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GlaxoSmithKline Completes Acquisition of Stiefel

GSK creates new world-leading specialist dermatology business with revenues of approximately \$1.5 billion

Significant step forward to diversify GSK's business and provide immediate new growth opportunities

GlaxoSmithKline plc (GSK) today announced that it has completed its acquisition of Stiefel Laboratories, Inc. GSK has acquired the total share capital of Stiefel for a cash consideration of \$2.9 billion. GSK also assumed \$0.4 billion of net debt. Under the terms of the agreement, GSK may be obligated to make additional cash payments of up to \$0.3 billion depending on the future performance of the business. The new dermatology business unit within GSK will operate under the name Stiefel, a GSK company.

Deirdre Connelly, President, North American Pharmaceuticals, GSK said, "The Stiefel acquisition demonstrates how we are implementing our strategy to grow and diversify our business through targeted acquisitions. We now have established a new world-leading, specialist dermatology business that will immediately generate new revenue flows to GSK."

Charles Stiefel, Chairman of Stiefel, said, "As part of GSK, we are stronger, more competitive and continue to be a driving force in dermatology around the world. We are excited to combine GSK's prescription dermatology products, such as *Bactroban*, *Cutivate* and *Altabax*, with Stiefel's portfolio, including brands such as *Duac*, *Olux E* and *Soriatane*. This combined portfolio, together with our specialty sales force and GSK's global presence, positions GSK's dermatology business for significant growth."

Sales of Stiefel's products for 2008 were approximately \$900 million and sales of GSK's prescription dermatology products were approximately \$550 million. The combined pro forma revenues of approximately \$1.5 billion, represent an 8% share of the global prescription dermatology market.

Stiefel is committed to improving and developing new treatments and has a robust development pipeline, with more than 15 projects in late-stage development across a wide variety of dermatological conditions, such as acne, dermatoses and fungal infection. The business unit also has access to significant innovative and proprietary formulation technologies.

GlaxoSmithKline – 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. For further information please visit www.gsk.ca

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Cautionary statement regarding forward-looking statements

Under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, GSK cautions investors that any forward-looking statements or projections made by GSK, 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 GSK' s operations are described under 'Risk Factors' in the 'Business Review' in the company' s Annual Report on Form 20-F for 2008.

Trademarks

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