

OFFERING CIRCULAR



GlaxoSmithKline plc

(incorporated in England and Wales with limited liability under registered number 3888792)

GlaxoSmithKline Capital Inc.

(incorporated in the State of Delaware with limited liability under registered number 22383-62)

GlaxoSmithKline Capital plc

(incorporated in England and Wales with limited liability under registered number 2258699)

£10,000,000,000

Euro Medium Term Note Programme

**unconditionally and irrevocably guaranteed in the case of Notes issued by
GlaxoSmithKline Capital Inc. and GlaxoSmithKline Capital plc by**

GlaxoSmithKline plc

(incorporated in England and Wales with limited liability under registered number 3888792)

On 4th December, 2001 GlaxoSmithKline Capital Inc. ("GSK Capital Inc.") and GlaxoSmithKline Capital plc ("GSK Capital plc") established a Euro Medium Term Note Programme (the "Programme"). On 16th May, 2003 GlaxoSmithKline Capital Kabushiki Kaisha ("GSK Capital K.K.") was added as an issuer under the Programme. On 13th May, 2004 GlaxoSmithKline plc ("GSK plc") was added as an issuer under the Programme. GSK Capital K.K. has now been removed as an issuer from the Programme. This Offering Circular supersedes all previous offering circulars. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue. Pursuant to the Programme, GSK plc, GSK Capital Inc. and GSK Capital plc (each an "Issuer" and together the "Issuers") may from time to time issue notes (the "Notes") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts owing in respect of the Notes issued by GSK Capital Inc. and GSK Capital plc ("Guaranteed Notes") will be unconditionally and irrevocably guaranteed by GSK plc (the "Guarantor").

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase in accordance with the listing rules of the UK Listing Authority (as defined below).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Programme" and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a "Dealer" and together the "Dealers"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) purchased by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

In relation to each separate issue of Notes, the final offer price and amount of such Notes will be determined by the relevant Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the applicable Final Terms (as defined below).

Application has been made to the Financial Services Authority in its capacity under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and application will be made to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be permitted to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and have been admitted to the Official List. The London Stock Exchange's Gilt Edged and Fixed Interest Market is a regulated market for the purposes of Directive 93/22/EC (the "Investment Services Directive").

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in final terms (the "Final Terms") which, with respect to Notes to be admitted to the Official List and admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notes to be issued under the Programme are, unless otherwise specified in the applicable Final Terms, expected to be rated Aa2 by Moody's Investors Service Limited (Moody's) and AA by Standard & Poor's Ratings Services, a division of the McGraw Hill Companies Inc. (Standard & Poor's). An Aa2 rating means that the Notes are of high quality and are subject to very low credit risk and an AA rating means that the relevant Issuer's and (in the case of Guaranteed Notes) the Guarantor's capacity to meet its financial commitment under the Notes is very strong.

The relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the Trustee (as defined herein) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) a supplementary Offering Circular or a further Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Factors which may affect the ability of the Issuers or the Guarantor to fulfil their obligations under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out on pages 14 to 23.

Arranger Citigroup

Dealers

**ABN AMRO
Credit Suisse
HSBC
Lehman Brothers**

The Royal Bank of Scotland

**Citigroup
Deutsche Bank
JPMorgan
Mizuho International plc**

The date of this Offering Circular is 9th March, 2007

Each Issuer and the Guarantor (the “Responsible Persons”) accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealers or the Financial Intermediaries (as defined herein), as the case may be.

The Trustee and the Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Trustee or the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided in connection with the Programme. Neither the Trustee nor any Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided in connection with the Programme.

No person is or has been authorised by any of the Issuers, the Guarantor, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Trustee or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any of the Issuers, the Guarantor, the Trustee or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer and/or the Guarantor, the Trustee or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning any Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Trustee and the Dealers expressly do not undertake to review the financial condition or affairs of any Issuer or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)) (see “Subscription and Sale”).

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor, the Trustee or the Dealers represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any Issuer, the Guarantor, the Trustee or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) (see “Subscription and Sale”).

The Notes and the Guarantee have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States, or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the events of the offering of the Notes and the Guarantee or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

All references in this document to “Sterling” and “£” refer to pounds sterling, references to “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and references to “U.S.\$”, “USD” and “U.S. Dollars” are to United States dollars.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes (provided that, in the case of any Tranche of Notes to be admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market or any other regulated market (within the meaning of the Investment Services Directive) within the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

Notwithstanding anything to the contrary contained herein, each prospective purchaser (and each employee, representative, or other agent of each prospective purchaser) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions described in this Offering Circular and all materials of any kind that are provided to the prospective purchaser relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions between any of the Issuers, the Dealers or their respective representatives and each prospective purchaser regarding the transactions contemplated herein.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been previously published or are published simultaneously with the Offering Circular and have been filed with the Financial Services Authority shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited consolidated annual financial statements for the financial year ended 31st December, 2006 of the Guarantor and its subsidiaries and associated undertakings, the notes thereto and the audit report prepared in connection therewith (the “Group’s Annual Report 2006”), and the audited consolidated annual financial statements for the financial year ended 31st December, 2005 of the Guarantor and its subsidiaries and associated undertakings, the notes thereto and the audit report prepared in connection therewith (the “Group’s Annual Report 2005”);
- (b) the section entitled “the Audit Committee Report” on pages 60 to 62 of the Group’s Annual Report 2006;
- (c) the section entitled “Annual General Meeting” on page 59, the section entitled “the Combined Code” on page 62, and the section entitled “Remuneration Report” on pages 65 to 82 of the Group’s Annual Report 2006;
- (d) the section entitled “Regulatory environment” on pages 22 to 25 of the Group’s Annual Report 2006;
- (e) the section entitled “Financial trends and ratios” on page 6 of the Group’s Annual Report 2006;
- (f) the section entitled “Financial review 2006” on pages 31 to 38 of the Group’s Annual Report 2006;
- (g) the section entitled “Financial position and resources” on pages 39 to 43 of the Group’s Annual Report 2006;
- (h) the section entitled “Legal proceedings” on pages 156 to 164 of the Group’s Annual Report 2006; and
- (i) the section entitled “Investor information” on pages 171 to 188 of the Group’s Annual Report 2006.

