading on the London Stock Exchange's Regulated Market and to be admitted to the Official List.</p> <p>[The Notes are listed and/or admitted to trading on []].</p> <p>[The Notes are neither listed nor admitted to trading on or by any stock exchange or competent authority.]</p>

D. RISKS

D.2 Risks relating to the Issuers and the Guarantor

Risk that research and development will not deliver commercially successful new products

A failure to develop commercially successful products or to develop additional uses for existing products could adversely affect the Group's financial results. Developing new pharmaceutical, vaccine and consumer healthcare products is a costly, lengthy and uncertain process.

Failure to obtain effective intellectual property protection for the Group's products

Inadequate patent protections for its products in the countries in which the Group operates could limit the opportunity to rely on such markets for future sales growth for the Group's products.

Expiry of intellectual property rights protection on the Group's products and on competitive products; Competition from generic manufacturers

Following expiry of intellectual property rights protection on the Group's products, a generic manufacturer may produce a generic version of the product which could have a material adverse impact on sales of the Group's products. The Group may also experience an impact on sales of one of its 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.

Potential changes in intellectual property laws and regulations

Proposals to change existing patent and data exclusivity laws and regulations in major markets in which the Group sells its products could have the effect of making prosecution of patents for new products more difficult and time consuming or could adversely affect the exclusivity period for the Group's products and, if enacted, may materially and adversely affect the Group's financial results.

Risk of substantial adverse outcome of litigation and government investigations; Product liability litigation

The Group is currently involved in material proceedings and governmental investigations which, if proven, could give rise to civil and/or criminal liabilities. Unfavourable resolution of these and similar future proceedings or investigations may have a material adverse effect on the Group's financial condition and results of operations. The Group is currently a defendant in a substantial number of product liability lawsuits, including class actions, that involve significant claims for damages related to the Group's pharmaceutical and consumer healthcare products. 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.

Pricing and Payer controls

Pharmaceutical and vaccine products are subject to price controls or pressures and other restrictions in many markets. In addition, in some

markets, major purchasers of pharmaceutical or vaccine products (whether governmental agencies or private health care providers) have the economic power to exert substantial pressure on prices or the terms of access to formularies. The Group cannot accurately predict whether existing controls, pressures or restrictions will increase or whether new controls, pressures or restrictions will be introduced. Such measures may materially and adversely affect the Group's ability to introduce new products profitably and its financial results.

Regulatory controls

Stricter regulatory controls heighten the risk of changes in product profile or withdrawal by regulators of approvals previously granted on the basis of post-approval concerns over product safety, which could reduce revenues and result in product recalls and product liability lawsuits.

Risk of interruption of product supply

Compliance failure by the Group's manufacturing facilities or by suppliers of key services and key materials could lead to product recalls and seizures, interruption of production and delays in the approvals of new products pending resolution of manufacturing issues. Non-compliance can also result in fines and disgorgement of profits. Any interruption of supply or fines or disgorgement remedy could materially and adversely affect the Group's financial results.

Risks from concentration of sales to wholesalers

The Group is exposed to a concentration of credit risk in respect of certain wholesalers such that, if one or more are affected by financial difficulty, it could materially and adversely affect the Group's financial results.

Anti-bribery and corruption

The Group's extensive and increasing international operations may give rise to possible claims of bribery and corruption. Failure to comply with applicable legislation could materially and adversely affect the Group's financial results.

D.3 Risks relating to the Notes

Secondary Market

Notes may have no established trading market when issued, and such a trading market may never develop. If such a trading market does develop, it may not be liquid.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency (as specified in the applicable Final Terms). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's

Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

Credit ratings

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

E. OFFER

E.2b Use of Proceeds The net proceeds from each issue of Notes will be used for general purposes of the Group [and []].

E.3 Terms and Conditions of the offer [Not applicable].

[Offer Price: []].

Conditions to which the offer is subject: [Not Applicable] [].

Description of the application process: [Not Applicable] [].

Details of the possibility to reduce the subscriptions and the manner for refunding excess amounts paid by applicants: [Not Applicable] [].

Details of the minimum /maximum amount of application (whether in numbers of securities or aggregate amount to invest): [Not Applicable] [].

Details of the method and time limits for paying up the securities and for delivery of the securities [Not Applicable] [].

Manner and date in which results of the offer are to be made to public: [Not Applicable] [].

Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [Not Applicable] [].

Whether tranche(s) have been reserved for certain countries: [Not Applicable] [].

Process for notification to applicants of the amount of Notes allotted and indication whether dealing may begin where notification is made: [Not Applicable] [].

	<p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable] [].</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place: [None] [].</p> <p>Categories of potential investors to which the Notes are offered: [].</p> <p>Arrangements for publication of final size of issue/offer: [Not Applicable] [].</p> <p>Time period, including any possible amendments, during which the offer will be open: [].</p>
<p>E.4 Interests of natural or legal persons involved in the issue</p>	<p>[Not applicable] [].</p>
<p>E.7 Expenses to the Investor</p>	<p>It is not anticipated that the relevant Issuer or the Guarantor will charge any expenses to investors in connection with any issue of Notes. Other Offerors (as defined) may, however, charge expenses to investors. Such expenses (if any) will be determined on a case by case basis but would be expected to be in the range of between 1 per cent. and 7 per cent. of the nominal amount of the Notes to be purchased by the relevant investor.</p>

RISK FACTORS

The following material factors may affect the ability of the Issuers and Guarantor to fulfil their obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which (although not exhaustive) could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should note that the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for reasons which may not be considered significant by the Issuers and the Guarantor based on the information currently available to them, or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Notes issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.

Factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme

There are risks and uncertainties relevant to the Group's business, financial condition and results of operations that may affect the Group's performance and ability to achieve its objectives. The factors below are among those that the Group thinks could cause its actual results to differ materially from expected and historical results. There are other risks and uncertainties not currently known to the Group or which are deemed immaterial.

References to "the Financial statements" mean the financial statements in the Group's Annual Report 2011.

Risk that research and development ("R&D") will not deliver commercially successful new products

The Group operates in highly competitive markets. In the Pharmaceuticals and Vaccines businesses, it faces competition from both proprietary products of large international manufacturers and from producers of generic pharmaceuticals. The Pharmaceuticals and Vaccines businesses also face increasing competition from manufacturers in emerging markets, with a lower cost manufacturing base than that of the Group. In the Consumer Healthcare business, the Group likewise faces competition from large, international consumer healthcare companies as well as local consumer healthcare companies. Significant product innovations, technical advances or the intensification of price competition by competitors may materially and adversely affect the Group's financial results in the three businesses. The Group cannot always predict the timing or impact of competitive products or their potential impact on sales of the Group's products. In light of the competitive environment in which the Group operates, continued development of commercially viable new products as well as the development of additional uses for existing products is critical to the Group's ability to replace sales of older products that decline upon expiration of exclusive rights, and to increase overall sales.

Developing new pharmaceutical and vaccine products is a costly, lengthy and uncertain process. A new product candidate can fail at any stage of the development process, and one or more late-stage product candidates could fail to receive regulatory approval.

New product candidates may appear promising in development but, after significant investment of Group economic and human resources, may fail to reach the market or have only limited commercial success. This, for example, could be as a result of efficacy or safety concerns, an inability to obtain necessary regulatory approvals, difficulty manufacturing or excessive manufacturing costs, erosion of patent coverage as a result of a lengthy development period, infringement of patents or other intellectual property rights of others or an inability to differentiate the product adequately from those with which it competes. Furthermore,

health authorities such as the United States' Food and Drug Administration (the "FDA"), the European Medicines Agency (the "EMA") and the Japan Pharmaceuticals and Medicines Device Agency have increased their focus on safety and product differentiation when assessing the benefit/risk balance of drugs, which has made it more difficult for pharmaceutical and vaccine products to gain regulatory approval.

There is also increasing pressure on healthcare budgets as a result of the financial crisis, the increase in the average age of the population in developed markets, and the increase in the absolute population in developing markets. Payers therefore, increasingly have demanded greater incremental benefit from pharmaceutical and vaccine products before agreeing to reimburse drug manufacturers at prices manufacturers consider appropriate. A failure to develop commercially successful products or to develop additional uses for existing products for any of these reasons could materially and adversely affect the Group's financial results.

Failure to obtain effective intellectual property protection for the Group's products

As an innovator pharmaceutical, vaccine and consumer healthcare company, the Group seeks to obtain appropriate intellectual property protection for its products. The Group's ability to obtain and enforce patents and other proprietary rights with regard to its products is critical to the Group's business strategy and success. In a number of markets in which the Group operates, the intellectual property laws and patent offices are still developing, and some markets may be unwilling to extend intellectual property protection to innovative products in a fashion similar to markets in more developed regions such as the European Union, Japan and the USA or to enforce previously granted intellectual property rights. The Group's inability to obtain and enforce effective intellectual property protection for its products in certain markets could have a material adverse result on the Group's financial results.

In some of the countries in which the Group operates, patent protection may be significantly weaker than in the USA or the European Union. Some developing countries have reduced, or threatened to reduce, effective patent protection for pharmaceutical products generally, or in particular therapeutic areas, to facilitate early competition within their markets from generic manufacturers. Any loss of patent protection, including reducing the scope of patent rights or compulsory licensing (in which a government forces a manufacturer to license its intellectual property to a competitor), could materially and adversely affect the Group's financial results in those markets. Absence of adequate patent protection could limit the opportunity to rely on such markets for future sales growth for the Group's products.

Expiry of intellectual property rights protection on the Group's products and on competitive products; Competition from generic manufacturers

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 expiry of intellectual property rights protection, a generic manufacturer may produce a generic version of the product.

The Group faces intense competition from manufacturers of generic pharmaceutical products in all of its major markets. Introduction of generic products, particularly in the USA where the Group has its highest turnover and margins, typically leads to a dramatic loss of sales and reduces the Group's revenues and margins for its proprietary products. The Group had eleven pharmaceutical and vaccine products with over £500 million in annual global sales in 2011. For certain of these products there is generic competition in the USA and some markets in Europe. In addition, the timing and impact of entry for a 'follow-on' product to *Seretide/Advair* that contains the same active ingredients is uncertain.

The US patent for compositions containing the combination of active substances in *Seretide/Advair* expired during 2010. The outlook for the timing and impact of entry of 'follow-on' competition is uncertain. The Group has not been notified of any acceptance by the FDA of an application for a 'follow-on' product that refers to *Seretide/Advair* and contains the same active ingredients (as would be expected to precede the introduction of such a product), and is not able to predict when this may occur or when any such 'follow-on' product may enter the US market.

Generic drug manufacturers have also exhibited a readiness to market generic versions of many of the Group's most important products prior to the expiration of the Group's patents. Efforts may involve challenges to the validity or enforceability of a patent or assertions that their generic product does not infringe the Group's patents. If the Group is not successful in defending an attack on its patents and maintaining exclusive rights to market one or more of its major products, particularly in the USA and Europe, the Group's financial results would be adversely affected. The expiration dates for patents for the Group's major products and a description of litigation settlements which may affect the dates on which generic versions of the Group's products may be introduced are set out in "*Pharmaceutical products, competition and intellectual property*" which is incorporated by reference herein. Legal proceedings involving patent challenges are set out in Note 44 to the Financial statements, "*Legal proceedings*", incorporated by reference herein.

The Group may also experience an impact on sales of one of its 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. The availability of generic products in the same or similar product class in which one of the Group's products competes could have a material adverse impact on sales of the Group's products.

Potential changes in intellectual property laws and regulations

Proposals to change existing patent and data exclusivity laws and regulations in major markets in which the Group sells its products are a continuing feature of the political process in those countries. These include proposals that could have the effect of making prosecution of patents for new products more difficult and time-consuming or that could adversely affect the exclusivity period for the Group's products, including biological products. Should such proposals be enacted, they may materially and adversely affect the Group's financial results. For example, in 2010, as part of the comprehensive healthcare reform in the USA, the Biologics Price Competition and Innovation Act was enacted which introduced new regulations for 'follow-on' biologics that allow a sufficiently similar biologic to be able to rely on an innovator's approval following a 12-year data exclusivity period. Regulations outlining the requirements for establishing biosimilars and interchangeable products, as well as the operation of complicated patent litigation provisions, have not yet been proposed by the FDA. In Europe, the EMA has finalised guidelines for similar biological medicinal products containing MAbs (Monoclonal antibodies).

The loss of patent protection for some or all of the Group's products could have a material adverse impact on sales of the Group's products.

Risk of substantial adverse outcome of litigation and government investigations

See "*Legal proceedings*" set out on pages 208 to 215 of the Group's Annual Report 2011 and "*Legal Matters*" set out on page 38 of the June Interim 2012 Financial Information, each incorporated by reference herein, for a discussion of material proceedings and governmental investigations currently involving the Group which, if proven, could give rise to civil and/or criminal liabilities. Unfavourable resolution of these and similar future proceedings or investigations may have a material adverse effect on the Group's financial condition and results of operations. The Group has made provisions in 2011 and prior years related to legal proceedings and investigations which reduced its earnings.

In the future, the Group may also make additional significant provisions related to legal proceedings and investigations, which would reduce its earnings. In many cases, the Group believes that it is the practice of the plaintiff bar to claim damages in amounts that bear no reasonable relationship to the underlying harm allegedly caused by the Group's products or its actions. Accordingly, it may be potentially misleading for the Group to quantify, based on the amount of damages claimed, its potential exposure to claims, proceedings and investigations of the type described in "*Legal proceedings*", incorporated by reference herein.

Recent insurance loss experience, including pharmaceutical product liability exposures, has increased the cost, and reduced the capacity of insurers to provide coverage for pharmaceutical companies generally, including the Group.

In order to contain insurance costs in recent years, the Group has continued to adjust its coverage profile, accepting a greater degree of uninsured exposure in some areas, and a lesser degree in others, in order to optimise the value of insurance markets. In addition, where claims are made under insurance policies, insurers regularly reserve the right to deny coverage on various grounds.

Product liability litigation

Pre-clinical and clinical trials are conducted during the development of potential pharmaceutical vaccine and consumer healthcare products to determine the safety and efficacy of products for use by humans following approval by regulatory authorities. Notwithstanding the efforts the Group makes to determine the safety of its products through regulated clinical trials, unanticipated side effects may become evident only when drugs and vaccines are introduced into the marketplace.

In other instances third parties may perform analyses of published clinical trial results which, although not necessarily accurate or meaningful, may raise questions regarding safety of pharmaceutical vaccine or consumer healthcare products which may be publicised by the media and may result in product liability claims. The Group is currently a defendant in a substantial number of product liability lawsuits, including class actions, that involve significant claims for damages related to the Group's pharmaceutical and consumer healthcare products. Litigation, particularly in the USA, is inherently unpredictable. Class actions that sweep together all persons who were prescribed the Group's products can inflate the potential liability by the force of numbers. 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.

Anti-trust litigation

In the USA it has become increasingly common for patent infringement actions to prompt claims that anti-trust laws have been violated during the initial 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. The Group may also be subject to other anti-trust litigation involving competition claims unrelated to patent infringement and prosecution. A successful anti-trust claim against the Group could materially and adversely affect the Group's financial results.

Sales, marketing and regulation

The Group operates globally in complex legal and regulatory environments that often vary among jurisdictions. The failure to comply with applicable laws, rules and regulations in these jurisdictions may result in civil and criminal legal proceedings brought against the Group by governmental entities at the federal and state levels and by private plaintiffs. As those rules and regulations change or as governmental interpretation of those rules and regulations evolve, prior conduct may be called into question.

In the USA, for example, while the Group has reached agreement in principle to resolve certain federal governmental investigations into the pricing, marketing and reimbursement of its prescription drug products, as detailed in "*Legal Proceedings*", incorporated by reference herein, related state investigations that have been initiated on the basis of the same factual claims could result in related restitution or civil litigation on behalf of state governments, and could also result in related proceedings initiated against the Group by or on behalf of consumers and private payers. Such proceedings may result in trebling of damages awarded or fines in respect of each violation of law. The conduct of the Group could result in additional investigations in the future by the US federal and state governments and similar civil litigation. Any of these consequences could materially and adversely affect the Group's financial results.

