Cautionary statement regarding forward-looking statements

Under the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995, the company cautions investors that any forward-looking statements or projections made by the company, including those made in this document are subject to risks and uncertainties that may cause actual results to differ materially from those projected.

Factors that may affect the Group’s operations are described under ‘Risk Factors’ in the Financial review & risk section in the company’s Annual Report 2012 included as exhibit 15.2 to the company’s Annual Report on Form 20-F for 2012.

Nothing in this document should be construed as a profit forecast except the specific core EPS growth and turnover growth guidance given on slides 28 and 32.
Andrew Witty
Chief Executive Officer
GSK strategy is delivering
Focus on innovation and portfolio optimisation to maximise returns

- Grow: a diversified global business
- Deliver: more products of value
- Simplify: the operating model

Innovation & Portfolio Optimisation

- Sales growth
- EPS leverage
- Strong cash generation
- Returns to shareholders

Changing Environment
6 new product approvals support GSK businesses
5 businesses account for ~70% of sales, +4% CER

3 businesses with global leadership

Respiratory 28%

Consumer 20%

Vaccines 13%

2 ‘challenger’ businesses

HIV 5%

Oncology 4%

Established Products Portfolio 16%

Approvals for Anoro Ellipta, Flu Q-IV, Mekinist, Relvar/Breo Ellipta, Tafinlar/Tivicay. Percentages are % of 2013 reported sales Excluding Lucozade & Ribena (divested on 31 December 2013) Consumer business accounts for 18% of 2013 sales
New respiratory portfolio provides platform for maintained market leadership to 2020 and beyond

£21bn global respiratory market

34% GSK share of global market

Anoro Ellipta allows access to £4.8bn bronchodilator market

Source: GSK R3 Model based on IMS Health Data MAT Sept 2013
7 additional products all being developed in Ellipta device except mepolizumab, which is an injectable

7 additional products in late stage development

UMEC monotherapy
FF monotherapy
VI monotherapy
mepolizumab
ICS/LABA/LAMA
ICS/LAMA
MABA +/- ICS
Good early progress in *Breo Ellipta* launch

Significant increase in **managed care coverage** in last 2 weeks

- Commercial: ~43%
- Medicare Part D: ~42%
- Other: ~15%

<table>
<thead>
<tr>
<th>Split of COPD market</th>
<th>% of <em>Breo Ellipta</em> coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>90% physicians aware of <em>Breo Ellipta</em></td>
</tr>
</tbody>
</table>

- ~1,070 TRx filled in 12th week
  - TRx filled < TRx written; impacted by coverage gap, sampling

- 2% share of NBRx

---

1 GSK estimates of coverage as of 4 Feb based on Managed Markets Insights & Technology
2 Reckner weekly ATU data, Aided awareness amongst 77,000 physicians
3 IMS weekly data (w/e 24 Jan)
4 Symphony Health Solutions, weekly NBRx of ICS/LABA in **COPD**, NBRx represents ~12% of TRx in this market
Rapid market share gains for **Mekinist** and **Tafinlar**
Exploring potential in adjuvant setting and other tumour types

**US**
- 90% formulary coverage
- ~50% physician coverage\(^1\)
- ~60% share of V600 TRx\(^2\)

Jan 2014 approval for combination use

**RoW**
- **Tafinlar** available in 7 markets
- **Mekinist** available in Canada
- **Mekinist** and combo use filed in EU

**£800m** global metastatic melanoma market\(^3\)
50% V600\(^4\)

**Adjuvant melanoma**
Ph III studies ongoing

Exploring combinations of **Mekinist** and **Tafinlar** with multiple novel oncology treatments through partnerships

Breakthrough designation for **Tafinlar** in NSCLC

---

\(^1\) of 4,000 physicians, GSK 360 Field Call Activity
\(^2\) IMS weekly data (w/e 24 January)
\(^3\) EvaluatePharma, April 2012
Rapid market share gains for Tivicay with significant potential opportunity with single tablet regimen

**US**
- 98% managed care coverage
- 90% physician reach
- ~1,740 TRx in week 23 on market
- 8% share of dynamic market Rx
- #1 prescribed product in switch/add patients

