GLAXOSMITHKLINE PLC
Form 6-K
October 22, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K
Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
For the period ending 22nd October 2008
GlaxoSmithKline plc
(Name of registrant)
980 Great West Road,
Brentford,
Middlesex, TW8 9GS
(Address of principal executive offices)

Indicate by check mark if the registrant files or will file annual reports under cover Form 20-F or Form 40-F
Form 20-Fx Form 40-Fo
Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yeso Nox

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

Date: October 22nd 2008

GlaxoSmithKline plc
(Registrant)

By: /s/ Victoria Whyte

VICTORIA WHYTE
Authorised Signatory for and on behalf of
GlaxoSmithKline plc

Issued: Wednesday, 22nd October 2008, London, U.K.

Results announcement for the third quarter 2008

**GSK delivers Q3 business performance*
EPS of 25.2p and increased dividend of 14p**

Business performance results*

	Q3 2008	Growth		9 months 2008	Growth	
	£m	CER%	£%	**£m**	CER%	£%
Turnover	**5,882**	(3)	7	**17,442**	(2)	4
Earnings per share	**25.2p**	(9)	6	**78.0p**	(5)	4

Statutory results (including restructuring charges)

	Q3 2008	Growth		9 months 2008	Growth	
	£m	CER%	£%	**£m**	CER%	£%
Turnover	**5,882**	(3)	7	**17,442**	(2)	4
Earnings per share	**20.1p**	(30)	(15)	**69.2p**	(16)	(7)

The full results are presented under Income Statement on pages 8 and 16.

Q3 business performance summary

EPS down 9% at constant exchange rates, up 6% in sterling terms benefiting from currency movements

Continued sales growth in vaccines, emerging markets and consumer healthcare helped offset impact of generic competition to US pharmaceuticals

Portfolio renewal continues with 10 product launches so far in 2008, including *Rotarix* (USA), *Treximet* (USA) and *Tyverb* (EU)

Strong R&D productivity evident with a sustained level of around 30 assets in late-stage development

Early progress in strategy to globalise and diversify business with bolt-on acquisitions in emerging markets and consumer healthcare

Q3 dividend increased 8% to 14p.

* Business performance, which is a supplemental measure, is the primary performance measure used by

management and is presented after excluding restructuring charges relating to the current operational excellence programme, which commenced in October 2007, and significant acquisitions. Management believes that exclusion of these items provides a better reflection of the way in which the business is managed and gives a more useful indication of the underlying performance of the Group.

In order to illustrate underlying performance, it is the Group s practice to discuss its results in terms of constant exchange rate (CER) growth. All commentaries are presented in terms of CER growth and compare 2008 business performance results with 2007 statutory

results, unless
otherwise
stated.

Chief Executive Officer s Review

We are managing a considerable transition to our product portfolio this year as several mature pharmaceutical brands encounter generic competition in the USA. In the short-term, this is having a significant impact on pharmaceutical sales, although we continue to see good growth from other areas of the pharmaceuticals portfolio, including a recent improvement in prescription volumes for *Advair* in the United States. Also helping offset the generic impact has been growth in other parts of our business, such as vaccines, emerging markets and consumer healthcare.

This diversification in sales is an inherent strength for GSK and one we are actively nurturing, through delivery and investment in our new strategic priorities. Ultimately, we are aiming to create a more balanced healthcare business with a lower overall risk profile.

Grow a diversified global business

In **Pharmaceuticals,** we are making good progress to renew our product line, with 10 product launches so far this year in critical growth areas, such as oncology, and in existing franchises.

In the future, we want our portfolio to be more balanced with a lower concentration of sales in any one or two products. Clearly, our agenda must then be to maximise the value of this broader portfolio and we are therefore deliberately taking a more global approach to commercialisation than ever before.

The success of *Advair* in Japan is a good example of driving growth outside our more traditional markets. *Advair* is at the vanguard of multiple future product opportunities in Japan, with the next product launch expected to be *Lamictal*, following its approval last week. Overall, we have the potential for more than 40 launches over the next 5 years in this market.

In emerging markets, we are starting to make some early progress in building a more tailored portfolio for patients and consumers. We have now formalised our trading agreement with Aspen Pharmaceuticals and have so far identified around 60 assets for prospective commercialisation.

We also recently acquired a broad range of pharmaceutical brands from BMS in Egypt. This is a fast growing market and we are now the market leader. Importantly, this acquisition also provides us with the opportunity to grow incremental sales in other markets in the Middle East and North Africa, through export of these products.

The dynamics of emerging markets are wholly different to traditional western pharmaceutical markets as there is less distinction between pharmaceutical, over-the-counter and retail market structures. Our capability to supply products and operate across this spectrum is, I believe, a competitive advantage for GSK.

On this basis, we are determined to globalise further our **Consumer Healthcare** business. In September, for example, we introduced *Sensodyne* the fastest growing global toothpaste brand into the Chinese market, our first major consumer product to launch there for a decade.

We also see multiple opportunities to build our consumer business through the switch of prescription products and the acquisition of new brands, which can complement and drive the growth of our key franchises. Our recent acquisition of *Biotene*, a dynamic oral healthcare brand, is evidence of this.

Moving forward, it is clear that we will need to monitor closely the impact that changes in the global economy will have on consumer demand for products. To date, we have seen only modest impact on GSK s consumer products in certain territories. The strength of our diversified business model is that it helps to mitigate any potential impact on GSK as our multiple franchises operate in very different economic cycles.

In **Vaccines,** our sales continue to be dynamic with growth powered by a broad range of brands. We continue to expand this business and this quarter launched two new vaccines in the USA, *Rotarix* and *Kinrix.*

The potential of this business is significant, given our pipeline; the opportunity for global expansion, and payer needs that are increasingly directed towards preventative healthcare. At the same time, we must compete effectively for what are often binary tender orders and supply agreements. This may produce some volatility in the vaccines sales line as this business grows. Regarding recent tenders we have made good progress, in particular with *Cervarix*, which has been successful in approximately 60% of competitive tenders, notably in the UK for the largest vaccination programme against HPV in Europe.

Deliver more products of value

In R&D, we are continuing to make the changes necessary to deliver our pipeline going forward.