Pricing

Pharmaceutical and vaccine products are subject to price controls or pressures and other restrictions in many markets, including but not limited to France, Germany, Italy, Japan and Spain. Some governments intervene directly in setting prices. In addition, in some markets, major purchasers of pharmaceutical or vaccine products (whether governmental agencies or private health care providers) have the economic power to exert substantial pressure on prices or the terms of access to formularies. Difficult economic conditions, particularly in major markets in Europe, could increase the pressures on the Group's pharmaceutical and vaccine products. The Group cannot accurately predict whether existing controls, pressures or restrictions will increase or whether new controls, pressures or restrictions will be introduced. Such measures may materially and adversely affect the Group's ability to introduce new products profitably and its financial results.

For example, in the USA, where the Group has its highest margins and the most sales for any country, there are no direct government price controls over private sector purchases, but federal law requires pharmaceutical manufacturers to pay prescribed rebates on certain drugs to be eligible for reimbursement under several state and federal healthcare programmes, primarily Medicare and Medicaid. Pricing pressures are likely to increase as the US government's share of national health spending continues to increase. Additionally, due to passage of comprehensive health care reform in 2010, the US government's role in providing or subsidising health insurance is expected to significantly expand in 2014, which indicates the growing role and leverage the government will bring to bear on the Group's rebate liability with respect to US federal programmes.

In recent years, a number of states have also proposed or implemented various schemes to control the pharmacy budget for drugs used by their low-income and senior citizens' programmes, including increasing the rebate liability of pharmaceutical companies, importation from other countries and bulk purchases of drugs. Given the new state mandates contained in the US health care reform law, which will increase the number of Medicaid eligible participants, and the economic pressures on state government budgets, pricing pressures on the Group's pharmaceutical and vaccine products are likely to increase. Any of these trends may materially and adversely affect the Group's financial results.

Regulatory controls

The Group must comply with a broad range of regulatory controls on the manufacturing, testing, approval, distribution and marketing of many of its pharmaceutical, vaccine and consumer healthcare products, that affect not only the cost of product development but also the time required to reach the market and the uncertainty of successfully doing so. Historically, there have been more stringent regulatory requirements in developed markets. However, in recent years, emerging markets have been increasing their regulatory expectations based on their own rational interpretations of U.S. and EU standards. As described in "Regulatory pressures", incorporated by reference herein, health authorities in developed markets have increased their focus on safety when assessing the risk/benefit balance of drugs in the context of not only initial product approval but also in the context of approval of additional indications and review of information regarding marketed products. Stricter regulatory controls also heighten the risk of changes in product profile or withdrawal by regulators on the basis of post-approval concerns over product safety, which could reduce revenues and result in product recalls and product liability lawsuits. There is also greater regulatory scrutiny, especially in the USA, on advertising and promotion and in particular on direct-to-consumer advertising.

In addition, in some cases the Group may voluntarily cease marketing a product or face declining sales based on concerns about efficacy or safety (for example, declines in sales of *Avandia* beginning in 2007 following publicity around questions regarding risks associated with the product), whether or not scientifically justified, even in the absence of regulatory action. The development of the post-approval adverse event profile for a product or the product class may materially and adversely affect the Group's financial results.

Risk of interruption of product supply

The manufacture of pharmaceutical and vaccine products and their constituent materials requires compliance with good manufacturing practice regulations. The Group's manufacturing sites are subject to review and approval by the FDA and other regulatory agencies. Compliance failure by the Group's manufacturing facilities or by suppliers of key services and materials could lead to product recalls and seizures, interruption of production, delays in the approval of new products, and revoking of licence to operate pending resolution of manufacturing issues. For example, non compliance with current Good Manufacturing Practice ("cGMP") requirements for U.S. supply could ultimately result, in the most severe circumstances, in fines and disgorgement of profits. Any interruption of supply or the incurring of fines or disgorgement impacting significant products or markets could materially and adversely affect the Group's financial results.

Materials and services provided by third party suppliers are necessary for the commercial production of the Group's products, including speciality chemicals, commodities and components necessary for the manufacture and packaging of many of the Group's Pharmaceutical, Vaccine and Consumer Healthcare products. Some of the third-party services procured, for example, services provided by clinical research organisations to support development of key products, are very important to the operation of the Group's businesses. Although the Group undertakes business continuity planning, single sourcing for certain components, bulk active materials, 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. The failure of a small number of single-source, third party suppliers or service providers to fulfil their contractual obligations in a timely manner or as a result of regulatory non compliance or physical disruption at the manufacturing sites may result in delays or service interruptions, which may materially and adversely affect the Group's financial results.

Taxation and Treasury

The Group's effective tax rate is driven by rates of tax in jurisdictions that are both higher and lower than that applied in the UK. In addition, many jurisdictions such as the UK, Belgium and the USA currently offer regimes that encourage innovation and new scientific endeavours by providing tax incentives, for example R&D tax credits. Furthermore, given the scale and international nature of the Group's business, intra-group transfer pricing is an inherent tax risk as it is for other international businesses. Changes in tax laws or in their application with respect to matters such as transfer pricing, foreign dividends, controlled companies, R&D tax credits or a restriction in tax relief allowed on the interest on intra-group debt, could increase the Group's effective tax rate and materially and adversely affect its financial results.

The tax charge included in the financial statements is the Group's best estimate of its tax liability but, until such time as audits by tax authorities are concluded, there is a degree of uncertainty regarding the final tax liability for the period. The Group's policy is to submit tax returns within the statutory time limits and engage tax authorities to ensure that the Group's tax affairs are as current as possible, and that any differences in the interpretation of tax legislation and regulation are resolved as quickly as possible. In exceptional cases where matters cannot be settled by agreement with tax authorities the Group may have to resolve disputes through formal appeals or other proceedings. For example, in January 2012, the Supreme Court of Canada heard an appeal in respect of the Group's transfer pricing, as discussed in Note 14, to the Financial statements, "*Taxation*" incorporated by reference herein.

The Group deals in high value transactions on a frequent basis which may result in an increased risk of financial loss due to the mismanagement of cash or entering into high risk positions on hedge transactions, any of which could materially and adversely affect the Group's financial results.

Implementing the Group's Strategic Priorities

The Group has established three strategic priorities: to grow a diversified business, deliver more products of value, and simplify its operating model. The Group may not be able to implement its strategic priorities fully. Even if the Group is able to implement them, the strategic priorities may not deliver the expected benefits.

For example, the strategic priority to grow a diversified business involves expanding the Group's business into emerging markets. The Group's pharmaceutical sales in emerging markets grew 6 per cent. in 2011 to nearly £3.7 billion, and represented 17 per cent. of the Group's 2011 pharmaceutical turnover. There is no guarantee that the Group's sales in Emerging Markets will continue to grow or that these markets will continue to experience relatively high growth rates. Some emerging markets may be especially vulnerable to the ongoing global financial crisis, or may have very limited resources to spend on healthcare. Competition in these markets for staff with the skills and training suitable for employment at an enterprise such as the Group's may be intense. In some emerging markets, the Group may be required to rely on third party agents, which may put the Group at risk of liability, and some emerging markets lack sufficient protection against crimes such as counterfeiting. A failure to continue to expand its business in emerging growth markets could materially and adversely affect the Group's financial results.

In addition, the Group is undertaking a restructuring programme that has an estimated cost of approximately £4.85 billion and is expected to deliver annual pre-tax savings of approximately £2.8 billion by the time it is substantially complete in 2014. The Group may not be able to execute fully this transformation of its business. Furthermore, changes in the Group's structure, operations, revenues, costs or efficiency resulting from these restructuring activities or other strategic initiatives could result in higher than expected costs or other difficulties. Failure to realise the expected cost savings by the end of the restructuring programme or to achieve and maintain a competitive cost base could materially and adversely affect the Group's financial results.

Anti-bribery and corruption

The Group's extensive and increasing international operations may give rise to possible claims of bribery and corruption. Failure to comply with applicable legislation such as the US Foreign Corrupt Practices Act and the UK Bribery Act or similar legislation in other countries, could expose the Group and senior officers to civil and criminal sanction, including fines, prosecution, potential debarment from public procurement and reputational damage, all of which could materially and adversely affect the Group's financial results. The compliance mechanisms and monitoring programmes that the Group has in place may not adequately prevent or detect possible violations under applicable anti-bribery and corruption legislation.

Risk from concentration of sales to wholesalers

In the USA, similar to other pharmaceutical and vaccine companies, the Group sells its products through a small number of wholesalers in addition to hospitals, pharmacies, physicians and other groups. Sales to the three largest wholesalers amounted to approximately 77 per cent. of the Group's US pharmaceutical sales in 2011.

At 31st December, 2011, the Group had trade receivables due from these three wholesalers totalling £934 million (31st December, 2010 – £890 million). The Group is exposed to a concentration of credit risk in respect of these wholesalers such that, if one or more of them is affected by financial difficulty, it could materially and adversely affect the Group's financial results.

Global political and economic conditions

As described in "Our marketplace – General overview", incorporated by reference herein, many of the world's largest economies, including the major markets in which the Group operates, and financial institutions have in the recent past faced extreme financial difficulty, including a decline in asset prices, liquidity problems and limited availability of credit. The economic uncertainty continued in 2011, with multiple downgrades of sovereign credit ratings, particularly in the Eurozone. High levels of sovereign debt are negatively impacting growth in the global economy. It is uncertain how long these effects will last, or whether economic and financial trends will worsen or improve. The ongoing debt crisis in certain countries in Europe has increased pressures on the payers in those countries to force healthcare companies such as the Group to decrease the price of its products. The debt crisis has also given rise to concerns that some countries may not be able to pay for the Group's products. Current economic conditions may also adversely affect the ability of the Group's distributors, customers, suppliers and service providers to pay for its products, or

otherwise to buy necessary inventory or raw materials, and to perform their obligations under agreements with the Group, which could disrupt the Group's operations, and negatively impact its business and cash flow. Some of the Group's distributors, customers, suppliers and service providers may be unable to pay their bills in a timely manner, or may even become insolvent, which could negatively impact the Group's business and results of operations. These risks may be elevated with respect to the Group's interactions with third parties with substantial operations in countries where current economic conditions are the most severe, particularly where such third parties are themselves exposed to risk from business interactions directly with fiscally-challenged government payers.

Such continued economic weakness could materially and adversely affect the Group's revenues, results of operations, financial condition. The Group's businesses, including Pharmaceuticals, Vaccines and Consumer Healthcare, may be particularly sensitive to declines in consumer or government spending. In addition, further or renewed declines in asset prices may result in a lower return on the Group's financial investments and may cause the value of the Group's investments in its pension plans to decrease, requiring the Group to increase its funding of those pension plans.

The Group conducts a substantial portion of its operations outside the UK. The Group's management of foreign exchange rates is discussed in "*Financial position and resources – Foreign exchange management*" (see page 66 of the Group's Annual Report 2011 incorporated by reference herein). Fluctuations in exchange rates between Sterling and other currencies, especially the US dollar, the Euro and the Japanese yen, could materially and adversely affect the Group's financial results.

The Group has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes or nationalisation in jurisdictions in which the Group operates.

The Group operates in a number of markets that are experiencing political and social unrest. These events may lead to business disruption and liquidity problems that could adversely impact the Group's results.

Environmental liabilities

The environmental laws of various jurisdictions impose actual and potential obligations on the Group to remediate contaminated sites. The Group has 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 the Group's use or ownership of such sites. Failure to manage properly the environmental risks could result in additional remedial costs that may materially and adversely affect the Group's financial results. See Note 44 to the Financial statements, "*Legal proceedings*", incorporated by reference herein, for a discussion of environmental related proceedings in which the Group is involved. The Group routinely accrues amounts related to its liabilities for such matters.

Accounting standards

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 the Group's financial results.

Under International Financial Reporting Standards, changes in the market valuation of certain financial instruments are required to be reflected in the Group's reported results before those gains or losses are actually realised. This could have a significant impact on the income statement in any given period. Accounting for deferred taxation on inter-company inventory may give rise to volatility depending upon the Group entity that owns the inventory.

Regulators regularly 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 its financial statements and disclosures. However, other companies have experienced investigations into potential non-compliance with accounting and disclosure requirements that

have resulted in restatements of previously reported results and sometimes significant penalties. Any such investigation and required restatement could materially and adversely affect the Group's financial results.

Protection of electronic information and assets

The Group relies on critical and sensitive data, such as corporate strategic plans, personally identifiable information, trade secrets and intellectual property. Security of this type of data is exposed to escalating external threats that are increasing in sophistication and changing from a goal of disruption to being financially or politically motivated. The Group is also subject to various standards for the protection of personally identifiable information and in 2011 submitted an application for Binding Corporate Rules status, which is under review by the UK Information Commissioner's Office.

Failure to implement appropriate safeguards to adequately protect against any unauthorised or unintentional access, acquisition, use, modification, loss or disclosure of this critical or sensitive data may adversely affect the Group's ability to maintain patent rights and competitive advantages or may result in regulatory non-compliance resulting in fines and penalties or inability to sell product in a particular market.

Alliances and acquisitions

As part of the Group's strategy to diversify into new product areas and markets, the Group has grown, and expects to continue to grow, in part through acquisitions and business alliances. There is intense competition for alliance and acquisition candidates in the pharmaceutical industry, and, as such, the Group may be unable to make these deals on acceptable terms or at all. In acquiring or forming alliances with other companies, the Group may assume significant debt, become subject to unknown or contingent liabilities or fail to realise the benefits expected from these transactions. For example, most pharmaceutical companies, including those that the Group may consider acquiring, are involved in patent disputes, product liability litigation, government investigations and other legal proceedings whose outcome is subject to considerable uncertainty. The assumption of debt or unknown or contingent liabilities or the failure to realise the expected benefits may materially and adversely affect the Group's financial results.

The process of integrating companies that the Group may acquire may result in disruption to the ongoing business as the effort of integrating organisations in different locations and with, among other things, differing systems and corporate cultures may divert attention and resources, result in the loss of key employees or have other adverse consequences, any of which may materially and adversely affect the Group's financial results.

Attraction and retention

The Group relies heavily on recruiting and retaining talented employees with a range of skills and capabilities to meet its objectives. The Group faces intense competition for qualified individuals, as the supply of people with specific skills and significant leadership potential or in specific geographic regions may be limited, particularly given the Group's plans to expand its operations in Emerging Markets and Vaccines.

The inability to attract staff with specific technical and leadership skills, retain key employees or ensure effective succession planning for critical positions may materially and adversely affect the Group's ability to implement key strategic objectives and ultimately impact financial results.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to affect such conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer elects to convert from a fixed rate to a floating rate, in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer elects to convert from a floating rate to a fixed rate, in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Guarantor, in the circumstances described in Condition 16 of the conditions of the Notes.

EU Savings Directive

Under European Union Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories, including Switzerland, have adopted similar measures (e.g. a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive which may if implemented amend or broaden the scope of the requirements described above.

If a payment is made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person is obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as defined in the relevant Final Terms) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the front cover of this Prospectus.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Potential investors should be aware that GSK Capital Inc. and GSK Capital plc are financing companies which lend the major part of all moneys raised by them to other companies within the Group. As such the ability of GSK Capital Inc. and GSK Capital plc to fulfil their respective obligations under the Notes may be dependent on the Guarantor's policy decisions from time to time, as the parent company of the Group. However, the Guarantor separately has its obligations to fulfil under the Guarantee.

U.S. Foreign Account Tax Compliance Withholding

The U.S. Foreign Account Tax Compliance Act (“**FATCA**”) will generally impose a withholding tax of 30 per cent. on U.S. source interest income (including original issue discount) from, and the gross proceeds from a disposition of, debt obligations producing U.S. source interest paid to a foreign financial institution (whether such foreign financial institution is the beneficial owner or an intermediary), unless such foreign financial institution enters into an agreement with the U.S. Internal Revenue Service (the “**IRS**”) to collect and provide to the IRS substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners). In addition, FATCA will generally impose a withholding tax of 30 per cent. on U.S. source interest income (including original issue discount) from, and the gross proceeds from a disposition of, debt obligations that produce U.S. source interest paid to a non-financial foreign entity (whether such foreign financial institution is the beneficial owner or an intermediary) unless such non-financial foreign entity provides the withholding agent with certain certifications or information relating to U.S. ownership of the entity. Under certain circumstances, such foreign persons might be eligible for refunds or credits of such taxes. These rules apply to debt instruments issued after 18th March, 2012. Under IRS guidance, these rules generally would apply to payments of U.S. source interest (including original issue discount) made after 31st December, 2013 and payments of gross proceeds from a disposition of debt obligations that produce U.S. source interest made after 31st December, 2014. However, under recently issued proposed U.S. Treasury regulations (the “**Proposed Treasury Regulations**”), these withholding and reporting requirements will generally not apply to payments made on, or gross proceeds from a disposition of, debt obligations issued prior to 1st January, 2013 or to certain debt obligations with a maturity of 183 days or less. There can be no assurance as to whether these Proposed Treasury Regulations will be adopted in final form and, if so adopted, what form the Proposed Treasury Regulations will take. Noteholders will not be entitled to receive any Additional Amounts in the event that payments on the Notes are subject to withholding under FATCA. Prospective investors should consult their own tax advisors regarding the application of FATCA to the Notes.