**RoW**
- EU approval in Jan 2014

£12.3bn total HIV market
+8%

STR (dolutegravir-Trii) filed in Oct 2013

Long-acting integrase
Phase III start planned 2014/15

GSK portfolio currently in 3rd agent (including Tivicay and Selzentry) and NRTI (including Epzicom); STR single tablet regimen

1 IMS weekly data (w/e January 24th) 2 IPSOS HIV Scope; combined naïve and add/switch segment (~14% of market) for 3rd agent & single tablet regimen;
3 Symphony Healthcare Solutions 4 Source: GSK R3 Model based on IMS Health Data MAT Sept 2013
Pipeline opportunity is significant for GSK

6 Major approvals in 2013

+ 5 Additional regulatory filings

+ 4 Breakthrough Designations

~40 NMEs in Phase II/III development

→ 6 Potential NME Phase III readouts in 2014/15

+ ~10 Potential NME Phase III starts in 2014/2015

13% Estimated rate of return

Detailed IRR calculation methodology on slide 34
### Emerging portfolios in Immuno-inflammation and Cardiovascular & Metabolic

#### Immuno-inflammation

<table>
<thead>
<tr>
<th>Marketed</th>
<th>Benlysta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filed</td>
<td>sirukumab</td>
</tr>
<tr>
<td>Phase III</td>
<td>Eperzan (albiglutide)</td>
</tr>
<tr>
<td>Phase IIB</td>
<td>darapladib</td>
</tr>
<tr>
<td>Early stage</td>
<td>losmapimod (p38) PHI</td>
</tr>
<tr>
<td></td>
<td>LpPLA2 inhibition p38 pathway PHI</td>
</tr>
</tbody>
</table>

DPUs are working on multiple mechanisms, examples provided here
PHI prolyl hydroxylase inhibitor
£4.7bn Consumer business growing across all categories and all regions

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellness</td>
<td>42%</td>
</tr>
<tr>
<td>Oral care</td>
<td>40%</td>
</tr>
<tr>
<td>Nutrition</td>
<td>12%</td>
</tr>
<tr>
<td>Skin health</td>
<td>6%</td>
</tr>
</tbody>
</table>

2013 sales excluding *Lucozade* and *Ribena* divested in December 2013
Portfolio Optimisation to enhance growth, profitability and cash generation

Optimise cost base

Invest capital behind our growth businesses

Enhance: growth + profitability + cash generation

Returns to shareholders

Shape portfolio to enhance scale & focus + realise profits

Structure & Reshaping
- Viiv
- HGS
- India Cx, Rx
- EPP

Divestment
- OTC
- Drinks
- Arixtra/fraxin
- Vesicare

Acquisition for scale
- BMS EMAP
- UCB EMAP
- Stiefel

ViiV Healthcare acquired exclusive global rights to HIV integrase portfolio; acquisition of HGS; increased stake in GSK India Cx; ongoing process to increase stake in GSK India Rx; Established Products Portfolio formed; OTC brands divested to Omega (EU), Prestige (US/Canada) and Aspen (international markets); Lucozade and Ribena divested to Suntory; Arixtra and fraxiparine divested to Aspen; Vesicare rights returned to Astellas; brands purchased in EMAP region from BMS and UCB; acquisition of Stiefel dermatology business.
**2014 Priorities**

**Grow**
- a diversified global business

**Deliver**
- more products of value

**Simplify**
- the operating model

---

New product performance
Emerging Markets performance
Consumer innovation
Sustained vaccines leadership (MAGE-A3 results)
R&D returns pipeline and cost base
Simplification harvest
Cashflow generation
Modernise commercial pricing and customer relationships
Technology Roadmap R&D and manufacturing

---

**Innovation** + **Access** + **Returns to shareholders**
## Headline results

<table>
<thead>
<tr>
<th>£m</th>
<th>2013</th>
<th>CER</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>26,505</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Core operating profit</td>
<td>8,015</td>
<td>-</td>
<td>(3)</td>
</tr>
<tr>
<td>Core EPS</td>
<td>112.2p</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Adjusted net cash inflow from operations*</td>
<td>7,337</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Adjusted FCF*</td>
<td>4,772</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

*Adjusted net cash inflow from operations and Adjusted FCF exclude legal
2013 Sales growth

Sales 2012

US Pharma

Europe

Japan

EMAP ex China

China

Consumer

Viiv and Other

Sales 2013 at 2012 Fx

Currency

Reported Sales 2013

£26.5bn

CER

Ex 2012 divestments

2012 Divestments primarily Vesicare & OTC

+4%

flat

+1%

+5%

(18%)

