Grow

Deliver

Simplify

GlaxoSmithKline

Full Year Results 2012

6 February 2013

Sir Andrew Witty – Chief Executive Officer

Simon Dingemans – Chief Financial Officer

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 2011 included as exhibit 15.2 to the company's Annual Report on Form 20-F for 2011.

Nothing in this document should be construed as a profit forecast except the specific core EPS growth and turnover growth guidance given on slides 12, 21 and 23.

Strategy has delivered a fundamentally different GSK

Grow
a diversified global business

Deliver
more products of value

Simplify
the operating model

A balanced and synergistic business

Focused on increasing efficiency and maximising cash conversion

Preparing to launch a pipeline of new drugs

...to deliver earnings momentum and cash returns to shareholders

Global, Economic and Portfolio balance to capitalise on growth opportunities whilst managing environmental risk

Grow

Pro-innovation Rx/Vx markets

- 36% of GSK
- Reshaped for new operating environment
- Pipeline ready; early track record on launch capability
- JV to build vaccines presence in Japan

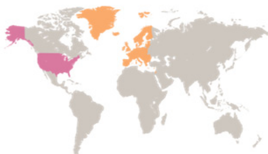
High growth Emerging markets

- 26% of GSK
- Capitalising on Rx/Cx synergies
- Increasing stakes in key growth businesses
- Differential investment & partnering to maximise returns

Europe Pharma & Vaccines

- 21% of GSK
- Restructuring will reduce costs, reallocate resources and improve efficiencies
- Assessing options to build long-term competitiveness

US/EU Consumer markets



- 10% of GSK
- Refocus around 4 categories driving growth
- Non–core OTC divestment complete
- Commencing Lucozade & Ribena strategic review

Sales are as % of Group; Pro-innovation markets US and Japan, and Europe Pharma & Vaccines both include ViiV sales;
Balance of 7%: Canada, Australasia, Puerto Rico, Consumer Japan, Contract manufacturing
Restructuring Proposals subject to appropriate employee consultation

R&D delivery will strengthen innovative Pharma and Vaccines

Deliver

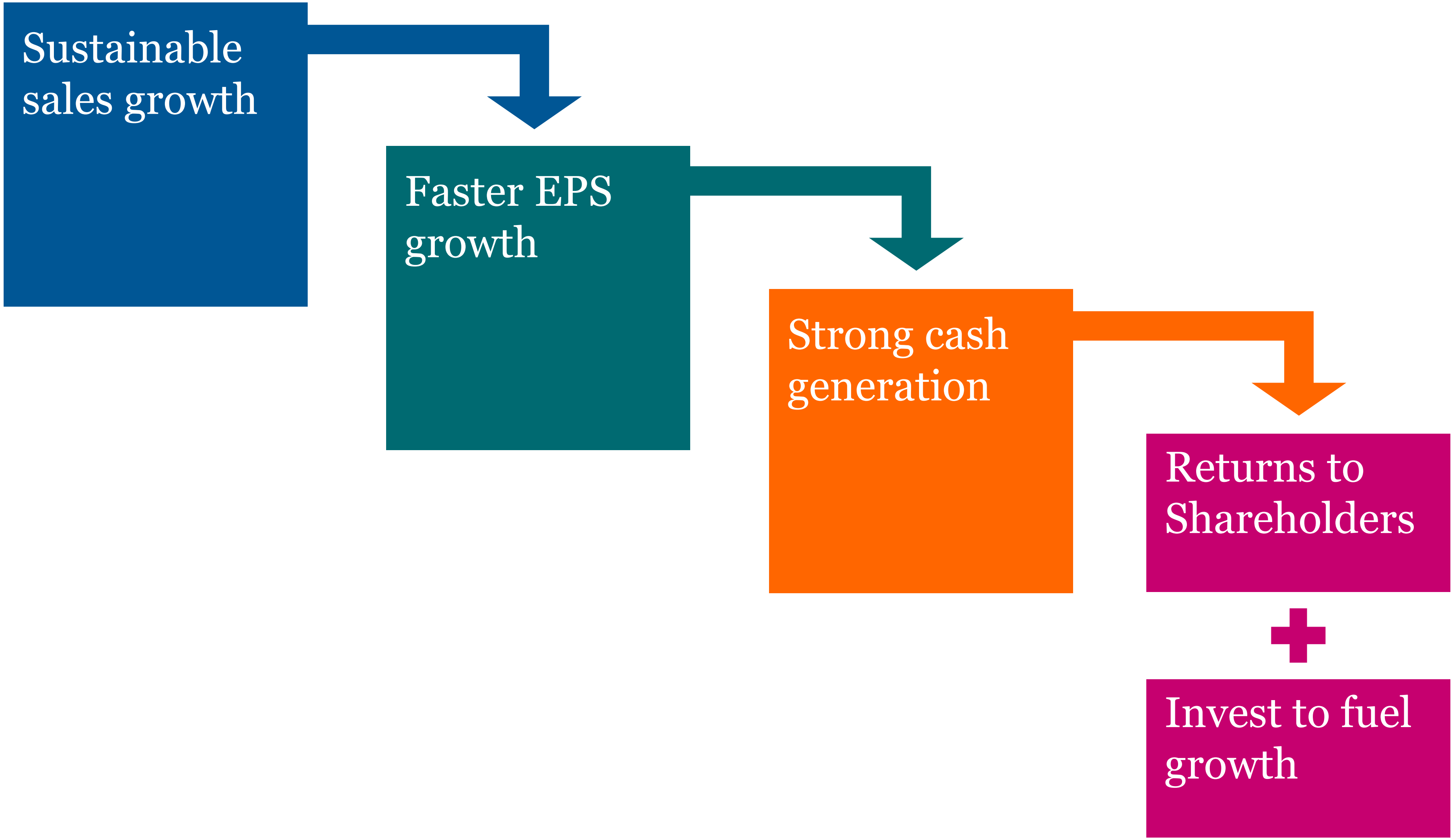
Pipeline delivery	• 6 new drugs filed • 14 assets with Phase III data in 2013/14; includes 9 new drugs and vaccines • Multiple 2013 catalysts • Discovery delivering sustainable flow of products to late-stage • On target to deliver 14% target return on R&D
Potential to grow in Respiratory	• Pipeline supports strengthening of market leading franchise
Increasing economics of key assets	• HGS acquisition • ViiV/Shionogi HIV integrase deal restructure • Increased Theravance stake