We have seen a step-change in the number of launches for GSK, and importantly we are replenishing these with new phase III entries. At present, we are maintaining a level of around 30 assets in late-stage development and our strategies in R&D are focused on sustaining this type of productivity.

Moreover, GSK continues to deliver innovative products with 6 novel medicines and vaccines either launched or filed in 2008. In fact, around 75% of assets in our pipeline are entirely new compounds or vaccines. By any standard, this is a strong bias towards innovation and demonstrates the value GSK can bring to patients and to payers.

We have seen good progress in our late-stage biopharmaceutical portfolio this quarter. New data for ofatumumab, a treatment for patients with chronic lymphocytic leukaemia, will be used to support a licence application planned for the end of the year. Our first in-house developed biopharmaceutical product, *Bosatria*, was filed for approval in Europe this quarter. We hope this will be a valuable new treatment for patients with the rare, but potentially fatal disease, hypereosinophilic syndrome. Finally, otelixizumab, a new potential treatment for Type I diabetes, entered phase III development in August.

Data on several other important assets this quarter further highlighted the potential of GSK s pipeline. New data for cancer treatments, *Armala* and *Tykerb*, demonstrated positive effects against several tumour types with high, unmet medical need. In addition, we presented results from a clinical imaging study of darapladib. These data support our belief that Lp-PLA_2 inhibition may be an important therapeutic target and we plan to begin phase III clinical studies shortly.

When I outlined our new strategic priorities last quarter, I said that GSK has a very clear ambition to realise value in R&D through better allocation of capital. Here, we have made progress through reshaping our R&D organisation and the introduction of new initiatives such as our Drug Discovery Investment Board. This Board has now reviewed 75% of our 3-year investment plans for drug discovery, with the remainder expected by year-end.

We are also seeking to improve productivity and value through externalisation of R&D. This enables us to capture scientific diversity and balance expenditure with risk. We believe new alliances formed this quarter with Cellzome and the Harvard Stem Cell Institute will provide competitive advantage in researching areas such as inflammatory disease, neuroscience and oncology.

With all its option-based collaborations, GSK now has access to products and pipelines of 16 companies, bringing further significant breadth and scale to our R&D activities. Combining this capacity with our own organic efforts provides us opportunities for complementary and synergistic research.

Staying with this theme, Sirtris, our recent R&D acquisition is now effectively integrated into our discovery organisation. Like Domantis, it will continue to operate as an independent unit, but we have also established numerous research collaborations in the field of sirtuins across GSK, including in our new R&D China organisation.

Simplify GSK s operating model

Activities to improve our overall efficiency and create a new operating model for our business are well underway. Our current operational excellence programme is progressing well and we are on track to realise annual savings of at least £350 million in 2008 and £700 million by 2010. We have also commenced a series of reviews to simplify further our business, in particular, with attention to our above-country support infrastructure.

Financial strategy

We continue to benefit from strong cash generation with net cash inflow from operating activities of over £5 billion, up 6% in sterling terms in the first nine months of this year.

Our financial strategy is focused on maintaining an efficient balance sheet, retaining flexibility to invest in our strategic priorities and increasing returns to our shareholders through our progressive dividend policy. This quarter s dividend increased by 8% to 14 pence and we have completed share repurchases of £3.3 billion in the 9 months to 30th September 2008. We expect to have completed around £4 billion of repurchases by the year-end, subject to market conditions.

With the recent changes in financial markets we now expect more investment opportunities to arise that will allow us to invest in support of our strategic priorities. To ensure we have sufficient flexibility to take advantage of these opportunities we do not currently expect to make significant share repurchases in 2009. Investment opportunities will continue to be assessed against strict financial criteria.

Outlook

In summary then, our performance is in line with our expectations and I am pleased with how we have so far responded to what is undoubtedly a challenging year for GSK. Nevertheless, we remain focused on improving our short-term performance. We have also, I believe, started to take some initial steps in the right direction to deliver our strategic agenda to improve long-term sales growth and reduce risk for the company.

Andrew Witty

Chief Executive Officer

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Trading Update

Turnover and key product movements impacting turnover growth for the quarter

Total pharmaceutical turnover for the quarter declined 4% to £4.9 billion, with US turnover down 13% to £2.1 billion, impacted by generic competition to mature brands. In Europe, sales grew 6% to £1.6 billion, emerging markets sales grew 9% to £581 million and Asia Pacific/Japan sales grew 5% to £464 million.

Seretide/Advair sales were up 7% to £982 million for the quarter, with sales up 5% in the USA to £515 million and in Japan sales more than doubled to £25 million. Sales growth was also driven by *Valtrex*, up 21% to £303 million and *Lovaza*, with US sales of £75 million.

Sales of *Avandia* products were £191 million, a decline of 23% compared with 2007. There continues to be controversy surrounding the appropriate use of *Avandia* and consequently the sales outlook for the product remains negative. *Lamictal* sales declined 59% to £136 million following introduction of generic competition in the US market in July. Sales of *Wellbutrin* (down 67% to £53 million) and *Coreg IR* (down 93% to £9 million) also declined due to generic competition in the US market.

Vaccines sales grew 12% to £730 million, with hepatitis vaccines up 11% to £174 million, *Infanrix/Pediarix* up 9% to £168 million and *Fluarix/FluLaval* up 11% to £144 million. In the USA, this quarter s performance reflected a difficult comparison to particularly strong sales growth in Q3 2007. *Cervarix* generated £43 million of sales for the quarter.

Consumer Healthcare sales grew 3% to £994 million during the quarter, compared with 16% growth in Q3 2007, which benefited from launch-stocking of *alli*. Excluding sales of *alli*, Consumer Healthcare sales grew 5% this quarter.

Sales of oral care brands, *Aquafresh* and *Sensodyne,* grew 5% and 8% respectively during the quarter, contributing sales of £206 million. Sales of *Panadol* grew 9% to £82 million, whilst sales of *Tums* declined 17% to £21 million. Sales of *Horlicks* grew 10% to £53 million and sales of *Lucozade* grew 2% to £100 million, principally due to a poor summer in the UK.

Operating profit and earnings per share commentary

Business performance

Business performance operating profit for Q3 2008 was £1,979 million, a 10% decline in CER terms. This was greater than the turnover decline of 3% in CER terms, primarily due to higher cost of sales as a percentage of turnover.

