Pre-Quarterly Results Communication Q4 2017

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Contents

New information for Q4 2017

Foreign exchange

Average rates Cumulative - YTD	3M 2016	6M 2016	9M 2016	12M 2016	3M 2017	6M 2017	9M 2017	12M 2017
Key currencies								
US$	1.43	1.42	1.39	1.36	1.25	1.27	1.28	1.30
€	1.30	1.29	1.25	1.23	1.17	1.16	1.15	1.15
Yen	167	160	153	149	141	142	144	145
Other currencies								
Australian dollar	1.96	1.94	1.88	1.83	1.66	1.68	1.68	1.69
Brazilian real	5.54	5.25	4.95	4.74	3.96	4.06	4.09	4.16
Canadian dollar	1.95	1.89	1.84	1.80	1.66	1.69	1.68	1.69
Chinese yuan	9.33	9.32	9.15	8.99	8.60	8.70	8.72	8.75
Indian rupee	96.1	95.6	93.2	91.0	83.2	83.3	83.8	84.4
Russian rouble	104	98.8	94.7	90.8	73.6	74.0	75.0	75.7
FX impact on turnover	***+3%***	***+5%***	***+8%***	***+11%***	***+ 14%***	***+11%***	***+8%***	***+5%***
FX impact on adjusted/CORE EPS	***+6%***	***+16%***	***+20%***	***+23%***	***+22%***	***+17%***	***+11%***	***n/a***

Average rates for the year ended 31 December 2017 were $1.30/£, €1.15/£ and Yen 145/£. Based on these rates, it is expected that the positive impact of foreign exchange on full year 2017 sales will be around 5%.

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 full year 2017 sterling adjusted EPS will be greater than the positive impact on sales. Over the first nine months of 2017, the benefit of currencies to adjusted EPS was 11% compared with the 8% benefit to sales.

Average rates Quarterly	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Key currencies								
US$	1.43	1.41	1.33	1.27	1.25	1.29	1.30	1.36
€	1.30	1.28	1.17	1.17	1.17	1.15	1.13	1.15
Yen	167	153	139	137	141	143	148	148
Other currencies								
Australian dollar	1.96	1.92	1.76	1.68	1.66	1.70	1.68	1.72
Brazilian real	5.54	4.96	4.35	4.11	3.96	4.16	4.15	4.37
Canadian dollar	1.95	1.83	1.74	1.68	1.66	1.72	1.66	1.72
Chinese yuan	9.33	9.31	8.81	8.51	8.60	8.80	8.76	8.84
Indian rupee	96.1	95.1	88.4	84.4	83.2	83.4	84.8	86.2
Russian rouble	104	93.6	86.5	79.1	73.6	74.4	77.0	77.8
FX impact on turnover	***+3%***	***+7%***	***+15%***	***+18%***	***+14%***	***+9%***	***+2%***	***-3%***
FX impact on adjusted/Core EPS	***+6%***	***+26%***	***+27%***	***+34%***	***+22%***	***+14%***	***+3%***	***n/a***

Average rates for the quarter ended 31 December 2017 were $1.36/£, €1.15/£ and Yen 148/£. Based on these rates, it is expected that the negative impact of foreign exchange on Q4 2017 sales will be around 3%. In Q4, we expect that the negative impact of foreign exchange on Q4 2017 sterling adjusted EPS will likely be greater than the negative impact on sales.

The Q4 2017 period-end rates were $1.35/£, €1.13/£ and Yen 152/£.

Period end rates	Dec 2015	Mar 2016	Jun 2016	Sept 2016	Dec 2016	Mar 2017	June 2017	Sept 2017	Dec 2017
Key currencies									
US$	1.47	1.44	1.33	1.30	1.24	1.25	1.30	1.34	1.35
€	1.36	1.26	1.20	1.16	1.17	1.17	1.14	1.13	1.13
Yen	177	162	137	132	144	139	146	151	152

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 Q4 2017 there was continued volatility in a number of currencies relative to Sterling.

EGOLs as reported (£m)	Q1	Q2	Q3	Q4	Full Year
2014	(20)	(27)	10	(19)	(56)
2015	(6)	(61)	0	13	(54)
2016	(3)	0	11	(42)	(34)
2017	(12)	(20)	(18)		

Foreign exchange: Ready reckoner

In the 2016 FY results presentation on 8 February 2017, the following ready reckoner was provided on slide 19 to help estimate the expected impact of foreign exchange movements on adjusted EPS*:

Currency	Impact on 2017 full year adjusted EPS
US dollar	10 cents movement in average exchange rate for full year impacts EPS by approximately +/-3.5%
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 +/-1.5%

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

The slide also included 2016 currency sales exposure for GSK:

Currency	2016 currency sales exposure
US dollar	36%
Euro	20%
Japanese yen	7%
Other‡	37%

‡The other currencies that each represent more than 1% of Group sales are: Australian dollar, Brazilian real, Canadian dollar, Chinese yuan and Indian rupee. In total, they accounted for 11% of Group revenues in 2016

Basic weighted average number of shares (WANS)

The basic weighted number of shares in issue during 2017 was 4,886m compared with 4,860m in 2016 (an increase of 0.5%).

The basic weighted number of shares in issue during Q4 2017 was 4,891m compared with 4,867m in Q4 2016 (an increase of 0.5%).

In millions*	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
WANS: Quarter	4,847	4,859	4,865	4,867	4,877	4,887	4,890	4,891
WANS: Cumulative - Year to date	4,847	4,853	4,857	4,860	4,877	4,882	4,884	4,886
Period end shares	4,858	4,861	4,866	4,868	4,886	4,888	4,890	4,892

**excludes treasury shares and shares held by ESOP trusts*

Dividend

In the Q3 2017 press release we made the following comment on returns to shareholders:

"GSK expects to pay an annual ordinary dividend of 80p for 2017.