A simplified and modernised company with strong focus on cash

Simplify

Reduced cost & infrastructure	• ~9,000 sales force reduction in mature markets since 2007 • Exited 20 manufacturing sites since 2006 • 54% reduction in R&D footprint since 2006 • Support service costs down >20% since 2008
Modernising to enhance capability and efficiency	• End to end supply chain; lower inventory • Shorten cycle times; continuous manufacturing pilot • Reduce carbon footprint
Portfolio simplification	• Divesting at periphery to reduce complexity and monetise assets
Increasingly financially efficient	• Lower funding costs • Lower tax rate
Focused on cash conversion	• Working capital • Focus on CFROI

Strategy focused on delivery of EPS growth, strong cash generation and returns to shareholders



Grow

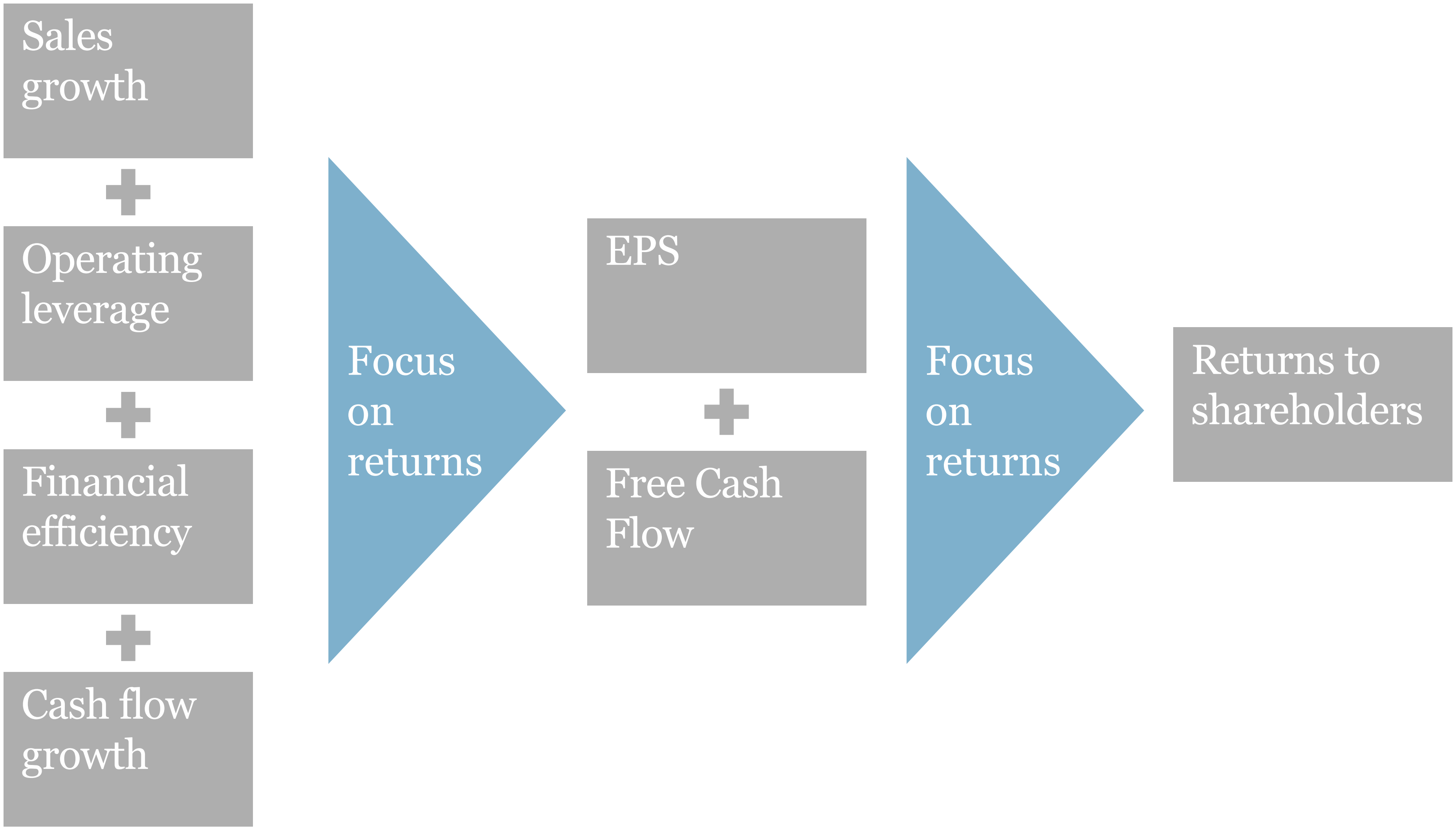
Deliver

Simplify

Simon Dingemans

Chief Financial Officer

GSK financial architecture driving returns



Headline results

£m	2012	Growth % CER	Growth % £
Turnover	26,431	(1)	(3)
Core operating profit	8,330	(3)	(5)
Core EPS	112.7p	flat	(2)
Adjusted FCF (FCF excl. legal)	4,659		(17)