Cost of sales increased to 24.8% of turnover (Q3 2007: 22.5%), principally reflecting the anticipated generic competition to higher margin products in the USA. SG&A costs as a percentage of turnover fell 1.2 percentage points to 28.3% compared with Q3 2007, reflecting the benefits of the current operational excellence programme and other ongoing cost control. R&D expenditure at 14.2% of turnover was broadly unchanged from last year. Pharmaceuticals R&D expenditure in the quarter was 16.4% (Q3 2007: 16.1%) of pharmaceutical turnover.

In the quarter, gains from assets disposals were £21 million (Q3 2007: £22 million), costs for legal matters were £58 million (Q3 2007: £64 million), fair value movements on financial instruments, principally the Quest collar which was closed out in the quarter, resulted in a charge of £37 million (Q3 2007: £32 million) and charges related to previous restructuring programmes were £7 million (Q3 2007: £13 million). The impact of these items on business performance operating profit was broadly neutral, compared with Q3 2007.

Business performance EPS of 25.2p decreased 9% in CER terms (a 6% increase in sterling terms) compared with Q3 2007. The favourable currency impact of 15 percentage points reflected a weakening of sterling against most major currencies.

Statutory performance

Statutory operating profit for Q3 2008 was £1,657 million, down 13% in sterling terms and down 26% CER compared with Q3 2007. This included £322 million of restructuring charges related to the current operational excellence programme; £130 million was charged to cost of sales, £157 million to SG&A and £35 million to R&D. There were no such charges in Q3 2007. Statutory performance EPS of 20.1p decreased 30% in CER terms (15% in sterling terms) compared with Q3 2007.

Cash flow

Net cash inflow from operating activities in Q3 2008 was £1,893 million, up 3% in sterling terms. For the nine months net cash inflow from operating activities was £5,067 million, a 6% increase in sterling terms over the previous year. This was used to fund net interest payable of £55 million, capital expenditure on property, plant and equipment and intangible assets of £1,284 million, and acquisitions of £324 million.

In addition, dividends paid to shareholders totalled £2,250 million (up 6% compared with 2007) and share repurchases amounted to £3,324 million.

Net debt

Net debt increased by £2.6 billion during the nine month period to £8.6 billion at 30th September 2008, comprising gross debt of £14.2 billion and cash and liquid investments of £5.6 billion.

The Group is well placed financially having completed its debt financing programme earlier in the year. At 30th September 2008, GSK had short-term borrowings (including overdrafts) repayable within 12 months of only £1.4 billion with a further £0.6 billion repayable in the subsequent 12-month period.

Dividends

The Board has declared a third interim dividend of 14 pence per share (Q3 2007: 13p). The equivalent interim dividend receivable by ADR holders is 47.4796 cents per ADS based on an exchange rate of £1/$1.6957. The ex-dividend date will be 29th October 2008, with a record date of 31st October 2008 and a payment date of 8th January 2009.

Currency impact

If exchange rates were to hold at the average Q3 2008 levels for the rest of the year, the positive currency impact on business performance EPS growth for the full year would be around 10 percentage points.

2008 earnings guidance

GSK continues to expect a mid-single digit percentage decline in business performance EPS at constant exchange rates.

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GlaxoSmithKline (GSK) together with its subsidiary undertakings, the Group one of the world s leading research-based pharmaceutical and healthcare companies is committed to improving the quality of human life by enabling people to do more, feel better and live longer. GlaxoSmithKline s website www.gsk.com gives additional information on the Group. Information made available on the website does not constitute part of this document.

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Brand names

Brand names appearing in italics throughout this document are trademarks of GSK or associated companies with the exception of *Levitra*, a trademark of Bayer, *Bonviva/Boniva*, a trademark of Roche, *Entereg*, a trademark of Adolor Corporation in the USA and *Vesicare*, a trademark of Astellas Pharmaceuticals in many countries and of Yamanouchi Pharmaceuticals in certain countries, all of which are used under licence by the Group.

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 Announcement, 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 Business Review in the company s Annual Report on Form 20-F for 2007.

GlaxoSmithKline plc, 980 Great West Road, Brentford, Middlesex TW8 9GS, United Kingdom Registered in England and Wales. Registered number: 3888792

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Income statement
Three months ended 30th September 2008

	Business performance Q3 2008 £m	**Growth CER%**	Restructuring Q3 2008 £m	**Statutory Q3 2008 £m**	Q3 2007 (restated) £m
Turnover:					
Pharmaceuticals	**4,888**	**(4)**		**4,888**	4,591
Consumer Healthcare	**994**	**3**		**994**	885
TURNOVER	**5,882**	**(3)**		**5,882**	5,476
Cost of sales	**(1,460)**	**10**	(130)	**(1,590)**	(1,232)
Gross profit	**4,422**	**(6)**	(130)	**4,292**	4,244
Selling, general and administration	**(1,662)**	**(5)**	(157)	**(1,819)**	(1,617)
Research and development	**(834)**	**2**	(35)	**(869)**	(769)
Other operating income	**53**			**53**	52
Operating profit:					
Pharmaceuticals	**1,755**	**(12)**	(311)	**1,444**	1,719
Consumer Healthcare	**224**	**3**	(11)	**213**	191
OPERATING PROFIT	**1,979**	**(10)**	(322)	**1,657**	1,910
Finance income	**98**			**98**	75
Finance expense	**(218)**			**(218)**	(117)
Share of after tax profits of associates and joint ventures	**16**			**16**	14
PROFIT BEFORE TAXATION	**1,875**	**(14)**	(322)	**1,553**	1,882
Taxation	**(559)**		62	**(497)**	(536)
Tax rate %	***29.8%***			***32.0%***	*28.5%*
PROFIT AFTER TAXATION FOR THE PERIOD	**1,316**	**(16)**	(260)	**1,056**	1,346
Profit attributable to minority interests	**29**			**29**	36
Profit attributable to shareholders	**1,287**		(260)	**1,027**	1,310

	1,316		(260)	**1,056**	1,346
EARNINGS PER SHARE	**25.2p**	**(9)**		**20.1p**	23.7p
Diluted earnings per share	**25.0p**			**20.0p**	23.5p

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Turnover
Pharmaceuticals including vaccines
Three months ended 30th September 2008