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Following the publication of this Offering Circular a supplement may be prepared by the Issuers and the Guarantor and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement or contained in any document incorporated by referenced therein, shall, to the extent applicable, be deemed to modify or supersede statements (whether expressly, by implication or otherwise) contained in this Offering Circular or in a document, which is incorporated by reference herein. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the Company Secretary, 980 Great West Road, Brentford, Middlesex, TW8 9GS.

Each Issuer and the Guarantor will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuers at their respective offices set out at the end of this Offering Circular. In addition, such documents will be available from the principal office in England of Citibank, N.A. for Notes admitted to the Official List and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market.

Each Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular or a supplement to this Offering Circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the Programme and the Terms and Conditions of the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes”.

The Notes issued by any Issuer will not constitute direct obligations of any of the other two Issuers.

This Offering Circular and any supplement will only be valid for admitting Notes to the Official List and to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market, or on any other or further stock exchanges or markets in the European Economic Area agreed between the Issuer and any relevant Dealer in relation to a Series of Notes, during the period of 12 months from the date of this Offering Circular in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed £10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the sterling equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the sterling equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes”) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of such Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the sterling against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the sterling equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the sterling equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes and described under “Form of the Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular. Any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference into this Offering Circular, by any investor. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability attaches to the Responsible Persons in any such Member State solely in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a member state of the European Economic Area, the plaintiff may, under the national legislation of the member state of the European Economic Area where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

The following summary is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Issuers: GlaxoSmithKline plc, GlaxoSmithKline Capital Inc. or GlaxoSmithKline Capital plc (each an “Issuer” and together the “Issuers”).

Guarantor: GlaxoSmithKline plc.

Description: Euro Medium Term Note Programme.

Risk Factors: *The following factors may affect the ability of the Issuers and Guarantor to fulfil their obligations under Notes issued under the Programme. The following summary is taken from, and is qualified entirely by the “Risk Factors” section of this Offering Circular. Prospective investors should consult their own financial and legal advisers about risks associated with an investment in any Notes issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.*

Risk that R&D will not deliver commercially successful new products

Continued development of commercially viable new products is critical to the Group’s ability to replace sales of older products that decline upon expiration of exclusive rights, and to increase overall sales.

Risk of unplanned loss of patents

Patent infringement litigation

Efforts by generic manufacturers may involve challenges to the validity of a patent or assertions that the generic product does not infringe the Group’s patents. If the Group is not successful in defending an attack on its patents and maintaining exclusive rights to market one or more of its major products, particularly in the USA where the Group has its highest turnover and margins, the Group’s turnover and margins could be adversely affected.

Weakness of intellectual property protection in certain countries

In some of the countries in which the Group operates, patent protection may be significantly weaker than in the USA or the European Union.

Risk of substantial adverse outcome of litigation and government investigations

See 'Legal Proceedings' incorporated herein by reference for a discussion of proceedings and governmental investigations in which the Group is currently involved. Unfavourable resolution of these and similar future proceedings or investigations could have a material adverse effect on the Group's financial results.

Risks of competition, price controls and limitations on sales

Third party competition

Significant product innovations, technical advances or the intensification of price competition by competitors could adversely affect the Group's operating results. Continued consolidation in the pharmaceutical industry could adversely affect the Group's competitive position, while continued consolidation among the Group's customers may increase pricing pressures.

Governmental and payer controls

Pharmaceutical products are subject to price controls or pressures and other restrictions in many markets. In the USA, where the Group has its highest margins and most sales for any country, pricing pressures could significantly increase following implementation of the pharmaceutical benefit under Medicare.

Regulatory controls

Stricter regulatory controls heighten the risk of withdrawal by regulators of approvals previously granted, which could reduce revenues and could result in product recalls and product liability lawsuits.

Risk of interruption of product supply

Compliance failure by suppliers of key materials or the Group's own manufacturing facilities could lead to product recalls and seizures, interruption of production and delays in the approvals of new products pending resolution of manufacturing issues. Non-compliance can also result in fines and disgorgement of profits. Any interruption of supply or fines or disgorgement remedy could materially and adversely affect the Group's financial results.

Risk from concentration of sales to wholesalers

The Group is exposed to a concentration of credit risk in respect of certain wholesalers such that, if one or more of them is affected by financial difficulty, it could materially and adversely affect the Group's financial results.

Reliance on information technology

Any significant disruption of information technology systems, whether due to computer viruses or other outside incursions, could materially and adversely affect the Group's operations.

Taxation

Changes in tax laws or in their application with respect to matters, such as transfer pricing and the risk of double taxation, that relate to the portion of the Group's earnings taxed at more favourable rates, could increase the Group's effective tax rate and adversely affect its financial results.

Environmental liabilities

Failure to manage properly environmental risks could result in additional remedial costs that could materially and adversely affect the Group's operations.

Global political and economic conditions

Fluctuations in exchange rates between Sterling and other currencies, especially the U.S. dollar and the Euro, could materially affect the Group's financial results.

The Group has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes or nationalisation in jurisdictions in which the Group operates. These factors could adversely affect the Group's future results of operations.

