



Pre-Quarterly Results Communication Q2 2019

Issued: Friday 5th July 2019

Contents

New information for Q2 2019	2
Foreign exchange	2
Currency impact 2019	4
Basic weighted average number of shares (WANS).....	4
Dividend	4
Factors impacting recent quarterly comparisons	5
Pharmaceuticals	5
Vaccines	7
Consumer Healthcare	8
Corporate and other unallocated costs	9
Operating and financial performance.....	9
Operating performance	9
Expected costs and savings under Major Restructuring Programmes	9
Operating costs: SG&A and R&D.....	10
Royalty income.....	10
Divisional operating margins	10
Financial performance	11
Net finance expense	11
Associates and joint ventures	11
Taxation.....	11
Profit / (loss) attributable to non-controlling interests (minority interests)	12
Balance Sheet and Cashflow	12
Free cash flow	12
Net debt	12
Contingent consideration	13
Historic London Stock Exchange announcements (LSE announcements) and press releases	14
Acquisitions and divestments	14
News flow on key assets during the quarter and to date.....	15
Other news flow during the quarter and to date	16

New information for Q2 2019

Foreign exchange

Average rates Quarterly	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Key currencies						
US\$	1.39	1.35	1.31	1.27	1.31	1.28
€	1.13	1.15	1.11	1.13	1.15	1.14
Yen	151	147	146	144	144	140
Other currencies						
Australian dollar	1.77	1.79	1.78	1.78	1.83	1.83
Brazilian real	4.53	4.89	5.10	4.88	4.96	4.99
Canadian dollar	1.76	1.74	1.72	1.70	1.74	1.71
Chinese yuan	8.82	8.68	8.90	8.84	8.81	8.73
Indian rupee	89.5	90.5	92.1	90.3	91.7	89.0
Russian rouble	79.0	83.4	84.5	85.9	86.7	82.6
FX impact on turnover	-6%	-4%	-3%	+2%	+1%	+2 to 3%
FX impact on adjusted EPS	-13%	-7%	-4%	+4%	+4%	n/a

On the basis of the rates in the table above, it is expected that the positive impact of foreign exchange on Q2 2019 sales will be around +2 to 3%.

As a result of the mix of currency movements relative to the mix of costs, we expect that the positive impact of foreign exchange on Q2 2019 sterling Adjusted EPS will be greater than the positive impact on sales.

Average rates Cumulative - YTD	3M 2018	6M 2018	9M 2018	12M 2018	3M 2019	6M 2019
Key currencies						
US\$	1.39	1.37	1.35	1.33	1.31	1.29
€	1.13	1.14	1.13	1.13	1.15	1.14
Yen	151	149	148	147	144	142
Other currencies						
Australian dollar	1.77	1.78	1.78	1.78	1.83	1.83
Brazilian real	4.53	4.71	4.84	4.85	4.96	4.97
Canadian dollar	1.76	1.75	1.74	1.73	1.74	1.73
Chinese yuan	8.82	8.75	8.80	8.81	8.81	8.77
Indian rupee	89.5	90.0	90.7	90.6	91.7	90.3
Russian rouble	79.0	81.2	82.3	83.2	86.7	84.7
FX impact on turnover	-6%	-5%	-4%	-3%	+1%	+1%
FX impact on adjusted EPS	-13%	-10%	-8%	-5%	+4%	n/a

On the basis of the rates in the table above, it is expected that the positive impact of foreign exchange on H1 2019 sales will be around +1%. We also expect that the positive impact of foreign exchange on H1 2019 sterling Adjusted EPS will likely be greater than the positive impact on sales.

The Q2 2019 period-end rates were \$1.27/£, €1.12/£ and Yen 137/£.

Period end rates	Dec 2017	Mar 2018	Jun 2018	Sept 2018	Dec 2018	Mar 2019	Jun 2019
Key currencies							
US\$	1.35	1.40	1.32	1.30	1.27	1.31	1.27
€	1.13	1.14	1.13	1.12	1.11	1.17	1.12
Yen	152	149	146	148	140	145	137

Foreign exchange: Exchange Gains or (Losses)

Sharp movements and volatility in currencies during a quarter can result in Exchange Gains or Losses (EGOLs) which are recorded in SG&A. During Q2 2019 there was continued volatility in several currencies relative to Sterling.