		Total		USA		Europe		Rest of World
	£m	CER%	£m	CER%	£m	CER%	£m	CER%
Respiratory	**1,348**	**3**	**636**	**3**	**449**		**263**	**11**
Seretide/Advair	982	7	515	5	324	1	143	35
Flixotide/Flovent	149	(4)	71	(1)	38	(3)	40	(10)
Serevent	60	(14)	17	(11)	32	(13)	11	(23)
Veramyst	17	>100	12	>100	3		2	
Flixonase/Flonase	33	(39)	7	(67)	11	11	15	(32)
Anti-virals	**792**	**1**	**398**	**5**	**199**	**(12)**	**195**	**7**
HIV	**377**	**(5)**	**153**	**(11)**	**150**	**(6)**	**74**	**11**
Epzicom/Kivexa	110	24	44	21	50	19	16	56
Combivir	110	(13)	41	(26)	38	(19)	31	26
Trizivir	49	(20)	24	(21)	22	(17)	3	(25)
Agenerase, Lexiva	40	(3)	21	(5)	15	(8)	4	25
Epivir	35	(16)	11	(29)	13	(27)	11	22
Ziagen	27	(11)	10	(17)	8	(22)	9	14
Valtrex	303	21	223	28	35	7	45	3
Zeffix	42	(10)	4	(25)	7		31	(9)
Relenza	12	(57)	5	(58)			7	>100
Central nervous system	**585**	**(38)**	**321**	**(52)**	**142**	**4**	**122**	**(5)**
Lamictal	136	(59)	84	(71)	37	(9)	15	
Imigran/Imitrex	188	5	154	8	24	(5)	10	
Seroxat/Paxil	112	(23)	13	(67)	27	(8)	72	(9)
Wellbutrin	53	(67)	44	(72)	6	100	3	100
Requip	56	(43)	13	(81)	35	35	8	60
Requip XL	15		4		11			
Treximet	4		4					
Cardiovascular and urogenital	**466**	**12**	**280**	**9**	**130**	**17**	**56**	**13**
Avodart	102	29	63	29	29	19	10	67
Lovaza	75		75					
Coreg	50	(69)	49	(69)			1	(100)
Coreg CR	41	19	41	19				
Coreg IR	9	(93)	8	(93)			1	(100)
Fraxiparine	59	22			47	18	12	38
Arixtra	44	56	22	43	19	78	3	50
Vesicare	18	31	18	31				

Levitra	16	15	15	17	1			
Metabolic	**289**	**(11)**	**136**	**(22)**	**72**	**(2)**	**81**	**4**
Avandia products	191	(23)	99	(28)	48	(16)	44	(16)
Avandia	118	(29)	67	(33)	20	(31)	31	(20)
Avandamet	63	(7)	26	(14)	26		11	
Bonviva/Boniva	56	24	36	18	18	60	2	(33)
Anti-bacterials	**340**	**3**	**40**	**(10)**	**141**	**(1)**	**159**	**10**
Augmentin	143	10	9	(36)	62	6	72	24
Altabax	5	>100	4	100	1			
Oncology and emesis	**128**	**12**	**64**	**13**	**41**	**6**	**23**	**16**
Hycamtin	34	3	20		12	10	2	
Zofran	33	(9)	6	50	15	(24)	12	(9)
Tykerb	26	44	12		10	80	4	
Vaccines	**730**	**12**	**218**	**(13)**	**323**	**40**	**189**	**12**
Hepatitis	174	11	82	17	61	2	31	19
Infanrix/Pediarix	168	9	56	(10)	89	23	23	28
Fluarix, FluLaval	144	11	63	(19)	58	55	23	100
Flu-prepandemic	10	(52)			10	>100		
Cervarix	43	>100			38		5	>100
Rotarix	39	57	4		11	67	24	29
Boostrix	22	(19)	13	(40)	7	40	2	100
Other	**210**	**(3)**	**8**	**>100**	**66**	**(6)**	**136**	**(12)**
	4,888	**(4)**	**2,101**	**(13)**	**1,563**	**6**	**1,224**	**5**

Pharmaceutical turnover includes co-promotion income.

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Regional pharmaceuticals including vaccines

	£m	Q3 2008 CER%
USA	**2,101**	**(13)**
Europe	**1,563**	**6**
Rest of World	**1,224**	**5**
Asia Pacific/Japan	464	5
Emerging markets	581	9
	4,888	**(4)**

Turnover
Consumer Healthcare
Three months ended 30th September 2008

	Total		USA		Europe		Rest of World	
	£m	CER%	£m	CER%	£m	CER%	£m	CER%
Over-the-counter medicines	**476**	**(1)**	**155**	**(16)**	**142**	**4**	**179**	**13**
Panadol franchise	82	9			20	(6)	62	14
Smoking cessation products	83	3	60	2	13	(8)	10	33
Tums	21	(17)	18	(16)			3	
Cold sore franchise	22		10	(9)	8		4	50
Breathe Right	19	(5)	13	(8)	4	100	2	(50)
Alli	18	(50)	18	(50)				
Oral healthcare	**310**	**7**	**54**	**4**	**174**	**7**	**82**	**9**
Aquafresh franchise	116	5	20	6	72	2	24	15
Sensodyne franchise	90	8	17	14	43	9	30	4
Dental healthcare	68	9	15		27	15	26	9
Nutritional healthcare	**208**	**5**			**127**	**1**	**81**	**13**
Lucozade	100	2			89		11	25
Horlicks	53	10			5	(17)	48	14
Ribena	44	2			33	(3)	11	25
	994	**3**	**209**	**(11)**	**443**	**4**	**342**	**12**

GSK s late-stage pharmaceuticals and vaccines pipeline

The following table is provided as part of GSK s quarterly update to show events and changes to the late stage pipeline during the quarter and up to the date of announcement.

Biopharmaceuticals		**USA**	**EU**	**News update in the quarter**
Bosatria	HES	Ph III	Filed Sept 2008	Filed in EU on 5th September.
belimumab	Lupus	Ph III	Ph III	
ofatumumab	CLL / NHL	Ph III	Ph III	Announced positive interim results of CLL study (406) on 31st July.
	RA	Ph III	Ph III	
otelixizumab	Type 1 diabetes	Ph III	Ph III	Ph III study started in August.