Accounting standards

New or revised accounting standards and rules promulgated from time to time by the UK, U.S. or international accounting standard setting boards could adversely impact on the Group's reported financial results.

Critical accounting policies

The consolidated Financial statements are prepared in accordance with IFRS, following the accounting policies approved by the Board of the Group. Management is required to make estimates and assumptions that affect the amount of assets, liabilities, revenue and expenses reported in the Financial statements. Actual amounts and results could differ from those estimates.

The critical accounting policies are listed in the Group's Annual Report 2006 on pages 37 to 38.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Arranger:

Citigroup Global Markets Limited

Dealers:	<p>ABN AMRO Bank N.V. Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch HSBC Bank plc J.P. Morgan Securities Ltd. Lehman Brothers International (Europe) Mizuho International plc The Royal Bank of Scotland plc</p> <p>and any other Dealers appointed in accordance with the Programme Agreement.</p>
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”).
Trustee:	The Law Debenture Trust Corporation p.l.c.
Issuing and Principal Paying Agent:	Citibank, N.A.
Programme Size:	Up to £10,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme”) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the listing rules of the UK Listing Authority. Further restrictions relating to the increase of the amount of the Programme are contained in the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in “Form of the Notes”.
Type of Notes:	<p>Notes, including, but not limited to, the following may be issued under the Programme:</p> <ul style="list-style-type: none"> • Fixed Rate Notes; • Floating Rate Notes; • Dual Currency Notes; • Index Linked Notes; and • Zero Coupon Notes
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of

Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be €1,000 (or the equivalent amount in any other currency) or such higher minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than one year

Any Notes (including Notes denominated in Sterling) which have a maturity date of less than one year from their date of issue and in respect of which the issue proceeds are received by any Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA by the Issuer will have a minimum denomination of at least £100,000 or its equivalent amount in any other currency.

Notwithstanding the above, Notes with a maturity of 183 days or less shall have a denomination of at least USD500,000 or the equivalent amount in any other currency.

Taxation: All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes to the extent provided in Condition 7. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Default: The terms of the Notes will contain a cross default provision as further described in Condition 9.

Events of Default: The Trustee may, in certain circumstances, give notice to the Issuer and the Guarantor, that the Notes shall be immediately due and payable if any of the following events of default occur or be continuing:

- (a) the relevant Issuer, failing whom the Guarantor (if applicable), fails to pay principal or interest due in respect of the Notes, for a specified period of time;
- (b) the relevant Issuer defaults in performance or observance of or compliance with of any of its undertakings set out in the Notes or the Trust Deed, or the Guarantor (if applicable) defaults the same, and the default is incapable of remedy or is not remedied within a specified period of time;
- (c) the relevant Issuer, Guarantor (if applicable) or any Principal Subsidiary defaults in respect of any indebtedness for borrowed

money of at least £10,000,000 (or its equivalent in any other currency), which then becomes due and payable; and

- (d) the relevant Issuer, Guarantor (if applicable) or any Principal Subsidiary is unable to pay its debts as they fall due or enters into insolvency proceedings or a winding up order is made.

Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and, (subject to the provisions of Condition 3), unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
Guarantee:	In the case of Notes issued by GlaxoSmithKline Capital Inc. and GlaxoSmithKline Capital plc, Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will be direct, unconditional and, (subject to the provisions of Condition 3), unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
Rating:	<p>The rating of the Notes to be issued under the Programme will be specified in the applicable Final Terms. The Programme is rated by Moody's and by Standard & Poor's.</p> <p>Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Listing and admission to trading:	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and to be admitted to the Official List.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series, as specified in the applicable Final Terms. Notes which are neither listed nor admitted to trading on any market may also be issued.</p>
Governing Law:	The Notes will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "Subscription and Sale").

RISK FACTORS

The following factors may affect the ability of the Issuers and Guarantor to fulfil their obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which (although not exhaustive) could be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should note that the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for reasons which may not be considered significant by the Issuers and the Guarantor based on the information currently available to them, or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision. Prospective investors should also consult their own financial and legal advisers about risks associated with an investment in any Notes issued under the Programme and the suitability of investing in such Notes in light of their particular circumstances.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

There are risks and uncertainties relevant to the Group's business. The factors listed below are among those that the Group believes could cause the Group's actual results to differ materially from expected and historical results. References to 'the Financial statements' mean the financial statements in the Group's Annual Report 2006.

Risk that R&D will not deliver commercially successful new products

Continued development of commercially viable new products is critical to the Group's ability to replace sales of older products that decline upon expiration of exclusive rights, and to increase overall sales. Developing new products is a costly, lengthy and uncertain process.

A new product candidate can fail at any stage of the process, and one or more late-stage product candidates could fail to receive regulatory approval.

New product candidates may appear promising in development but, after significant investment, fail to reach the market or have only limited commercial success. This, for example, could be as a result of efficacy or safety concerns, inability to obtain necessary regulatory approvals, difficulty or excessive costs to manufacture, erosion of patent term as a result of a lengthy development period, infringement of patents or other intellectual property rights of others or inability to differentiate the product adequately from those with which it competes.

Risk of unplanned loss of patents

Patent infringement litigation

The Group's patents, in common with all patents, can be challenged at any time. Efforts by generic manufacturers may involve challenges to the validity of a patent or assertions that their generic product does not infringe the Group's patents. If the Group is not successful in defending an attack on its patents and maintaining exclusive rights to market one or more of its major products, particularly in the USA where the Group has its highest turnover and margins, the Group's turnover and margins would be adversely affected.

See 'Legal proceedings' incorporated by reference herein for a discussion of patent-related proceedings in which the Group is involved.