EGOLs as reported (£m)	Q1	Q2	Q3	Q4	Full Year
2017	(12)	(20)	(18)	(12)	(62)
2018	(32)	(15)	(15)	(8)	(70)
2019	(12)				

Foreign exchange: Ready reckoner

In the 2018 FY results presentation on 6 February 2019, the following ready reckoner was provided on slide 31 to help estimate the expected impact of foreign exchange movements on adjusted EPS*:

Currency	Impact on 2019 full year adjusted EPS
US dollar	10 cents movement in average exchange rate for full year impacts EPS by approximately +/-4.5%
Euro	10 cents movement in average exchange rate for full year impacts EPS by approximately +/-2.0%
Japanese yen	10 yen movement in average exchange rate for full year impacts EPS by approximately +/-1.0%

*Please note that the ready reckoner does not include the impact of inter-company exchange gains or losses

The slide also included 2018 currency sales exposure for GSK:

Currency	2018 currency sales exposure
US dollar	39%
Euro	20%
Japanese yen	6%
Other‡	35%

‡The other currencies that each represent more than 1% of Group sales are: Australian dollar, Brazilian real, Canadian dollar, Chinese yuan, Indian rupee and Russian rouble. In total, they accounted for 13% of Group revenues in 2018

Currency impact 2019

In the Q1 2019 press release we made the following comment on the potential impact of currencies on sales and EPS in 2019:

“If exchange rates were to hold at the closing rates on 31 March 2019 (\$1.31/£1, €1.17/£1 and Yen 145/£1) for the rest of 2019, the estimated negative impact on 2019 Sterling turnover growth would be around 1% and if exchange gains or losses were recognised at the same level as in 2018, the estimated impact on 2019 Sterling Adjusted EPS growth would be negligible.”

We will update you on our latest view on the estimated impact of currencies in 2019 in our Q2 2019 press release on 24 July.

Basic weighted average number of shares (WANS)

The basic weighted average number of shares in issue during Q2 2019 was 4,947m compared with 4,914m in Q2 2018 (an increase of 0.7%).

In millions*	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
WANS: Quarter	4,891	4,903	4,914	4,917	4,920	4,936	4,947
WANS: Cumulative - Year to date	4,886	4,903	4,909	4,911	4,914	4,936	4,942
Period end shares	4,892	4,913	4,915	4,919	4,923	4,947	4,948

*excludes treasury shares and shares held by ESOP trusts

Dividend

In the Q1 2019 press release we made the following comments regarding the dividend:

“The Board intends to maintain the dividend for 2019 at the current level of 80p per share, subject to any material change in the external environment or performance expectations. Over time, as free cash flow strengthens, it intends to build free cash flow cover of the annual dividend to a target range of 1.25-1.50x, before returning the dividend to growth.”

Dividend per share (p)	Q1	Q2	Q3	Q4	Full Year
2017	19	19	19	23	80
2018	19	19	19	23	80
2019 - expected	19				80†

†The actual dividend amount is determined by the Board of Directors.

Factors impacting recent quarterly comparisons

As usual there were several events in Q2 2019 and during 2018 which impact the year on year comparisons for Q2 2019. This includes the following noteworthy items which you may wish to consider in your modelling.

Please note that the items listed below are not intended to be a complete list of all items that may impact the comparisons for Q2 2019 versus Q2 2018.

For further comments, please refer to quarterly press releases, presentations and transcripts. This includes slide 25 of the Q1 2019 Results presentation.

<https://www.gsk.com/media/5556/q1-2019-results-slides.pdf>

Pharmaceuticals

Pharmaceuticals (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Total turnover	17,276	4,009	4,229	4,221	4,810	17,269	4,158
<i>Reported growth - CER</i>	<i>+3%</i>	<i>+2%</i>	<i>+1%</i>	<i>+3%</i>	<i>+4%</i>	<i>+2%</i>	<i>+2%</i>
Adjusted operating profit	5,927	1,329	1,492	1,361	1,562	5,744	1,238
<i>Reported growth - CER</i>	<i>+1%</i>	<i>+0%</i>	<i>+7%</i>	<i>-2%</i>	<i>-6%</i>	<i>+0%</i>	<i>-8%</i>
Adjusted operating margin	34.3%	33.2%	35.3%	32.2%	32.5%	33.3%	29.8%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding the Pharmaceutical business:

“we still expect the Pharmaceutical business revenues to see a slight decline in 2019, before returning to growth in 2020, driven by our new products including Zejula, Dovato, Juluca, Trelegy and Nucala.”