GSK recognises the importance of dividends to shareholders and aims to distribute regular dividend payments that will be determined primarily with reference to the free cash flow generated by the business after funding the investment necessary to support the Group's future growth.

The Board intends to maintain the dividend for 2018 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	Special dividend
2014	19	19	19	23	80	-
2015	19	19	19	23	80	20
2016	19	19	19	23	80	-
2017 - expected	19	19	19		80†	-
2018 - expected					80†	

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

Factors impacting recent quarterly comparisons

As usual there were several events in 2017 and during 2016 which impact the year on year comparisons for Q4 2017. 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 Q4 2017 versus Q4 2016.

For further comments, please refer to quarterly press releases, presentations and transcripts.

Pharmaceuticals

Pharmaceuticals (£m)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
Total turnover	3,586	3,882	4,061	4,575	16,104	4,189	4,357	4,190
Reported growth - CER	-1%	+2%	+6%	+4%	+3%	+4%	+3%	+2%
Pro forma* growth - CER	**+5%**	**n/a**	**n/a**	**n/a**	**+4%**	**n/a**	**n/a**	**n/a**
Adjusted operating profit**	1,143	1,351	1,391	1,603	5,488	1,440	1,464	1,426
Adjusted operating margin**	31.9%	34.8%	34.3%	35.0%	34.1%	34.4%	33.6%	34.0%

** Pro forma growth rates for Q1 2016 and FY 2016 are calculated comparing reported turnover for Q1 2016 and FY 2016 with the turnover for Q1 2015 and FY 2015 adjusted to exclude sales of the former GSK Oncology business for January and February 2015.*
*** Adjusted results revised for 'ordinary course' legal charges and minor reallocation of costs between Pharma and Vaccines*

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding the Pharmaceutical business:

"Sales within the Pharma business were up 2%, despite a drag of around one percentage point relating to the Aspen and Romania disposals."

Pharmaceuticals: Respiratory

Seretide/Advair (£m)	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
US	1,865	339	487	447	556	1,829	339	476	388
Europe	1,014	226	213	195	201	835	206	182	164
International	802	188	200	215	218	821	207	190	191
Total	**3,681**	**753**	**900**	**857**	**975**	**3,485**	**752**	**848**	**743**
CER growth									
US	-13%	-19%	-7%	-2%	-21%	-13%	-12%	-11%	-15%
Europe	-18%	-24%	-25%	-24%	-24%	-24%	-17%	-21%	-18%
International	*-8%*	-11%	-11%	+5%	-11%	*-7%*	-4%	-11%	-11%
Total	***-13%***	**-19%**	**-13%**	**-7%**	**-20%**	***-15%***	**-12%**	**-14%**	**-15%**

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding the Respiratory business:

"In the US, the new Ellipta products continue to gain share and grow volume, while at the same time, the run rates for discounts and rebates across our inhaled respiratory products, particularly the older ones, continue to move higher. This reflects the pricing pressures we have previously flagged from the combination of payor consolidation, the threat of an Advair generic competitive pressures, and the continued transition of our Respiratory portfolio to the new products.

Additionally, the reported sales in Q3 for Breo, Anoro and Ventolin were impacted by unfavourable true-up adjustments from sales in previous quarters. Advair sales reflected a favourable true-up in the same quarter. As we have highlighted before, you should expect a bit more volatility in RAR rates

than historically, given the more competitive dynamic in the marketplace and shifts in the channel mix that we are seeing. However, importantly, in total, the impact of true-ups was broadly neutral to the reported total US Respiratory sales."

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments on Seretide/Advair:

"Seretide/Advair was down 15% globally, and with no substitutable generic entry expected this year in the US, we continue to expect a global decline of 15-20% in 2017 as a whole, with the US more at the 15% end of the range, and Europe more at the 20% end."

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments on Trelegy:

"We are preparing to launch Trelegy in the US during the middle of November. This is a key addition to the Ellipta portfolio, and one which we believe will be a significant new growth drivers for the Respiratory business. Building Trelegy to its full potential will take some time, as we get coverage in place, and work to add the IMPACT data to the label."

Please note that Trelegy Ellipta was approved in the US on 18 September and gained marketing authorisation in Europe on 16 November.

Pharmaceuticals: HIV

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding the HIV business:

"Moving to our HIV products, overall our HIV portfolio grew 13%, with growth again driven by the continued strong performances of Triumeq and Tivicay. Epzicom/Kivexa continues to decline as a result of generic competition affecting, particularly, Europe."

HIV (£m)	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
Tivicay	588	188	225	250	290	953	301	340	364
Triumeq	730	328	409	468	530	1,735	539	648	621
Epzicom	698	154	157	143	114	568	78	63	51
Other HIV	306	59	74	79	88	300	67	65	57
Total turnover	**2,322**	**729**	**865**	**940**	**1,022**	**3,556**	**985**	**1,116**	**1,093**
CER growth	*+54%*	*+57%*	*+44%*	*+32%*	*+25%*	*+37%*	*+19%*	*+17%*	*+13%*

Pharmaceuticals: Established Pharmaceuticals

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding Established Pharmaceuticals:

"Established Pharmaceuticals, which includes the majority of our off-patent products declined 4%, including the impact of divestments and the Avodart generic, which declined in both Europe and the US. This group of products has done somewhat better year-to-date than we originally expected, benefitting from some of the supply capacity investments we have been making that are now coming onstream, as well as the phasing benefits from some tenders and other contracts.

We still expect the overall percentage rate of decline for Established Pharmaceuticals for the year as a whole to be in the mid-to-high single digits, but we are likely at the better end of that range, including the impact of disposals."

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 tables below the 2016 and 2017 YTD quarterly results for the Vaccines business.