FORM OF THE NOTES

Unless otherwise specified in the applicable Final Terms, each Tranche of Notes issued by GSK Capital Inc. (which have a maturity of 183 days or less) and each Tranche of Notes having a maturity of more than one year, in the case of Notes issued by GSK plc or GSK Capital plc, will be in bearer form and will be initially issued in the form of a temporary global note (a “**Temporary Global Note**”) or, if so specified in the applicable Final Terms, a permanent global note (a “**Permanent Global Note**” and, together with the Temporary Global Note, the “**Global Notes**”) which, in either case will:

- (i) if the Global Notes are intended to be issued in new global note form (“**NGN**”), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”); and
- (ii) if the Global Notes are not intended to be issued in NGN form (“**CGN**”), be delivered on or prior to the original issue date of the Tranche to Citibank, N.A., London Branch, as common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche of Notes is in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person or any person within the United States or its possessions, as required by Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date which is 40 days after the Temporary Global Note is issued (the “**Exchange Date**”), interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein for either (i) interests in a Permanent Global Note of the same Series or (ii) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest (if any), principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (i) if the Issuer is GSK Capital Inc., not less than 60 days’ written notice from Euroclear

and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or upon the occurrence of an Exchange Event, or (ii) if the Issuer is GSK plc or GSK Capital plc, only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the relevant Issuer has been given to the Trustee. The relevant Issuer will promptly give notice to the Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not more than 45 days after the date of receipt of the first relevant notice by the Agent. No definitive Note delivered in exchange for a Permanent Global Note will be mailed or otherwise delivered to any location in the United States in connection with such exchange.

GSK Capital Inc. will only issue Notes with a maturity of 183 days or less or that are in “registered form” for U.S. federal income tax purposes. Details regarding any such conditions and the tax consequences attaching thereto will be described in the applicable Final Terms.

The following legend will appear on all Notes that have an original maturity of more than one year issued by GSK plc and GSK Capital plc and on all interest coupons and talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

The following legend will appear on all Notes issued by GSK Capital Inc., which have an original maturity of 183 days or less, and on all interest coupons and talons relating to such Notes:

“BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).”

Notes issued by GSK Capital Inc. which have a maturity of 183 days or less shall be issued in minimum denominations of U.S.\$500,000 (or the equivalent amount in the relevant Specified Currency determined by reference to the spot rate on the date of issuance).

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

GSK Capital Inc. will not issue Notes with a maturity of more than 183 days unless it and any Dealer participating in the issue of such Notes has received a written opinion of independent legal counsel of recognised standing stating that the Notes will be treated as being in “registered form” for U.S. federal income tax purposes.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Temporary Global Note or a Permanent Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any form of record made by any of them or such other evidence and/or information and/or certification as the Trustee shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note; and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, if the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

FORM OF FINAL TERMS FOR WHOLESALE ISSUES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in any other currency).

[Date]

[GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by GlaxoSmithKline plc]
under the £15,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 5th September, 2012 [and the supplement(s) dated [●] and [●] which [together] constitutes[s] a base prospectus for the purposes of the Prospectus Directive (the “**Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. A summary of the Notes (which comprises the summary in the Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. Copies of such Prospectus are available for viewing and may be obtained from the registered office of the Issuer at [980 Great West Road, Brentford, Middlesex TW8 9GS, U.K.] [1105 North Market Street, Suite 1300, Wilmington, Delaware 19801, U.S.A.]] and the Prospectus has been published on the [*financial intermediaries’/regulated market’s/competent authorities’*] website.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in any Relevant Member State), and includes any relevant implementing measure in any Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date [(but being no earlier than 1 July 2012)].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated [*original date*] [and the supplement(s) dated [●] and [●] which are incorporated by reference in the Prospectus dated [*current date*]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [*current date*] [and the supplement(s) to it dated [●] and [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Prospectus**”) including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [*current date*] [and the supplement(s) dated [●] and [●]. A summary of the Notes (which comprises the summary in the Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. Copies of the Prospectus are available for viewing and may be obtained from the registered office of the Issuer at [980 Great West Road, Brentford, Middlesex TW8 9GS, U.K.] [1105 North Market Street, Suite 1300, Wilmington, Delaware 19801, U.S.A.]] and the Prospectus has been published on the [*financial intermediaries’/regulated market’s/competent authorities’*] website.

[Each of] the Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

1. (a) Issuer: [GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./
GlaxoSmithKline Capital plc]

- (b) [Guarantor: GlaxoSmithKline plc]
2. (a) Series Number: []
- (b) Tranche Number: []
- [(c) Date on which the Notes shall be consolidated and form a single series: [Not Applicable/The Notes shall form a single series and be interchangeable for trading purposes with the *[insert description of the Series]* on *[insert date/the Issue Date]*/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about *[insert date]*]].]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount
- (a) [Series: []]
- (b) [Tranche: []]
5. [Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [*Specify*/Issue Date] [Not Applicable]
8. Maturity Date: [*Fixed rate- specify date/ Floating rate- Interest Payment Date falling in or nearest to [specify month]*]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[*other*]
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest: [Applicable/Not Applicable].
12. Put/Call Options [Investor Put]
[Issuer Call]
13. (a) Status of the Notes: Senior
- (b) Status of the Guarantee: Senior
14. Date [Board] approval for issuance of Notes [and Guarantee] obtained (*if relevant*): [] [and [], respectively]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]

- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date.
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date.
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []/[Not Applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)].
- (f) Determination Date(s): [[] in each year]/[Not Applicable]
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s): []
- (b) Specified Interest Payment Dates: [[] in each year, subject to adjustment in accordance with Business Day Convention set out in (d) below].
- (c) First Interest Payment Date: []
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention].
- (e) Additional Business Centre(s): []
- (f) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (g) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Agent): []
- (h) Screen Rate Determination:
- Reference Rate: []
 - Relevant Financial Centre: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (i) ISDA Determination
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (j) Margin(s): [+/-][] per cent. per annum
- (k) Minimum Rate of Interest: [] per cent. per annum

- (l) Maximum Rate of Interest: [] per cent. per annum
- (m) Day Count Fraction: [Actual/Actual
Actual/365 (Fixed)
Actual/360
30/360
30E/360
Other]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note: [] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
19. Investor Put [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note: [[] per Calculation Amount]
20. Final Redemption Amount of each Note: [] per Calculation Amount
21. Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

23. New Global Note: [Yes][No]

24. Additional Financial Centre(s): [Not Applicable] []

Signed on behalf of the Issuer: [Signed on behalf of the Guarantor:

By:

By:

Duly authorised

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application has been made for the Notes to be admitted to trading on [the London Stock Exchange's Regulated Market] [other] with effect from [].] [Not Applicable.]

2. RATINGS

Ratings:

[[The Notes to be issued [have been/are expected to be rated]. [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: []]

[Moody's: []]

[[Other]: []]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[N/A]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]

4. ESTIMATED TOTAL EXPENSES

Estimated total expenses: []

5. [YIELD (*Fixed Rate Notes only*)

Indication of yield: []

Calculated as [] on the Issue Date. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/Give Name(s) and Number(s)]

(iv) Name(s) and address(es) of the initial paying agent(s): []

(v) Names and addresses of additional Paying Agent(s) (if any): []

7. **DISTRIBUTION**

(i) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

(ii) U.S. selling restrictions: [Reg. S. Compliance Category [1/2/3]]

ANNEX – FORM OF ISSUE SPECIFIC SUMMARY

This summary relates to *[insert description of Notes]* described in the final terms (the “**Final Terms**”) to which this summary is annexed. This summary contains that information from the summary set out in the base prospectus dated [●] [as supplemented by the Supplement(s) dated [●] and [●]] (the “**Prospectus**”) which is relevant to the Notes together with the relevant information from the Final Terms. This summary must be read as an introduction to the Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference[,] [the supplement(s) dated [●] and [●]] and the Final Terms. Following the implementation of the relevant provisions of the Prospectus Directive (2003/71/EC, as amended) in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus and the Final Terms or it does not provide, when read together with the other parts of the Prospectus and the Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes. Where a claim relating to information contained in the Prospectus and the Final Terms is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

[Issuer to annex form of issue specific summary to the Final Terms]

FORM OF FINAL TERMS FOR RETAIL ISSUES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes with a denomination of less than €100,000 (or its equivalent in any currency).

[Date]

[GlaxoSmithKline plc/GlaxoSmithKline Capital plc]¹

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by GlaxoSmithKline plc]
under the £15,000,000,000 Euro Medium Term Note Programme

Any person making or intending to make an offer of the Notes may only do so[

- (i) in those Public Offer Jurisdictions mentioned in Paragraph 8(v) of Part B below, provided such person is [of a kind specified] in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or
- (ii) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 5th September, 2012 [and the supplement[s] dated [●] and [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. A summary of the Notes (which comprises the summary in the Prospectus as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Prospectus has been published on [*Financial Intermediaries’/regulated market’s/competent authority’s*] website. Copies of such Prospectus are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS, U.K.

The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in any Relevant Member State), and includes any relevant implementing measure in any Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated [*original date*] and the supplement(s) to it dated [●] and [●] which are incorporated by reference in the Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [*current date*] [and the supplement(s) to it dated [●] and [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “**Prospectus**”) including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [*current date*] [and the supplement(s) dated [●] and [●]]. A summary of the Notes (which comprises the summary in the Prospectus as amended to reflect the provisions of these

¹ Notes issued by GSK Capital Inc. under the Programme and which are to be offered to the public (as such term is defined in the Prospectus Directive) in any member state of the European Economic Area or listed may not be issued in denominations of less than €100,000 (or the equivalent amount in any other currency).

Final Terms) is annexed to these Final Terms. The Prospectus has been published on [*Financial Intermediaries'/regulated market's/competent authority's*] website. Copies of the Prospectus are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS, U.K.

[Each of] the Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

1. (a) Issuer: [GlaxoSmithKline plc/GlaxoSmithKline Capital plc]
- (b) [Guarantor: GlaxoSmithKline plc]
2. (a) Series Number: []
- (b) Tranche Number: []
- [(c) Date on which the Notes will be consolidated and form a single series: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [*insert date*]]].]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (a) [Series: []]
 - (b) [Tranche: []]
5. [Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*if applicable*)]
6. (a) Specified Denominations: []
- (b) Calculation Amount: []
7. (a) Issue Date: []
- (b) Interest Commencement Date: [Specify/Issue Date] [Not Applicable]
8. Maturity Date: [*Fixed rate – specify date*]
[*Floating rate – Interest Payment Date falling in or nearest to [specify month]*]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/Other] +/- [] per cent. Floating Rate]
[Zero Coupon]
[other]
10. Redemption Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Basis: [Applicable/Not Applicable]

12. Put/Call Options: [Investor Put]
[Issuer Call]
13. (a) Status of the Notes: Senior
(b) Status of the Guarantee: Senior
14. Date [Board] approval for issuance of [] [and [], respectively]]
Notes [and Guarantee] obtained (*if relevant*):

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year] [Not Applicable]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s): []
- (b) Specified Interest Payment Dates: [[] in each year, subject to adjustment in accordance with the Business Day Convention set out in (d) below]
- (c) First Interest Payment Date: []
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (e) Additional Business Centre(s): []
- (f) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (g) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Agent): []
- (h) Screen Rate Determination:
- Reference Rate: []
 - Relevant Financial Centre: []
 - Interest Determination Date(s) []
 - Relevant Screen Page: []

- (i) ISDA Determination:
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - (j) Margin(s): [+/-][] per cent. per annum
 - (k) Minimum Rate of Interest: [] per cent. per annum
 - (l) Maximum Rate of Interest: [] per cent. per annum
 - (m) Day Count Fraction: [Actual/Actual
Actual/365 (Fixed)
Actual/360
30/360
30E/360]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: per cent. per annum.
 - (b) Reference Price: []
 - (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount of each Note: [[] per Calculation Amount]
 - (c) If redeemable in part: []
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []
19. Investor Put [Applicable/Not Applicable]
- (a) Optional Redemption Date(s):
 - (b) Optional Redemption Amount of each Note: [] per Calculation Amount
20. Final Redemption Amount of each Note: []
per Calculation Amount
21. Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event]]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
- 23. New Global Note: [Yes][No]
- 24. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable] []

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application has been made for the Notes to be admitted to trading on [the London Stock Exchange’s Regulated Market] [other] with effect from [].] [Not Applicable.]

2. RATINGS

Ratings: *[Applicable/Not Applicable]*

[[The Notes to be issued [have been/are expected to be rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[S & P: [] [Not Applicable]]

[Moody’s: [] [Not Applicable]]

[[Other]: []]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[N/A]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] Reasons for the offer: []

[(ii)] Estimated net proceeds: []

[(iii)] Estimated total expenses: []

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

Calculated as [] on the Issue Date.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable] []
- (iv) Name(s) and address(es) of the initial paying agent(s): []
- (v) Names and addresses of additional Paying Agent(s) (if any): []

8. DISTRIBUTION

- (i) Name(s) of Manager(s): [Not Applicable/Applicable]
 - (A) name(s) and address(es) of Manager(s) and underwriting commitment(s): []
- (ii) Date of [Subscription] Agreement: []
- (iii) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
- (iv) U.S. selling restrictions: [Reg. S. Compliance Category [1/2/3]]
- (v) Public offer: [Not Applicable]
[Applicable]

9. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Price: [The Issuer has offered the Notes to the [Managers] [Financial Intermediaries] at the initial issue price of [] less a total commission of []. The issue price of the Notes will be determined by the Issuer and the [Managers] [Financial Intermediaries] on or about [] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [].]
- (ii) Conditions to which the offer is subject: [Not Applicable/Offers of the Notes are conditional on their issue on [] [and on any additional conditions set out in the standard terms of business of the [Managers] [Financial Intermediaries], notified to investors by such relevant Financial Intermediaries]]
- (iii) Description of the application process: [Not Applicable] []

- (iv) Details of the possibility to reduce the subscriptions and the manner for refunding excess amounts paid by applicants: [Not Applicable] []
- (v) Details of the minimum /maximum amount of application (whether in numbers of securities or aggregate amount to invest): [Not Applicable] []
- (vi) Details of the method and time limits for paying up the securities and for delivery of the securities: [Not Applicable] []
- (vii) Manner and date in which results of the offer are to be made to public: [Not Applicable] []
- (viii) Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [Not Applicable] []
- (ix) Whether tranche(s) have been reserved for certain countries: [Not Applicable] []
- (x) Process for notification to applicants of the amount of Notes allotted and indication whether dealing may begin where notification is made: [Not Applicable] []
- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [None] []
- (xii) Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place: [None] []
- [(xiii)] Categories of potential investors to which the Notes are offered: [Offers or solicitations may be made by the Managers and/or [] in [] for the period set out below to any person []. No offer or solicitation in respect of the Notes shall be made by the Managers [and/or the Financial Intermediaries] except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other EEA country or (b) after the period set out in below has ended.]

[(xiv)] Arrangements for publication of final size of issue/offer: [Not Applicable] []]

[(xv)] Time period, including any possible amendments, during which the offer will be open: [From the date of publication of the Final Terms to [*the Issue Date*][]].