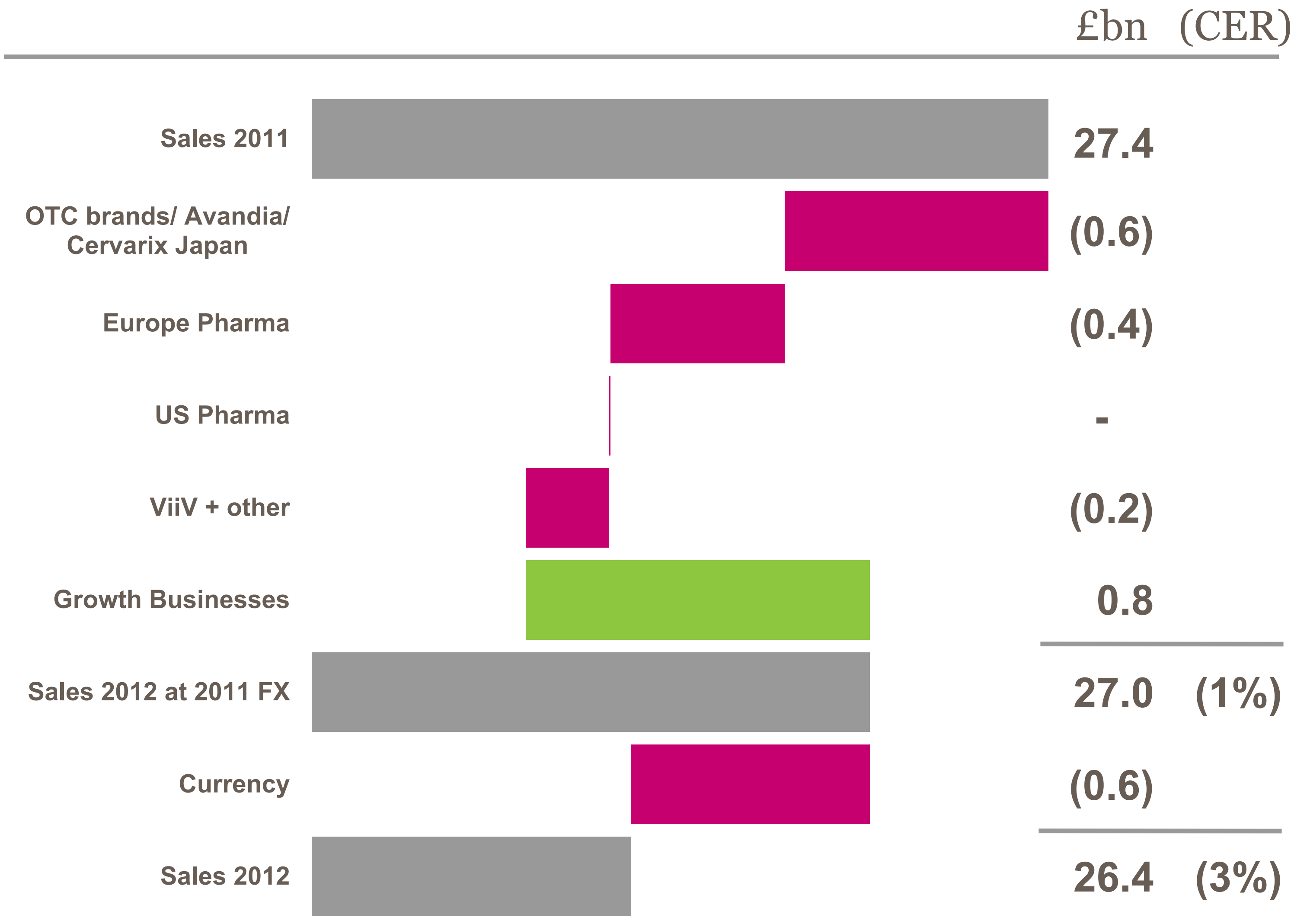
Sales growth analysis

Sales growth

Operating leverage

Financial efficiency

Cash flow growth



Growth Businesses defined as EMAP, Japan ex Cervarix and Consumer ex OTC divested brands