Pharmaceuticals: Respiratory

Respiratory (£m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Anoro	97	120	115	144	476	102
Arnuity	11	10	10	13	44	7
Incruse	48	74	75	87	284	68
Relvar/Breo	219	279	258	333	1,089	215
Trelegy	11	26	42	77	156	87
Ellipta products	386	509	500	654	2,049	479
Nucala	104	141	145	173	563	152
Total Respiratory	490	650	645	827	2,612	631
CER growth						
<i>Ellipta products</i>	<i>34%</i>	<i>26%</i>	<i>35%</i>	<i>33%</i>	<i>32%</i>	<i>20%</i>
<i>Nucala</i>	<i>86%</i>	<i>>100%</i>	<i>62%</i>	<i>38%</i>	<i>66%</i>	<i>41%</i>
Total Respiratory	42%	37%	40%	34%	38%	25%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding Relvar/Breo:

“Relvar/Breo declined 5% globally and 27% in the US despite good volume growth, reflecting the impact of generic Advair on pricing in the ICS/LABA class, which we have been signalling for some time now.

We continue to expect Breo to see a decline in the US in 2019, which will result in a slight global decline for Relvar/Breo despite good growth expectations outside the US.”

Pharmaceuticals: HIV

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding the HIV business:

“Looking ahead we continue to have confidence in the growth outlook of our HIV business. Our two-drug regimen portfolio is important to our future growth, and we anticipate Dovato will become a key contributor, though it will take several quarters as we generate more data, gain broad reimbursement, and as physicians gain experience with the product.”

HIV (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Tivicay	1,404	348	407	432	452	1,639	383
Triumeq	2,461	606	682	669	691	2,648	614
Juluca	5	10	24	37	62	133	70
Dolutegravir products	3,870	964	1,113	1,138	1,205	4,420	1,067
Epzicom	234	37	26	24	30	117	19
Other HIV	246	47	50	47	41	185	35
HIV	4,350	1,048	1,189	1,209	1,276	4,722	1,121
CER growth							
Dolutegravir products	+37%	+23%	+18%	+17%	+9%	+16%	+7%
HIV	+16%	+14%	+11%	+12%	+6%	+11%	+4%

Pharmaceuticals: Oncology

On 22 January 2019, GSK completed the acquisition of TESARO.

On the Q1 2019 results analyst/investor call Luke Miels made the following comments regarding Zejula:

“In Q1 GSK reported sales of £42 million, but when factoring in Q1 sales prior to the acquisition, sales were at £56 million”

Zejula sales (\$m/ £m)	Q1	Q2	Q3	Q4	Year
2018 (\$m)*	49	54	63	64**	230
2019 reported (£m)	42				
2019 incl sales prior to acquisition (£m)	56				

*Source: TESARO Quarterly reports (Form 10-Q)

** Q4 2019 impacted by some adverse mix and some de-stocking

Pharmaceuticals: Established Pharmaceuticals

From Q1 2019 we are reporting the Ellipta portfolio and Nucala within the Respiratory category and all other respiratory products, including Advair/Seretide under established products.

Established Pharmaceuticals (£m)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Established Respiratory	1,085	1,046	1,021	1,164	4,316	1,083
Established other	1,286	1,230	1,224	1,407	5,147	1,159
Total turnover	2,371	2,276	2,245	2,571	9,463	2,242
CER growth						
Established Respiratory	-12%	-17%	-9%	-12%	-13%	-2%
Established other	-5%	-5%	-9%	+1%	-4%	-9%
Total turnover	-8%	-11%	-9%	-5%	-8%	-6%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding Established Pharmaceuticals and Advair in particular:

“Our Established Pharmaceuticals portfolio declined 6% with US Advair sales down 27% as expected following the approval of a generic competitor in February. As we said at Q4, it will take time for inventory levels in the market to adjust and respond to Mylan’s supply. There continues to be a number of moving factors including the successful launch of our authorised generic, which is providing a boost to Q1, but the full impact of the Mylan launch has yet to be felt. Keeping these factors in mind, our outlook for Advair remains unchanged.”