ANNEX – FORM OF ISSUE SPECIFIC SUMMARY

This summary relates to *[insert description of Notes]* described in the final terms (the “**Final Terms**”) to which this summary is annexed. This summary contains that information from the summary set out in the base prospectus dated [●] [as supplemented by the Supplement(s) dated [●] and [●]] (the “**Prospectus**”) which is relevant to the Notes together with the relevant information from the Final Terms. This summary must be read as an introduction to the Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference[,] [the supplement(s) dated [●] and [●]] and the Final Terms. Following the implementation of the relevant provisions of the Prospectus Directive (2003/71/EC, as amended) in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus and the Final Terms or it does not provide, when read together with the other parts of the Prospectus and the Final Terms, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in the Notes. Where a claim relating to information contained in the Prospectus and the Final Terms is brought before a court in a Member State of the European Economic Area, the claimant may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

[Issuer to annex form of issue specific summary to the Final Terms]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by GlaxoSmithKline plc (“**GSK plc**”), GlaxoSmithKline Capital Inc. (“**GSK Capital Inc.**”) or GlaxoSmithKline Capital plc (“**GSK Capital plc**”) (each an “**Issuer**” and together the “**Issuers**”) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “**Trust Deed**”) dated 4th December, 2001 and made between GSK Capital Inc. and GSK Capital plc as issuers, GSK plc as guarantor (the “**Guarantor**”) and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include any successor trustee) as Trustee of the Noteholders (as defined below). By a Second Supplemental Trust Deed dated 13th May, 2004 and made between the Issuers, the Guarantor and the Trustee, GlaxoSmithKline plc became an Issuer under the Programme. The Issuers, the Guarantor and the Trustee entered into the Third Supplemental Trust Deed on 20th July, 2005, the Fourth Supplemental Trust Deed on 9th March, 2007, the Fifth Supplemental Trust Deed on 30th July, 2008, the Sixth Supplemental Trust Deed on 30th July, 2009 and a Seventh Supplemental Trust Deed on 5th September, 2012. Notes issued by GSK Capital Inc. or GSK Capital plc (“**Guaranteed Notes**”) will be unconditionally and irrevocably guaranteed by the Guarantor under the terms of the Trust Deed (such guarantee, the “**Guarantee**”).

References in these Terms and Conditions to the “**Issuer**” shall be to the Issuer of the Notes as specified in the applicable Final Terms.

References herein to the “**Notes**” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) and most recently amended and restated on 5th September, 2012, and made between the Issuers, the Guarantor, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (“**Coupons**”) and, in the case of Notes, which, when issued in definitive form, have more than 27 interest payments remaining to be paid, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify

these Terms and Conditions for the purposes of this Note. References to the “**applicable Final Terms**” are, unless otherwise stated, to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the “**Noteholders**”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below) and the holders of the Coupons (the “**Couponholders**”, which expression shall, unless the context otherwise requires, include the holders of the Talons) in accordance with the provisions of the Trust Deed.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being, at 5th September, 2012, at Fifth Floor, 100 Wood Street, London EC2V 7EX, U.K.) and at the specified office of each of the Paying Agents.

Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the registered offices of GSK plc and GSK Capital plc at 980 Great West Road, Brentford, Middlesex, TW8 9GS, U.K. and of GSK Capital Inc. at 1105 North Market Street, Suite 1300, Wilmington, Delaware 19801, U.S.A., and at the specified office of each of the Paying Agents, save that, if this Note is an unlisted Note of any Tranche neither listed on a stock exchange nor admitted to trading on any market, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Tranche and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or, as the case may be, relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the “**Specified Currency**”) and the denominations (“**Specified Denomination(s)**”) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The relevant Issuer, the Guarantor, the Trustee and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the Trust Deed and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall in the absence of manifest error, be conclusive and binding on all concerned. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, if the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

Notes with a maturity of 183 days or less issued by GSK Capital Inc. shall have a minimum denomination of at least U.S.\$500,000 or the equivalent amount in any other currency.

GSK Capital Inc. will not issue Notes with a maturity of more than 183 days unless it and any Dealer participating in the issue of such Notes has received a written opinion of independent legal counsel of recognised standing stating that the Notes will be treated as being in “registered form” for U.S. federal income tax purposes.

2. **STATUS OF THE NOTES AND THE GUARANTEE**

(a) *Status of the Notes*

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) *Status of the Guarantee*

In the case of Guaranteed Notes, the payment of principal and interest (if any) together with all other sums payable by the Issuer under the Trust Deed in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed. The obligations of the Guarantor are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. **NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding (as defined in the Trust Deed):

- (a) the Issuer will not create or permit to subsist any mortgage, charge, pledge or lien (other than a lien arising by operation of law) upon the whole or any part of its property, assets or revenues,

present or future, to secure (i) payment of any Relevant Indebtedness or (ii) any payment under any guarantee or indemnity granted by the Issuer in respect of any Relevant Indebtedness (as defined below); and

- (b) the Guarantor (in the case of Guaranteed Notes) will not and will procure that no Subsidiary (as defined below) of the Guarantor will create or permit to subsist any mortgage, charge, pledge or lien (other than a lien arising by operation of law) upon the whole or any part of its property, assets or revenues, present or future, to secure (i) payment of any Relevant Indebtedness or (ii) any payment under any guarantee or indemnity granted by the Guarantor or any Principal Subsidiary (as defined below) in respect of any Relevant Indebtedness

without in any such case at the same time according to the Notes (unless it has already been so accorded) to the satisfaction of the Trustee either the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other arrangement (whether or not comprising security) as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as such term is defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition, “**Relevant Indebtedness**” means any indebtedness which (a) is in the form of or represented by bonds, notes, loan stock, depositary receipts or other securities issued otherwise than to constitute or represent advances made by banks and/or other lending institutions; (b) is denominated, or confers any right to payment of principal, premium and/or interest, in or by reference to any currency other than the currency of the country in which the issuer of the indebtedness has its principal place of business, or is denominated in or by reference to the currency of such country but is placed or offered for subscription or sale by or on behalf of, or by agreement with, the issuer as to over 20 per cent. outside such country; and (c) at its date of issue is, or is intended by the issuer to become, quoted, listed, traded or dealt in on any stock exchange, over-the-counter market or other securities market.

In these Terms and Conditions, “**Subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

4. INTEREST

- (a) *Interest on Fixed Rate Notes*

This Condition 4(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes;
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amounts by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

Where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

In these Terms and Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes*

This Condition 4(b) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding

Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Terms and Conditions, “**Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note, interest will be calculated on its outstanding nominal amount.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which TARGET2 (or any successor thereto) is open for the settlement of payments in euro. “**TARGET2**” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19th November, 2007 or any successor thereto.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“**LIBOR**”) or on the Euro-zone inter-bank offered rate (“**EURIBOR**”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

The ISDA Definitions contain provisions for determining the applicable Floating Rate (as defined herein) in the event that the specified Floating Rate is not available.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (local time in the Relevant Financial Centre) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (A) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “**Actual/365 (Fixed)**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “**Actual/360**” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

- (D) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

Where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (E) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be given in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or calculation by Trustee*

If for any reason the Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with subparagraph (ii) or (iv), as the case may be, above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions in this Condition but subject always to any Minimum or Maximum Rate of Interest

specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5. PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, as the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Auckland, respectively provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque (provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Presentation of definitive Notes and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest (if any) in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used in this Condition 5, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Floating Rate Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned in paragraph (a) above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States.

A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

The holder of a Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be). No person other than the holder of the Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the relevant Issuer or, as the case may be, the Guarantor in respect of any payments due on such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest (if any) in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest (if any) in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest (if any) on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest (if any) at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest (if any) in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only the relevant place of presentation; and
 - (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which TARGET2 is open.

(f) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the relevant Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for tax reasons*

(i) *Where the Issuer is GSK Capital Inc.*

The provisions of this paragraph shall apply where the Issuer is GSK Capital Inc. The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, upon not more than 30 nor less than 15 days' prior notice to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders (which notice will be irrevocable), at their Early Redemption Amount referred to in paragraph (e) below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, but without reduction for applicable United States withholding taxes (as described in Condition 7(i)), if, as a result of any amendment to, or change in, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change is effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obliged to pay any Additional Amounts (as defined in Condition 7(i)) on the next succeeding Interest Payment Date in respect of the Notes and such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts in respect of the Notes were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect.

Immediately prior to the giving of any notice of redemption pursuant to this paragraph the Issuer will deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

The Issuer at its election will either (x) redeem the Notes, in whole but not in part, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date upon not more than 30 nor less than 15 days' prior notice to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders, at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, or (y) if and so long as the conditions of the final paragraph of Condition 7(i) are satisfied, pay the Additional Amounts specified in such paragraph (notwithstanding clause (d) of the first paragraph of Condition 7(i)), after determining, based on a written opinion of independent counsel chosen by the Issuer, that any payment made outside the United States by the Issuer or any of its Paying Agents of principal or interest due (if any) with respect to any Note or Coupon would, under any present or future laws or regulations of the United States, be subject to any certification,

information, documentation or other reporting requirement of any kind the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any United States governmental authority of the nationality, residence or identity of a beneficial owner of such Note or Coupon who is a United States Alien (as defined in Condition 7(i)) (other than such a requirement (a) which would not be applicable to a payment made by the Issuer or any one of its Paying Agents (i) directly to the beneficial owner or (ii) to any custodian, nominee or other agent of the beneficial owner, or (b) which could be satisfied by the custodian, nominee or other agent certifying that the beneficial owner is a United States Alien, provided that in each case referred to in clauses (a)(ii) and (b) payment by such custodian, nominee or other agent of such beneficial owner would not otherwise be subject to any such requirement, or (c) which would not have been applicable but for the presentation by the holder of such Note or Coupon for payment on a date more than 15 days after the Relevant Date (as defined in Condition 7(i)), or (d) which would be applicable only to a payment on a Note or Coupon the holder or beneficial owner of which is owned 10 per cent. or more directly or indirectly by, or owns actually or constructively 10 per cent. or more of, the Issuer). The Issuer will make such determination and election and notify the Trustee thereof as soon as practicable, and the Issuer will promptly give notice of such determination (the “**Determination Notice**”) in accordance with Condition 15 in each case stating the effective date of such certification, information, documentation or other reporting requirement, whether the Issuer will redeem the Notes or will pay the Additional Amounts specified in such paragraph and (if applicable) the last date by which the redemption of the Notes must take place. If the Issuer elects to redeem the Notes, such redemption will take place on such date (being, in the case of Floating Rate Notes, an Interest Payment Date), not later than one year after publication of the Determination Notice, as the Issuer elects by notice to the Trustee at least 30 days before such date, unless shorter notice is acceptable to the Trustee.

Notwithstanding the foregoing, the Issuer will not so redeem the Notes if the Issuer, based on an opinion of independent counsel chosen by the Issuer subsequently determines, not less than 15 days prior to the date fixed for redemption, that subsequent payments would not be subject to any such requirement in which case the Issuer will notify the Trustee, which will give prompt notice of that determination in accordance with Condition 15, and any earlier notice of redemption shall thereupon be revoked and of no further effect.

If the Issuer elects as provided in (y) above to pay Additional Amounts, and as long as the Issuer is obligated to pay such Additional Amounts, the Issuer may subsequently redeem the Notes, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, in whole but not in part, upon not more than 30 nor less than 15 days’ prior notice given to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders, at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon any such redemption, the Issuer will pay as Additional Amounts such amounts as may be necessary so that every net payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Note or Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any United States governmental authority), after deduction or withholding for or on account of a backup withholding tax or similar charge (other than a backup withholding tax or similar charge which would be applicable solely by reason of the failure to comply with one or more of the requirements described in the third parenthetical clause of the preceding paragraph) but before deduction or withholding for or on account of any tax, assessment or other governmental charge described in clauses (a), (b), (c), (e), (f) or (g) of the first paragraph of Condition 7(i), would not be less than the amount provided for in such Note or Coupon to be then due and payable.

- (ii) *Where the Issuer is GSK plc or GSK Capital plc*

The provisions of this paragraph shall apply where the Issuer is GSK plc or GSK Capital plc.

The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, upon not more than 30 nor less than 15 days' prior notice given in accordance with Condition 15 (which notice will be irrevocable), at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, if, as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any political subdivision or taxing authority thereof or therein (as applicable) affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change is effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obligated to pay any additional amounts pursuant to Condition 7(ii) on the next succeeding Interest Payment Date in respect of the Notes and such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such additional amounts remains in effect. Immediately prior to the giving of any notice of redemption pursuant to this paragraph the Issuer will deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) *Redemption at the option of the Issuer (Issuer Call)*

*This Condition 6(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an “**Issuer Call**”. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent and the Trustee;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be notified to Noteholders in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this

paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders (Investor Put)*

This Condition 6(d) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an “Investor Put”. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6(d) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days’ notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number

of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (Fixed), Actual/365 or Actual/Actual (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(f) *Purchases*

The Issuer, the Guarantor or any other Subsidiary of the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, the Guarantor or the relevant Subsidiary of the Guarantor, surrendered to any Paying Agent for cancellation.

(g) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(h) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7. TAXATION

(i) *Where the Issuer is GSK Capital Inc.*

The provisions of this paragraph shall apply where the Issuer is GSK Capital Inc.

All payments of principal and interest (if any) by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (together, "**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed (a) by or on behalf of the United States or any political subdivision thereof or any authority thereof or therein having power to levy the same or (b) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code (the "**Code**") or otherwise imposed pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), unless such withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA). In that event, the Issuer or the Guarantor (as the case may be) will pay such amounts (the "**Additional Amounts**") as will result in the receipt by the Noteholders and the Couponholders of such amounts

as would have been received by them had no such Taxes been required to be withheld or deducted; provided that the foregoing obligations shall not apply to:

- (a) any such tax, duty, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of a power over such holder, if such holder is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof, or being or having been engaged in a trade or business therein or being or having been present therein, or having or having had a permanent establishment therein, or (ii) such holder's present or former status as a controlled foreign corporation for United States tax purposes or as a corporation which accumulates earnings to avoid United States federal income taxes;
- (b) any tax, duty, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder of such Note or Coupon for payment on a date more than 30 days after the date on which such payment became due and payable (assuming such day to have been a Payment Day (as defined in Condition 5(e))) or the date on which payment thereof was duly provided for, whichever occurs the later (the "**Relevant Date**");
- (c) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;
- (d) any tax, duty, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such Note or Coupon, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (e) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of or interest on such Note;
- (f) any tax, duty, assessment or other governmental charge imposed on interest received by a 10 per cent. shareholder of the Issuer within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the Code or on interest received by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code;
- (g) any withholding or deduction where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (h) any Note or Coupon presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union;
- (i) any withholding or deduction where such withholding or deduction is imposed for or on account of any tax, assessment or other governmental charge imposed pursuant to Sections 1471 through 1474 of the Code (and any U.S. treasury regulations ("**Treasury Regulations**") promulgated thereunder); or
- (j) any combination of sub-paragraphs (a), (b), (c), (d), (e), (f), (g), (h) and/or (i) above;

nor will any Additional Amounts be paid with respect to any payment of the principal of or interest (if any) on any Note or Coupon to any United States Alien who is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner would not have been

entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon. The term “**United States Alien**” means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust or a foreign partnership one or more of the members of which is for United States federal income tax purposes a foreign corporation, a non-resident alien individual, or a non-resident alien fiduciary of a foreign estate or trust.

If and so long as a certification, information, documentation or other reporting requirement referred to in the penultimate paragraph of Condition 6(b)(i) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, by so stating in the Determination Notice, to have the provisions of this paragraph apply in lieu of the provisions of such paragraph. In such event, the Issuer will pay as Additional Amounts (regardless of clause (d) above) such amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirements by the Issuer or any of its Paying Agents of principal or interest (if any) due in respect of any Note or Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any United States governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which would be applicable solely by reason of the failure to comply with one or more of the requirements described in the third paragraph of Condition 6(b)(i)) but before deduction or withholding for or on account of any tax, assessment or other governmental charge described in sub-paragraphs (a), (b), (c), (e), (f), (g), (h), (i) or (j) of the preceding paragraph, will not be less than the amount provided for in such Note or Coupon to be then due and payable.

(ii) *Where the Issuer is GSK plc or GSK Capital plc*

The provisions of this paragraph shall apply where the Issuer is GSK plc or GSK Capital plc.

All payments of principal and interest (if any) by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority thereof or therein having power to levy the same, unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor (as the case may be) shall, subject to the penultimate paragraph of this Condition 7 below, pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that no such additional amounts will be payable in respect of Notes or Coupons:

- (a) presented for payment by or on behalf of a Noteholder or Couponholder who is liable for such withheld or deducted Taxes by reason of his having some connection with the United Kingdom other than the mere holding of a Note or Coupon; or
- (b) to, or to a third party on behalf of, a Noteholder or Couponholder if such withholding or deduction may be avoided by the Noteholder or Couponholder complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such Noteholder or Couponholder proves that he is not entitled so to comply or to make such declaration or claim; or
- (c) presented for payment in the United Kingdom; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a Noteholder or Couponholder would have been entitled to payment of such additional amounts if he had presented his Note or Coupon for payment on the thirtieth day after the Relevant Date (assuming that day to have been a Payment Day (as defined in Condition 5(e))); or
- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings

income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (f) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union (other than in the United Kingdom).

