

**GlaxoSmithKline Inc. Appearance before the
Senate Committee on Banking, Trade and Commerce**

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President & CEO
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Thank you for the opportunity to appear today to discuss GlaxoSmithKline's experience with Canada's Access to Medicines Regime (CAMR) and our company's extensive efforts in improving access to health care in the developing world. I would also like to explain why the proposed amendments to this legislation should be of grave concern to all of us – both in Canada and in the international community.

There are 3 points I'd like to make:

First: CAMR is efficient and effective at achieving its objectives.

Second: The provision of medicines is only one essential element in addressing healthcare issues in the developing world.

And third: GSK is committed through action to addressing these issues.

GSK's experience with CAMR has shown that it is an effective framework for Canada to meet its international obligations and for increasing developing world access to much needed medicines.

The following chronology of events is important because it demonstrates that only 68 days elapsed from the time Apotex made the request of GSK, until they were granted authorization to begin exporting zidovudine and lamivudine. Please allow me to outline this for you.

You'll recall that Bill C-9 came into effect in May 2005, creating the *Jean Chretien Pledge to Africa Act*, now CAMR. Almost a full year passed before GSK and two other patent owners were approached by Apotex requesting voluntary licences. GSK responded promptly, indicating a willingness to discuss the granting of a licence, and seeking clarification on key questions related to anti-diversion and patient safety, both very real issues to GSK.

Apotex did not respond at that time to our request for further information.

14 months later, GSK received another request from Apotex for a voluntary licence, and within 26 days we provided our consent to the Commissioner of Patents to issue an authorization pursuant to CAMR.

Ultimately another year passed before the first shipment of a triple combination HIV/AIDS drug, was shipped by Apotex from Toronto to Rwanda.

Not because of red tape, not because of a complex and lengthy process, but for reasons outside of the administrative and legal process - and not within the control of GSK – Apotex took more than one year to start shipping their generic drug to Rwanda.

Our experience is that CAMR can and does work when put to the test. Just the other day GSK went even further and announced that it remains ready and willing to do our part within the framework of CAMR to ensure its objectives keep being met.

We must not lose sight of the needs of patients in the developing world and we must refrain from using CAMR as a means to reopen the intellectual property debate in Canada, which would create further instability and drive away crucial investments our country needs.

With this in mind, I want to touch on one thing that CAMR has reinforced for GSK: simply delivering medicines, whether brand name or generic, doesn't nearly address the challenges developing countries face, such as poor sanitation and education, insufficient infrastructure, and diversion of medicines from the intended patients.

GSK has long taken an innovative, responsible and sustainable approach to improving the health of patients in the developing world. Working in partnership with governments, NGOs and the private sector GSK has, among other things:

- deliberately focused R&D efforts on diseases of the developing world, such as HIV, TB and malaria;
- sought to eliminate many diseases, including lymphatic filariasis – one of the world’s most disabling diseases; and
- consistently offered preferential pricing on antiretrovirals and vaccines.

But this legacy of commitment is not enough. We have stopped saying “it’s not our fault there’s no infrastructure to deliver healthcare” and started asking ourselves “what can we do to ensure that the infrastructure does exist?”

Consequently we have established several new initiatives that continue to address these broader issues and significantly advance GSK's leadership role. Specifically, we have recently:

- begun sharing our intellectual property on neglected tropical diseases by setting up a patent pool and inviting others to join us;
- opened the doors of our research centre dedicated to diseases of the developing world, to other researchers;
- reduced the prices of patented medicines in the least developed countries to no higher than 25% of the developed world; and
- committed to reinvest 20% of the profit made on medicines in these countries back into local healthcare infrastructure projects.

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In closing, we have illustrated that CAMR is only one piece of a larger puzzle. And - that piece has proven to work effectively and efficiently to achieve its objectives when put to the test. GSK's belief is that our collective efforts and intentions are best served by focusing on the broader issue of improving healthcare in the developing world through leadership and action.

I thank you for your time and welcome any questions.

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