+4%

+5%

+1%

+3%

(1%)

(1%)

flat

+2%
Further strengthening of business mix
2013 Sales growth (ex 2012 divestments): +3%* (CER)

<table>
<thead>
<tr>
<th>Vaccines</th>
<th>Pharmaceuticals</th>
<th>Consumer</th>
</tr>
</thead>
<tbody>
<tr>
<td>13%</td>
<td>67%</td>
<td>20%</td>
</tr>
<tr>
<td>2013 sales</td>
<td>2013 sales</td>
<td>2013 sales</td>
</tr>
<tr>
<td>+2%</td>
<td>+2%*</td>
<td>+4%*</td>
</tr>
</tbody>
</table>

- **Respiratory**: 28% 2013 sales, +4%
- **HIV**: 5% 2013 sales, flat
- **Oncology**: 4% 2013 sales, +22%
- **EPP**: 16% 2013 sales

*CER growth rates excluding 2012 divestments (primarily Vesicare and OTC divestments)

Vaccines, Respiratory, HIV, Oncology and Consumer represent ~70% of 2013 sales
GSK Financial Architecture ensuring focus on returns

Sales growth
Operating leverage
Financial efficiency
Cash flow growth

Focus on returns
EPS
Free Cash Flow
Focus on returns
Returns to shareholders
Operating profit margin breakdown
Operating margin down 0.5%, excluding currency

<table>
<thead>
<tr>
<th>Component</th>
<th>2012 Op margin</th>
<th>2013 Op margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>(0.5%)</td>
<td></td>
</tr>
<tr>
<td>COGS</td>
<td>(1.3%)</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>Royalties</td>
<td>0.2%</td>
<td></td>
</tr>
</tbody>
</table>

Sales growth

Operating leverage

Financial efficiency

Cash flow growth

2012 Op margin: 31.2%
2013 Op margin: 30.2%
COGS

2012
- Sales growth
- Currency
- Divestments / Royalty Settlement
- Deferrals & one offs
- Restructuring
- Investments
- Mix/Price

2013
- Sales growth
- Currency
- Divestments / Royalty Settlement
- Deferrals & one offs
- Restructuring
- Investments
- Mix/Price

2012 COGS 26.9%
- Currency 0.3%
- Divestments / Royalty Settlement 0.3%
- Deferrals & one offs 1.3%
- Restructuring (1.1%)
- Investments 0.9%
- Mix/Price (0.1%)

2013 COGS 28.5%
SG&A

<table>
<thead>
<tr>
<th>Component</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in Sales</td>
<td>(0.4%)</td>
<td></td>
</tr>
<tr>
<td>Cost &amp; restructuring</td>
<td>(1.2%)</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>29.9%</td>
<td>29.9%</td>
</tr>
</tbody>
</table>
Continued delivery of restructuring benefits

- Manufacturing efficiencies
  - Supply chain simplification and alignment
  - New technologies

- Operational simplification
  - Centralisation of support functions
  - Improved capabilities: Finance, Procurement, IT

- Focus on R&D returns
  - Common platforms and technologies
  - Trial design & clinical capabilities

~£400m incremental savings delivered in 2013

Releasing investment for launches & other growth opportunities
Offsetting mix pressures and building leverage
## Further financial efficiency gains

### Operating profit
- Net funding rate reduced by 3% (vs 2010)
- Target debt rating maintained: A1/P1
- Effective core tax rate 23.0% in 2013
  - Core tax rate around 22% expected in 2014
  - Patent box and other benefits to come
- Long-term share buyback programme continued
  - £1.5bn purchased in 2013
  - £1bn - £2bn expected in 2014

### EPS

<table>
<thead>
<tr>
<th>Sales growth</th>
<th>Operating leverage</th>
<th>Financial efficiency</th>
<th>Cash flow growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

---
Continued strong cash generation

£4.7bn Free cash flow

EBITDA as reported (includes major restructuring). Capex includes expenditure on intangibles, net of proceeds from sale of PPE. Net cash from operations excluding legal was £7,337m +5%; FCF excluding legal was £4,772m +2%
Net debt reduced to £12.6bn