Seretide/Advair (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
US	1,610	229	260	309	299	1,097	176
Europe	736	166	151	132	150	599	133
International	784	171	179	178	198	726	177
Total	3,130	566	590	619	647	2,422	486
CER growth							
US	-16%	-25%	-43%	-19%	-31%	-30%	-27%
Europe	-17%	-21%	-17%	-20%	-20%	-20%	-19%
International	-8%	-12%	-2%	-2%	+2%	-4%	+4%
Total	-14%	-20%	-28%	-15%	-20%	-21%	-15%

Vaccines

Sales of vaccines are vulnerable to volatility on a quarterly basis – particularly in emerging markets. Since quarterly sales can be very lumpy due in part to the impact of large tenders as well as competitor outages we highlight in the table overleaf the 2017, 2018 and 2019 quarterly results for the Vaccines business.

Vaccines (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Meningitis	890	180	184	329	188	881	209
Influenza	488	9	17	304	193	523	15
Shingrix	22	110	167	286	221	784	357
Established Vaccines	3,760	939	885	1,005	877	3,706	941
Total turnover	5,160	1,238	1,253	1,924	1,479	5,894	1,522
Adjusted operating profit	1,644	339	357	827	420	1,943	614
<i>Adjusted operating margin</i>	31.9%	27.4%	28.5%	43.0%	28.4%	33.0%	40.3%
CER growth							
<i>Meningitis</i>	+27%	-2%	-3%	+15%	-9%	+2%	+18%
<i>Influenza</i>	+12%	-23%	-14%	-7%	+69%	+10%	+67%
<i>Shingrix</i>	n/a	n/a	n/a	n/a	n/a	>100%	>100%
<i>Established Vaccines</i>	+1%	+3%	+1%	-3%	-3%	+0%	-1%
Total turnover	+6%	+13%	+16%	+17%	+18%	+16%	+20%
Adjusted operating profit	+11%	+18%	+3%	+26%	+71%	+25%	+69%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding Shingrix and vaccines overall revenues:

“Q1 revenues of £357 million is a good indicator of our current expectations of revenue run rate for the remainder of the year.

The momentum in the Vaccines business continues to give us confidence in the mid- to high-single digit outlook for sales compound annual growth, out to 2020.”

Consumer Healthcare

Consumer Healthcare (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Turnover	7,750	1,975	1,828	1,947	1,908	7,658	1,981
<i>CER growth</i>	+2%	+2%	+3%	+3%	+1%	+2%	+1%
Adjusted operating profit	1,373	384	352	429	352	1,517	430
<i>CER growth</i>	+11%	+18%	+13%	+16%	+14%	+15%	+12%
<i>Adjusted operating margin</i>	17.7%	19.4%	19.3%	22.0%	18.4%	19.8%	21.7%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding Consumer Healthcare revenues:

“Consumer sales grew 1%, despite a drag of around 1% from the combined impact of divestments and the phasing out of low margin contract manufacturing. This was a lower growth quarter, as we signalled at Q4, mainly due to a more competitive environment in Europe. We are seeing an improvement in performance, driven by our in-market response, and expect growth to pick up in Q2.

For 2019, we continue to expect reported growth to be impacted by the loss of around £100 million of revenue from the smaller divestments completed at the end of last year, and the phasing out of contract manufacturing as we restructure the Consumer supply chain.”

Corporate and other unallocated costs

Adjusted corporate and other unallocated operating profit (costs) (£m)	Q1	Q2	Q3	Q4	Full Year
2017	(153)	(83)	(48)	(92)	(376)
2018	(129)	(99)	(93)	(138)	(459)
2019	(119)				

Operating and financial performance

Operating performance

Expected costs and savings under Major Restructuring Programmes

In our Q4 results presentation we included the table below.