Cardiovascular & Metabolic		**USA**	**EU**	**News update in the quarter**
Arixtra	Acute Coronary Syndromes	Filed	Approved Aug 2007	
Volibris	PAH Class II/III	n/a	Approved April 2008	
Avandamet XR	Type II diabetes	Ph III	Ph III	Filing strategy under review.
Avandia + statin	Type II diabetes	Ph III	Ph III	Filing strategy under review.
Coreg CR + ACEi	Hypertension	Ph III	n/a	Filing strategy under review.

Neurosciences		**USA**	**EU**	**News update in the quarter**
Requip XL	Parkinson s disease	Approved June 2008	Approved Mar 2007	
Treximet	Migraine	Approved April 2008	n/a	Filed sNDA for probable migraine 23rd September.
Lamictal XR	Epilepsy	Filed	n/a	
Lunivia	Sleep disorders	n/a	Filed	
Solzira	RLS	Filed	Ph III	Filed with FDA on 16th September.
almorexant	Primary insomnia	Ph III	Ph III	Collaboration with Actelion announced 14th July
retigabine	Epilepsy	Ph III	Ph III	Collaboration with Valeant announced on 28th August.
rosiglitazone XR	Alzheimer s disease	Ph III	Ph III	

Oncology		**USA**	**EU**	**News update in the quarter**
Tykerb/Tyverb	Refractory breast cancer	Approved Mar 2007	Approved June 2008	
	First-line / Adjuvant breast cancer	Ph III	Ph III	
	Head & neck cancer	Ph III	Ph III	
	Gastric Cancer	Ph III	Ph III	Ph III study started in September.
Avodart	Co-Rx with tamsulosin	Approved June 2008	Approved April 2008	

	Prostate cancer prevention	Ph III	Ph III
	Fixed dose combination with tamsulosin	Ph III	Ph III
Rezonic/Zunrisa	CINV/PONV	Filed May 2008	Filed July 2008

Oncology /contd.		**USA**	**EU**	**News update in the quarter**
Promacta/Revolade	Short term ITP	Filed	Ph III	FDA PDUFA extended beyond 19th September.
	Long term ITP	Ph III	Ph III	
	Hepatitis C / CLD	Ph III	Ph III	
Armala	Renal cell cancer	Ph III	Ph III	Ph II data presented at ESMO in September.
	Sarcoma	Ph III	Ph III	Ph II data presented at ESMO in September. Ph III study started in October.
Armala + Tykerb	Inflammatory breast cancer	Ph III	Ph III	
elesclomol	Metastatic melanoma	Ph III	Ph III	Ph II data presented at ESMO in September.

Respiratory & Immuno-inflammation		**USA**	**EU**	**News update in the quarter**
Seretide/Advair	COPD exacerbation claim	Approved April 2008	Already in label	
Entereg	Post operative ileus	Approved May 2008	n/a	Returned OBD rights to Adolor 2nd September.

Vaccines		**USA**	**EU**	**News update in the quarter**
Rotarix	Rotavirus prophylaxis	Approved April 2008	Approved Feb 2006	US vaccines for Children (VFC) funding commenced on 4th August.
Kinrix	DTaP-IPV prophylaxis	Approved June 2008	n/a	US VFC funding commenced on 4th August.
Cervarix	HPV prophylaxis	Filed	Approved Sep 2007	
Prepandrix	H5N1 pandemic influenza prophylaxis	Ph III	Approved May 2008	
Synflorix	S pneumoniae and NTHi prophylaxis	Ph III	Filed	US filing strategy under review.
MAGE-A3	NSCLC	Ph III	Ph III	
HibMenCY-TT	MenCY and Hib prophylaxis	Ph III	n/a	
MenACWY	MenACWY prophylaxis	Ph III	Ph III	
New generation flu	Influenza prophylaxis	Ph III	Ph III	Large multi-centre international efficacy study in 43,000 subjects began in September.
Simplirix	Genital herpes prophylaxis	Ph III	Ph III	

Balance sheet

	30th September 2008 £m	30th September 2007 £m	31st December 2007 £m
ASSETS			
Non-current assets			
Property, plant and equipment	**8,395**	7,464	7,821
Goodwill	**1,747**	985	1,370
Other intangible assets	**4,944**	3,721	4,456
Investments in associates and joint ventures	**445**	313	329
Other investments	**454**	533	517
Deferred tax assets	**2,439**	2,278	2,196
Derivative financial instruments	**17**	132	1
Other non-current assets	**465**	862	687
Total non-current assets	**18,906**	16,288	17,377
Current assets			
Inventories	**3,515**	2,965	3,062
Current tax recoverable	**50**	159	58
Trade and other receivables	**5,483**	5,030	5,495
Derivative financial instruments	**349**	89	475
Liquid investments	**401**	1,084	1,153
Cash and cash equivalents	**5,148**	2,050	3,379
Assets held for sale	**8**	4	4
Total current assets	**14,954**	11,381	13,626
TOTAL ASSETS	**33,860**	27,669	31,003
LIABILITIES			
Current liabilities			
Short-term borrowings	**(1,387)**	(1,994)	(3,504)
Trade and other payables	**(5,143)**	(5,142)	(4,861)
Derivative financial instruments	**(195)**	(75)	(262)
Current tax payable	**(1,058)**	(1,217)	(826)
Short-term provisions	**(1,015)**	(601)	(892)
Total current liabilities	**(8,798)**	(9,029)	(10,345)
Non-current liabilities			
Long-term borrowings	**(12,801)**	(4,885)	(7,067)
Deferred tax liabilities	**(652)**	(831)	(887)
Pensions and other post-employment benefits	**(2,312)**	(1,331)	(1,383)

Other provisions	**(1,129)**	(1,002)	(1,035)
Derivative financial instruments		(72)	(8)
Other non-current liabilities	**(371)**	(357)	(368)
Total non-current liabilities	**(17,265)**	(8,478)	(10,748)
TOTAL LIABILITIES	**(26,063)**	(17,507)	(21,093)
NET ASSETS	**7,797**	10,162	9,910
EQUITY			
Share capital	**1,423**	1,506	1,503
Share premium account	**1,322**	1,218	1,266
Retained earnings	**4,099**	6,818	6,475
Other reserves	**642**	337	359
Shareholders equity	**7,486**	9,879	9,603
Minority interests	**311**	283	307
TOTAL EQUITY	**7,797**	10,162	9,910

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Net assets

The book value of net assets decreased by £2,113 million from £9,910 million at 31st December 2007 to £7,797 million at 30th September 2008. This reflects an increase in net debt arising from the funding of the share buy-back programme and dividend payments, together with an increase in the pension deficit. The increase in the pension deficit arose predominantly from a reduction in asset values and an increase in the estimated long-term UK inflation rate, partially offset by an increase in the rate used to discount UK pension liabilities from 5.75% to 6.50%. At 30th September 2008, the net deficit on the Group s pension plans was £1,192 million compared with a net deficit at 31st December 2007 of £156 million.