Generic drug manufacturers are seeking to market generic versions of many of the Group's most important products, prior to the expiration of the Group's patents, and have exhibited a readiness to do so for

other products in the future. The US launch of generic products competing with Paxil IR and Wellbutrin had a significant impact on the Group's overall turnover and earnings.

Weakness of intellectual property protection in certain countries

In some of the countries in which the Group operates, patent protection may be significantly weaker than in the USA or the European Union. In addition, in an effort to control public health crises, some developing countries, such as South Africa and Brazil, have considered plans for substantial reductions in the scope of patent protection for pharmaceutical products. In particular, these countries could facilitate competition within their markets from generic manufacturers who would otherwise be unable to introduce competing products for a number of years.

Any loss of patent protection, including abrogation of patent rights or compulsory licensing, is likely to affect adversely the Group's operating results in those national markets but is not expected to be material to the Group overall. Absence of adequate patent protection could limit the opportunity to look to such markets for future sales growth.

Risk of substantial adverse outcome of litigation and government investigations

See 'Legal proceedings' incorporated by reference herein for a discussion of proceedings and governmental investigations in which the Group is currently involved. Unfavourable resolution of these and similar future proceedings or investigations may have a material adverse effect on the Group's financial results. The Group has made material provisions in 2004, 2005 and 2006 related to legal proceedings and investigations which reduced its earnings. The Group may also make additional significant provisions related to legal proceedings and investigations in the future, which would reduce its earnings. In many cases the practice of the plaintiff bar is to claim damages – compensatory, punitive and statutory – in amounts that bear no relationship to the underlying harm. Accordingly it is potentially misleading to quantify the potential exposure to claims, proceedings and investigations of the type described in 'Legal Proceedings', incorporated by reference herein.

Recent insurance loss experience, including pharmaceutical product liability exposures, has increased the cost of, and narrowed the coverage afforded by, insurance for pharmaceutical companies generally, including the Group.

In order to contain insurance costs in recent years the Group has continued to adjust its coverage profile, accepting a greater degree of un-insured exposure. In addition, where claims are made under insurance policies, insurers may reserve the right to deny coverage on various grounds. If denial of coverage is ultimately upheld on these claims, this could result in material additional charges to the Group's earnings.

Product liability litigation

Pre-clinical and clinical trials are conducted during the development of potential products to determine the safety and efficacy of products for use by humans following approval by regulatory bodies. Notwithstanding these efforts, when drugs and vaccines are introduced into the marketplace, unanticipated side effects may become evident. The Group is currently a defendant in a number of product liability lawsuits, including class actions, that involve substantial claims for damages related to the Group's pharmaceutical products. Litigation, particularly in the USA, is inherently unpredictable and excessive verdicts that are not justified by the evidence can occur. Class actions that sweep together all persons who were prescribed the Group's products can inflate the potential liability by the force of numbers. Claims for pain and suffering and punitive damages are frequently asserted in product liability actions and, if allowed, can represent potentially open-ended exposure.

Anti-trust litigation

In the USA it has become increasingly common that following publicity around government investigations or an adverse outcome in prosecution of patent infringement actions, the defendants and direct and indirect purchasers and other payers initiate anti-trust actions as well. Claims by direct and indirect

purchasers and other payers are typically filed as class actions and the relief sought may include treble damages and restitution claims. Damages in adverse anti-trust verdicts are subject to automatic trebling in the USA. Similarly, anti-trust claims may be brought following settlement of patent litigation, alleging that such settlements are anti-competitive and in violation of anti-trust laws.

Sales, marketing and regulation

The Group operates globally in complex legal and regulatory environments that often vary among jurisdictions. The failure to comply with applicable laws, rules and regulations in these jurisdictions may result in civil and criminal legal proceedings. As those rules and regulations change or as governmental interpretation of those rules and regulations evolve, prior conduct may be called into question. In the USA, for example, the Group is responding to federal and state governmental investigations into pricing, marketing and reimbursement of its prescription drug products. These investigations could result in related restitution or civil false claims act litigation on behalf of the federal or state governments, as well as related proceedings initiated against the Group by or on behalf of consumers and private payers. Such proceedings may result in trebling of damages awarded or fines in respect of each violation of law. Criminal proceedings may also be initiated against Group companies or individuals.

Risks of competition, price controls and limitations on sales

Third party competition

The Group operates in highly competitive businesses. In the pharmaceuticals business, it faces competition both from proprietary products of large international manufacturers and producers of generic pharmaceuticals. Significant product innovations, technical advances or the intensification of price competition by competitors could adversely affect the Group's operating results. Continued consolidation in the pharmaceutical industry could adversely affect the Group's competitive position, while continued consolidation among the Group's customers may increase pricing pressures. The Group had 12 products with over £500 million in annual global sales in 2006.

Among these products is *Augmentin IR*, with respect to which the Group has generic competition, and *Avandia*, *Valtrex*, and *Wellbutrin XL*, with respect to which the Group's intellectual property rights in the USA are currently the subject of litigation, and two others – *Zofran* and the 300 mg tablet version of *Wellbutrin XL* – with respect to which the Group has had generic competition since the fourth quarter of 2006.

If these or any of the Group's other major products were to become subject to a problem such as unplanned loss of patent protection, unexpected side effects, regulatory proceedings, publicity affecting doctor or patient confidence or pressure from competitive products, or if a new, more effective treatment should be introduced, the adverse impact on the Group's revenues and operating results could be significant. In particular, the Group faces intense competition from manufacturers of generic pharmaceutical products in all of its major markets. Generic products often enter the market upon expiration of patents or data exclusivity periods for the Group's products. Introduction of generic products typically leads to a dramatic loss of sales and reduces the Group's revenues and margins for its proprietary products. The expiration dates for patents for the Group's major products are set out on pages 23 and 24 of the Group's Annual Report 2006 incorporated by reference herein, and legal proceedings involving patent challenges are set out in 'Legal proceedings' incorporated by reference herein.