Annual savings: (£bn)*	2018 actuals	2019 projected	2020 projected	2021 projected	2022 projected
Integration & Restructuring Programme					
Savings**	3.9	4.2	4.4		
Total charges	0.4	0.4	0.1		
Cash payments	0.5	0.3	0.2		
2018 Restructuring Programme					
Savings**		0.2	0.3	0.4	
Total charges	0.4	0.9	0.3	0.1	
Cash payments	0.0	0.4	0.2	0.1	0.1
Consumer Joint Venture					
Synergies**			0.2	0.4	0.5
Total charges		0.3	0.6	0.2	0.1
Cash payments		0.2	0.4	0.2	0.1

*All expectations and targets regarding future performance should be read together with the “Outlook assumptions and cautionary statement” sections of the Full Year and Q4 2018 Results Announcement dated 6th February 2019 and the cautionary statement slide included with this presentation

**Savings and synergies shown are cumulative for the programme to date

Operating costs: SG&A and R&D

On slide 25 of the Q1 results presentation we highlighted the impact on 2019 from the addition of the Tesaro cost base and that R&D spend would pick up significantly.

Selling, General and Administration

Adjusted SG&A costs (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
SG&A	9,341	2,286	2,334	2,313	2,529	9,642	2,397
Reported growth - CER	+1%	+2%	+6%	+4%	+3%	+4%	+4%

Research and development

Adjusted R&D costs (£m)	FY 2017*	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
R&D	3,862	887	868	961	1,019	3,735	971
Reported growth - CER	+8%	+2%	-15%	+8%	-1%	-2%	+6%

*R&D in Q2 2017 includes £106m cost of the Priority Review Voucher.

Royalty income

Adjusted royalties (£m)	Q1	Q2	Q3	Q4	Full Year
2017	82	98	107	69	356
2018	53	73	94	79	299
2019 outlook	73				Broadly similar to 2018

Divisional operating margins

Adjusted operating margin (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
Pharma	34.3%	33.2%	35.3%	32.2%	32.5%	33.3%	29.8%
Vaccines	31.9%	27.4%	28.5%	43.0%	28.4%	33.0%	40.3%
Consumer Healthcare	17.7%	19.4%	19.3%	22.0%	18.4%	19.8%	21.7%
Group	28.4%	26.6%	28.8%	31.2%	26.8%	28.4%	28.2%

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding divisional adjusted operating margins

Pharmaceuticals: “we saw a decline in the quarter, mainly driven by an unfavourable product mix due to the impact of generic Advair, by Tesaro dilution which, in line with previous guidance, we expect to have a sustained impact over the balance of 2019, and R&D spend, where we are increasing spending behind priority assets which will accelerate through 2019.”

Vaccines: “In Q1, we saw strong improvement in the operating margin, driven by enhanced operating leverage, particularly from Shingrix in the US. It is, however, worth noting that there was a favourable inventory adjustment in the quarter. As a result, we expect to see Q2 Vaccines operating

margins more in line with our medium-term guidance of mid-30s per cent, which we continue to expect for 2020.”

Consumer: “Operating profit improved in Q1, resulting in an operating margin of 21.7%. It is worth remembering that Q1 is typically a higher margin quarter, due to pre-allergy season sell-in. Margin improvements were driven by continued manufacturing simplification, as well as ongoing strong cost control. We are focused on ensuring that we reinvest in the business to drive innovation and better growth and we expect to see this come through in the remainder of the year.”

Financial performance

Net finance expense

Adjusted net finance costs (£m)	Q1	Q2	Q3	Q4	Full Year
2017	(169)	(176)	(177)	(135)*	(657)
2018	(139)**	(165)	(221)***	(173)	(698)
2018 – restated for IFRS16	(146)	(172)	(229)	(181)	(728)
2019 outlook	(187)				Around £900- 950m

* includes £23m credits for interest on tax resulting from a number of settlements during the year

** includes the benefit of a one-off accounting adjustment to the amortisation of long-term bond interest charges of £20 million

***includes additional interest of £23 million on a historic tax settlement

Associates and joint ventures

Adjusted associates and joint ventures (£m)	Q1	Q2	Q3	Q4	Full Year
2017	5	(1)	7	2	13
2018	9	2	15	5	31
2019	57*				

* includes one-time benefit of £51 million, reflecting our increased share of after-tax profits of Innoviva, as a result of a non-recurring tax benefit