The carrying value of investments in associates and joint ventures at 30th September 2008 was £445 million, with a market value of £1,146 million.

In Q3 2008, GSK repurchased and cancelled £865 million of shares. The number of shares in issue at 30th September 2008, excluding those held by the ESOP Trusts and those held as Treasury shares, was 5,089 million (30th September 2007: 5,465 million).

Legal matters

The Group is involved in various legal and administrative proceedings principally product liability, intellectual property, tax, anti-trust and governmental investigations and related private litigation concerning sales, marketing and pricing which are more fully described in the Legal proceeding note in the Annual Report 2007.

At 30th September 2008, the Group s aggregate provision for legal and other disputes (not including tax matters described under Taxation on page 15) was £1.2 billion. The ultimate liability for legal claims may vary from the amounts provided and is dependent upon the outcome of litigation proceedings, investigations and possible settlement negotiations.

Significant developments since the date of the Annual Report 2007 (as previously updated by the legal matters section of the Results Announcements for Q1 and Q2 2008) are as follows:

With respect to the Group s action against Teva Pharmaceuticals relating to the Group s combination patent regarding *Combivir*, the Group received an additional certification in October 2008 related to Teva s ANDA for *Combivir* alleging that the Group s patent covering the crystal form of lamivudine, one of the active ingredients in *Combivir,* is invalid or not infringed. The patent expires in 2016. The Group is evaluating the certification. Teva has not challenged the Group patent relating to *Combivir* that expires in 2010.

In October 2008, the Group received a letter from Par Pharmaceuticals confirming that the FDA has accepted its ANDA for *Treximet,* which included a certification of invalidity, unenforceability and/or non-infringement of several patents covering *Treximet* that are owned by Pozen and licensed to the Group. Pozen has the right to bring actions for infringement of these patents. *Treximet* has data exclusivity until April 2011.

With respect to the private indirect purchaser opt-out lawsuit brought in the Minnesota state courts relating to *Paxil*, such lawsuit has been settled. The terms of the settlement are confidential.

With respect to the complaint filed against Biovail and GSK by a purported class of direct purchasers alleging anti-trust violations relating to the enforcement of Biovail s *Wellbutrin XL* patents, a separate complaint has also been filed against the Group and Biovail by a purported class of indirect purchasers. Each of the Group and Biovail has filed motions to dismiss both of the complaints.

With respect to the *Avandia* securities litigation, the Group s motion to dismiss the complaint was granted and the trial court subsequently denied the plaintiffs motion for reconsideration. The plaintiffs have filed a notice of appeal with the US Court of Appeals for the Second Circuit. The Group plans to respond to the appeal.

Developments with respect to tax matters are described in Taxation on page15.

Taxation

Transfer pricing and other issues are as previously described in the Taxation note to the Financial Statements included in the Annual Report 2007. In relation to the dispute with the IRS regarding deductions arising from inter-company financing arrangements, GSK received a Notice of Deficiency against which it filed a petition in the US Tax Court on 4th August. There have been no material changes to other tax matters since the publication of the Results Announcement for Q2 2008.

As expected, the tax rate on business performance profit for Q3 2008 rose to 29.8% reflecting the cumulative effect of changes in the recently enacted UK Finance Act relating to restrictions on tax allowances. The year-to-date business performance rate of 29% is more indicative of the expected full-year tax charge.

GSK uses the best advice in determining its transfer pricing methodology and in seeking to manage all of its tax affairs to a satisfactory conclusion and, based on external professional advice, continues to believe that it has made adequate provision for the liabilities likely to arise from open assessments. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of litigation proceedings and negotiations with the relevant tax authorities.

Accounting presentation and policies

This unaudited Results Announcement containing condensed financial information for the three and nine months ended 30th September 2008 is prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom s Financial Services Authority and the accounting policies set out in the Annual Report 2007.

This Results Announcement does not constitute statutory accounts of the Group within the meaning of section 240 of the Companies Act 1985. The balance sheet at 31st December 2007 has been derived from the full Group accounts published in the Annual Report 2007, which has been delivered to the Registrar of Companies and on which the report of the independent auditors was unqualified and did not contain a statement under either section 237(2) or section 237(3) of the Companies Act 1985.

Comparative information restatement

As reported in the Results Announcement for Q2 2008 the regional reporting structure within the Pharmaceuticals business has been realigned together with the allocation of entities and expenses between the Pharmaceuticals and Consumer Healthcare businesses. As a result, comparative information has been restated onto a consistent basis and the effect of the restatements on each quarter in 2007 and on Q1 2008 is available on the company s website. These reallocations have no impact on Group turnover or Group operating profit.