Governmental and payer controls

Pharmaceutical products are subject to price controls or pressures and other restrictions in many markets, including Japan, Germany, France and Italy. Some governments intervene directly in setting prices. In addition, in some markets major purchasers of pharmaceutical products (whether governmental agencies or private health care providers) have the economic power to exert substantial pressure on prices or the terms of access to formularies.

The Group cannot predict whether existing controls will increase or new controls will be introduced that will reduce the Group's margins or affect adversely its ability to introduce new products profitably.

For example, in the USA, where the Group has its highest margins and most sales for any country, pricing pressures could significantly increase following implementation of the pharmaceutical benefit under the Medicare programme or in the event that other state programmes to control the cost of prescription drugs are adopted. As experience develops under the Medicare programme outpatient pharmaceutical coverage for its beneficiaries that began in 2006, the US government, or the private insurers through which coverage is offered, through their enormous purchasing power under the programme could demand discounts that may implicitly create price controls on prescription drugs. Changes to the enabling legislation could afford the US government a direct role in negotiating prices under the Medicare programme. Additionally a number of states have proposed or implemented various schemes to control prices for their own senior citizens' programmes, including importation from other countries and bulk purchases of drugs. The growth in the number of patients covered through large managed care institutions in the USA, which is likely to increase with implementation of the Medicare benefit, also increases pricing pressures on the Group's products.

These trends may adversely affect the Group's revenues and margins from sales in the USA.

Regulatory controls

The Group must comply with a broad range of regulatory controls on the testing, approval, manufacturing and marketing of many of its pharmaceutical and consumer healthcare products, particularly in the USA and countries of the European Union, that affect not only the cost of product development but also the time required to reach the market and the uncertainty of successfully doing so. Stricter regulatory controls also heighten the risk of withdrawal by regulators on the basis of post-approval concerns over product safety, which would reduce revenues and can result in product recalls and product liability lawsuits.

In addition, in some cases the Group may voluntarily cease marketing a product (for example, the withdrawal of Lotronex in 2000 shortly after its initial launch in the USA) or face declining sales based on concerns about efficacy or safety, whether or not scientifically justified, even in the absence of regulatory action. The development of the post-approval adverse event profile for a product or the product class may have a major impact on the marketing and sale of the product.

Risk of interruption of product supply

The manufacture of pharmaceutical products and their constituent materials requires compliance with good manufacturing practice regulations. The Group's manufacturing sites are subject to review and approval by the Food and Drug Administration ("FDA") and other regulatory agencies. Compliance failure by suppliers of key materials or the Group's own manufacturing facilities could lead to product recalls and seizures, interruption of production and delays in the approvals of new products pending resolution of manufacturing issues. Non-compliance can also result in fines and disgorgement of profits. Any interruption of supply or fines or disgorgement remedy could materially and adversely affect the Group's financial results. The Group's Cidra, Puerto Rico facility has worked at resolution of FDA observations of deficiencies in manufacturing practices and is subject to a consent decree entered into with the FDA during 2005, as referred to in 'Legal proceedings' incorporated by reference herein. As a consequence of those discussions, supplies of certain products manufactured at Cidra were curtailed or constricted which had an adverse impact on sales in 2005 and 2006.

Although the Group undertakes business continuity planning, single sourcing for certain components, bulk active materials and finished products creates a risk of failure of supply in the event of regulatory non-compliance or physical disruption at the manufacturing sites.

Risk from concentration of sales to wholesalers

In the USA, in line with other pharmaceutical companies, the Group sells its products through a small number of wholesalers in addition to hospitals, pharmacies, physicians and other groups. Sales to the three largest wholesales amounted to approximately 80% of the Group's US pharmaceutical sales. At 31st

December 2006 the Group had trade receivables due from these three wholesalers totalling £1,044 million (31st December 2005 – £1,051 million). The Group is exposed to a concentration of credit risk in respect of these wholesalers such that, if one or more of them is affected by financial difficulty, it could materially and adversely affect the Group's financial results.

Reliance on information technology

The Group is increasingly dependent on information technology systems, including Internet-based systems, for internal communication as well as communication with customers and suppliers. Any significant disruption of these systems, whether due to computer viruses or other outside incursions, could materially and adversely affect the Group's operations.

Taxation

The effective tax rate on the Group's earnings benefits from the fact that a portion of its earnings is taxed at more favourable rates in some jurisdictions outside the UK. Changes in tax laws or in their application with respect to matters such as transfer pricing and the risk of double taxation that relate to the portion of the Group's earnings taxed at more favourable rates, or a restriction in tax relief allowed on the interest on intra-Group debt, could increase the Group's effective tax rate and adversely affect its financial results. In 2006 the Group resolved the claims by the US Internal Revenue Service related to Glaxo heritage products. The Group has open issues with the revenue authorities in the UK, Japan and Canada. These matters are discussed in Note 12 'Taxation' to the financial statements in the Group's Annual Report 2006, incorporated by reference herein.

Disruption from pandemic influenza

In the event of pandemic influenza, the Group could be subject to disruption from a range of factors. National governments may be more willing to abrogate intellectual property rights for medicines that might otherwise be in short supply. In a country afflicted by pandemic flu, there would be a risk that employees and their families will be affected with the consequence that sales and distribution and manufacturing activities could be shut down and supply continuity – for active ingredients and finished goods – affected.