GSK Vaccines (£m)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
US	262	258	725	354	1,599	363	316	816
Europe	339	325	389	370	1,423	389	394	431
International	281	377	499	413	1,570	400	401	442
Total turnover	**882**	**960**	**1,613**	**1,137**	**4,592**	**1,152**	**1,111**	**1,689**
Adjusted operating profit**	246	264	641	278	1,429	341	374	698
*Adjusted operating margin***	*27.9%*	*27.5%*	*39.7%*	*24.5%*	*31.1%*	*29.6%*	*33.7%*	*41.3%*
CER growth								
US - reported	*+13%*	***-2%***	***+23%***	***+5%***	*+13%*	***+21%***	***+12%***	***+6%***
US - PF*	***+6%***	*n/a*	*n/a*	*n/a*	***+12%***	*n/a*	*n/a*	*n/a*
Europe - reported	*+48%*	***+11%***	***+10%***	***+11%***	*+18%*	***+4%***	***+10%***	***+6%***
Europe - PF*	***+33%***	*n/a*	*n/a*	*n/a*	***+16%***	*n/a*	*n/a*	*n/a*
International - reported	*+10%*	***+20%***	***+25%***	***-11%***	*+10%*	***+25%***	***-5%***	***-14%***
International - PF*	***+3%***	*n/a*	*n/a*	*n/a*	***+8%***	*n/a*	*n/a*	*n/a*
Total turnover								
- reported	*+23%*	***+11%***	***+20%***	***+0%***	*+14%*	***+16%***	***+5%***	***+0%***
- PF*	***+14%***	*n/a*	*n/a*	*n/a*	***+12%***	*n/a*	*n/a*	*n/a*

** Pro forma growth rates for Q1 2016 and FY 2016 are calculated comparing reported turnover for Q1 2016 and FY 2016 with the turnover for Q1 2015 and FY 2015 adjusted to include the two months of sales for January and February 2015 of the former Novartis Vaccines business.*
*** Adjusted results revised for 'ordinary course' legal charges and minor reallocation of costs between Pharma and Vaccines*

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding Vaccines:

"Moving to Vaccines, sales were flat. As we have previously flagged, reported growth this quarter reflected the phasing of shipments that benefitted earlier quarters in the year, particularly for Synflorix in International and a tough comparator for flu vaccines. That said, we are very pleased with another strongly executed flu season, particularly in the US, where the total number of doses we expect to sell this year is a few million more than last year, when we sold just short of 35 million doses, 90% of it in Q3. Most of the extra doses for this year will now fall into Q4, after similar deliveries year-on-year in Q3."

Consumer Healthcare

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments Consumer Healthcare:

"Moving to Consumer, sales were up 2% after a 1% drag from the combined impact of the divestment of the Nigerian drinks business at the end of Q3 last year and implementation of GST in India in July of this year.

… Looking forward, the next few quarters will be impacted by the recent launch of generic competition to one of our legacy Novartis products, which was contributing sales at an annual rate of around £80 million. We also expect some further tail brand disposals during 2018 that would have a full year impact of around £50 million on sales.

Given all these factors, as we previously discussed, we are not expecting much growth of the top line from the Consumer business this year and unless the market backdrop improves we would not expect more than low-single-digit reported growth next year."

GSK Consumer Healthcare (£m)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
Turnover	1,761	1,690	1,868	1,874	7,193	2,043	1,852	1,964
Reported growth - CER	*+26%*	***+7%***	***+5%***	***+2%***	*+9%*	***+2%***	***+0%***	***+2%***
Pro forma* growth – CER	***+4%***	*n/a*	*n/a*	*n/a*	***+5%***	*n/a*	*n/a*	*n/a*
Adjusted operating profit	303	238	301	274	1,116	351	328	392
Adjusted operating margin	*17.2%*	*14.1%*	*16.1%*	*14.6%*	*15.5%*	*17.2%*	*17.7%*	*20.0%*

**Pro forma growth rates for Q1 2016 and FY 2016 are calculated comparing reported turnover for Q1 2016 and FY 2016 with the turnover for Q1 2015 and FY 2015 adjusted to include the two months of sales for January and February 2015 of the former Novartis Consumer products.*

Corporate and other unallocated turnover and costs

Corporate and other unallocated * (£m)	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
Turnover	0	0	0	0	0	0	0	0
Adjusted operating profit (costs)**	(168)	(31)	(35)	(128)	(362)	(153)	(83)	(48)

**Corporate and other unallocated costs include the costs of corporate functions.*
*** Adjusted results revised for 'ordinary course' legal charges*

Operating and financial performance

Operating performance

Year-on-year annual cost savings (per Q2 2017 results presentation)

Annual savings (£bn)*	2016 December achieved	2017 December expected	2018 December expected	2019 December expected	2020 December expected
Annual savings at 2015 FX	2.8	3.3	3.5	3.7	4.0
Cumulative FX benefit	0.2	0.3	0.4	0.4	0.4
Total savings delivered/expected	**3.0**	**3.6**	**3.9**	**4.1**	**4.4**

** Expected phasing of annual savings. All expectations and targets regarding future performance should be read together with "Assumptions related to 2017 guidance and 2016-2020 outlook" on page 34 of our Q3 earnings release dated 25 October 2017 and the cautionary statement slide included with the Q2 2017 results presentation.*

In the Q3 2017 press release we made the following comments on restructuring:

"Charges for the combined restructuring and integration programme to date are £4.6 billion, of which cash charges are £3.5 billion. Cash payments of £3.0 billion have been made to date. Non-cash charges are £1.1 billion.

An extension to the existing combined programme was agreed by the Board in July 2017, with total cash charges of the combined programme now expected to be approximately £4.1 billion and non-cash charges up to £1.6 billion. The programme has now delivered approximately £3.6 billion of annual savings on a moving annual total basis, including a currency benefit of £0.4 billion. The extended programme is now expected to deliver by 2020 total annual savings of £4.0 billion on a constant currency basis, together with an estimated £0.4 billion of currency benefits. In 2017, approximately £600 million of cash charges are expected in addition to the settlement of cash charges accrued at the end of 2016, along with some non-cash charges."