£2.5bn proceeds from divestments

Sales growth

Operating leverage

Financial efficiency

Cash flow growth

*Dividends paid during the year
Returns to shareholders

£5.2bn
Cash returned to shareholders 2013

£3.7bn
Dividends
2013: 78p (+5%)

£1.5bn
Buybacks
Guidance for 2014

- Multiple drivers of sales growth in place
- Contribution from new product launches
- Continued restructuring of operating costs
- Further financial efficiency gains
- Strong cash generation and returns to shareholders

Core EPS growth 4% to 8% CER (ex divestments)
on

Turnover growth around 2% CER (ex divestments)

All forward looking statements are based on 2013 numbers adjusted for divestments made in 2013 (EPS base 108.4p and turnover base £25.6bn), at CER and barring unforeseen circumstances. See our Cautionary statement regarding forward-looking statements.
Thank you
New product launches underway across respiratory, HIV, oncology and vaccines

<table>
<thead>
<tr>
<th>Market definition</th>
<th>Respiratory Controller: ICS/LABA</th>
<th>Respiratory Controller: Bronchodilator</th>
<th>Metastatic Melanoma V600</th>
<th>HIV total</th>
<th>Seasonal Flu Vaccines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current global market size</td>
<td>£8.5 bn</td>
<td>£4.8 bn</td>
<td>£0.4 bn</td>
<td>£12.3 bn</td>
<td>£2.0 bn</td>
</tr>
<tr>
<td>Current US market share</td>
<td>Advair: ~63% Breo Ellipta: ~0.2%</td>
<td>Not launched</td>
<td>~60% combined TRx share of V600</td>
<td>8% of naive/add/switch for 3rd agent/STR</td>
<td>~70% of 3y+ QIV injection market</td>
</tr>
<tr>
<td>Access % US pts Tier 2/3 unrest.</td>
<td>~66% Commercial ~25% Part D</td>
<td>Not launched</td>
<td>~90%</td>
<td>~98%</td>
<td>&gt;95%</td>
</tr>
<tr>
<td>US Physician coverage</td>
<td>90% aware</td>
<td>Not launched</td>
<td>~50%</td>
<td>&gt;90%</td>
<td>Nearly 100%</td>
</tr>
<tr>
<td>Key US market share data</td>
<td>NBRx: ~2%</td>
<td>Not launched</td>
<td>~70% combined NRx share of V600</td>
<td>Naive: 5% Switch: 12%</td>
<td>&lt;25% of US estimated QIV in 2013/14 season</td>
</tr>
<tr>
<td>Markets with price/reimbursement</td>
<td>4 European markets, Japan and Canada</td>
<td>None</td>
<td>Available in Canada</td>
<td>Available in 5 EU countries, Australia, Canada</td>
<td>Approved in EU and Australia (Jan 2014)</td>
</tr>
</tbody>
</table>

Sources for Respiratory, Melanoma and HIV, refer to footnotes to slides 6-9. For Flu, GSK estimates and CDC data.
# Ongoing innovation in R&D delivering new products to patients across key disease areas

<table>
<thead>
<tr>
<th>Disease Area</th>
<th>Recently approved</th>
<th>Filed</th>
<th>Expected Ph III data 2014/15</th>
<th>Potential Ph III starts 2014/15</th>
</tr>
</thead>
</table>
| **Respiratory** | **Relvar/Breo Ellipta** (US, EU, J)  
**Anoro Ellipta** (US) | **Anoro Ellipta** (EU, J)  
**UMEC mono** (US, EU)  
**FF mono** (US) | mepolizumab  
asthma  
**Anoro vs Advair/Seretide**  
**Anoro Ellipta vs tio**  
**Relvar Ellipta**  
Salford COPD | mepolizumab  
COPD  
ICS/LABA/LAMA  
COPD  
ICS/LAMA  
asthma |
| **Oncology** | **Tafinlar** (US, EU, J)  
**Mekinist** (US)  
**Taf/Mek combo use** (US)  
**Tykerb** dual inhib (EU) | **Votrient ovarian** (EU)  
**Arzerra**  
**Taf/Mek combo use** (EU)  
**Mekinist** (EU) | **Tykerb**  
ALTTO  
**Arzerra**  
**Taf/Mek combo use**  
melanoma | **Tafinlar**  
NSCLC  
**Mekinist**  
NSCLC  
**Taf/Mek**  
colorectal  
**Votrient**  
bladder, pancreatic, nasopharyngeal  
AKT inhibitor  
multiple myeloma |
| **HIV** | **Tivicay** (US, EU) | **dolutegravir/Trii** (US, EU) | ‘744  
long-acting integrase inhibitor | |
| **Vaccines** | **Flu QiV** (US, EU) | | **MAGE-A3**  
Zoster vaccine | **PRAME**  
Oncology indications |
| **II** | | **sirukumab**  
RA  
**Benlysta s/c**  
SLE | | |
| **CV&M** | **Eperzan** (EU & US) | | **darapladib**  
atherosclerosis | **losmapimod** (ACS) |
| **Other** | **Revolade** HCVaT (EU) | | | retosiban (PTL), ‘728 antisense,  
tafenoquine (malaria), ‘944 (antibacterial)  
‘275 Gene Therapy |
Assumptions for 2014 Core results ex divestments