Outlook for 2013: around 1% turnover growth (CER) - difficult comparators in Q1

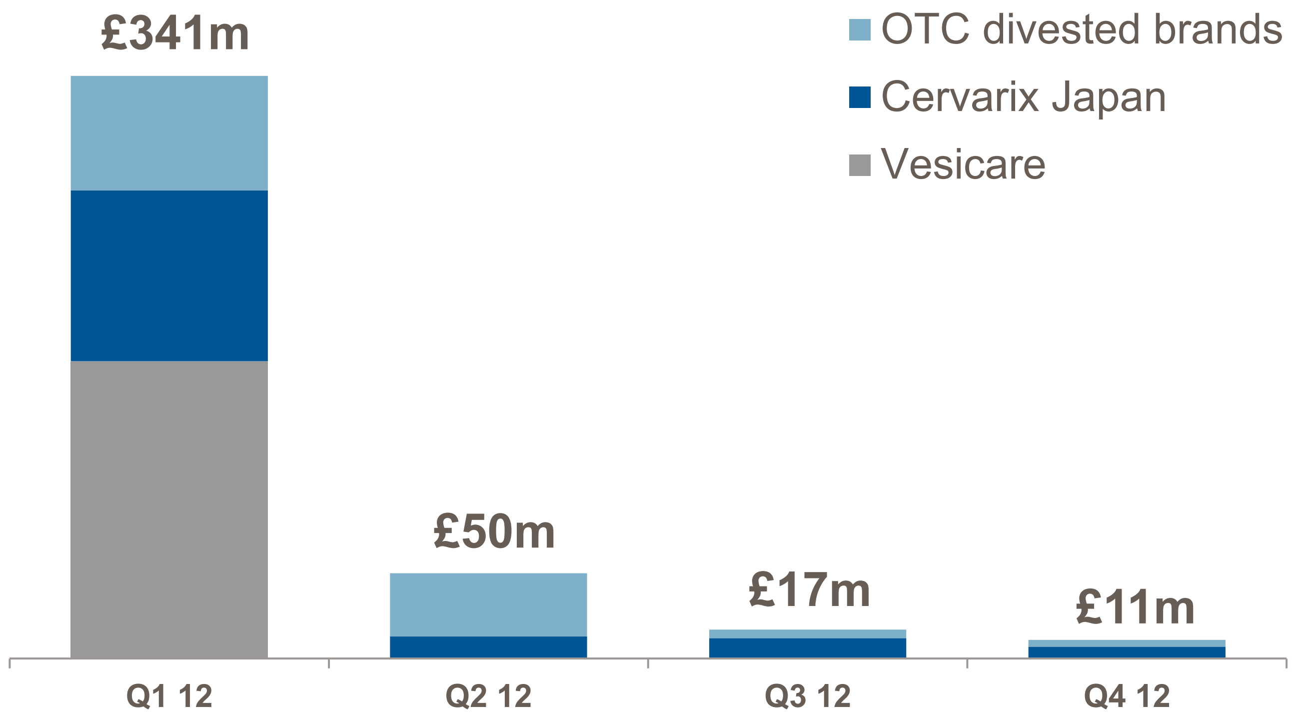
Sales growth

Operating leverage

Financial efficiency

Cash flow growth

2012 quarterly comparators



All forward looking statements are based on 2012 restated numbers adjusted for IAS 19R, at CER and barring unforeseen circumstances. See our 'Cautionary statement regarding forward-looking statements'

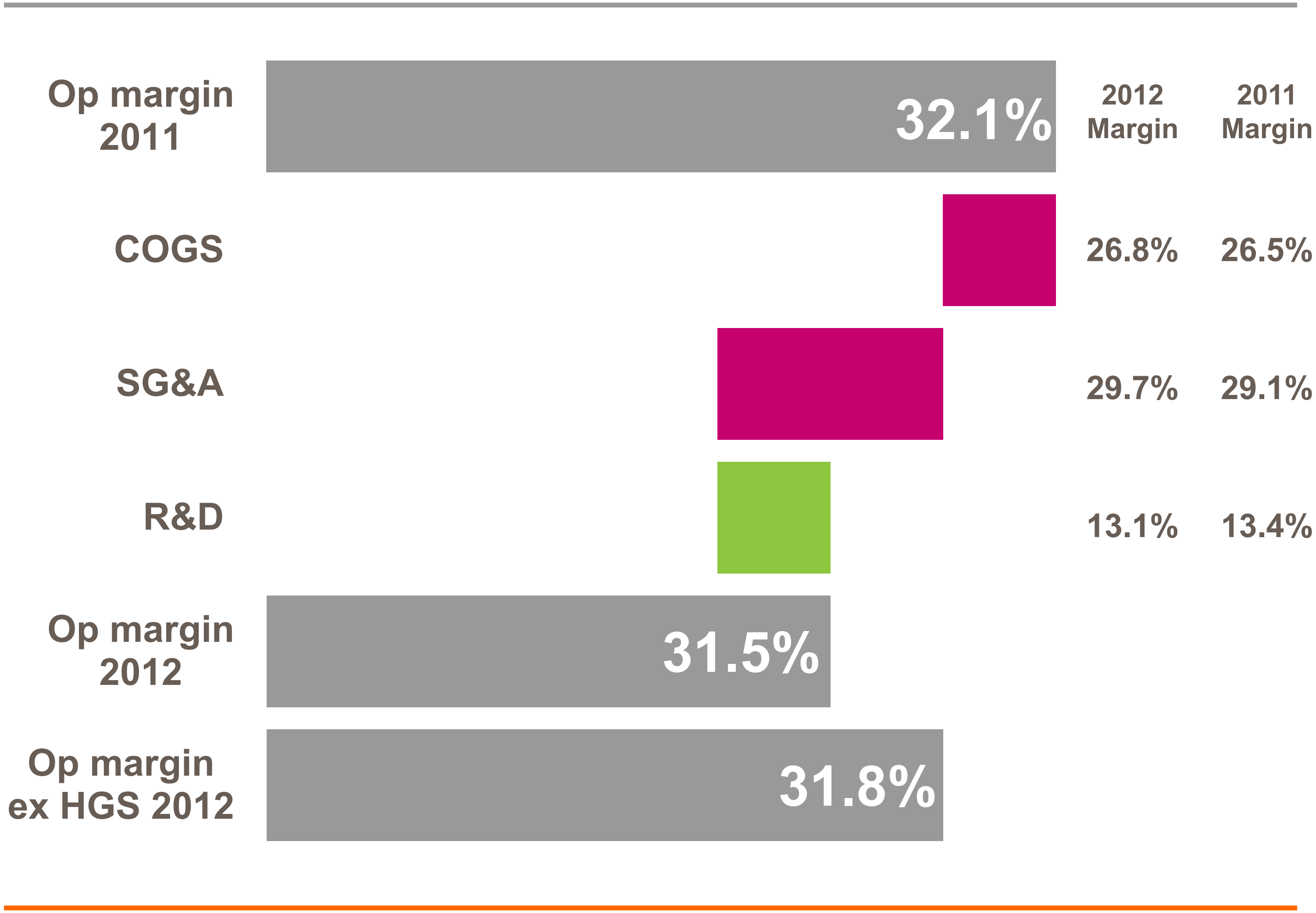
Margin impacted by declining sales, mix and HGS (30bps)