Research and development

Adjusted R&D costs (£m)	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2* 2017	Q3 2017
R&D	3,096	775	800	876	1,017	3,468	919	1,053	898
Reported growth - CER	*-2%*	-5%	**+4%**	**+8%**	**+6%**	+3%	**+8%**	**+24%**	**+1%**
Pro forma growth – CER	***-5%***	***-7%***	*n/a*	*n/a*	*n/a*	***+3%***	*n/a*	*n/a*	*n/a*

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

In the Q2 2017 results video on 26 July 2017, Simon Dingemans made the following comments regarding R&D costs:

"Our financial architecture continues to help drive value and alignment across the business so that we prioritise our investments more clearly and allocate them to where we see the greatest returns for the future. This includes re-allocation of existing funding as well as additional spend to our highest priorities: new products, new launches and advancing the R&D pipeline.

In line with these priorities, we've stepped up pharma R&D spending over the last several quarters. HIV is a particular focus and during the second quarter we took the decision to invest, for the first time, in a Priority Review Voucher to accelerate the FDA's review of a key asset - our first two-drug regimen in HIV. The 106 million pound cost of the PRV was charged to R&D expenses in Q2"

Royalty income

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding royalty income:

"Royalties were £107 million, flat on last year. I continue to expect to step down in the fourth quarter given the various royalty streams, but I now expect the total for the year will be a little bit higher than £300 million."

Adjusted royalties (£m)	Q1	Q2	Q3	Q4	Full Year
2015	77	62	99	91	329
2016	91	83	107	117	398
2017 outlook	82	98	107		A little bit higher than £300m

Financial performance

Net finance costs

On the Q4 2016 results analyst/investor call on 8 February 2017, Simon Dingemans made the following comments regarding interest costs:

"In 2017, we expect a modest uptick in interest costs, reflecting the higher debt levels."

Adjusted net finance costs (£m)	Q1	Q2	Q3	Q4	Full Year
2015	(156)	(178)	(148)	(154)	(636)
2016	(159)	(163)	(160)	(170)	(652)
2017 outlook	(169)	(176)	(177)		Modest increase

Associates and joint ventures

Adjusted associates and joint ventures (£m)	Q1	Q2	Q3	Q4	Full Year
2015	7	(2)	(2)	(5)	(2)
2016	0	(2)	6	1	5
2017	5	(1)	7		

Taxation

Adjusted tax rate (%)	Q1	Q2	Q3	Q4	Full Year
2015					19.4%
2016	21.4%	21.3%	20.8%	21.9%	21.3%
2017 outlook	22.0%	21.2%	21.0%		21% to 22%

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding the 2017 tax rate:

"Tax rate was 21%, also up slightly versus Q3 last year. We continue to expect to be in the 21% to 22% range for 2017 as a whole"

The Group is continuing to evaluate the likely impact of US tax reform and will provide an update with our full year results. Any comments in this document are provided before taking account of any such impact.

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

In the Q3 2017 press release we made the following comments relating non-controlling interests:

"The allocation of Adjusted earnings to non-controlling interests amounted to £228 million (Q3 2016: £157 million), including the non-controlling interest allocations of Consumer Healthcare profits of £105 million (Q3 2016: £73 million) and the allocation of ViiV Healthcare profits, of £117 million (Q3 2016: £86 million) including the impact of changes in the proportions of preferential dividends due to each shareholder based on the relative performance of different products in the quarter. The increase in allocation also reflected comparison with the reduction in the allocation to non-controlling interests due to higher net losses in some of the Group's other entities with non-controlling interests in Q3 2016.

Adjusted profit/(loss) attributable to non-controlling interests (£m)	FY 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017
ViiV	224	66	79	86	93	324	113	81	117
Novartis Consumer Healthcare	138	46	67	73	103	288	74	80	105
Other	78	35	(25)	(2)	16	25	12	13	6
Total	**440**	**147**	**121**	**157**	**212**	**637**	**199**	**174**	**228**

Total results

In the Q3 2017 press release we made the following comments:

"Total operating profit was £1,877 million in Q3 2017 compared with £1,431 million in Q3 2016. The increase in operating profit reflected the reduced impact of accounting charges related to re-measurement of the liabilities for contingent consideration, put options and preferential dividends, together with an improved operating margin driven by more favourable mix in the Pharmaceutical business, continued benefits from restructuring and integration and tight control of ongoing costs across all three businesses. This was partly offset by continued price pressure, particularly in Respiratory, supply chain investments and increased restructuring costs and asset impairments, including increased charges for the write down of assets primarily as a result of announced plans to reduce the manufacturing site network, and provisions for future R&D obligations as a result of the decision to terminate our rights to sirukumab.

…. The total earnings per share was 24.8p, compared with earnings per share of 16.6p in Q3 2016. The increase in earnings per share primarily reflected a reduced impact of charges arising from

increases in the valuations of the liabilities for contingent consideration and the put options associated with increases in the Sterling value of the Group's HIV and Consumer Healthcare businesses, as well as improved performance, partly offset by increased restructuring costs and intangible asset impairments."

Net debt

Net debt (£m)	31 Mar	30 Jun	30 Sep	31 Dec
2014	13,660	14,423	14,788	14,377
2015	8,098	9,553	10,551	10,727
2016	12,495	14,910	14,663	13,804
2017	13,743	14,800	14,209	

In the Q3 2017 press release we made the following comments:

"At 30 September 2017, net debt was £14.2 billion, compared with £13.8 billion at 31 December 2016, comprising gross debt of £19.0 billion and cash and liquid investments of £4.8 billion. Net debt increased as the cost of dividends paid to shareholders of £2,977 million more than offset the improved free cash flow of £1,644 million and disposal proceeds of £356 million, together with favourable translation movements.