All payments of principal and interest (if any) by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made in all cases subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto. Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid in respect of the Notes or Coupons with respect to any such withholding or deduction.

“**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, if the full amount of such money has not been received by the Agent or the Trustee prior to such date, or the date on which the full amount of such money having been so received by the Agent or Trustee, notice to that effect shall have been given in accordance with Condition 15.

8. PRESCRIPTION

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured to its satisfaction), (provided that, except in the case of the happening of the event mentioned in paragraph (i) below, the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer and the Guarantor (in the case of Guaranteed Notes), that the Notes are, and they shall thereby immediately become, due and repayable at their Early Redemption Amount (as described in Condition 6(e)) together with accrued interest as provided in the Trust Deed (except in the case of Zero Coupon Notes to which the provisions of Condition 6(j) apply), if any of the following events shall occur (each, following certification as aforesaid, an “**Event of Default**”) and be continuing:

- (i) the Issuer, failing whom the Guarantor (in the case of Guaranteed Notes), fails to pay the principal of any Notes within seven business days of the due date or fails to pay any interest (if any) in respect of the Notes within 14 business days of the due date and for the purposes of this paragraph (i) “**business day**” shall mean a day (other than a Saturday or a Sunday) on which commercial banks are open for business in London; or
- (ii) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes or the Trust Deed or the Guarantor (in the case of Guaranteed Notes) defaults in performance or observance of or compliance with any of its obligations under the Notes or the Trust Deed, which default is incapable of remedy or which, if capable of remedy, is not remedied to the Trustee’s satisfaction within 30 days (or such longer period as the Trustee may permit) after written notice requiring remedy of such default shall have been given to the Issuer and the Guarantor by the Trustee; or

- (iii) any indebtedness for borrowed moneys of either the Issuer, the Guarantor (in the case of Guaranteed Notes) or any Principal Subsidiary, having in any particular case an outstanding principal amount of at least £100,000,000 (or its equivalent, from time to time, in any other currency), becomes due and payable prior to its stated maturity by reason of an event of default in relation thereto or is not paid on its due date or after any applicable period of grace; or
- (iv) a distress or execution or other legal process is levied or enforced against, or an encumbrancer takes possession of, or an administrative or other receiver or an administrator is appointed of, the whole or any part (which is substantial in relation to the Guarantor and its Subsidiaries taken as a whole) of the assets or undertakings of the Issuer, the Guarantor or any Principal Subsidiary and is not stayed, removed, discharged or paid out within 30 days; or
- (v) the Issuer, the Guarantor (in the case of Guaranteed Notes) or any Principal Subsidiary is unable to pay its debts generally as they fall due or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors generally or an effective resolution is passed or an order is made for the winding up of the Issuer, the Guarantor or any Principal Subsidiary or the Issuer, the Guarantor or any Principal Subsidiary stops payment of its obligations generally or ceases to carry on its business or a part thereof which is substantial in relation to the Guarantor and its Subsidiaries taken as a whole (except in any case for the purpose of a reconstruction, union, transfer, merger or amalgamation effected with the consent of the Trustee and except, in the case of a Principal Subsidiary, for the purpose of a reconstruction, union, transfer, merger or amalgamation pursuant to which all of its property, assets and undertaking are transferred to either the Issuer, the Guarantor (in the case of Guaranteed Notes) or another Principal Subsidiary).

“**Principal Subsidiary**” is defined in the Trust Deed to mean a Subsidiary of the Guarantor whose total assets or total profits before interest payable and tax (“**Gross Profits**”) (attributable to the Guarantor) represent 10 per cent. or more of the consolidated total assets or consolidated Gross Profits (as the case may be) of the Guarantor and its Subsidiaries as reflected in the latest published audited consolidated financial statements of the Guarantor and its Subsidiaries (all as more particularly described in the Trust Deed). Total assets and total Gross Profits will, for this purpose, exclude assets and profits eliminated in the consolidation referred to in the previous sentence.

A certificate signed by any two Directors of the Guarantor or by any one Director and the Secretary of the Guarantor to the effect that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of a manifest error, be conclusive and binding on all parties.

10. **REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. **ENFORCEMENT**

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor (in the case of Guaranteed Notes) as it may think fit to enforce any obligation, condition or provision binding on the Issuer or the Guarantor (in the case of Guaranteed Notes) under the Notes or Coupons or under the Trust Deed, but shall not be bound to do so unless:

- (a) It has been so directed by an Extraordinary Resolution or in writing by the holders of at least one-quarter of the nominal amount of the Notes outstanding; and
- (b) It has been indemnified and/or secured to its satisfaction.

No Noteholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Guarantor (in the case of Guaranteed Notes) unless the Trustee, having become bound to proceed as aforesaid, fails to do so within a reasonable time and such failure is continuing.

12. INDEMNIFICATION OF TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trust Deed also contains provisions pursuant to which the Trustee is entitled inter alia, (i) to enter into business transactions with each Issuer, the Guarantor and/or any Subsidiary of the Guarantor and to act as trustee for the holders of any other securities issued or guaranteed by or relating to either Issuer, the Guarantor or any Subsidiary of the Guarantor, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series of Notes, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer was incorporated; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by another relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and, in certain limited circumstances, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further

Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

15. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or any relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative definitive Note or definitive Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent, the Trustee and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including proposals to modify by Extraordinary Resolution (as such term is defined in the Trust Deed) these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that, at any meeting the business of which includes the modification of certain material terms and conditions of the Notes and provisions of the Trust Deed (as set out therein), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-quarter, of the nominal amount of the Notes for the time being outstanding. A Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. An Extraordinary Resolution may also be effected in writing executed by or on behalf of the persons holding or representing not less than 90 per cent. of the nominal amount of the Notes for the time being outstanding. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject as provided above) of, or to any waiver or authorisation of any breach or proposed breach of any provision of the Notes or the Trust Deed or determine without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification to correct a manifest or a formal, minor or technical error or an error, which in the opinion of the Trustee is proven.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter.

The Trustee may agree (in the case of Guaranteed Notes), without the consent of the Noteholders or Couponholders, to the substitution at any time or times of (i) the Guarantor or any Successor in Business (as defined in the Trust Deed) or Holding Company (as defined in the Trust Deed) of the Guarantor, or (ii) subject to the Notes and Coupons remaining unconditionally and irrevocably guaranteed by the Guarantor or a Successor in Business or Holding Company of the Guarantor, any other company which is controlled by such guarantor, as the principal debtor under the Trust Deed and the Notes or (iii) any Successor in Business or Holding Company of the Guarantor, as guarantor under the Trust Deed and the Notes. Such agreement shall also be subject to the relevant provisions of the Trust Deed, such amendments thereof and such other conditions as the Trustee may approve or require. In the case of any proposed substitution, the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

In connection with the exercise of its powers, trusts, authorities and discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination, substitution or change of law as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided in Condition 7 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. Any matter, claim or dispute arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons, whether contractual or non contractual, is governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction*

GSK Capital Inc. has irrevocably agreed in the Trust Deed for the benefit of the Trustee, the Noteholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes

which may arise out of or in connection with the Trust Deed, the Notes and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Trust Deed, the Notes and the Coupons may be brought in such courts.

GSK Capital Inc. has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against GSK Capital Inc. in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*

GSK Capital Inc. has in the Trust Deed irrevocably and unconditionally appointed the Guarantor at its registered office for the time being as its agent for service of process, and undertakes that, in the event of its ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

Unless otherwise stated in the applicable Final Terms, the net proceeds from each issue of Notes will be used for the general purposes of the Group and such specific purposes as may be determined from time to time. If the net proceeds, in relation to a particular Tranche of Notes, will be used for anything other than making profit and/or hedging certain risks, this will be stated in the applicable Final Terms.

GLAXOSMITHKLINE CAPITAL INC.

GSK Capital Inc. was incorporated with limited liability under the laws of the State of Delaware on 9th August, 1990 with registered number 2238362. The principal objects of GSK Capital Inc. are set out in Section 3 of GSK Capital Inc.'s certificate of incorporation.

GSK Capital Inc. is a wholly owned indirect subsidiary of the Guarantor, and acts as a United States resident financing company of the Group. The purpose of GSK Capital Inc. is to raise US dollar denominated finance in the capital markets, guaranteed by GSK plc, and lend to other members of the Group.

GSK Capital Inc. is not dependent on any other member of the Group.

The principal executive office of GSK Capital Inc. is located at 1105 North Market Street, Suite 622, Wilmington, Delaware 19801, United States of America with telephone number +1 302 658 7581.

Board of Directors of GSK Capital Inc.

The members of the Board of Directors of GSK Capital Inc., none of whom have activities outside the Group significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Function in GSK Capital Inc.</u>
Simon Dingemans	Director
Adrian G. Rawcliffe	Director

The business address of each of the above Directors is 1105 North Market Street, Suite 622, Wilmington, Delaware 19801 U.S.A.

GSK Capital Inc. confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and/or other duties of the Board of Directors.

As at 31st July, 2012 (being the last practicable date at which such figures could be obtained), 1000 ordinary \$0.01 shares were in issue and fully paid. GSK Capital Inc. confirms that there has been no material change in the issued share capital since this date.

GSK Capital Inc. complies with the various requirements of the corporate governance regime of the State of Delaware and the United States.

GLAXOSMITHKLINE CAPITAL PLC

GSK Capital plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 16th May, 1988 with registered number 2258699. The principal objects of GSK Capital plc are set out in clause 4 of its memorandum of association and include carrying on business as a general commercial company.

GSK Capital plc is a wholly owned indirect subsidiary of the Guarantor, and acts as a United Kingdom resident financing company of the Group.

As of 31st December, 2011, GSK Capital plc had a net liability position of £3,204,000. As a consequence, GSK Capital plc's intermediate parent company, GlaxoSmithKline Finance plc, has provided GSK Capital plc with a letter of support, pursuant to which it has undertaken to provide financial assistance, for a period of one year from 5th September, 2012, to enable GSK Capital plc to meet its liabilities as they fall due.

Other than as described above, GSK Capital plc is not dependent on any other member of the Group.

The registered office address of GSK Capital plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom with telephone number +44 (0) 20 8047 5000.

Board of Directors of GSK Capital plc

The members of the Board of Directors and Secretary of GSK Capital plc, none of whom have activities outside the Group which are significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Function in GSK Capital plc</u>
Edinburgh Pharmaceutical Industries Limited	Director
Glaxo Group Limited	Director
Simon Dingemans	Director
Victoria A. Whyte	Secretary

The registered office address of Edinburgh Pharmaceutical Industries Limited is Shewalton Road, Irvine, Ayrshire, Scotland, KA11 5AP, United Kingdom.

The business address of Glaxo Group Limited is Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex UB6 0NN, United Kingdom.

The business address of Simon Dingemans and the Secretary is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

GSK Capital plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and/or other duties of the Board of Directors.

Board of Directors of Edinburgh Pharmaceutical Industries Limited (Corporate Director of GSK Capital plc)

The members of the Board of Directors of Edinburgh Pharmaceutical Industries Limited, a corporate director of GSK Capital plc, are as follows:

<u>Name of Director</u>	<u>Function in Edinburgh Pharmaceutical Industries Limited</u>
Glaxo Group Limited	Director
Derek Davies	Director
Simon Dingemans	Director

The registered office address of Glaxo Group Limited is Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex UB6 0NN, United Kingdom.

The business address of Derek Davies is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

The business address of Simon Dingemans is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

GSK Capital plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and or other duties of the Board of Directors of Edinburgh Pharmaceutical Industries Limited.

Board of Directors of Glaxo Group Limited (Corporate Director of GSK Capital plc)

The members of the Board of Directors of Glaxo Group Limited, a corporate director of GSK Capital plc, are as follows:

<u>Name of Director</u>	<u>Function in Glaxo Group Limited</u>
Edinburgh Pharmaceutical Industries Limited	Director
The Wellcome Foundation Limited	Director
Simon Dingemans	Director
Paul F. Blackburn	Director

The registered office address of Edinburgh Pharmaceutical Industries Limited is Shewalton Road, Irvine, Ayrshire, Scotland, KA11 5AP, United Kingdom.

The registered office address of The Wellcome Foundation Limited is Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex UB6 0NN, United Kingdom.

The business address of Simon Dingemans and Paul F. Blackburn is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

GSK Capital plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and/or other duties of the Board of Directors of Glaxo Group Limited.

Board of Directors of The Wellcome Foundation Limited (Corporate Director of Glaxo Group Limited)

The members of the Board of Directors of The Wellcome Foundation Limited, a corporate director of Glaxo Group Limited, which is itself a director of GSK Capital plc, are as follows:

<u>Name of Director</u>	<u>Function in The Wellcome Foundation Limited</u>
Edinburgh Pharmaceutical Industries Limited	Director
Glaxo Group Limited	Director
Simon Dingemans	Director

The registered office address of Edinburgh Pharmaceutical Industries Limited is Shewalton Road, Irvine, Ayrshire, Scotland, KA11 5AP, United Kingdom.

The registered office address of Glaxo Group Limited is Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex UB6 0NN, United Kingdom.

The business address of Simon Dingemans is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

GSK Capital plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and or other duties of the Board of Directors of The Wellcome Foundation Limited.

As at 31st July, 2012 (being the last practicable date at which such figures could be obtained), 100,000 ordinary £1 shares were in issue and fully paid. GSK Capital plc confirms that there has been no material change in the issued share capital since this date.

GSK Capital plc complies with the various requirements of the corporate governance regime of the United Kingdom.

GLAXOSMITHKLINE PLC

GSK plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 6th December, 1999 with registered number 3888792. The principal objects of GSK plc are not subject to any limitation or restriction in its Articles of Association and are therefore unrestricted in accordance with Section 31 Companies Act 2006.

The registered office address of GSK plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom. with telephone number +44 (0) 20 8047 5000.

GSK plc is the parent company of the Group which had sales of £27.4² billion from continuing operations in 2011.

GSK plc is not dependent on any other member of the Group.

The Group is a global healthcare group which is engaged in the creation and discovery, development, manufacture and marketing of pharmaceutical products, including vaccines, over-the-counter (OTC) medicines and health-related consumer products.

In 2011, the Group manufactured its products in 32 countries. The major markets for the Group's products are the USA, France, Japan, Germany, Italy, the U.K. and Canada. At 31st December, 2011 it employed approximately 97,389 employees.

As at 31st August, 2012 (being the last practicable date at which such figures could be obtained), of the issued share capital of GSK plc, 498,408,927 ordinary shares of 25p each were held in Treasury and 4,973,803,890 ordinary shares of 25p were in free issue. As at 31st July, 2012 (being the last practicable date at which such figures could be obtained), 45,916,174 ordinary shares of 25p each and American Depositary Shares representing a further 32,092,671 ordinary shares of 25p each were held in the Employee Share Ownership Plan Trust. GSK plc confirm that there has been no material change in the issued share capital since this date.

2. This figure has been extracted from the audited financial statements of the Group for the year ended 31st December, 2011.

BOARD OF DIRECTORS OF GLAXOSMITHKLINE PLC

The members of the Board of Directors of the GSK plc (the “**Board**”), none of whom have activities outside the Group which are significant with respect to the Group, are as follows:

Name of Director	Age	Executive/ Non-Executive	Function in Group
Executive			
Witty, Sir Andrew Philip	48	Executive	Chief Executive Officer
Dingemans, Mr. Simon	49	Executive	Chief Financial Officer
Slaoui, Dr. Moncef	53	Executive	Chairman, Research & Development
Non-Executive			
Anderson, Professor Sir Roy Malcolm	65	Non-Executive	Non-Executive Director
Burns, Dr. Stephanie Ann	57	Non-Executive	Non-Executive Director
Culp, Mr. H. Lawrence	49	Non-Executive	Non-Executive Director
Davis, Sir Crispin Henry Lamert	63	Non-Executive	Non-Executive Director and Chairman of the Remuneration Committee
Gent, Sir Christopher Charles	64	Non-Executive	Chairman, Chairman of the Nominations Committee and Chairman of the Corporate Responsibility Committee
Maughan, Sir Deryck Charles	64	Non-Executive	Non-Executive Director
Podolsky, Dr. Daniel	59	Non-Executive	Non-Executive Director
de Swaan, Mr. Tom	66	Non-Executive	Non-Executive Director and Chairman of the Audit & Risk Committee
Wilson, Sir Robert Peter	69	Non-Executive	Non-Executive Director and Senior Independent Director
Lewent, Ms. Judy Carol	63	Non-Executive	Non-Executive Director
Cartwright, Ms. Stacey Lee	48	Non-Executive	Non-Executive Director
Elsenhans, Ms. Lynn Laverty	56	Non-Executive	Non-Executive Director
Ulrich, Ms. Jing	45	Non-Executive	Non-Executive Director

GSK plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and/or other duties of the Board.