Sales growth

Operating leverage

Financial efficiency

Cash flow growth



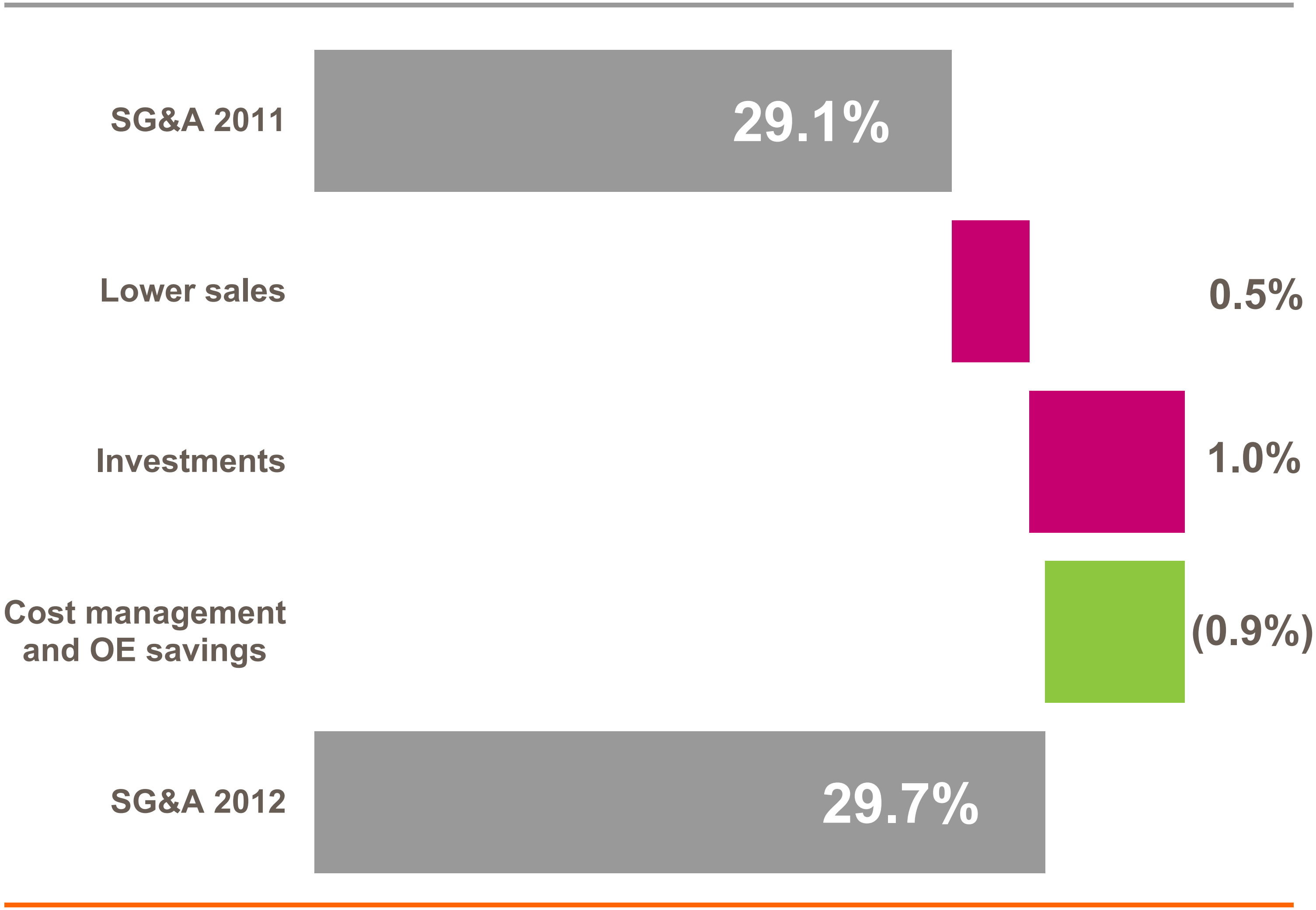
SG&A:
Balancing investment in growth with cost savings

Sales growth

Operating leverage

Financial efficiency

Cash flow growth



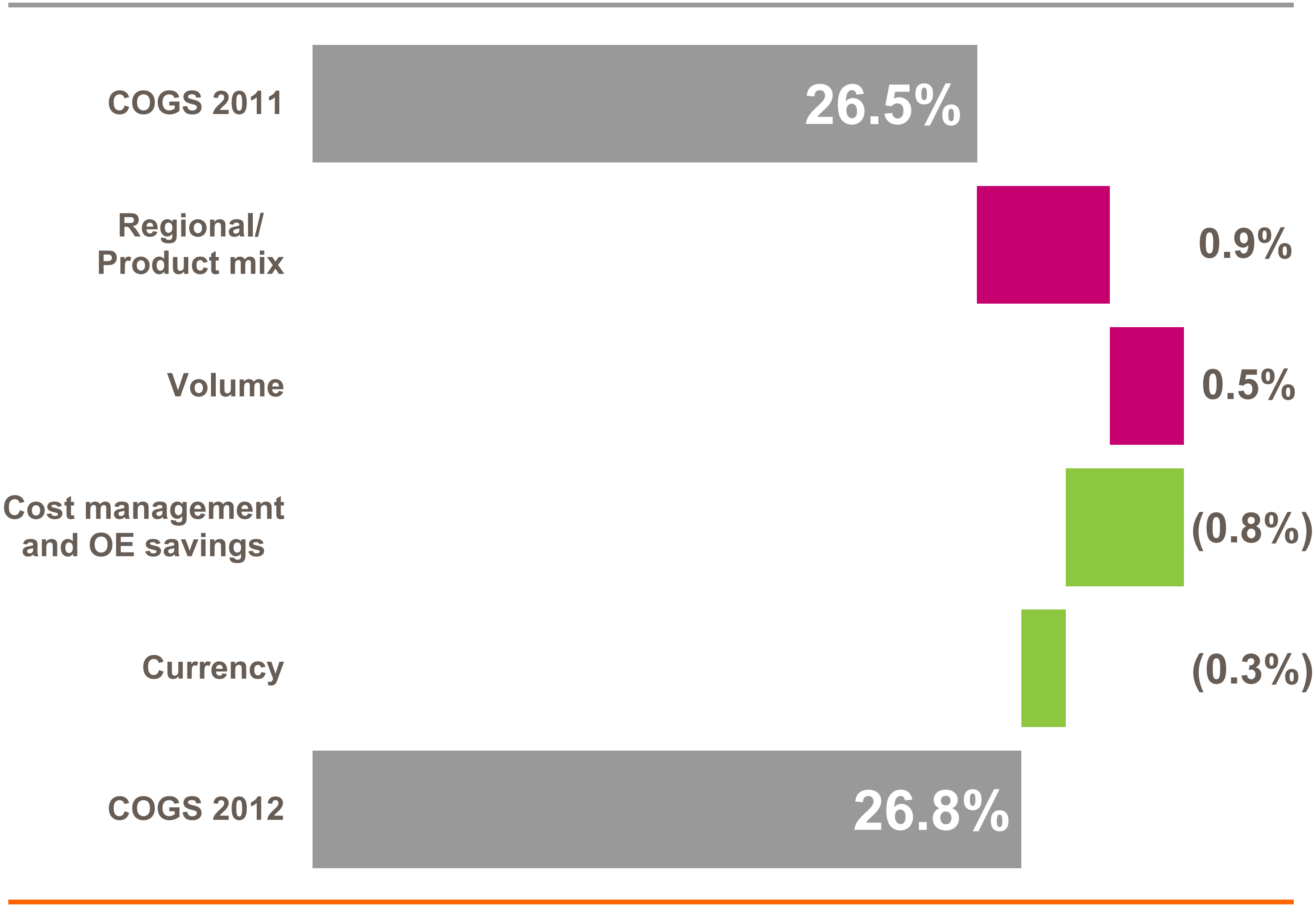
COGS:
Mitigation of pressure from cost management and OE savings