Environmental liabilities

The environmental laws of various jurisdictions impose actual and potential obligations on the Group to remediate contaminated sites. The Group has also been identified as a potentially responsible party under the US Comprehensive Environmental Response Compensation and Liability Act at a number of sites for remediation costs relating to the Group's use or ownership of such sites. Failure to manage properly the environmental risks could result in additional remedial costs that could materially and adversely affect the Group's operations. See 'Legal proceedings', incorporated by reference herein, for a discussion of environmental-related proceedings in which the Group is involved.

Global political and economic conditions

The Group conducts a substantial portion of its operations outside the UK. The Group's management of foreign exchange rates is discussed in Operating and financial review and prospects, 'Foreign exchange risk management'. Fluctuations in exchange rates between Sterling and other currencies, especially the US dollar, the Euro and the Japanese yen, could materially affect the Group's financial results.

The Group has no control over changes in inflation and interest rates, foreign currency exchange rates and controls or other economic factors affecting its businesses or the possibility of political unrest, legal and regulatory changes or nationalisation in jurisdictions in which the Group operates. These factors could materially affect the Group's future results of operations.

Accounting standards

New or revised accounting standards, rules and interpretations promulgated from time to time by international or US accounting standard setting boards could result in changes to the recognition of income and expense that may adversely impact the Group's reported financial results. International and US accounting standards changes in the market valuation of certain financial instruments (such as the equity collar linked to the Group's investment in Quest Diagnostics Inc., the put and call options linked to the Group's strategic alliance with Theravance Inc. and impairments of equity investments) are reflected in the Group's reported results before those gains or losses are actually realised and could have a significant impact on the income statement in any given period. Also, under international accounting standards, accounting for deferred taxation on inter-company inventory may give rise to volatility depending upon the ownership of the inventory at the balance sheet date.

Regulators regularly review the financial statements of listed companies like GSK for compliance with accounting and regulatory requirements.

The Group believes that it complies with the appropriate regulatory requirements concerning its financial statements and disclosures. However, other companies have experienced investigations into potential non-compliance with accounting and disclosure requirements that have resulted in restatements of previously reported results and sometimes significant penalties.

Human resources

The Group has approximately 100,000 employees around the world and is subject to laws and regulations concerning its employees – ranging from discrimination and harassment to personal privacy to labour relations – that vary significantly from jurisdiction to jurisdiction. Failure to continue to recruit and retain the right people and maintain a culture of compliance could have a significant adverse effect on the Group.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial

instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to affect such conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer elects to convert from a fixed rate to a floating rate, in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer elects to convert from a floating rate to a fixed rate, in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Guarantor, in the circumstances described in Condition 16 of the conditions of the Notes.

EU Savings Directive

Under European Union Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

If a payment is made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person is obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's

Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Potential investors should be aware that GSK Capital Inc. and GSK Capital plc are financing companies which lend the major part of all moneys raised by them to other companies within the Group. As such the ability of GSK Capital Inc. and GSK Capital plc to fulfil their respective obligations under the Notes may be dependent on the Guarantor's policy decisions from time to time, as the parent company of the Group. However, the Guarantor separately has its obligations to fulfil under the Guarantee.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a “Temporary Global Note”) or, if so specified in the applicable Final Terms, a permanent global note (a “Permanent Global Note” and, together with the Temporary Global Note, the “Global Notes”) which, in either case will:

- (i) if the Global Notes are intended to be issued in new global note form (“NGN”), as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”); and
- (ii) if the Global Notes are not intended to be issued in NGN form (“CGN”), be delivered on or prior to the original issue date of the Tranche to Citibank, N.A., as common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person or any person within the United States or its possessions, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “Exchange Date”) which is 40 days after the Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein for either (i) interests in a Permanent Global Note (a “Permanent Global Note”) of the same Series or (ii) definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest (if any), principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) if the Issuer is GSK Capital Inc., not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or upon the occurrence of an Exchange Event, or (ii) if the Issuer is GSK plc or GSK Capital plc, only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the relevant Issuer has been given to the Trustee. The relevant Issuer will promptly give notice to the Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange

Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not more than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes which have an original maturity of more than 183 days and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

The following legend will appear on all Notes which have an original maturity of 183 days or less and on all receipts and interest coupons relating to such Notes:

“BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).”

Notes with a maturity of 183 days or less are required to be issued in minimum denominations of U.S.\$500,000 (or the equivalent amount in the relevant Specified Currency determined by reference to the spot rate on the date of issuance). Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Temporary Global Note or a Permanent Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any form of record made by any of them or such other evidence and/or information and/or certification as the Trustee shall, in its absolute discretion, think fit to the effect that at any particular time or throughout any particular period any particular person is, was, or will be, shown in its records as the holder of a particular nominal amount of Notes represented by a Global Note and if it does so rely, such letter of confirmation, form of record, evidence, information or certification shall be conclusive and binding on all concerned save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and their agents and the Trustee as the holder of such nominal amount of such Notes in accordance

with and subject to the terms of the relevant Global Note; and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, if the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer, the Agent and the Trustee.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

FINAL TERMS FOR WHOLESALE ISSUES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €50,000 (or its equivalent in any other currency).

[Date]

[GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by GlaxoSmithKline plc]

under the £10,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 9th March, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of such Offering Circular are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1. (a) Issuer: [GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc]
- (b) [Guarantor: GlaxoSmithKline plc]
2. (a) Series Number: []
- (b) Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(a) [Series: []]
(b) [Tranche: []]
5. [Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: []

(N.B. If the Issuer is GSK Capital Inc., Notes may only be issued in Specified Denominations of €50,000 and integral multiples thereof.)