The business address for each of the above Directors is 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom.

SUMMARY FINANCIAL INFORMATION OF THE GROUP

The following summary financial information, set out on pages 87 and 88 inclusive, is extracted (without material adjustments) from the audited consolidated annual financial statements of the Group, for the years ended 31st December, 2011 and 31st December, 2010, as prepared under International Financial Reporting Standards (“IFRS”), and from the unaudited interim condensed financial information of the Group for the six-month period ended 30th June, 2012 and 30th June, 2011. The financial information presented is inclusive of the costs relating to the new Operational Excellence programme, which commenced in October, 2007. These are available as specified under the heading “Documents Available for Inspection” on pages 98 to 99.

CONSOLIDATED INCOME STATEMENT

	30th June		31st December	
	(unaudited)			
	2012	2011	2011	2010
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Turnover	13,102	13,305	27,387	28,392
Operating Profit.....	3,773	3,813	7,807	3,783
Net Finance Expense.....	(352)	(362)	(709)	(715)
Profit on disposal of interest in associates	–	584	585	8
Share of after tax profits of associates and joint ventures	10	21	15	81
Profit Before Taxation	3,431	4,056	7,698	3,157
Taxation	(722)	(1,325)	(2,240)	(1,304)
Profit After Taxation	2,709	2,731	5,458	1,853
Profit Attributable to Non-controlling interests	130	100	197	219
Profit Attributable to Shareholders	2,579	2,631	5,261	1,634
	<u>2,709</u>	<u>2,731</u>	<u>5,458</u>	<u>1,853</u>

CONSOLIDATED BALANCE SHEET

	30th June (unaudited)	31st December	
	2012	2011	2010
	<i>£m</i>	<i>£m</i>	<i>£m</i>
Non-current assets			
Property, plant, equipment and investments	10,033	9,898	10,837
Intangible assets	11,396	11,556	12,138
Other non-current assets	3,764	3,459	3,219
Total Non-Current Assets	25,193	24,913	26,194
Current assets			
Cash, cash equivalents and liquid investments	7,593	5,898	6,241
Other current assets.....	9,671	10,269	9,795
Total current assets	17,264	16,167	16,036
Total Assets	42,457	41,080	42,230
Current liabilities			
Short-term borrowings	(3,657)	(2,698)	(291)
Short-term provisions	(2,867)	(3,135)	(4,380)
Other current liabilities	(8,878)	(9,177)	(8,123)
Total Current Liabilities	(15,402)	(15,010)	(12,794)
Non-current liabilities			
Long-term borrowings	(13,574)	(12,203)	(14,809)
Other non-current liabilities	(5,685)	(5,040)	(4,882)
Total non-current liabilities.....	(19,259)	(17,243)	(19,691)
Total Liabilities	(34,661)	(32,253)	(32,485)
Net Assets	7,796	8,827	9,745
Equity			
Shareholders' equity	7,052	8,032	8,887
Non-controlling interests	744	795	858
Total Equity	7,796	8,827	9,745

TAXATION

United Kingdom Taxation

The following is only a summary of the Issuers' understanding of current United Kingdom tax law and HMRC published practice as at the date of this Prospectus relating to certain United Kingdom tax implications of investing in the Notes as they affect most investors (other than dealers in securities). It does not deal with situations where the Noteholder is not the beneficial owner of the Notes. The UK treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Persons who are unsure of their tax positions are strongly advised to consult their own professional advisers.

Interest on the Notes

1. *Notes issued by GSK plc or GSK Capital plc*

- (a) Short-term Notes. Where interest is payable on Notes which have a maturity of less than 365 days (and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of more than 364 days), the interest will not be “*yearly interest*” for the purposes of the Income Tax Act 2007 (“**ITA 2007**”) and accordingly payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax. HMRC have held a consultation on a proposal for the scope of United Kingdom withholding tax to be expanded to cover interest paid on debt with a maturity of less than 365 days. If this proposal were to be adopted, it is expected that draft legislation to give it effect would be published in Autumn 2012.
- (b) Other Notes. Interest bearing Notes will constitute “Quoted Eurobonds” within the meaning of Section 987 of the ITA 2007 while the Notes are listed on a “recognised stock exchange” within the meaning of Section 1005 of the ITA 2007 (the London Stock Exchange is such a “*recognised stock exchange*”). Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Payments of interest on such Notes as fall outside the scope of paragraph (a) above, but which are Quoted Eurobonds, may be made without withholding or deduction for or on account of United Kingdom income tax irrespective of whether the Notes are in global form or in definitive form. In other cases an amount must generally be withheld on account of United Kingdom income tax at the basic rate (currently 20 per cent.) from payments of interest on such Notes as fall outside the scope of paragraph (a) above, subject (i) to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty or (ii) to the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances specified in Sections 933 to 937 of the ITA 2007.

Where a Noteholder is associated with the Issuer, resident in a Member State of the EU, beneficially entitled to the interest and entitled in practice to the benefit of the European Council Directive 2003/49/EC, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax.

2. *Notes issued by GSK Capital Inc.*

Payments of interest on Notes issued by GSK Capital Inc. may be made without withholding or deduction for or on account of United Kingdom income tax.

3. *HMRC information gathering powers in relation to GSK plc, GSK Capital plc and GSK Capital Inc.*

Noteholders may wish to note that HMRC has power to obtain information (including the name and address of the beneficial owner of the interest or the amount payable on redemption) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual, or who either pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of such amounts payable on redemption of such Notes where such amounts are paid on or before 5th April, 2013. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authority of the jurisdiction in which the Noteholder is resident for tax purposes.

4. *Further United Kingdom income tax issues for interest on Notes issued by GSK plc or GSK Capital plc*

Interest on the GSK plc and GSK Capital plc Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even when paid without withholding subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation through a branch or agency in the United Kingdom in connection with which the interest is received or to which the Notes are attributable (and where the Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

5. *United Kingdom corporation tax payers*

In general Noteholders which are within the charge to United Kingdom corporation tax in respect of Notes will be charged to tax and obtain relief as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

6. *Other United Kingdom tax payers*

Taxation of chargeable gains

A disposal of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains, unless the Notes constitute “qualifying corporate bonds” within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992. There are provisions to prevent any particular gain (or loss) from being charged (or relieved) at the same time under these provisions and also under the provisions of the “accrued income scheme” described below.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the “*accrued income scheme*” if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

Taxation of discount

If the Notes constitute “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005, individual Noteholders who are within the scope of United Kingdom income tax will be liable to United Kingdom income tax on any gain made on the sale or other disposal (including redemption) of the Notes but such Noteholder will not be able to claim relief from income tax in respect of costs incurred on the acquisition, transfer or redemption, or losses incurred on the transfer or redemption, of the Notes.

EU Savings Directive

Under European Union Council Directive 2003/48/EC on the taxation of savings income (the “**EU Savings Directive**”), each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

U.S. Taxation

Circular 230 Legend

Any discussions of U.S. federal tax matters set forth in this Prospectus were written in connection with the promotion and marketing by the Issuers and Dealers of the transactions described in this Prospectus. Such discussions were not intended or written to be legal or tax advice to any person and were not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax-related penalties that may be imposed on such person. Each person considering an investment in the Notes should seek advice based on its particular circumstances from an independent tax advisor.

Discussion

The following summary describes the material federal income and estate tax consequences of the ownership of Notes issued by GSK Capital Inc. by a “**Non-U.S. person**” (as defined below). This summary does not discuss all of the tax consequences that may be relevant to a Non-U.S. person in light of his or her particular circumstances. Under present United States federal income and estate tax law, and subject to the discussion below concerning information reporting, backup withholding and FATCA:

- (a) payments of principal of and interest in respect of the Notes by GSK Capital Inc. or any of its Paying Agents to any Non-U.S. person will not be subject to withholding of United States income tax, provided, however, that in the case of payments made after 31st December, 2013 on Notes issued after 18th March, 2012 (or 31st December, 2012, if extended by Proposed Treasury Regulation) (and not materially modified thereafter), each foreign financial institution

(including the Paying Agent through which the Notes are held or through which payments on the Notes are made) has entered into an agreement with the U.S. government to collect and provide to the IRS information about its direct and indirect U.S. accountholders and investors, and the holder has provided any required information and certifications to such foreign financial institution or to GSK Capital Inc., as may be required;

- (b) a holder of a Note or Coupon who is a Non-U.S. person will not be subject to United States federal income tax on any gain realised on the sale, exchange or redemption of a Note or Coupon unless (i) such gain is effectively connected with a trade or business of such holder in the United States or (ii) in the case of certain Non-U.S. persons who are individuals and hold the Note or Coupon as a capital asset, such individuals are present in the United States for 183 or more days in the taxable year of such sale, exchange or redemption and certain other conditions are satisfied; and
- (c) a Note or Coupon held by an individual who at the time of death is not a citizen or resident (as specifically defined for United States federal estate tax purposes) of the United States will not be subject to United States federal estate tax as a result of such individual's death, if at the time of death the individual did not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of GSK Capital Inc. entitled to vote, unless such individual held the Note or Coupon in connection with a United States trade or business.

The conclusions expressed in sections (a) through (c) above may not apply to certain Notes providing for the payment of contingent interest described in section 871(h)(4) of the Code (relating primarily to interest based on or determined by reference to income, profits, cash flow and other comparable attributes of the obligor or a party related to the obligor). The Final Terms issued in respect of any Notes providing for the payment of contingent interest as defined in section 871(h)(4) of the Code to which the conclusions set forth in (a) through (c) above do not apply will describe the principal United States federal income tax consequences arising from holding an interest in such Notes.

A holder of Notes that is a Non-U.S. person and whose income from the Notes is effectively connected with such holder's conduct of a United States trade or business will generally be taxed in the same manner as a United States person (as defined below). Such Non-U.S. persons should consult their own tax advisors in this regard.

Certain payments to non-corporate persons of interest on and principal of obligations, and of the proceeds of the sale of obligations, are subject to information reporting and may be subject to backup withholding. Under current United States federal income tax laws and regulations, payments of interest on a Note made outside the United States by GSK Capital Inc. or any of its Paying Agents will not be subject to information reporting or backup withholding. In addition, backup withholding and information reporting will not apply to principal payments upon the redemption or retirement of the Notes, or proceeds from the sale of the Notes or Coupons, provided that (a) in the case of a sale, such sale was effected at an office outside the United States, and (b) such payment was made, or collected on behalf of another person, by a person (including a nominee, agent, or custodian of the beneficial owner) that is not a U.S. payor or U.S. middleman. For these purposes, a person will not be a "U.S. payor" or "U.S. middleman" unless such person is (i) a United States person, (ii) a foreign branch of a United States person, (iii) a controlled foreign corporation as to the United States, (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons (as defined in Treasury regulations) who in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership or if, at any time during its tax year, such foreign partnership is engaged in a United States trade or business, (v) a Non-U.S. person if 50 per cent. or more of its gross income from all sources for the three-year period preceding payment was effectively connected with the conduct of a United States trade or business, or (vi) a U.S. branch of a foreign bank or a foreign insurance company. Moreover, backup withholding and information reporting will not apply to payments in redemption or retirement of a Note if the redemption or retirement is effected by GSK Capital Inc. or any of its Paying Agents at the foreign office of a person that is not acting as a custodian, nominee or other agent of the holder of Note. Information reporting and backup withholding generally will apply to payments of proceeds from the sale of a Note or Coupon that is not described in the preceding paragraph unless the payor

has documentary evidence, generally on IRS Form W-8BEN, in its records that the beneficial owner is not a United States person and certain conditions are met, or the beneficial owner otherwise establishes an exemption.

The accuracy of the above statement depends on GSK Capital Inc. having in effect procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling the Notes are aware that the Notes cannot be offered, delivered or sold during the restricted period to a person who is within the United States or who is a United States person. As used in this section, “**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; “**United States person**” means any citizen or resident of the United States, a corporation, partnership or other entity organised in or under the laws of the United States, any state thereof or the District of Columbia and an estate the income of which is subject to United States federal income taxation regardless of its source and a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) one or more United States persons have the authority to control all substantial decisions of the trust; and a “**Non-U.S. person**” means any person other than a United States person.

For purposes of applying the rules set forth under this heading “U.S. Taxation” to an entity that is treated as fiscally transparent (e.g. a partnership) for U.S. federal income tax purposes, the beneficial owner means each of the ultimate beneficial owners of the entity.

Foreign Account Tax Compliance

FATCA will generally impose a withholding tax of 30 per cent. on U.S. source interest income (including original issue discount) from, and the gross proceeds from a disposition of, debt obligations producing U.S. source interest paid to a foreign financial institution (whether such foreign financial institution is the beneficial owner or an intermediary), unless such foreign financial institution enters into an agreement with the IRS to collect and provide to the IRS substantial information regarding certain U.S. account holders of such institution (which would include certain account holders that are foreign entities with U.S. owners). In addition, FATCA will generally impose a withholding tax of 30 per cent. on U.S. source interest income (including original issue discount) from, and the gross proceeds from a disposition of, debt obligations that produce U.S. source interest paid to a non-financial foreign entity (whether such foreign financial institution is the beneficial owner or an intermediary) unless such non-financial foreign entity provides the withholding agent with certain certifications or information relating to U.S. ownership of the entity. Under certain circumstances, such foreign persons might be eligible for refunds or credits of such taxes. These rules apply to debt instruments issued after 18th March, 2012. Under IRS guidance, these rules generally would apply to payments of U.S. source interest (including original issue discount) made after 31st December, 2013 and payments of gross proceeds from a disposition of debt obligations that produce U.S. source interest made after 31st December, 2014. However, under recently issued Proposed Treasury Regulations, these withholding and reporting requirements will generally not apply to payments made on, or gross proceeds from a disposition of, debt obligations issued prior to 1st January, 2013 or to certain debt obligations with a maturity of 183 days or less. There can be no assurance as to whether these Proposed Treasury Regulations will be adopted in final form and, if so adopted, what form the Proposed Treasury Regulations will take. Noteholders will not be entitled to receive any Additional Amounts in the event that payments on the Notes are subject to withholding under FATCA. Prospective investors should consult their own tax advisors regarding the application of FATCA to the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 5th September, 2012 (the “**Programme Agreement**”), agreed with each Issuer and (in the case of Guaranteed Notes) the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons or persons within the U.S. or its possessions. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons or persons within the United States or its possessions. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent

authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Public Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (in the case of Guaranteed Notes); and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and

regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor (in the case of Guaranteed Notes) nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor (in the case of Guaranteed Notes) and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of GSK Capital Inc. dated 20th November, 2001 and a resolution of the Board of Directors of GSK Capital plc dated 15th November, 2001. The participation in the Programme of GSK plc as an Issuer has been duly authorised by a resolution of the Corporate Administration & Transactions Committee of GSK plc dated 5th May, 2004. The giving of the Guarantee and update of the Programme have been duly authorised by a resolution of the Board of Directors of the Guarantor dated 20th September, 2001. The increases in Programme size have been duly authorised by resolutions of (i) the Board of Directors of GSK Capital plc dated 27th March, 2006 and 21st July, 2009, (ii) the Board of Directors of GSK Capital Inc. dated 27th March, 2006 and 24th July, 2009; and (iii) the Board of Directors of GSK plc dated 29th September, 2005 and 9th July, 2009.

Listing of Notes

The listing of Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The listing of the Programme in respect of Notes is expected to be granted on or about 7th August, 2012. Application is expected to be made for Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to trading on the London Stock Exchange's Regulated Market and to be admitted to the Official List.