Sales growth

Operating leverage

Financial efficiency

Cash flow growth



New Change Programme:
Expected to deliver at least £1bn of further annual savings by 2016

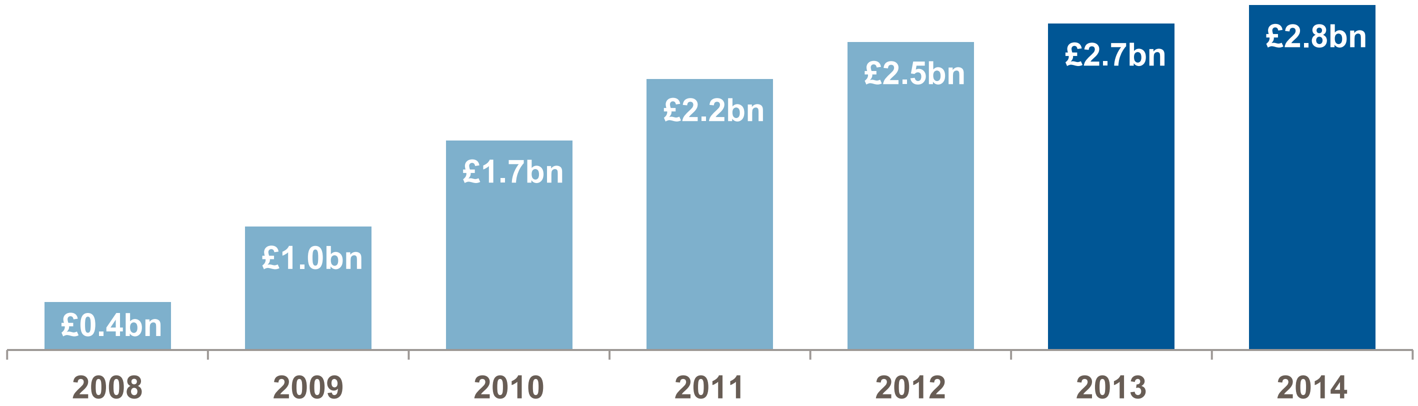
Sales growth

Operating leverage

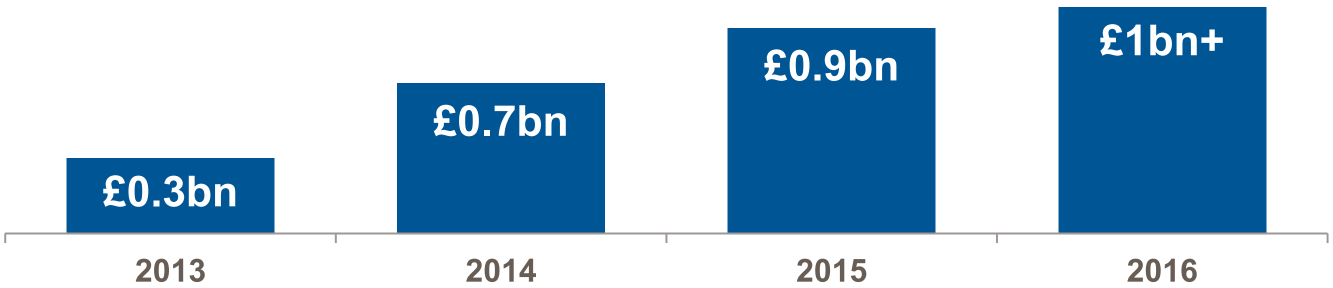
Financial efficiency

Cash flow growth

2008 – 2014 OE Programme Savings



2013 – 2016 New Change Programme Savings



Associated total charges for New Change Programme of £1.5bn

Strong delivery on financial efficiencies

Sales growth	2012 effective interest rate ~6% Target achieved 1 year early	2013 Net financing expense expected to be broadly similar to 2012
Operating leverage	2012 Core income tax rate 24.4% Target achieved 2 years early	2013 Core income tax rate ~24% expected
Financial efficiency	2012 Share buyback £2.5bn	2013 Share buyback £1-2bn targeted
Cash flow growth		