Taxation

Adjusted tax rate (%)	Q1	Q2	Q3	Q4	Full Year
2017	22.0%	21.2%	21.0%	20.0%	21.0%
2018	20.2%	20.0%	18.6%	17.5%	19.0%
2019 outlook	19.7%				Around 19%

Profit / (loss) attributable to non-controlling interests (minority interests)

Adjusted profit/(loss) attributable to non-controlling interests (£m)	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019
ViiV	414	111	135	125	130	501	123
Novartis Consumer Healthcare	344	102	16	0	0	118	0
Other	35	11	19	16	9	55	26
Total	793	224	170	141	139	674	149

Balance Sheet and Cashflow

Free cash flow

Free cash flow* (£m)	Q1	Q2	H1	Q3	9M	Q4	FY
2017 – revised	650	(264)	386	1,282	1,668	1,817	3,485
2018	329	492	821	1,554	2,375	3,317	5,692
2019	165						

*With the introduction of the new R&D strategy in Q2 2018, GSK has revised its definition of free cash flow, a non-IFRS measure, to include proceeds from the sale of intangible assets.

On the Q1 2019 results analyst/investor call Iain Mackay made the following comments regarding cashflow:

“On free cash flow, we remain focused on driving greater cash discipline across the Group and generated £165 million of free cash flow in Q1. The reduction from Q1 2018 mainly reflects the adverse timing of payments for returns and rebates, which we flagged to you at Q4, and an increase in trade receivables on the back of stronger sales, particularly in Vaccines. This was partly offset by improved operating profits and lower contingent consideration payments, which last year included a milestone payment to Novartis.

As previously noted, and seen in prior years, the generation of cash flow is expected to be weighted to the second half and we expect to see a step down as the impact of Advair generic flows through and rebate payments are made on pre-generic sales of Advair.”

Net debt

Net debt (£m)	31 Mar	30 Jun	30 Sep	31 Dec
2017	13,743	14,800	14,209	13,178
2018	13,377	23,935	23,837	21,621
IFRS 16 adoption impact				1,303
Net debt at 1 Jan 2019 after adoption of IFRS 16				22,924
2019	27,058			

In the Q1 2019 press release we made the following comments:

“At 31 March 2019, net debt was £27.1 billion, compared with £21.6 billion at 31 December 2018, comprising gross debt of £31.8 billion and cash and liquid investments of £4.7 billion, including £0.5 billion reported within Assets held for sale. Net debt increased due to the £3.6 billion acquisition of Tesaro Inc, together with the £1.3 billion impact from the implementation of IFRS 16 and the dividend paid to shareholders of £0.9 billion, partly offset by £0.8 billion of favourable exchange impacts from the translation of non-Sterling denominated debt.

At 31 March 2019, GSK had short-term borrowings (including overdrafts and lease liabilities) repayable within 12 months of £8.4 billion with loans of £1.7 billion repayable in the subsequent year.”

Contingent consideration

Contingent consideration (£m)	31 Dec 2017	31 Mar 2018	30 June 2018	30 Sep 2018	31 Dec 2018	31 Mar 2019
Shionogi – relating to ViiV Healthcare	5,542	5,314	5,879	5,885	5,937	5,658
Novartis – relating to Vaccines acquisition	584	251	243	296	296	292
Other	46	45	48	51	53	50
Total	6,172	5,610	6,170	6,232	6,286	6,000

In the Q1 2019 press release we made the following comments:

“Contingent consideration amounted to £6,000 million at 31 March 2019 (31 December 2018: £6,286 million), of which £5,658 million (31 December 2018: £5,937 million) represented the estimated present value of amounts payable to Shionogi relating to ViiV Healthcare and £292 million (31 December 2018: £296 million) represented the estimated present value of contingent consideration payable to Novartis related to the Vaccines acquisition.

Of the contingent consideration payable (on a post-tax basis) to Shionogi at 31 March 2019, £800 million (31 December 2018: £815 million) is expected to be paid within one year.”

