Cautionary statement regarding forward-looking statements

This presentation contains forward-looking statements. Forward-looking statements give the Group’s current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as ‘anticipate’, ‘estimate’, ‘expect’, ‘intend’, ‘will’, ‘project’, ‘plan’, ‘believe’, ‘target’ and other words and terms of similar meaning in connection with any discussion of future development, operating or financial performance. In particular, these include statements relating to future actions, prospective products or product approvals, future performance or results of current and anticipated products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, and financial results.

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Forward-looking statements are subject to assumptions, inherent risks and uncertainties, many of which relate to factors that are beyond the Group’s control or precise estimate. The Group cautions investors that a number of important factors, including those in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement. Such factors include, but are not limited to, those discussed under Item 3.D ‘Risk factors’ in the Group’s Annual Report on Form 20-F for 2014 and those discussed in Part 2 of the Circular to Shareholders and Notice of General Meeting furnished to the SEC on Form 6-K on November 24, 2014. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Group on the date of this report.
Innovation is critical to maximising the potential of GSK in the current environment

Future R&D innovation

Pharmaceuticals
Vaccines
Consumer

Broad portfolio offering

Global footprint + regulatory and quality competence

>6 billion people outside US & Europe

>1 billion 60+ year olds by 2020 (+20%)

650m new babies by 2020

>7 billion people

But pricing environment uncertain

Clear volume opportunity

60+ people by 2020

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Clear volume opportunity
R&D Strategy: Reliable fill & flow with greater novelty and improved return on investment

<table>
<thead>
<tr>
<th>Accelerate Discovery output</th>
<th>Focus where science is innovative</th>
<th>Improve balance internal vs external</th>
<th>Reduce fixed cost and improve ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Now have 30 DPUs, of which two thirds are from the original 2009 set. Average 20% turnover every 3 year cycle</td>
<td>• Of the ~40 assets profiled today, 80% of new molecules, biologicals and vaccines are potentially 1st in class</td>
<td>• 60% of NMEs* in the clinic are home-grown, 40% partnered or in-licensed</td>
<td>• 20% faster study execution times^</td>
</tr>
<tr>
<td>• 65% of NMEs* in the clinic were either discovered or worked on by the DPUs</td>
<td>• Almost 50% of clinical stage NMEs* are biopharm, CGT, or oligos. i.e. non-traditional white pill</td>
<td>• &gt;1,500 collaborations inclusive of academic, public-private partnerships, biotech and pharma</td>
<td>• Pharma R&amp;D headcount reduced from 12,000 to 8,500 since 2008, reduced to 2 global pharma R&amp;D hubs</td>
</tr>
<tr>
<td>• Average of 60-65 publications annually in world class journals across pharma and vaccines</td>
<td>• Competitive advantage through epigenetics, cell &amp; gene technology, adjuvants, self amplifying RNA, inhaled technology, chimp adenovector</td>
<td></td>
<td>• Balance discovery and development (pharma split 38% Discovery; 62% Development)</td>
</tr>
</tbody>
</table>

To deliver multiple launches per year

*NMEs: Phase I – III/submitted, per pipeline chart; † Pipeline = Phase I-III/submitted; ^ comparison vs peers based on CMR data.
New product contribution increasing as generic exposure reduces

### 2008 - 2014
28 first approvals of new molecules, vaccines or significant combinations, generating £2.6 billion sales in 2014

### 2015 - 2020
11 new products* with at least £6bn expected sales, with 9 marketed products generating £1.3 billion in 2015 YTD

+ 5 additional Phase III NMEs/PLEs

### 2021 - 2025
~ 30 Phase II NME/PLE starts in 2016/17

~ 20 Phase III NME/PLE starts in 2016/17

### Generics

~£6bn loss to generics + Avandia

Avodart (Q4 2015), Advair†

Reduced generic exposure

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* Includes key recent and near-term launches plus late-stage assets. Rx: Breo, Anoro, Incruse, Arnulity, Tanzeum, Nucala, Tivicay, Triumeq. Vx: Menveo, Bexsero, Shingrix.

† A number of assets in the portfolio will face generic competition in this time frame, the most significant of which is Advair

PLE= New formulations or combinations
New product growth more than offsets Advair decline

<table>
<thead>
<tr>
<th>Quarter</th>
<th>New Product Growth*^</th>
<th>Seretide/Advair Decline^</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 15</td>
<td>£221m</td>
<td>£141m</td>
</tr>
<tr>
<td>Q2 15</td>
<td>£321m</td>
<td>£135m</td>
</tr>
<tr>
<td>Q3 15</td>
<td>£412m</td>
<td>£182m</td>
</tr>
</tbody>
</table>

* New products defined as: Rx: Breo, Anoro, Incruse, Arnuity, Tanzeum, Tivicay, Triumeq. Vx: Menveo, Bexsero
^ Growth and decline in the respective quarters on a Sterling basis
Assets profiled at R&D day by planned filing date

### 2014 to 2017
- **Severe Asthma**
  - Nucala (mepolizumab) IL-5 mAb
  - sirukumab IL-6 mAb
- **COPD**
  - mepolizumab IL-5 mAb
  - ADA-SCID
- **EGPA**
  - fluticasone furoate-vilanterol and umeclidinium
- **FAP**
  - mepolizumab IL-5 mAb
  - long acting mepolizumab (mepolizumab-5 mAb)

### 2018 to 2020
- **HIV**
  - mepolizumab IL-5 mAb
  - Nasal Polyps
  - tarextumab 
  - Solid Tumours, Haematological Malignancies
  - GS2988552 + GS2315988 SAP mAb + SAP depleter
- **EGPA**
  - GSK2696274 Ex-vivo stem CDT
  - Metachromatic Leukodystrophy
- **COPD**
  - GSK2696275 Ex-vivo stem CDT
  - GSK377974 + NY-ESO-1 TCR
  - Type 2 topoisomerase inhibitor
- **SLE**
  - Shingrix
  - Benlysta Subcutaneous BlyS mAb

### 2021 to 2025
- **Severe Asthma**
  - danirixin CXCR2 antagonist
  - Long acting IL-5 mAb (NBE)
- **COPD**
  - GSK3008348 Alpha V beta 6 integrin antagonist
  - IPF
  - GSK3228836 Anti-angiogenesis
  - RSV prophylaxis
  - Respiratory syncytial virus prophylaxis

See www.gsk.com for full clinical pipeline
Focus on delivering innovative and sustainable presence in 6 key areas

- HIV / Infectious Diseases
- Respiratory
- Vaccines
- Immuno–Inflammation
- Oncology
- Rare Diseases
Focus for today: Innovation to deliver products of value

Patrick Vallance
President, Pharmaceuticals R&D

Moncef Slaoui
Chairman of Vaccines