2012 Core EPS 112.7p

2012 Total EPS 92.9p

Accounting for Pensions – IAS 19R

£m	2012 Reported	2012 Restated for IAS 19R
Core operating profit	8,330	8,238
Core operating margin	31.5%	31.2%
Core EPS	112.7p	111.4p

2012 restatement includes non-cash, pre tax charge of £92m (1.3p)
2013 charge expected to be ~£160m (~2.5p)

See separate press release for details

Continued strong cash conversion: £4.7bn FCF (ex legal)

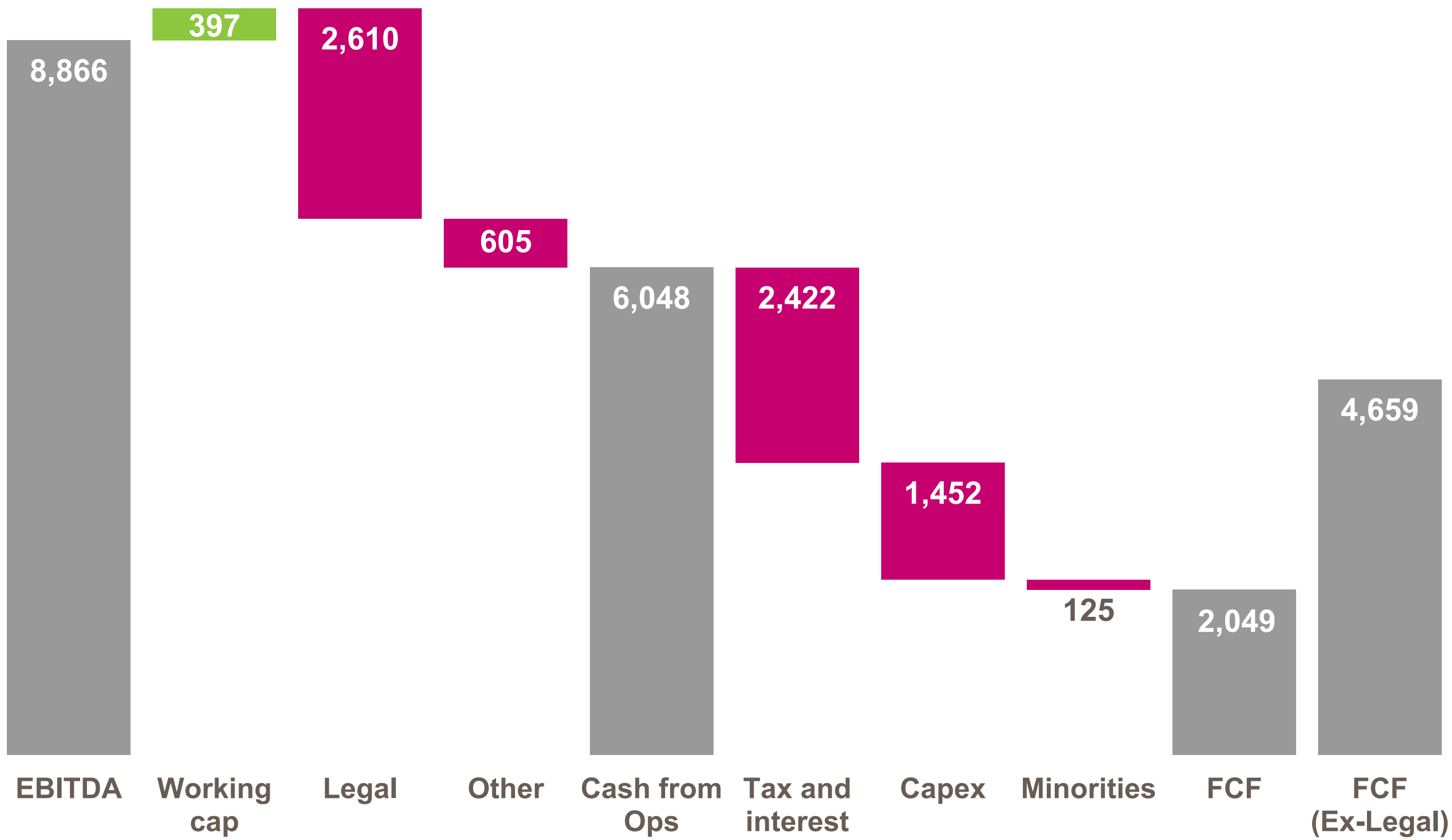
Sales growth

Operating leverage

Financial efficiency

Cash flow growth

2012 (£m)



EBITDA as reported (includes major restructuring).
Capex includes expenditure on intangibles, net of proceeds from sale of PPE.
Other primarily includes reduction in other net liabilities including Special Pension Contribution of £398m