(N.B.: where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:

“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”)

(b) Calculation Amount *(If only one Specified Denomination, insert the Specified Denomination.*

If more than one Specified Denomination, insert the highest common factor. N.B.: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
(b) Interest Commencement Date: [] [Not Applicable]
8. Maturity Date: *[Fixed rate – specify date]*
Floating rate – Interest Payment Date falling in or nearest to [specify month]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

11. Change of Interest Basis or Redemption/
Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (a) Status of the Notes: Senior
(b) [Status of the Guarantee: Senior]
(c) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi annually/quarterly] in arrear]
(If payable other than annually, consider amending Condition 4)
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [] in each year
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*Give details*]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s): []
- (b) Specified Interest Payment Dates: []
- (c) First Interest Payment Date: []
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
- (e) Additional Business Centre(s): []
- (f) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (h) Screen Rate Determination:
- Reference Rate: [].
(*Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement*)
 - Interest Determination Date(s): []
(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
 - Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (i) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (j) Margin(s): [+/-] [] per cent. per annum
- (k) Minimum Rate of Interest: [] per cent. per annum

- (l) Maximum Rate of Interest: [] per cent. per annum
- (m) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]
(See Condition 4 for alternatives)
- (n) Fallback provisions, rounding provisions denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii)(c) and 6(j) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Principal Paying Agent): []
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Specified Period(s)/Specified Interest Payment Dates: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention/specify other]
- (f) Additional Business Centre(s): []

- (g) Minimum Rate of Interest: [] per cent. per annum
- (h) Maximum Rate of Interest: [] per cent. per annum
- (i) Day Count Fraction: []
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest payable (if not the Issuing and Principal Paying Agent): []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []

- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (c) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
22. Final Redemption Amount of each Note: [] per Calculation Amount/specify other/see Appendix
(If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
23. Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): [] per Calculation Amount/specify other/see Appendix

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")
25. New Global Note [Yes][No]

26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates to which items 16(c) and 18(f) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:
- (a) [Instalment Amount(s): [Not Applicable/give details]]
- (b) [Instalment Date(s): [Not Applicable/give details]]
30. Redenomination applicable: Redenomination [not] applicable
(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)
31. Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

DISTRIBUTION

32. (a) If syndicated, names of Managers: [Not Applicable/give names]
(b) Stabilising Manager(s) (if any): [Not Applicable/give names]
33. If non-syndicated, name of relevant Dealer: [Name]
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
35. Additional selling restrictions: [Not Applicable/give details]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue and admission to trading of the issue of Notes described herein pursuant to the £10,000,000,000 Euro Medium Term Note Programme of [GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc].]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. [Each of] the Issuer [and the Guarantor] confirm that such information has been accurately reproduced and that, so far as it is aware and able to ascertain from information published by [●] no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

[Signed on behalf of the Guarantor:

By:
Duly authorised

By:
Duly authorised]

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [London/Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the London Stock Exchange's Gilt Edged and Fixed Interest Market] [*other*] with effect from [].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that the original notes are already admitted to trading.)*
- (iii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: The Notes to be issued have been rated:
- [S & P: []]
[Moody's: []]
[[Other]: []]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[N/A]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer []
- (ii) Estimated net proceeds []
- (iii) Estimated total expenses []

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Interest Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained]

8. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (“ICSDs”) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their lives. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
- (Include this text if “yes” selected in which case the Notes must be issued in New Global Note form)*
- (vi) Name(s) and address(es) of the initial paying agent(s): []
- (vii) Names and addresses of additional Paying Agent(s) (if any): []

FINAL TERMS FOR RETAIL ISSUES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes with a denomination of less than €50,000 (or its equivalent in any currency).

[Date]

[GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by GlaxoSmithKline plc]
Under the £10,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 9th March, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of such Offering Circular are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (**Directive 2003/71/EC**) (the **Prospectus Directive**) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated [current date] and [original date]. Copies of such Offering Circular are available for viewing and may be obtained from the registered office of the Issuer at 980 Great West Road, Brentford, Middlesex TW8 9GS.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

- | | | | |
|----|-----|-----------------|--|
| 1. | (a) | Issuer: | [GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc] |
| | (b) | [Guarantor: | GlaxoSmithKline plc] |
| 2. | (a) | Series Number: | [] |
| | (b) | Tranche Number: | [] |

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(a) [Series: []
(b) [Tranche: []
5. [Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (a) Specified Denominations: []
[]
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the minimum denomination is €1,000.)*
- (b) Calculation Amount *(If only one Specified Denomination, insert the Specified Denomination.*

If more than one Specified Denomination, insert the highest common factor. N.B.: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
(b) Interest Commencement Date: [] [Not Applicable]
8. Maturity Date: *[Fixed rate – specify date/
Floating rate – Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/Other] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]

(If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative

securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive will apply.)