At 30 September 2017, GSK had short-term borrowings (including overdrafts) repayable within 12 months of £4,740 million with no loans repayable in the subsequent year."

On the Q3 2017 results analyst/investor call on 25 October 2017, Simon Dingemans made the following comments regarding cash generation and net debt:

"On cash flow and net debt, free cash flow for the Group during the first nine months of the year was £1.6 billion, up over £370 million compared to last year, even after funding the £106 million investment we made in Q2 in the PRV. This reflects tight working capital control, as the business grows, as well as reduced restructuring spend, higher profits and currency benefits. As I pointed out at Q2, due to the significant seasonality of the Group's business, our cash flows are expected to be more weighted to H2. Net debt now stands at £14.2 billion, down £0.6 billion compared with the end of Q2, primarily reflecting £200 million of translation benefits, and free cash flow generation ahead of dividend payments in the quarter."

Put options

In the Q3 2017 press release we made the following comments:

"At 30 September 2017, the estimated present value of the potential redemption amount of the Consumer Healthcare Joint Venture put option recognised in Other payables in Current liabilities was £8,243 million (31 December 2016: £7,420 million reported within Other non-current liabilities). The estimated present value of the potential redemption amount of the Pfizer put option related to ViiV Healthcare was £1,221 million (31 December 2016: £1,319 million), which is also recorded in Other payables in Current liabilities."

Put options (£m)	31 Dec 2015	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017	30 Sep 2017
Consumer Healthcare joint venture	6,287	6,547	7,141	7,287	7,420	7,541	8,271	8,243
ViiV Healthcare	-	1,999	2,299	2,523	1,319	1,205	1,259	1,221
Total	**6,287**	**8,546**	**9,440**	**9,810**	**8,739**	**8,746**	**9,530**	**9,464**

Contingent consideration

In the Q3 2017 press release we made the following comments:

"Contingent consideration amounted to £5,917 million at 30 September 2017 (31 December 2016: £5,896 million), of which £5,224 million (31 December 2016: £5,304 million) represented the estimated present value of amounts payable to Shionogi relating to ViiV Healthcare and £648 million (31 December 2016: £545 million) represented the estimated present value of contingent consideration payable to Novartis related to the Vaccines acquisition. The liability due to Shionogi included £213 million in respect of preferential dividends. The liability for preferential dividends due to Pfizer at 30 September 2017 was £27 million (31 December 2016: £23 million)."

Contingent consideration (£m)	31 Dec 2015	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017	30 Sep 2017
Shionogi – relating to ViiV Healthcare	3,409	3,686	4,462	4,768	5,304	5,193	5,351	5,224
Novartis – relating to Vaccines acquisition	405	426	468	458	545	554	646	648
Other	41	40	44	45	47	47	46	45
Total	**3,855**	**4,152**	**4,974**	**5,271**	**5,896**	**5,794**	**6,043**	**5,917**

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

Acquisitions and divestments

GSK confirms closure of agreement to divest anaesthesia portfolio to Aspen

GlaxoSmithKline today announced the closure of an agreement with Aspen (JSE: APN) aligned with GSK's strategy of simplification through focusing on core therapeutic areas.

GSK has divested its anaesthesia portfolio to Aspen (excluding the US and Canada which had been previously divested) for £180m plus milestones of up to £100m. **(Press release 1 March 2017)**

GSK confirms closure of agreement to divest non-core assets to Aspen

GlaxoSmithKline today announced the closure of one of its series of agreements with Aspen Pharmacare Holdings Limited (JSE: APN) and certain of its subsidiaries ("Aspen"), which were the subject of announcements by both companies on 12 September 2016.

GSK and Aspen have terminated their collaboration in Sub-Saharan Africa and Aspen has exercised its option to acquire GSK's remaining thrombosis business in certain retained markets. The collaboration between GSK and Aspen in South Africa remains in place.

This transaction is aligned with GSK's strategy of simplification through focusing on core therapeutic areas.

- Both parties will continue to commercialise their own respective portfolios in SSA.
- In 2013, GSK divested its thrombosis portfolio to Aspen, but retained ownership of the franchise in certain territories. These 'Retained Markets' are defined as China including Hong Kong and Macau, India and Pakistan. Aspen has now exercised the existing option to acquire the Retained Markets.
- The net impact of the termination of the SSA collaboration and divestment of the thrombosis portfolio in the Retained Markets is not material to GSK.

As announced in September, GSK has also agreed to divest its anaesthesia portfolio, consisting of Ultiva, Nimbex, Tracrium, Mivacron and Anectine to Aspen in all countries (excluding US and Canada, which had been previously divested) for an upfront payment of £180m plus milestone payments of up to £100m. This deal is subject to anti-trust and regulatory clearances.

(Press release 3 January 2017)

News flow on key assets during the quarter and to date

Since the beginning of Q4 2017 we have issued several LSE announcements and press releases, each of which can be accessed using the following links:

http://www.gsk.com/en-gb/media/press-releases/

http://us.gsk.com/en-us/media/press-releases/

FDA approves US label update on ICS/LABA combinations in asthma, based on review of safety data

- Boxed warning removed from ICS/LABA combination products, including BREO ELLIPTA, ADVAIR DISKUS and ADVAIR HFA.