Net debt increased to £14bn
Net interest charges broadly similar to 2011

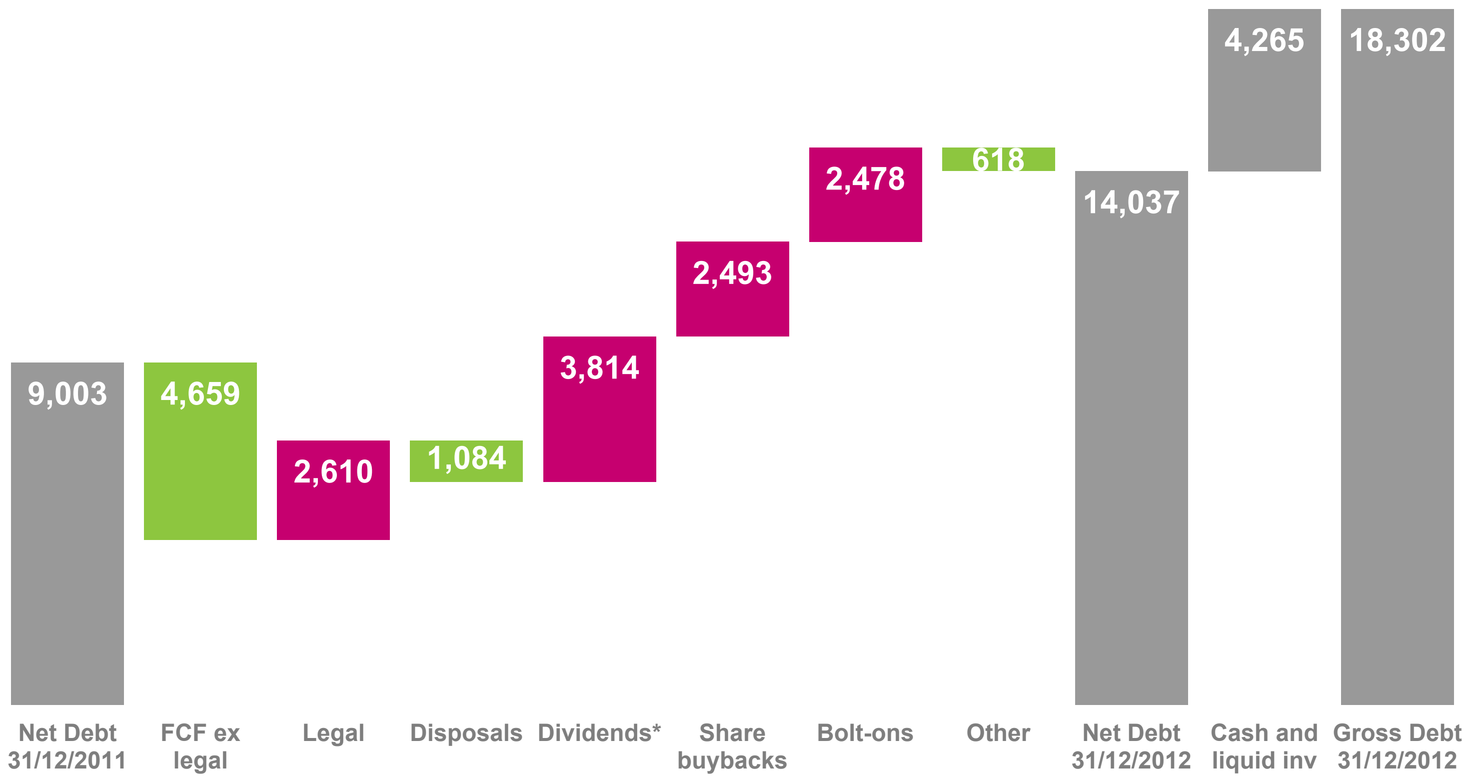
Sales growth

Operating leverage

Financial efficiency

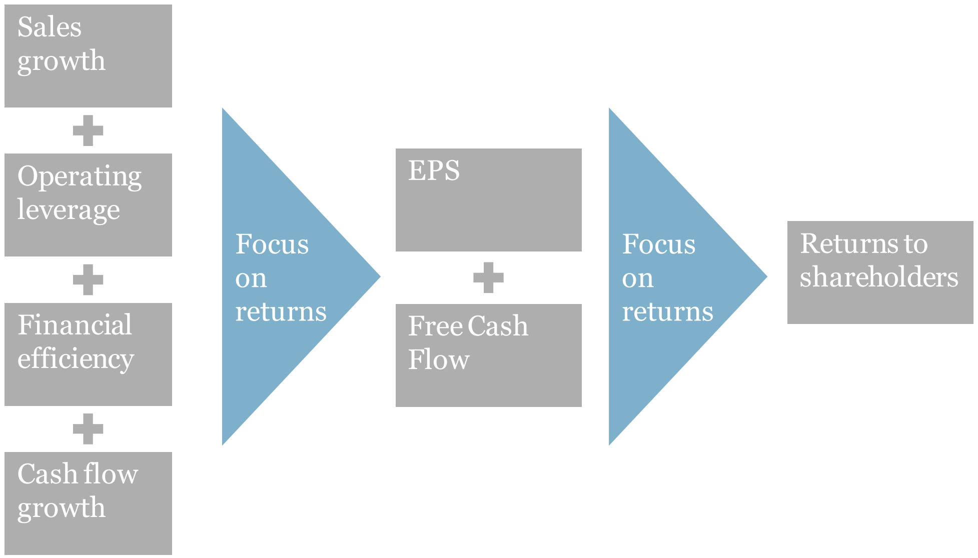
Cash flow growth

2012 (£m)



Dividends comprise payment of 2011 third interim dividend (£847m), 2011 fourth interim dividend (£1,043m) and the supplemental dividend (£248m), 2012 first interim (£846m) and 2012 second interim (£830m)

Guidance for 2013



Guidance for 2013

Turnover growth: around +1% CER

Core EPS growth: +3% to +4% CER

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Thank you

Q&A

Assumptions for 2013 Core Results

Guidance

Turnover growth	Around +1% CER
Core EPS growth	+3% to +4% CER (from IAS 19R adjusted 2012 EPS of 111.4p)

Assumptions

Net finance expense	Broadly in line with 2012 (£724m)
Tax rate	Approximately 24%
Share buy-backs	£1 billion to £2 billion

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Currency

2012 currency sales exposure

US $	32 %
Euro €	18 %
Japanese ¥	8 %
Other*	42 %

* No other currency represented more than 5% of Group sales

Core EPS ready reckoner

US $

10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 3.5%

Euro €

10 cents movement in average exchange rate for full year impacts EPS by approx. +/- 2.5%

Japanese ¥

10 Yen movement in average exchange rate for full year impacts EPS by approx. +/- 1%

Average rates for January were £1/$1.61, £1/€1.20 and £1/Yen 143

If exchange rates were to hold at these rates for the rest of 2013, the estimated adverse impact on 2013 sterling turnover would be around 1%, and if there were no further exchange gains or losses, the estimated adverse impact on 2013 sterling core EPS would be around 2%