Yield

The yield for any particular Series of Notes will be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. Set out below is an example formula for the purposes of calculating the yield of Fixed Rate Notes or Zero Coupon Notes. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.

$$\text{Issue Price} = \text{Rate of Interest}^* \frac{1 - \left(\frac{1}{(1 + \text{Yield})^n} \right)}{\text{Yield}} + \left[\text{Final Redemption Amount}^* \frac{1}{(1 + \text{Yield})^n} \right]$$

Where:

“Rate of Interest” means the Rate of Interest expressed as a percentage as specified in the applicable Final Terms and adjusted according to the frequency (and in the case of Zero Coupon Notes, means “0”) i.e. for a semi-annual paying Note, the rate of interest is half the stated annualised rate of interest in the Final Terms;

“Yield” means the yield to maturity calculated on a frequency commensurate with the frequency of interest payments as specified in the applicable Final Terms (and in the case of Zero Coupon Notes, means Accrual Yield as specified in the applicable Final Terms); and

“n” means the number of interest payments to maturity.

Set out below is a worked example illustrating how the yield on a Series of Fixed Rate Notes could be calculated on the basis of the above formula. It is provided for purposes of illustration only and should not be taken as an indication or prediction of the yield for any Series of Notes; it is intended merely to illustrate the way which the above formula could be applied.

Where:

N = 6

Rate of Interest = 3.875%

Issue Price = 99.392

Final Redemption Amount = 100

$$99.392 = 3.875 * \frac{1 - \left(\frac{1}{(1 + \text{Yield})^6} \right)}{\text{Yield}} + \left[100 * \frac{1}{(1 + \text{Yield})^6} \right]$$

Yield = 3.99% (calculated by iteration)

The yield specified in the applicable Final Terms in respect of a Series of Notes will not be an indication of future yield.

Pricing

The price at which any Series of Notes will be offered will be established by the relevant Issuer and relevant Dealer(s) on or before the applicable Issue Date of the relevant Series of Notes in accordance with prevailing market conditions and will be disclosed in the applicable Final Terms. The Issue Price of the Notes of any Series may be less than, equal to or greater than the par value of the relevant Notes.

Expenses

The amount of any expenses and/or taxes (if any) specifically charged to any subscriber or purchaser of the Notes of any Series will be disclosed in the applicable Final Terms.

Documents Available for Inspection

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection at the registered offices of the Issuers and from the specified office of the Paying Agent for the time being in London:

- (i) the constitutional documents of the Issuers;
- (ii) the consolidated financial statements of the Group in respect of the financial years ended 31st December, 2011 and 31st December, 2010, in each case together with the audit reports prepared in connection therewith;
- (iii) a copy of the documents listed at (b) to (m) on page 7;
- (iv) the most recently available audited consolidated annual financial statements of the Group, in each case together with the audit reports prepared in connection therewith and the most recently available unaudited interim condensed financial information (if any) of the Group;
- (v) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (vi) a copy of this Prospectus;
- (vii) any future offering circulars, prospectuses, information memoranda, supplements and including Final Terms (save that Final Terms relating to an unlisted Note, which is neither listed nor admitted to trading on a market, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent (as listed on the back cover of this Prospectus) as to its holding of such Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference; and

- (viii) in the case of each issue of Notes admitted to trading on the London Stock Exchange's Regulated Market and subscribed pursuant to a subscription agreement or equivalent document, such agreement.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 3 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of GSK plc and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 30th June, 2012 and there has been no material adverse change in the prospects of GSK plc and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 31st December, 2011.

Litigation

Save as disclosed in Note 14 "*Taxation*" to the financial statements set out on pages 158 to 160 of the Group's Annual Report 2011, in "*Legal proceedings*" set out on pages 208 to 215 of the Group's Annual Report 2011 and "*Legal Matters*" set out on page 38 and "*Taxation*" set out on page 39 of the June Interim 2012 Financial Information (which is incorporated by reference herein), there are no governmental, legal or arbitration proceedings, including any which are pending or threatened, of which the Issuers or the Guarantor are aware, which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of any of GSK plc and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group. As at 31st December, 2011, the Group had £2.8 billion of provisions for legal and other disputes and other matters, including amounts relating to U.S. antitrust, product liability, contract terminations, self-insurance, environmental clean-up and property rental but excluding tax matters disclosed in Note 14 "*Taxation*" to the financial statements set out on pages 158 to 160 of the Group's Annual Report 2011 and in "*Taxation*" set out on page 39 of the June Interim 2012 Financial Information. Legal provisions are disclosed in detail in Note 29 "*Other provisions*" to the financial statements set out on pages 177 and 178 of the Group's Annual Report 2011.

Auditors

The auditors of GSK plc and GSK Capital plc are PricewaterhouseCoopers LLP, a member firm of the Institute of Chartered Accountants of England and Wales, of 1 Embankment Place, London, WC2N 6RH, United Kingdom (the "**Auditors**"), who have audited without qualification, in accordance with International Standards on Auditing (UK and Ireland) the accounts of GSK plc and GSK Capital plc for the financial years ended 31st December, 2011 and 2010. The Auditors have given and not withdrawn their consent to the inclusion in this Prospectus of the Auditors' report on the special purpose financial information of GSK Capital plc for the financial years ended 31st December, 2011 and 31st December, 2010 set out on pages A-3 to A-5 of Annex 1 to this Prospectus in the form and context in which it appears.

The audit report of GSK plc in respect of the financial years ended 31st December, 2011 and 31st December, 2010 contained a statement that the report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. The audit work was undertaken so that the Auditors could state to GSK plc's members those matters which they are required to state in their auditors' report and for no other purpose. To the fullest extent permitted by law, they do not accept or assume

responsibility to anyone other than GSK plc and the company's members as a body, for their audit work, for their report, or for the opinions they have formed.

The statement is recommended in updated guidance (Updated on Audit 01/03) issued by the Institute of Chartered Accountants in England and Wales for inclusion in all audit reports produced by audit firms under sections 495, 496 and 497 of Chapter 3 of Part 16 of the Companies Act 2006.

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors or such other expert.

The financial information included herein does not constitute statutory accounts of GSK plc or GSK Capital plc within the meaning of Section 434 of the Companies Act 2006. Statutory consolidated accounts relating to each financial year to which such financial information relates have been delivered to the Registrar of Companies in England and Wales. The Auditors have made reports under Chapter 3 of Part 16 of the Companies Act 2006 on such statutory accounts without qualification.

ANNEX 1
SPECIAL PURPOSE FINANCIAL INFORMATION OF GLAXOSMITHKLINE CAPITAL PLC

GlaxoSmithKline Capital plc

Special purpose financial information of GlaxoSmithKline Capital plc

**for the financial years ended 31 December 2010 and 31 December 2011
together with an accountants' report prepared in connection therewith.**

GlaxoSmithKline Capital plc

**Special purpose financial information of GlaxoSmithKline Capital plc
for the financial years ended 31 December 2010 and 31 December 2011
together with an accountants' report prepared in connection therewith.**

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GlaxoSmithKline Capital plc

Independent accountants' report

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 September 2012



The Directors
GlaxoSmithKline Capital plc
980 Great West Road
Brentford
Middlesex TW8 9GS

5 September 2012

Dear Sirs

GlaxoSmithKline Capital plc

We report on the financial information set out on pages A-6 to A-19 (the “**Financial Information**”). The Financial Information has been prepared for inclusion in the prospectus dated 5 September 2012 (the “**Prospectus**”). The Financial Information as at and for the year ended 31 December 2011 and 2010 of GlaxoSmithKline Capital plc (the “**Company**”) has been prepared on the basis of the accounting policies set out in note 1 to the Financial Information. This report is required by item 13.1 of Annex IV to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information on the basis of preparation set out in note 1 to the Financial Information.

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.4R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with item 13.1 of Annex IV to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7822 4652, www.pwc.co.uk*

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Services Authority for designated investment business.



We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Prospectus dated 5 September 2012, a true and fair view of the state of affairs of the Company as at 31 December 2011 and 2010 and of its profits and cash flows and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in note 1 to the Financial Information.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex IV to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants

GlaxoSmithKline Capital plc

Profit and loss account

for the financial years ended 31 December 2010 and 31 December 2011

	Notes	2011 £'000	2010 £'000
Operating (loss) / profit	3	(403)	476
Interest receivable and similar income	4	418,846	409,623
Interest payable and similar charges	5	(414,791)	(406,631)
Net interest receivable		4,055	2,992
Profit on ordinary activities before taxation		3,652	3,468
Tax on profit on ordinary activities	6	(1,002)	(992)
Profit for the financial year	11	2,650	2,476

The results disclosed above relate entirely to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

GlaxoSmithKline Capital plc

**Statement of total recognised gains and losses
for the financial years ended 31 December 2010 and 31 December 2011**

	Notes	2011 £'000	2010 £'000
Profit for the financial year		2,650	2,476
Cash flow hedge reserve recycled to profit and loss account	11	194	411
Total recognised gains relating to the year		2,844	2,887

GlaxoSmithKline Capital plc

Balance sheet

for the financial years ended 31 December 2010 and 31 December 2011

	Notes	2011 £'000	2010 £'000
Debtors: amounts due after one year	7	5,619,158	8,262,755
Debtors: amounts due within one year	7	2,651,519	136,617
Debtors	7	8,270,677	8,399,372
Cash at bank and in hand		4	4
Current assets		8,270,681	8,399,376
Creditors: amounts falling due within one year	8	(2,633,323)	(134,716)
Net current assets		5,637,358	8,264,660
Total assets less current liabilities		5,637,358	8,264,660
Creditors: amounts falling due after more than one year	8	(5,640,562)	(8,270,708)
Net liabilities		(3,204)	(6,048)
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	3,725	1,075
Cash flow hedge reserve	11	(7,029)	(7,223)
Total shareholders' deficit	12	(3,204)	(6,048)

The special purpose financial information on pages A-6 to A-19 was approved by the Board of Directors on 5 September 2012 and were signed on its behalf by:

P Blackburn
For and on behalf of Glaxo Group Limited
Corporate Director

GlaxoSmithKline Capital plc

Cash flow statement

for the financial years ended 31 December 2010 and 31 December 2011

	Notes	2011 £'000	2010 £'000
Net cash outflow from operating activities	14	(2)	(1)
Returns on investments and servicing of finance			
Interest paid		(408,504)	(400,208)
Interest received		420,709	411,766
Net cash inflow from returns on investments and servicing of finance		12,205	11,558
Financing			
Decrease in borrowings due within one year		(12,203)	(11,557)
Net cash outflow from financing		(12,203)	(11,557)
Movement in cash in the period		-	-
Reconciliation of net cash flow to movement in net debt			
Movement in cash in the period		-	-
Cash inflow from amounts owed by Group companies	15	12,203	841
Changes in net debt resulting from cash flows		12,203	841
Foreign currency translation differences	15	(293)	511
Amortisation of bond issue costs	15	(7,896)	(8,061)
Movement in net debt for the year		4,014	(6,709)
Net debt as at 1 January		(7,949)	(1,240)
Net debt as at 31 December		(3,935)	(7,949)

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

1 Accounting policies

The principal accounting policies adopted in the preparation of this special purpose financial information are set out below. In addition, GlaxoSmithKline Capital plc ("the Company") has taken advantage of the exemption within FRS 29, 'Financial Instruments: Disclosure' from the disclosure requirements of this standard on the basis that the Company's results are included in the publicly available consolidated financial statements of the GlaxoSmithKline Group of companies ("the Group") which include disclosures that comply with IFRS 7, 'Financial Instruments: Disclosures', which is equivalent to FRS 29.

(a) Basis of accounting

This special purpose financial information have been prepared on the going concern basis, due to ongoing support from the intermediate parent undertaking, GlaxoSmithKline Finance plc, under the historical cost convention, the accounting policies set out below, which have been applied consistently, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards.

(b) Going concern

The Directors believe that preparing this special purpose financial information on the going concern basis is appropriate due to the continued financial support of the intermediate parent company GlaxoSmithKline Finance plc. The Directors have received confirmation that GlaxoSmithKline Finance plc intend to support the Company for at least one year from the date of the special purpose financial information. For this reason, they continue to adopt the going concern basis in preparing the special purpose financial information.

(c) Foreign currency transactions

Foreign currency transactions are booked in local currency at the foreign exchange rate ruling on the date of the transaction, or at the foreign exchange forward rate if hedged by a foreign exchange forward contract. Foreign currency monetary assets and liabilities are translated into local currency at foreign exchange rates ruling at the balance sheet date, or at the forward rate. Foreign exchange differences are included in operating profit or loss.

(d) Dividends paid and received

Interim dividends paid and received are included in the profit and loss account in the year in which the related dividend is actually paid or received. Final dividends are recorded in the profit and loss account upon shareholder approval.

(e) Interest

Interest receivable and similar income and interest payable and similar charges are recognised on an accruals basis.

(f) Bond expenses

Bond expenses are included as a component of the debt principal and are amortised using the effective interest rate over the term of the debt.

(g) Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

(h) Debt instruments

Debt instruments are stated at the amount of net proceeds adjusted to amortise the finance cost of debt using the effective interest rate method over the term of the debt, and for movements in the fair value of the bond, where hedge accounting is applicable.

(i) Taxation

Current tax is provided at the amounts expected to be paid, applying tax rates that have been enacted or substantively enacted by the balance sheet date.

The Company accounts for taxation which is deferred or accelerated by reason of timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are recognised as recoverable when it is regarded as more likely than not that there will be suitable taxable profits against which to recover the deferred tax assets.

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax liabilities and assets are not discounted.

2 Treasury policy

Corporate Treasury policies noted below are those operated by GlaxoSmithKline Capital plc.

The Company's role in managing the Group's objectives is primarily to manage the Group's external funding requirements and the resulting financial risk.

(a) Treasury

The Company's ultimate parent undertaking, GlaxoSmithKline plc, is a UK-based business, reporting in Sterling and paying dividends out of Sterling profits.

The role of Corporate Treasury in the Group is to manage and monitor the Group's external and internal funding requirements and financial risks in support of the Group's strategic objectives. Treasury activities are governed by policies and procedures approved by the Board of Directors of the Group (most recently on 11 July 2012) and monitored by the Treasury Management Group (TMG), chaired by the Chief Financial Officer of GlaxoSmithKline plc. The Group maintains Treasury control systems and procedures to monitor foreign exchange, interest rate, liquidity, credit and other financial risks.

(b) Liquidity

The Group centrally manages cash reserves in order to meet anticipated funding requirements. The cash flow forecast and funding requirements are monitored by the TMG on a monthly basis. During 2011, the Group's cash balances relative to the net debt portfolio was reviewed, including the sources of debt in order to improve the efficiency of the Group's balance sheet. The Group's aim is to reduce the effective cost of funding by maintaining lower levels of cash and diversifying the sources of funding under the current low interest rate environment.

(c) Treasury operations

The objective of Treasury activity is to manage the post-tax net cost/income of financial operations to the benefit of Group earnings. The Company does not operate as a profit centre.

The Group uses a variety of financial instruments, including derivatives, to finance its operations and to manage market risks from those operations. These derivative instruments, principally comprising forward foreign currency contracts, interest rate and currency swaps, are used by Corporate Treasury to swap borrowings and liquid assets into the currencies required for Group purposes and to manage exposure to funding risks from changes in foreign exchange rates and interest rates.

The Group balances the use of borrowings and liquid assets having regard to:

- the cash flow from operating activities and the currencies in which it is earned;
- the tax cost of intra-group distributions;
- the currencies in which business assets are denominated; and
- the post-tax cost of borrowings compared to the post-tax return on liquid assets.

Liquid assets surplus to the immediate operating requirements of Group companies are invested and managed centrally by Corporate Treasury. Requirements of Group companies for operating finance are met whenever possible from central resources.

External borrowings are managed by Corporate Treasury which comprise a portfolio of long and medium-term instruments in addition to short-term finance.

The Group does not hold or issue derivative financial instruments for trading purposes and the Group's Treasury Policies specifically prohibit such activity. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities, not for speculation.

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

(d) Counterparty and Maturity risk

The Group's policy on counterparty risk management is to work with a select group of relationship banks. Counterparty limits are assigned to each of the Group's banking and investment counterparties based on long-term credit ratings from Moody's and Standard and Poor's, which are monitored daily and independently by the Corporate Compliance Officer (CCO). A full counterparty analysis is presented to the TMG annually for approval.

The Group manages its net borrowing requirement through a portfolio of long and medium-term borrowings, including bonds and have also used short-term finance through a US commercial paper programme.