GlaxoSmithKline plc (LSE/NYSE: GSK) today announced it has received approval by the US Food and Drug Administration (FDA) of labelling changes to remove the boxed warning from inhaled corticosteroid (ICS) / long-acting beta2 agonist (LABA) combination medicines, including BREO ELLIPTA (fluticasone furoate/vilanterol, FF/VI), ADVAIR DISKUS (fluticasone propionate/salmeterol, FSC) and ADVAIR HFA. The FDA also approved updates to the Warnings and Precautions section of labelling for the ICS/LABA class. These labelling updates were approved on December 20th 2017, after a review of safety data from 4 randomized controlled safety trials submitted by three companies, including GSK. **(LSE announcement 21 December 2017)**

GSK achieves approval for Nucala (mepolizumab) for the treatment of eosinophilic granulomatosis with polyangiitis (EGPA) for adults in the US

- First targeted treatment approved for this rare eosinophil-driven disease, following FDA Priority Review

GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that the US Food and Drug Administration (FDA) has approved Nucala (mepolizumab) as the first targeted treatment for eosinophilic granulomatosis with polyangiitis (EGPA), previously known as Churg-Strauss syndrome. GSK submitted a supplemental Biologics License Application (sBLA) for mepolizumab, an interleukin-5 (IL-5) antagonist, in June 2017. **(LSE announcement 12 December 2017)**

GSK presents promising new data for priority BCMA asset from its emerging Oncology pipeline at 59th ASH meeting

- 60% response rate in heavily pre-treated relapsed/refractory multiple myeloma patients in phase I/II DREAMM-1 study
- Investigational BCMA antibody-drug conjugate GSK2857916 recently awarded PRIME and Breakthrough Designations

GlaxoSmithKline plc (LSE/NYSE: GSK) today presented promising new data from the dose expansion phase of the DREAMM-1 study of GSK2857916, an investigational anti-B-cell maturation antigen (BCMA) antibody-drug conjugate. In this study of heavily pre-treated multiple myeloma patients (n=35), GSK2857916 monotherapy demonstrated a 60% response rate (95% confidence interval [CI]: 42.1% – 76.1%) and a median progression free survival of 7.9 months (95% CI: 3.1 – not estimable). Results were presented during an oral presentation at the 59th annual meeting of the American Society for Hematology (ASH).

Patients were enrolled in DREAMM-1 independent of BCMA expression levels. The study participants were heavily pre-treated, with 57% of the patients having at least five prior lines of treatment and 40% having prior daratumumab treatment. The most commonly reported adverse events were corneal events (63%) and thrombocytopenia (57%); no dose-limiting toxicities were reported. Infusion-related reactions (IRRs) occurred in 23% of patients (without pre-medication) on the first infusion and no IRRs occurred on subsequent infusions. **(LSE announcement 11 December 2017)**

New data supports the safety and efficacy of GSK's Shingrix in preventing shingles in autologous haematopoietic stem cell transplant patients

- GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that new data from a Phase III clinical study supports the safety and efficacy of Shingrix (Zoster Vaccine Recombinant, Adjuvanted) in preventing shingles (herpes zoster) when given to adults 18 years and above shortly after

undergoing autologous haematopoietic stem cell transplant (auHSCT). Shingrix is a non-live, recombinant adjuvanted subunit vaccine given intramuscularly in two doses.

The ZOE-HSCT study succeeded in its primary objective by demonstrating an efficacy of 68.17% [95%CI: 55.56 - 77.53] against shingles in subjects above 18 years of age after receiving an autologous haematopoietic stem cell transplant. In subjects aged 50 and above, the efficacy was similar, 67.34% [95% CI: 52.60 - 77.89]. The vaccine reduced overall complications linked to shingles episodes by 77.76% [95% CI: 19.05% - 95.93%]. Vaccine efficacy for the prevention of post-herpetic neuralgia, a form of chronic nerve pain and the most common complication associated with shingles, was 89.27% [95% CI: 22.54–99.76]. No safety issues related to the vaccine were detected during the study. **(LSE announcement 06 December 2017)**

ViiV Healthcare announces start of phase III study of long-acting cabotegravir for HIV prevention in women

- The HPTN 084 study will evaluate injections given every two months

Today ViiV Healthcare, the global specialist HIV company majority owned by GSK, with Pfizer Inc. and Shionogi Limited as shareholders, announced the start of HPTN 084 [1], a phase III study to evaluate long-acting cabotegravir for the prevention of HIV infection in sexually active women. The study will evaluate injections of cabotegravir given every two months compared with daily oral pre-exposure prophylaxis (PrEP) with emtricitabine/tenofovir disoproxil fumarate.

The study seeks to enrol 3,200 women aged 18 to 45 years from sub-Saharan African countries and is being conducted through a public private funding collaboration composed of ViiV Healthcare, the National Institute of Allergy and Infectious Diseases (NIAID), part of the National Institutes of Health (NIH), and the Bill & Melinda Gates Foundation. The study is sponsored by NIAID, and study medications are being provided by Gilead Sciences, Inc. and ViiV Healthcare.

(LSE announcement 30 November 2017)

GSK submits US regulatory application for single-dose tafenoquine for Plasmodium vivax malaria

- Regulatory milestone affirms GSK's strong commitment and scientific capabilities to fighting infectious diseases

GSK and Medicines for Malaria Venture (MMV) today announced the submission of a new drug application (NDA) by GSK to the United States Food and Drug Administration (FDA), seeking approval of single-dose tafenoquine for the radical cure (prevention of relapse) of Plasmodium vivax (P. vivax) malaria in patients 16 years of age and older. If approved, tafenoquine would be the first new medicine for the prevention of relapse of P vivax malaria in more than 60 years, potentially addressing the need for a single-dose and effective medicine for this debilitating disease.

(Press Release 28 November 2017)

ViiV Healthcare starts third phase III HIV treatment study investigating long-acting two-drug regimen of cabotegravir plus rilpivirine

- The ATLAS-2M study will evaluate injections every two months in virally suppressed patients

Today ViiV Healthcare, the global specialist HIV company majority owned by GSK, with Pfizer Inc. and Shionogi Limited as shareholders, announced the start of a phase III study with a two-drug regimen of long-acting, injectable cabotegravir (ViiV Healthcare) and long-acting injectable rilpivirine (Janssen Sciences Ireland UC) in virally suppressed adults with HIV-1 infection.