Dividends	**Paid/ payable**	**Pence per share**	**£m**
2008			
First interim	10th July 2008	13	683
Second interim	9th October 2008	13	679
Third interim	8th January 2009	14	712
2007			
First interim	12th July 2007	12	670
Second interim	11th October 2007	12	667
Third interim	10th January 2008	13	708
Fourth interim	10th April 2008	16	859

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Income statement
Nine months ended 30th September 2008

	Business performance 9 months 2008 £m	**Growth CER%**	Restructuring 9 months 2008 £m	**Statutory 9 months 2008 £m**	9 months 2007 (restated) £m
Turnover:					
Pharmaceuticals	**14,578**	**(3)**		**14,578**	14,136
Consumer Healthcare	**2,864**	**3**		**2,864**	2,606
TURNOVER	**17,442**	**(2)**		**17,442**	16,742
Cost of sales	**(4,134)**	**6**	(328)	**(4,462)**	(3,678)
Gross profit	**13,308**	**(5)**	(328)	**12,980**	13,064
Selling, general and administration	**(5,147)**	**(5)**	(213)	**(5,360)**	(5,131)
Research and development	**(2,416)**	**2**	(53)	**(2,469)**	(2,284)
Other operating income	**408**			**408**	356
Operating profit:					
Pharmaceuticals	**5,609**	**(6)**	(581)	**5,028**	5,504
Consumer Healthcare	**544**	**(4)**	(13)	**531**	501
OPERATING PROFIT	**6,153**	**(6)**	(594)	**5,559**	6,005
Finance income	**276**			**276**	210
Finance expense	**(600)**		(2)	**(602)**	(334)
Share of after tax profits of associates and joint ventures	**30**			**30**	40
PROFIT BEFORE TAXATION	**5,859**	**(10)**	(596)	**5,263**	5,921
Taxation	**(1,699)**		131	**(1,568)**	(1,687)
Tax rate %	***29.0%***			***29.8%***	*28.5%*
PROFIT AFTER TAXATION FOR THE PERIOD	**4,160**	**(10)**	(465)	**3,695**	4,234

Profit attributable to minority interests	**75**			**75**	77
Profit attributable to shareholders	**4,085**		(465)	**3,620**	4,157
	4,160		(465)	**3,695**	4,234
EARNINGS PER SHARE	**78.0p**	**(5)**		**69.2p**	74.7p
Diluted earnings per share	**77.5p**			**68.7p**	73.9p

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Turnover
Pharmaceuticals including vaccines
Nine months ended 30th September 2008

	Total		USA		Europe		Rest of World	
	£m	CER%	£m	CER%	£m	CER%	£m	CER%
Respiratory	**4,086**	**4**	**1,868**	**5**	**1,432**	**1**	**786**	**10**
Seretide/Advair	2,900	8	1,487	6	1,024	4	389	29
Flixotide/Flovent	469	(2)	214	3	125	(6)	130	(9)
Serevent	193	(10)	50	(11)	103	(6)	40	(18)
Veramyst	47	>100	38	>100	5		4	>100
Flixonase/Flonase	144	(20)	44	(38)	40	(3)	60	(8)
Anti-virals	**2,282**	**(4)**	**1,100**	**(2)**	**626**	**(14)**	**556**	**4**
HIV	**1,096**	**(6)**	**447**	**(9)**	**471**	**(5)**	**178**	**3**
Epzicom/Kivexa	313	24	123	14	152	28	38	52
Combivir	319	(14)	127	(17)	124	(20)	68	8
Trizivir	153	(20)	74	(21)	70	(16)	9	(33)
Agenerase, Lexiva	113	1	57	(5)	46	3	10	43
Epivir	103	(19)	33	(20)	43	(22)	27	(13)
Ziagen	78	(9)	31	(9)	27	(11)	20	(5)
Valtrex	829	16	591	19	106	11	132	9
Zeffix	135	(1)	11		20	6	104	(2)
Relenza	44	(78)	15	(83)	1	(99)	28	
Central nervous system	**2,232**	**(13)**	**1,462**	**(18)**	**414**	**(1)**	**356**	**(4)**
Lamictal	749	(9)	592	(10)	108	(9)	49	2
Imigran/Imitrex	526	2	427	3	71	(3)	28	(4)
Seroxat/Paxil	360	(19)	60	(42)	86	(15)	214	(8)
Wellbutrin	276	(33)	254	(36)	12	>100	10	11
Requip	208	(22)	91	(48)	95	29	22	82
Requip XL	23		4		19			
Treximet	12		12					
Cardiovascular and urogenital	**1,299**	**(3)**	**763**	**(10)**	**375**	**12**	**161**	**15**
Avodart	279	31	167	29	85	25	27	63
Lovaza	192		191				1	
Coreg	142	(76)	140	(75)			2	(83)
Coreg CR	115	>100	114	>100			1	
Coreg IR	27	(95)	26	(95)			1	(100)
Fraxiparine	168	10			134	4	34	39
Arixtra	115	51	57	44	50	54	8	100
Vesicare	48	31	48	31				

Levitra	43	11	41	11	2	100		
Metabolic	**846**	**(33)**	**408**	**(45)**	**218**	**(9)**	**220**	**(17)**
Avandia products	576	(45)	302	(54)	151	(21)	123	(33)
Avandia	365	(51)	210	(58)	62	(36)	93	(36)
Avandamet	186	(25)	75	(39)	85	(6)	26	(15)
Bonviva/Boniva	161	39	105	34	51	55	5	33
Anti-bacterials	**1,032**		**124**	**(15)**	**456**	**(4)**	**452**	**9**
Augmentin	428	2	34	(37)	198	2	196	16
Altabax	11	57	10	43	1			
Oncology and emesis	**358**	**(11)**	**179**	**(23)**	**119**	**6**	**60**	**10**
Hycamtin	99	6	56	4	35	7	8	17
Zofran	93	(52)	13	(85)	47	(23)	33	(17)
Tykerb	67	94	33	38	25	>100	9	
Vaccines	**1,743**	**18**	**451**	**4**	**799**	**30**	**493**	**16**
Hepatitis	480	17	201	36	189	1	90	16
Infanrix/Pediarix	488	10	156	1	264	15	68	14
Fluarix, FluLaval	149	10	63	(18)	57	56	29	53
Flu-prepandemic	49	>100			49	>100		
Cervarix	70	>100			59		11	>100
Rotarix	101	81	4		30	63	67	78
Boostrix	53	(6)	27	(24)	19	21	7	40
Other	**700**	**1**	**13**	**(63)**	**218**	**11**	**469**	**2**
	14,578	**(3)**	**6,368**	**(11)**	**4,657**	**3**	**3,553**	**5**

Pharmaceutical turnover includes co-promotion income.