The Group has a Euro Medium Term Note programme of £15 billion, of which £8.2 billion was in issue as at 31st December 2011 and a US shelf registration statement, of which \$10 billion (£6.5 billion) was in issue as at 31st December 2011. The TMG monitors the cash flow forecast and funding requirement of the Group on a monthly basis. The Group's borrowings mature at dates between 2012 and 2042.

(e) Interest rate risk management

The Group's policy on interest rate risk management requires that the amount of net borrowings at fixed rates increases with the ratio of forecast net interest payable to Group trading profit. At 31st December 2011, £nil (31st December 2010: £nil) of the Company's net borrowings were exposed to floating interest rates after the effects of hedging.

(f) Foreign exchange risk management

The Group seeks to denominate borrowings in the currencies of its principal assets and cash flows. These are primarily denominated in US dollars, Euros and Sterling. Certain borrowings are swapped into other currencies as required for Group purposes.

(g) Capital management

The Group's capital structure is managed through an appropriate mix of debt and equity aimed to maximise returns to shareholders, whilst monitoring credit ratings that ensure flexibility and access to debt capital markets on attractive terms.

3 Operating (loss) / profit

	2011 £'000	2010 £'000
The following items have been charged in operating (loss) / profit:		
Exchange (losses) / gains on foreign currency transactions	(293)	511
Management fee	(41)	(35)

GlaxoSmithKline Services Unlimited provides various services and facilities to the Company including finance and administrative services for which a management fee is charged. Included in the management fee is a charge for auditor remuneration of £31,006 (2010: £30,103).

4 Interest receivable and similar income

	2011 £'000	2010 £'000
On loans with Group undertakings	418,846	409,623

5 Interest payable and similar charges

	2011 £'000	2010 £'000
Cash flow hedge recycling from equity	(194)	(411)
Interest on European Medium Term Notes	(406,699)	(398,159)
Amortisation of bond expenses	(7,898)	(8,061)
	(414,791)	(406,631)

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

6 Tax on profit on ordinary activities

	2011	2010
	£'000	£'000
Tax charge based on profits for the financial year		
Current tax:		
UK corporation tax at 26.5% (2010: 28%)	853	850
Over provision in previous years	-	(1)
Total current tax	853	849
Deferred tax:		
Origination and reversal of timing differences	106	121
Change in tax rate - impact on deferred tax	43	22
Total deferred tax	149	143
Tax on profit on ordinary activities	1,002	992

The tax assessed for the year is lower (2010: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2011 of 26.5% (2010: 28%). The differences are explained below:

	£'000	£'000
Reconciliation of current tax charge		
Profit on ordinary activities at the UK statutory rate 26.5% (2010: 28%)	968	971
Effects of:		
Permanent Disallowables - interest treated as paid by ultimate parent	109,891	113,857
Permanent Deductions - Group relief received for no payment	(109,891)	(113,857)
Adjustments to tax charge in respect of previous years	-	(1)
Other timing differences	(115)	(121)
Current tax charge for the year	853	849

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and hence the effect of the change on the deferred tax balances has been included in the figures above.

On 23 March 2011 the Chancellor announced an additional 1% reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. The effect of the change would create an additional adjustment of approximately £22,000. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

Legislation to further reduce the main rate of corporation tax from 26 per cent to 25 per cent from 1 April 2012 was included in the Finance Act 2011. The effect of this reduction, if applied to the deferred tax balance at 31 December 2010, would be to reduce the deferred tax asset by approximately £22,000. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

On 21 March 2012 the Chancellor announced a further reduction in the main rate of UK corporation tax to 24 per cent with effect from 1 April 2012. The effect of this reduction, if applied to the deferred tax balance at 31 December 2010, would be to reduce the deferred tax asset by approximately £21,000. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 22 per cent by 1 April 2014. These changes have not yet been substantively enacted and are not reflected in the figures above. The effect of the further reductions from 24 per cent to 22 per cent, if these were applied to the deferred tax balance at 31 December 2010, would be to reduce the deferred tax asset by approximately £43,000.

The prior period adjustments are in respect of various periods and arise from revision during the year of management's estimates, and the subsequent amendments to UK group loss utilisation and payment allocation.

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

7 Debtors

	2011 £'000	2010 £'000
Amounts due within one year		
Amounts owed by Group undertakings	2,651,088	136,037
Deferred tax (see Note 9)	431	580
	2,651,519	136,617
Amounts due after more than one year		
Amounts owed by Group undertakings	5,619,158	8,262,755
	8,270,677	8,399,372

Amounts owed by Group undertakings include net proceeds of bond issuances that have been advanced as loans totalling £8,089,205,000 (2010: £8,228,764,000). These are unsecured with interest charged at between 3.2% and 6.5% per annum and repayable at maturity dates between 2012 and 2042.

8 Creditors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Amounts owed to Group undertakings	2,574	-
Tax	853	850
Accruals and deferred income	132,129	133,866
European Medium Term Notes	2,497,767	-
	2,633,323	134,716
Amounts falling due after one year		
European Medium Term Notes	5,640,562	8,270,708
	8,273,885	8,405,424

The tax creditor contains amounts which will be paid to fellow Group companies.

Accruals and deferred income relates to accrued interest payable on European Medium Term Notes.

Debt is unsecured and there are no debt covenants in relation thereto.

Loans due after one year are repayable over various periods as follows:

	2011 £'000	2010 £'000
Between one and two years	-	2,558,872
Between two and five years	1,326,270	1,358,208
After five years	4,314,292	4,353,628
	5,640,562	8,270,708

The loans repayable within one year are denominated in Euros and have an interest rate of 3% and 5.125%, with repayment dates of 18th June 2012 and 13th December 2012 respectively.

The loan repayable between two and five years is denominated in Euros and carries an interest rate of 3.875% with a repayment date of 6th July 2015.

Loans repayable in Euros after five years have an interest rate of 5.625% and 4%, with repayment dates of 13th December 2017 and 16th June 2025 respectively. Sterling loans repayable after five years have an interest rate of 5.25%, 6.375% and 5.25% with repayment dates of 19th December 2033, 9th March 2039 and 10th April 2042 respectively.

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

9 Deferred tax asset

	2011 £'000	2010 £'000
Short term timing differences	431	580
	431	580
Deferred tax asset	2011 £'000	2010 £'000
At 1st January	580	723
Charge for the year	(106)	(121)
Change in tax rate - impact on deferred tax	(43)	(22)
At 31st December	431	580

10 Called up share capital

At 31st December 2011	2011 Number of Shares	2010 Number of Shares	2011 £'000	2010 £'000
Authorised				
Ordinary Shares of £1 each (2010: £1 each)	100,000	100,000	100	100
Issued and fully paid				
Ordinary Shares of £1 each (2010: £1 each)	100,000	100,000	100	100

11 Reserves

At 31st December 2011	Profit and Loss Account £'000	Cash Flow Hedge Reserve £'000	Total Reserves £'000
At 1st January 2011	1,075	(7,223)	(6,148)
Profit for the financial year	2,650	-	2,650
Movement in cash flow hedge reserve	-	194	194
At 31st December 2011	3,725	(7,029)	(3,304)
At 31st December 2010			
	Profit and Loss Account £'000	Cash Flow Hedge Reserve £'000	Total Reserves £'000
At 1st January 2010	(1,401)	(7,634)	(9,035)
Profit for the financial year	2,476	-	2,476
Movement in cash flow hedge reserve	-	411	411
At 31st December 2010	1,075	(7,223)	(6,148)

The cash flow hedge reserve relates to the cumulative fair value changes of derivatives representing pre-hedging of debt-issuances. The reserve is amortised over the life of the subsequently issued bonds.

12 Reconciliation of movements in shareholders' deficit

	2011 £'000	2010 £'000
Profit for the financial year	2,650	2,476
Movement in cash flow hedge reserve	194	411
Net reduction in shareholders' deficit	2,844	2,887
Opening shareholders' deficit	(6,048)	(8,935)
Closing shareholders' deficit	(3,204)	(6,048)

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

13 Financial instruments and related disclosures

Policies

Treasury Policies are detailed in Note 2.

Foreign exchange risk management

At the end of the year the Company had no cross currency swaps (2010: no cross currency swaps) in place in respect of foreign currency medium-term debt instruments.

Concentrations of credit risk and credit exposures financial instruments

The Company does not believe it is exposed to major concentrations of credit risk. The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments, but does not expect any counterparties to fail to meet their obligations. The Company applies GlaxoSmithKline plc Board approved limits to the amount of credit exposure to any one counterparty and employs strict minimum credit worthiness criteria as to the choice of counterparty.

Fair value of financial assets and liabilities

The table below presents the carrying amounts and the fair values of the Company's financial assets and liabilities at 31st December 2011 and 31st December 2010.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values shown below:

- Cash at bank – approximates to the carrying amount;
- Short-term loans and overdrafts – approximates to the carrying amount because of the short maturity of these instruments;
- Medium-term loans – market value based on quoted market prices in the case of European Medium Term Notes and other fixed rate borrowings, approximates to the carrying amount in the case of floating rate bank loans and other loans;
- Debtors and creditors – approximates to the carrying amount.

The following table sets out the classification of financial assets and liabilities per the Balance Sheet.

	2011		2010	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash at bank and in hand	4	4	4	4
Amounts owed by Group undertakings	8,134,390	8,134,390	8,262,755	8,262,755
Current asset financial instruments	8,134,394	8,134,394	8,262,759	8,262,759
Sterling notes and bonds	(2,661,168)	(3,341,254)	(2,659,627)	(2,854,922)
Euro notes and bonds	(5,477,161)	(5,925,991)	(5,611,081)	(5,989,003)
Total borrowings	(8,138,329)	(9,267,245)	(8,270,708)	(8,843,925)
Total net debt	(3,935)	(1,132,851)	(7,949)	(581,166)
Other debtors *	136,287	136,287	136,617	136,617
Other creditors *	(135,556)	(135,556)	(134,716)	(134,716)
Net financial assets and liabilities	(3,204)	(1,132,120)	(6,048)	(579,265)
Comprising:				
Total financial assets	8,270,681	8,270,681	8,399,376	8,399,376
Total financial liabilities	(8,273,885)	(9,402,801)	(8,405,424)	(8,978,641)

Total financial assets agree to current assets on the face of the Balance sheet. Total financial liabilities agree to the total of creditors due within and after one year on the face of the Balance sheet.

* including short-term trading balances with Group companies and amounts relating to tax.

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

Currency and interest rate risk profile of financial liabilities

Total financial liabilities comprise total borrowings of £8,138,329,000 (2010: £8,270,708,000).

At 31st December 2011 Currency	Fixed rate		Total £'000
	Weighted average interest rate %	Average years for which rate is fixed	
Sterling	6.0	26	2,661,168
Euro	5.0	4	5,477,161
Total borrowings	5.3	11	8,138,329

At 31st December 2010 Currency	Fixed rate		Total £'000
	Weighted average interest rate %	Average years for which rate is fixed	
Sterling	6.0	27	2,659,627
Euro	5.0	5	5,611,081
Total borrowings	5.3	12	8,270,708

Currency and interest rate risk profile of financial assets

Total financial assets comprise current asset financial instruments of £8,134,394,000 (2010: £8,262,759,000).

At 31st December 2011 Currency	Fixed rate £'000	Floating rate £'000	Total £'000
US dollars	-	4	4
Sterling	2,660,417	-	2,660,417
Euro	5,473,973	-	5,473,973
Total current asset financial instruments	8,134,390	4	8,134,394

At 31st December 2010 Currency	Fixed rate £'000	Floating rate £'000	Total £'000
US dollars	-	4	4
Sterling	2,680,367	-	2,680,367
Euro	5,582,388	-	5,582,388
Total current asset financial instruments	8,262,755	4	8,262,759

Currency exposure of net monetary assets / (liabilities)

Net monetary assets / (liabilities) held in foreign currency	2011 £'000	2010 £'000
US dollars	4	4
Euro	(3,188)	(28,693)
	(3,184)	(28,689)

GlaxoSmithKline Capital plc

Notes to the special purpose financial information

for the financial years ended 31 December 2010 and 31 December 2011

	Total 2011 £'000	Total 2010 £'000
Maturity of financial liabilities		
Within one year or on demand	(2,497,767)	-
Between one and two years	-	(2,558,872)
Between two and five years	(1,326,270)	(1,358,208)
After five years	(4,314,292)	(4,353,628)
	(8,138,329)	(8,270,708)

The above table shows total borrowings only, with figures based on earlier of contractual re-pricing and maturity dates, and exclude derivatives.

14 Reconciliation of operating (loss) / profit to net cash outflow from operating activities

	2011 £'000	2010 £'000
Operating (loss) / profit	(403)	476
Exchange movements	293	(511)
Movements in working capital:		
Increase in creditors	108	34
Net cash outflow from operating activities	(2)	(1)

15 Analysis of changes in net debt

	At 1 Jan 2011 £'000	Cash flows £'000	Amortisation £'000	Exchange movements £'000	At 31 Dec 2011 £'000
As at 31st December 2011					
Cash at bank and in hand	4	-	-	-	4
Amounts owed by group companies	8,262,755	12,203	-	(140,568)	8,134,390
Current asset financial instruments	8,262,759	12,203	-	(140,568)	8,134,394
Sterling notes and bonds	(2,659,627)	-	(1,541)	-	(2,661,168)
Euro notes and bonds	(5,611,081)	-	(6,355)	140,275	(5,477,161)
Total borrowings	(8,270,708)	-	(7,896)	140,275	(8,138,329)
Total net debt (Note 13)	(7,949)	12,203	(7,896)	(293)	(3,935)
As at 31st December 2010					
Cash at bank and in hand	4	-	-	-	4
Amounts owed by group companies	8,459,794	841	-	(197,880)	8,262,755
Current asset financial instruments	8,459,798	841	-	(197,880)	8,262,759
Sterling notes and bonds	(2,658,086)	-	(1,541)	-	(2,659,627)
Euro notes and bonds	(5,802,952)	-	(6,520)	198,391	(5,611,081)
Total borrowings	(8,461,038)	-	(8,061)	198,391	(8,270,708)
Total net debt (Note 13)	(1,240)	841	(8,061)	511	(7,949)

GlaxoSmithKline Capital plc

Notes to the special purpose financial information for the financial years ended 31 December 2010 and 31 December 2011

16 Post balance sheet events

On 2nd May, 2012 three new bonds were issued under the US Shelf Registration programme. The three bonds were a US \$1,000,000,000 (£636,943,000), 0.75 per cent coupon bond maturing in May 2015, a US \$2,000,000,000 (£1,273,885,000), 1.50 per cent coupon bond maturing in May 2017; and a US \$2,000,000,000 (£1,273,885,000), 2.85 per cent coupon bond maturing in 2022. The net proceeds of the issue after discount and fees were US \$4,957,246,000 (£3,157,482,000).

On 18th June, 2012, Euro Medium Term Notes with a principal value of €750,000,000 (£604,839,000) were repaid upon maturity.

17 Employees

The Company has no employees as all personnel are employed by other Group companies (2010: nil).

18 Directors' remuneration

During the year, the Directors of the Company, with the exception of the Corporate Directors, were remunerated as executives of the Group and received no remuneration in respect of their services to the Company (2010: £nil). Corporate Directors received no remuneration during the year, either as executives of the Group or in respect of their services to the Company (2010: £nil).

19 Contingent liabilities

Group banking arrangement

The Company, together with fellow Group undertakings has entered into a Group banking arrangement with the Company's principal bankers. The bank holds the right to pay and apply funds from any account of the Company to settle any indebtedness to the bank of any other party to this agreement. The Company's maximum potential liability as at 31st December 2011 is limited to the amount held on its accounts with the bank. No loss is expected to accrue to the Company from the agreement.

20 Ultimate parent undertaking

GlaxoSmithKline plc, a company registered in England and Wales, is the Company's ultimate parent undertaking and controlling party. The largest and smallest group of undertakings for which Group financial statements are prepared and which include the results of the Company are the consolidated financial statements of GlaxoSmithKline plc. Copies of the consolidated financial statements can be obtained from the Company Secretary, GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS. The immediate parent undertaking is SmithKline Beecham Limited.

21 Related party transactions

As a wholly owned subsidiary of the ultimate parent company, GlaxoSmithKline plc, advantage has been taken of the exemption afforded by FRS 8 'Related Party Disclosures' not to disclose any related party transactions within the Group. There are no other related party transactions.

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