The ATLAS-2M study is designed to demonstrate the non-inferior antiviral activity, at 48 weeks of treatment, of long-acting cabotegravir and long-acting rilpivirine administered every eight weeks compared with long-acting cabotegravir and long-acting rilpivirine administered every four weeks. ATLAS-2M will also assess patient satisfaction and provide comparative data on antiviral activity, pharmacokinetics, safety and tolerability out to 96 weeks. Initial results from this study are anticipated in 2019. **(LSE announcement 27 November 2017)**

GSK submits landmark IMPACT data to US regulatory authority to support expanded label for Trelegy Ellipta

GlaxoSmithKline plc (LSE/NYSE: GSK) and Innoviva, Inc. (NASDAQ: INVA) today announced the filing of a supplemental New Drug Application (sNDA) with the US Food and Drug Administration (FDA) for the use of Trelegy Ellipta (fluticasone furoate/umeclidinium/vilanterol, 'FF/UMEC/VI') for an expanded indication for the maintenance treatment of airflow obstruction and reduction of exacerbations in patients with chronic obstructive pulmonary disease (COPD). Approval of this sNDA means FF/UMEC/VI could be used by physicians to treat a wider population of patients with COPD who are at risk of an exacerbation and require triple therapy.
(LSE announcement 23 November 2017)

Juluca® (dolutegravir and rilpivirine) approved in US as first 2-drug regimen, once-daily, single pill - a complete regimen for the maintenance treatment of virologically suppressed HIV-1 infection

- ViiV Healthcare, the global specialist HIV company, majority owned by GlaxoSmithKline, with Pfizer Inc. and Shionogi Limited as shareholders, today announced that the US Food and Drug Administration (FDA) has approved Juluca®, indicated as a complete regimen for the maintenance treatment of HIV-1 infection in adults who are virologically suppressed (HIV-1 RNA less than 50 copies per mL) on a stable antiretroviral (ART) regimen for at least six months with no history of treatment failure and no known substitutions associated with resistance to the individual components of Juluca.

Juluca is the first 2-drug regimen (2DR) comprising dolutegravir 50mg (ViiV Healthcare), an integrase strand transfer inhibitor and rilpivirine 25mg (Janssen Therapeutics, Division of Janssen Products LP), a non-nucleoside reverse transcriptase inhibitor. **(LSE announcement 21 November 2017)**

Trelegy Ellipta once-daily single inhaler triple therapy gains marketing authorisation in Europe for the treatment of COPD

GlaxoSmithKline plc (LSE/NYSE: GSK) and Innoviva, Inc. (NASDAQ: INVA) today announced that the European Commission has granted marketing authorisation for Trelegy Ellipta (fluticasone furoate/umeclidinium/vilanterol, 'FF/UMEC/VI') as a maintenance treatment in adult patients with moderate to severe chronic obstructive pulmonary disease (COPD) who are not adequately treated by a combination of an inhaled corticosteroid and a long-acting beta2-agonist.
(LSE announcement 16 November 2017)

GSK receives European marketing authorisation for self-injectable formulation of Benlysta for the treatment of systemic lupus erythematosus

GSK announced today that the European Commission has approved a new subcutaneous (SC) formulation of Benlysta (belimumab), as an add-on therapy in adult patients with active

autoantibody-positive systemic lupus erythematosus(SLE) with a high degree of disease activity (e.g. positive anti-dsDNA and low complement) despite standard therapy. SLE is a chronic, incurable, autoimmune disease associated with a range of symptoms that can fluctuate over time, affecting almost any system in the body. **(Press Release 13 November 2017)**

First long-term efficacy analysis on the effect of GSK's Benlysta on rate of organ damage progression in SLE versus standard therapy alone

GSK today announced results of the first study assessing levels of organ damage in patients with active systemic lupus erythematosus (SLE) treated with Benlysta (belimumab) plus standard of care (SoC) versus SoC alone. Patients with SLE are at risk of irreversible organ damage, which can accrue over time and is associated with increased risk of death. The data being presented at the 2017 American College of Rheumatology/Association for Rheumatology Health Professionals Annual Meeting (ACR/AHRP) shows that patients treated with belimumab plus SoC had significantly less organ damage over 5 years compared to those on SoC alone. **(Press Release 08 November 2017)**

GSK submits US regulatory application for mepolizumab in eosinophilic chronic obstructive pulmonary disease (COPD)

GlaxoSmithKline plc (LSE/NYSE: GSK) today announced the submission of a supplemental Biologics License Application (sBLA) to the United States Food and Drug Administration (FDA), seeking approval of mepolizumab, an interleukin-5 (IL-5) antagonist, as an add-on to maintenance treatment for patients who have chronic obstructive pulmonary disease (COPD) with an eosinophilic phenotype.

The submission includes phase III data from the previously reported1,2 METREX and METREO studies. **(LSE announcement 07 November 2017)**

GSK's investigational BCMA antibody-drug conjugate receives Breakthrough Therapy Designation from US FDA for relapsed and refractory multiple myeloma

- GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that it has received Breakthrough Therapy Designation from the U.S. Food and Drug Administration (FDA) for GSK2857916 monotherapy in patients with multiple myeloma who have failed at least three prior lines of therapy, including an anti-CD38 antibody and are refractory to a proteasome inhibitor and an immunomodulatory agent.

In October, the European Medicines Agency (EMA) granted PRIME designation to GSK2857916 for the treatment of relapsed and refractory multiple myeloma patients whose prior therapy included a proteasome inhibitor, an immunomodulatory agent and an anti-CD38 antibody. GSK2857916 is an anti B-cell maturation agent (BCMA) monoclonal antibody-drug conjugate.

GSK2857916 has also received orphan drug designation from the EMA and FDA for multiple myeloma.