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Regional pharmaceuticals including vaccines

	9 months 2008	
	£m	CER%
USA	**6,368**	**(11)**
Europe	**4,657**	**3**
Rest of World	**3,553**	**5**
Asia Pacific/Japan	1,348	1
Emerging markets	1,613	10
	14,578	**(3)**

Turnover
Consumer Healthcare
Nine months ended 30th September 2008

	Total		USA		Europe		Rest of World	
	£m	CER%	£m	CER%	£m	CER%	£m	CER%
Over-the-counter medicines	**1,356**	**(2)**	**423**	**(19)**	**420**	**4**	**513**	**14**
Panadol franchise	240	13			56	7	184	15
Smoking cessation products	206	(13)	145	(10)	42	(28)	19	6
Tums	64	(6)	55	(7)		(100)	9	14
Cold sore franchise	61	8	26	4	27	9	8	17
Breathe Right	54	13	32	(11)	14	>100	8	40
Alli	45	(60)	43	(61)			2	100
Oral healthcare	**897**	**6**	**154**		**502**	**6**	**241**	**10**
Aquafresh franchise	330	3	58	(3)	202	2	70	10
Sensodyne franchise	263	12	47	12	127	13	89	11
Dental healthcare	194	7	44	(2)	78	11	72	10
Nutritional healthcare	**611**	**10**			**371**	**5**	**240**	**19**
Lucozade	293	10			260	8	33	29
Horlicks	157	14			16	(11)	141	18
Ribena	124	1			94	(2)	30	12
	2,864	**3**	**577**	**(15)**	**1,293**	**5**	**994**	**14**

Cash flow statement
Nine months ended 30th September 2008

	9 Months 2008 £m	9 Months 2007 £m	2007 £m
Profit after tax	**3,695**	4,234	5,310
Tax on profits	**1,568**	1,687	2,142
Share of after tax profits of associates and joint ventures	**(30)**	(40)	(50)
Net finance expense	**326**	124	191
Depreciation and other non-cash items	**993**	920	1,333
Increase in working capital	**(207)**	(373)	(538)
Increase/(decrease) in other net liabilities	**133**	(400)	(308)
Cash generated from operations	**6,478**	6,152	8,080
Taxation paid	**(1,411)**	(1,375)	(1,919)
Net cash inflow from operating activities	**5,067**	4,777	6,161
Cash flow from investing activities			
Purchase of property, plant and equipment	**(938)**	(1,042)	(1,516)
Proceeds from sale of property, plant and equipment	**14**	23	35
Purchase of intangible assets	**(346)**	(491)	(627)
Proceeds from sale of intangible assets	**170**	7	9
Purchase of equity investments	**(53)**	(158)	(186)
Proceeds from sale of equity investments	**32**	45	45
Purchase of businesses, net of cash acquired	**(324)**	(233)	(1,027)
Investment in associates and joint ventures	**(7)**	(1)	(1)
Interest received	**269**	208	247
Dividends from associates and joint ventures	**9**	11	12
Net cash outflow from investing activities	**(1,174)**	(1,631)	(3,009)
Cash flow from financing activities			
Decrease/(increase) in liquid investments	**802**	(19)	(39)
Proceeds from own shares for employee share options		104	116
Shares acquired by ESOP Trusts	**(9)**		(26)
Issue of share capital	**58**	368	417
Purchase of own shares for cancellation	**(3,324)**		(213)
Purchase of Treasury shares		(2,330)	(3,538)
Increase in long-term loans	**5,248**	983	3,483
Repayment of long-term loans		(207)	(207)
Net (repayment of)/increase in short-term loans	**(2,648)**	451	1,632
Net repayment of obligations under finance leases	**(34)**	(29)	(39)
Interest paid	**(324)**	(279)	(378)
Dividends paid to shareholders	**(2,250)**	(2,126)	(2,793)

Dividends paid to minority interests	**(69)**	(69)	(77)
Other financing cash flows	**(32)**	(77)	(79)
Net cash outflow from financing activities	**(2,582)**	(3,230)	(1,741)
Increase/(decrease) in cash and bank overdrafts in the period	**1,311**	(84)	1,411
Exchange adjustments	**354**	(1)	48
Cash and bank overdrafts at beginning of period	**3,221**	1,762	1,762
Cash and bank overdrafts at end of period	**4,886**	1,677	3,221
Cash and bank overdrafts at end of period comprise:			
Cash and cash equivalents	**5,148**	2,050	3,379
Overdrafts	**(262)**	(373)	(158)
	4,886	1,677	3,221

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Statement of recognised income and expense

	9 months 2008 £m	9 months 2007 £m
Exchange movements on overseas net assets	**362**	89
Tax on exchange movements	**(5)**	(4)
Fair value movements on available-for-sale investments	**(48)**	(59)
Deferred tax on fair value movements on available-for-sale investments	**11**	7
Exchange movements on goodwill in reserves	**(41)**	(1)
Actuarial (losses)/gains on defined benefit plans	**(960)**	1,172
Deferred tax on actuarial movements in defined benefit plans	**296**	(352)
Fair value movements on cash flow hedges	**1**	(7)
Deferred tax on fair value movements on cash flow hedges	**(1)**	3
Net (losses)/gains recognised directly in equity	**(385)**	848
Profit for the period	**3,695**	4,234
Total recognised income and expense for the period	**3,310**	5,082
Total recognised income and expense for the period attributable to:		
Shareholders	**3,237**	4,992
Minority interests	**73**	90
	3,310	5,082

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Independent review report to GlaxoSmithKline plc

Introduction

We have been engaged by the company to review the condensed financial information in the results announcement for the third quarter 2008 (the Interim Management Statement) for the three and nine months ended 30th September 2008 which comprises the income statements, balance sheet, statement of recognised income and expense, cash flow statement and related notes (excluding the pharmaceuticals and vaccines pipeline table). We have read the other information contained in the interim management statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors responsibilities

The Interim Management Statement is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Management Statement in accordance with the Disclosure and Transparency Rules of the United Kingdom s Financial Services Authority. The condensed financial information in the Interim Management Statement for the three months and nine months ended 30th September 2008 has been prepared in accordance with the basis of preparation set out in the Accounting Presentation and Policies note and the Disclosure and Transparency Rules of the United Kingdom s Financial Services Authority.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed financial information in the Interim Management Statement based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial information in the Interim Management Statement for the three months and nine months ended 30th September 2008 is not prepared, in all material respects, in accordance with the basis of preparation set out in the Accounting Presentation and Policies note and the Disclosure and Transparency Rules of the United Kingdom s Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
22nd October 2008

Notes:

(a) The maintenance and integrity of the

GlaxoSmithKline plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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