Guidance

Core EPS growth (ex divestments) 4% to 8% CER
(from adjusted EPS ex divestments of 108.4p)

Turnover growth (ex divestments) Around 2% CER
(from adjusted turnover ex divestments of £25.6bn)

Assumptions

Net finance expense Broadly in line with 2013 (£692m)

Tax rate Around 22%

Share buy-backs £1 bn - £2 bn

All forward looking statements are based on 2013 numbers adjusted for divestments made in 2013, at CER and barring unforeseen circumstances. See our Cautionary statement regarding forward-looking statements.
2013 currency sales exposure

<table>
<thead>
<tr>
<th>Currency</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $</td>
<td>33%</td>
</tr>
<tr>
<td>Euro €</td>
<td>19%</td>
</tr>
<tr>
<td>Japanese ¥</td>
<td>7%</td>
</tr>
<tr>
<td>Other*</td>
<td>41%</td>
</tr>
</tbody>
</table>

* 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 14% of Group revenues in 2013.

Core EPS ready reckoner

<table>
<thead>
<tr>
<th>Currency</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>US $</td>
<td>10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 3.5%</td>
</tr>
<tr>
<td>Euro €</td>
<td>10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 2%</td>
</tr>
<tr>
<td>Japanese ¥</td>
<td>10 Yen movement in average exchange rate for full year impacts EPS by approx. +/- 1%</td>
</tr>
</tbody>
</table>

Average rates for January were £1/$1.65, £1/€1.21 and £1/Yen 171

If exchange rates were to hold at these rates for the rest of 2014, the estimated adverse impact on 2014 sterling turnover would be around 5%, and if there were no further exchange gains or losses, the estimated adverse impact on 2014 sterling core EPS would be around 6%.
Estimated Sales
-Late-stage pipeline includes pharma NCEs, additional indications, and vaccines launched from 2011 onwards plus current phase IIb & III pipeline (Sales taken from 2011 in order to match the R&D costs from 2005 onwards).
-Actual sales 2011-13 for products launched since 2011.
-Estimated future sales for all products through 2034.
-Future sales estimates include risk-adjustment which is inline with current industry attrition rates.

R&D Costs
-R&D costs associated with the development of our current late-stage pipeline projects are included (including the costs of failed assets as well as infrastructure costs).
-For pharma, the following approach was used:
  -Total R&D costs split proportionately into early-stage (pre-CS), mid-stage (CS-C2MD) and late-stage (C2MD to launch).
  -In order to allocate all costs for this set of projects (e.g. late-stage pipeline) as accurately as possible, costs were included as follows:
    -2005-07: All early-stage and 50% mid-stage costs.
    -2008-11: All mid-stage and all late-stage costs excluding PLE and market support.
    -2012 and beyond: All late-stage cost estimates for the assets which are included in the sales projections, and estimates for increasing regulatory support.
-Actual upfront and milestone payments for in-licensed assets, as well as estimates for future milestone payments, were also included.
-For vaccines, a similar approach was used.

Key Financial Assumptions
-Forecast operating profit margins after deduction of COGS, selling and marketing and direct administration costs. Estimates are similar to current margin ratios.
-Includes estimates of capital investments and working capital requirements.
-Includes the UK Patent box tax structure (tax impact reported separately).

The methodology above was applied to estimate the annual net cash flows used to derive the estimated IRR%