Historic London Stock Exchange announcements (LSE announcements) and press releases

Since the beginning of Q2 2019 we have issued several LSE announcements and press releases, each of which can be accessed using the following links:

<https://www.gsk.com/en-gb/media/press-releases/>

<https://us.gsk.com/en-us/media/press-releases/>

<https://us.gsk.com/en-us/products/>

<https://www.gsk.com/en-gb/investors/stock-exchange-announcements/london-rns/>

Acquisitions and divestments

GSK joins forces with the University of California to advance genomic research and improve drug discovery

- **New 'Laboratory for Genomics Research' unites CRISPR pioneers with industry expertise to help unravel mysteries of the human genome**

<https://www.gsk.com/en-gb/media/press-releases/gsk-joins-forces-with-the-university-of-california-to-advance-genomic-research-and-improve-drug-discovery/>

(Press Release 13 June 2019)

Update on Consumer Healthcare Joint Venture with Pfizer

- **GlaxoSmithKline plc (LSE/NYSE: GSK) today has announced that the shareholder resolution relating to the transaction between GSK and Pfizer Inc to create a Consumer Healthcare Joint Venture, which was announced on 19 December 2018 was approved at a General Meeting held by GSK today. 99.85% of shareholders voted for the resolution.**

<https://www.gsk.com/en-gb/media/press-releases/update-on-consumer-healthcare-joint-venture-with-pfizer/>

(LSE announcement 08 May 2019)

GSK and Merck KGaA, Darmstadt, Germany announce global alliance to jointly develop and commercialise M7824, a novel immunotherapy with potential in multiple difficult-to-treat cancers

www.gsk.com/en-gb/media/press-releases/gsk-and-merck-kgaa-darmstadt-germany-announce-global-alliance-to-jointly-develop-and-commercialise-m7824-a-novel-immunotherapy-with-potential-in-multiple-difficult-to-treat-cancers/

(LSE announcement 05 February 2019)

GSK completes acquisition of TESARO, an oncology focused biopharmaceutical company

www.gsk.com/en-gb/media/press-releases/gsk-completes-acquisition-of-tesaro-an-oncology-focused-biopharmaceutical-company/

(LSE announcement 22 January 2019)

GSK to divest Horlicks and other Consumer Healthcare nutrition products to Unilever

www.gsk.com/en-gb/media/press-releases/gsk-to-divest-horlicks-and-other-consumer-healthcare-nutrition-products-to-unilever/

(LSE announcement 03 December 2018)

News flow on key assets during the quarter and to date

U.S. Food and Drug Administration accepts GSK's application for ZEJULA (niraparib) in late stage ovarian cancer with priority review

<https://www.gsk.com/en-gb/media/press-releases/us-food-and-drug-administration-accepts-gsk-s-application-for-zejula-niraparib-in-late-stage-ovarian-cancer-with-priority-review/>

(Press release 24 June 2019)

GSK announces data on anti-BCMA antibody-drug conjugate in patients with relapsed/refractory multiple myeloma to be presented at European Hematology Association (EHA) Congress

<https://www.gsk.com/en-gb/media/press-releases/gsk-announces-data-on-anti-bcma-antibody-drug-conjugate-in-patients-with-relapsedrefractory-multiple-myeloma-to-be-presented-at-european-hematology-association-eha-congress/>

(Press release 12 June 2019)

Nucala (mepolizumab) gains FDA approval for two new self-administration options

- **First anti-IL5 biologic to give healthcare professionals choice of how and where their patients receive treatment**

<https://www.gsk.com/en-gb/media/press-releases/nucala-mepolizumab-gains-fda-approval-for-two-new-self-administration-options/>

(LSE announcement 06 June 2019)

Nucala (mepolizumab) receives positive CHMP opinion for new self-administration options

<https://www.gsk.com/en-gb/media/press-releases/nucala-mepolizumab-receives-positive-chmp-opinion-for-new-self-administration-options/>

(LSE announcement 04 June 2019)

GSK announces approval of Shingrix in China for prevention of shingles in adults aged 50 and over

<https://www.gsk.com/en-gb/media/press-releases/gsk-announces-approval-of-shingrix-in-china-for-prevention-of-shingles-in-adults-aged-50-and-over/>

(Press release 23 May 2019)

Phase III CAPTAIN study of Trelegy Ellipta in patients with asthma meets primary endpoint

<https://www.gsk.com/en-gb/media/press-releases/phase-iii-captain-study-of-trelegy-ellipta-in-patients-with-asthma-meets-primary-endpoint/>