The PRIME and Breakthrough Therapy Designations are based on results from a phase 1 open-label, dose escalation and expansion study in patients with relapsed/refractory multiple myeloma, irrespective of BCMA expression. Data from this ongoing trial will be presented on 11th December in an oral presentation at the 59th annual meeting of the American Society of Hematology meeting in Atlanta. **(LSE announcement 02 November 2017)**

GSK study demonstrates superiority of Anoro Ellipta to Stiolto Respimat in improving lung function in chronic obstructive pulmonary disease

GlaxoSmithKline plc (LSE/NYSE: GSK) and Innoviva, Inc. (NASDAQ: INVA) today announced positive data from a study comparing a once-daily long-acting muscarinic antagonist (LAMA) and a long-acting beta agonist (LABA) fixed-dose combination, Anoro Ellipta (umeclidinium/vilanterol 62.5mcg/25mcg; UMEC/VI) and Stiolto Respimat (tiotropium/olodaterol 5mcg/5mcg; TIO/OLO), for symptomatic patients with chronic obstructive pulmonary disease (COPD). These data have been published today in Advances in Therapy1 and are being presented today at the CHEST annual meeting of the American College of Chest Physicians in Toronto, Canada.

The primary endpoint for this eight-week, open-label, cross-over study of 236 patients with COPD was the demonstration of non-inferiority of UMEC/VI compared to TIO/OLO in improving lung function, as measured by trough FEV1 (Forced Expiratory Volume in 1 second) at week eight. This endpoint was met and, furthermore, UMEC/VI demonstrated superiority to TIO/OLO, with a difference in treatment effect of 52mL on trough FEV1 at week eight (UMEC/VI 180mL vs. TIO/OLO 128mL; 95% CI: 28, 77; p<0.001). **(LSE announcement 01 November 2017)**

ViiV Healthcare announces positive phase 3 results from the BRIGHTE study of fostemsavir in heavily treatment-experienced patients with HIV

- Data for investigational attachment inhibitor presented at the 16th European AIDS Conference in Milan

ViiV Healthcare, the global specialist HIV company majority owned by GSK, with Pfizer Inc. and Shionogi Limited as shareholders, today announced results from the phase III BRIGHTE study of fostemsavir in heavily treatment-experienced (HTE) patients with HIV-1 infection. Following one week of treatment, HTE patients receiving fostemsavir added to a failing regimen experienced a greater reduction in HIV-1 viral load compared to patients receiving placebo, demonstrating statistical superiority of fostemsavir over placebo (0.79 log10 c/mL vs 0.17 log10 c/mL; p<0.0001). **(Press Release 27 October 2017)**

CDC's Advisory Committee on Immunization Practices recommends Shingrix as the preferred vaccine for the prevention of shingles for adults aged 50 and up

- Committee recommends immunization for up to 62 million additional adults in the US

GlaxoSmithKline plc [LSE/NYSE: GSK] today announced that the US Centers for Disease Control and Prevention's (CDC) Advisory Committee on Immunization Practices (ACIP) voted in favor of three recommendations for the use of Shingrix (Zoster Vaccine Recombinant, Adjuvanted) for the prevention of shingles (herpes zoster):

- Herpes Zoster subunit vaccine (Shingrix) is recommended for the prevention of herpes zoster and related complications for immunocompetent adults aged 50 years and older.
- Herpes Zoster subunit vaccine (Shingrix) is recommended for the prevention of herpes zoster and related complications for immunocompetent adults who previously received Zoster Vaccine Live (Zostavax).
- Herpes Zoster subunit vaccine (Shingrix) is preferred over Zoster Vaccine Live (Zostavax) for the prevention of herpes zoster and related complications.

The new recommendations mean up to 62 million more adults in the US should be immunized, approximately 42 million aged 50-59 years old and 20 million who have previously been vaccinated against shingles. **(LSE announcement 25 October 2017)**

Shingrix approved in the US for prevention of shingles in adults aged 50 and over

- Pooled clinical trial results showed > 90 percent efficacy across all age groups

GlaxoSmithKline plc [LSE/NYSE: GSK] today announced that the US Food and Drug Administration (FDA) has approved Shingrix (Zoster Vaccine Recombinant, Adjuvanted) for the prevention of shingles (herpes zoster) in adults aged 50 years and older. Shingrix is a non-live, recombinant subunit vaccine given intramuscularly in two doses. **(LSE announcement 23 October 2017)**

GSK announces first approval of Shingrix in Canada

- The only shingles vaccine to achieve ≥90% efficacy in adults aged 50 and over

GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that Shingrix has been approved in Canada for the prevention of shingles (herpes zoster) in people aged 50 years or older. Shingrix is a non-live, recombinant subunit adjuvanted vaccine given intramuscularly in two doses.
(LSE announcement 13 October 2017)

Other news flow during the quarter and to date

Patrick Vallance, President, R&D, GSK to become UK Government's Chief Scientific Adviser
GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that Dr Patrick Vallance, President, R&D, has informed the Board of his intention to leave the company to become the UK Government's Chief Scientific Adviser and Head of the Government's Office for Science. He will be responsible for providing scientific advice to the Prime Minister and advising the Government on aspects of policy on science and technology.
He will leave GSK at the end of March 2018 to take up his new role.
(LSE announcement 08 November 2017)

Dr Hal Barron appointed Chief Scientific Officer and President, Research & Development, GSK
GlaxoSmithKline plc (LSE/NYSE: GSK) today announced that Dr Hal Barron has been appointed Chief Scientific Officer and President, R&D, GSK. He has also been appointed as an Executive Director to the GSK Board. Dr Barron will assume his new role and join the Board on 1 January 2018.
Dr Barron is currently President R&D at Calico (California Life Sciences LLC), an Alphabet-funded company that uses advanced technologies to increase understanding of lifespan biology. Prior to joining Calico, Dr Barron was Executive Vice President, Head of Global Product Development, and Chief Medical Officer of Roche, responsible for all the products in the combined portfolio of Roche and Genentech. At Genentech, he was Senior Vice President Development and Chief Medical Officer.
(LSE announcement 08 November 2017)

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.

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