(LSE announcement 02 May 2019)

ViiV Healthcare submits New Drug Application to US FDA for the first monthly, injectable, two-drug regimen of cabotegravir and rilpivirine for treatment of HIV

- **If approved, cabotegravir and rilpivirine would be the first-ever long-acting, injectable treatment regimen for adults living with HIV.**

<https://www.gsk.com/en-gb/media/press-releases/viiv-healthcare-submits-new-drug-application-to-us-fda-for-the-first-monthly-injectable-two-drug-regimen-of-cabotegravir-and-rilpivirine-for-treatment-of-hiv/>

(LSE announcement 29 April 2019)

ViiV Healthcare announces CHMP Positive Opinion for Dovato® (dolutegravir/lamivudine) as a once-daily, single-pill, two-drug regimen for the treatment of HIV infection

- Recommendation based on landmark GEMINI 1 & 2 studies which demonstrated non-inferior efficacy of dolutegravir + lamivudine compared to a traditional dolutegravir-based, three-drug regimen, in HIV-1 infected, treatment-naïve adults

<https://www.gsk.com/en-gb/media/press-releases/viiv-healthcare-announces-chmp-positive-opinion-for-dovato-dolutegravirlamivudine-as-a-once-daily-single-pill-two-drug-regimen-for-the-treatment-of-hiv-infection/>

(LSE announcement 26 April 2019)

GSK receives US approval of Benlysta for intravenous use in children with lupus aged five years and above

- FDA approval marks the first medicine in the US approved for children with systemic lupus erythematosus (SLE)

<https://www.gsk.com/en-gb/media/press-releases/gsk-receives-us-approval-of-benlysta-for-intravenous-use-in-children-with-lupus-aged-five-years-and-above/>

(Press release 26 April 2019)

US FDA approves ViiV Healthcare's Dovato (dolutegravir/lamivudine), the first, once-daily, single-tablet, two-drug regimen for treatment-naïve HIV-1 adults

- Approval based on GEMINI pivotal trials in which Dovato achieved non-inferior efficacy compared to a dolutegravir-based, traditional, three-drug regimen through 48 weeks, with no cases of resistance.
- Dovato strengthens ViiV Healthcare's industry-leading portfolio of innovative treatment approaches for people living with HIV.

<https://www.gsk.com/en-gb/media/press-releases/us-fda-approves-viiv-healthcare-s-dovato-dolutegravirlamivudine-the-first-once-daily-single-tablet-two-drug-regimen-for-treatment-naïve-hiv-1-adults/>

(LSE announcement 08 April 2019)

ViiV Healthcare announces Juluca (dolutegravir/rilpivirine) maintains HIV viral suppression at 148-weeks

- SWORD studies demonstrate long-term durable efficacy and tolerability of Juluca, the first complete 2-drug regimen, for the treatment of virologically suppressed adults with HIV

<https://www.gsk.com/en-gb/media/press-releases/viiv-healthcare-announces-juluca-dolutegravirrilpivirine-maintains-hiv-viral-suppression-at-148-weeks/>

(Press release 03 April 2019)

Other news flow during the quarter and to date

GSK changes sales representative incentive programme

<https://www.gsk.com/en-gb/media/press-releases/gsk-changes-sales-representative-incentive-programme/>

(Press release 23 May 2019)



GSK publishes product sales reporting changes and the impact of IFRS 16 'Leases'

<https://www.gsk.com/en-gb/media/press-releases/gsk-publishes-product-sales-reporting-changes-and-the-impact-of-ifrs-16-leases/>

(LSE announcement 28 March 2019)

In order to illustrate underlying performance, it is the Group's practice to discuss its results in terms of constant exchange rate (CER) growth. This represents growth calculated as if the exchange rates used to determine the results of overseas companies in Sterling had remained unchanged from those used in the comparative period. All commentaries are presented in terms of CER growth, unless otherwise stated.

Analyst/Investor enquiries:	Sarah Elton-Farr	+ 44 (0) 20 8047 5194	(London)
	James Dodwell	+ 44 (0) 20 8047 2406	(London)
	Jeff McLaughlin	+ 1 215 751 7002	(Philadelphia)
	Danielle Smith	+44 (0) 20 8047 7562	(London)