11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (a) Status of the Notes: Senior
(b) Status of the Guarantee Senior
(c) Date [Board] approval for issuance of Notes and Guarantee obtained: [] and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)
14. Method of Distribution: [Syndicated/Non-Syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
(If payable other than annually, consider amending Condition 4)
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [] [per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]
- (e) Fixed Day Count Fraction (subject to item 29): [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) Determination Date(s): [] in each year
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon
N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*

- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*Give details*]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s) []
- (b) Specified Interest Payment Dates: []
- (c) First Interest Payment Date: []
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/*specify other*]
- (e) Additional Business Centre(s): []
- (f) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (g) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (h) Screen Rate Determination:
- Reference Rate: [].
(Either LIBOR, EURIBOR, or other, although additional information is required if other – including any amendment to the fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), the start of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (i) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (j) Margin(s): [+/-] [] per cent. per annum
- (k) Minimum Rate of Interest: [] per cent. per annum

- (l) Maximum Rate of Interest: [] per cent. per annum
- (m) Day Count Fraction: [Actual/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
Other]
(See Condition 4 for alternatives)
- (n) Fallback provisions, rounding provisions denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and 6(j) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Principal Paying Agent): []
- (c) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Specified Period(s)/Specified Interest Payment Dates: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (f) Additional Business Centre(s): []
- (g) Minimum Rate of Interest: [] per cent. per annum

- (h) Maximum Rate of Interest: [] per cent. per annum
- (i) Day Count Fraction: []
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest payable: (if not the Issuing and Principal Paying Agent) []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
21. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount

- (c) Notice period (if other than as set out in the Conditions):
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
22. Final Redemption Amount of each Note: per Calculation Amount/specify other/see Appendix
(If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
23. Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): per Calculation Amount/specify other/see Appendix

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice at any given time/only upon an Exchange Event]]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice at any given time/only upon an Exchange Event]]
25. New Global Note [Yes] [No]
26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period end dates to which item 16(c) and 18(f) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:

- (a) [Instalment Amount(s): [Not Applicable/give details]]
- (b) [Instalment Date(s): [Not Applicable/give details]]
30. Redenomination applicable: Redenomination [not] applicable
(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)
31. Other terms or special conditions: [Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

DISTRIBUTION

32. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers)
- (b) Date of Syndication Agreement: []
- (c) Stabilising Manager (if any): [Not Applicable/give name]
33. If non-syndicated, name and address of relevant Dealer: [Name and address]
34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
36. Non-exempt offer: [An offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) where the Offering Circular has been passported] during the period from [Insert, for example, one business day after satisfaction of all regulatory requirements of such Member States(s)] until [specify date].

(N.B.: Consider any local regulatory requirements required to be fulfilled to enable a non-exempt offer to be made in the relevant jurisdictions. No such offer should be made in any relevant jurisdiction until all requirements have been met.)
37. Additional selling restrictions: [Not Applicable/give details]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue [and] [public offer in the countries specified in Item 36 above] and admission to trading of the issue of Notes described herein pursuant to the

£10,000,000,000 Euro Medium Term Note Programme of [GlaxoSmithKline plc/GlaxoSmithKline Capital Inc./GlaxoSmithKline Capital plc.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. [Each of] the Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer: [Signed on behalf of the Guarantor]
By: By:
Duly authorised *Duly authorised*

PART B – OTHER INFORMATION

1. LISTING

- (a) Listing: [London/Luxembourg/other (*specify*)/None]
- (b) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the London Stock Exchange’s Gilt Edged and Fixed Interest Market] [*other*] with effect from [].]/[Not Applicable.]

(Where documenting a fungible issue need to indicate that the original notes are already admitted to trading.)

2. RATINGS

Ratings: [Applicable/Not Applicable]
(If not applicable, delete the remaining paragraph)

The Notes to be issued have been rated:

[S & P: [AA/Other/Not Applicable]]
[Moody’s: [Aa2/Other/Not Applicable]]
[[Other]: []]

[An Aa2 rating means that the Notes are of a high quality and are subject to very low credit risk and an AA rating means that the Issuer’s and the Guarantor’s capacity to meet its financial commitment under the Notes is very strong].

[Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[N/A]/[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] Reasons for the offer: []

(See “Use of Proceeds” wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii)] Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: [] *[Include breakdown of expenses]*

(N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD *(Fixed Rate Notes only)*

Indication of yield: []

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES *(Floating Rate Notes only)*

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-Linked Interest Notes only)*

[Need to include details of where past and future performance and volatility of the index/formula can be obtained]

[Need to include and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the

information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT *(Dual Currency Notes only)*

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

9. INFORMATION IN RESPECT OF PUBLIC OFFERS OF NOTES

[Applicable/Not Applicable.] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

[The Notes will be offered to the public in each of [insert jurisdictions] in accordance with the arrangements listed below]. [The Issuer [and the Guarantor] has [have] authorised the use of these Final Terms and the Offering Circular dated 9th March 2007 by the Managers and [include names [and addresses] of other financial intermediaries involved in the offer] [(the “Financial Intermediaries”)] in connection with the offer of the Notes to the public in [insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported] for the period set out in Item 9 [(iv)] below.]

- (i) Categories of potential investors to which the Notes are offered: *[Offers or solicitations may be made by the Managers and/or [include names [and addresses] of other financial intermediaries involved in the offer (the “Financial Intermediaries”)] in [insert jurisdiction where the Prospectus has been approved and published and jurisdictions into which it has been passported] for the period set out in (iv) below to any person [insert suitability criteria, if any are deemed appropriate pursuant to any applicable conduct of business rules]. No offer or solicitation in respect of the Notes shall be made by the Managers [and/or the Financial Intermediaries] except pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus (a) in any other EEA country or (b) after the period set out in (iv) below has ended.]*
- (ii) Conditions to which the offer is subject: *[Offers of the Notes are conditional on their issue on [] [and on any additional conditions set out in the standard terms of business of the [Managers] [Financial Intermediaries], notified to investors by such relevant Financial Intermediaries]]*
- (iii) Arrangements for publication of final size of issue/offer: *[Not Applicable] / [give details, as per below instruction]]*
- (If applicable (i) specify date on which the final size of the issue will be made public and (ii) insert specific details in respect of the method of publication (including, where relevant, details of any advertisements are to be published)).*

(Not applicable if the final size of the issue is designated as “up to” the stated amount in Part A Item (4) above).

- (iv) Time period, including any possible amendments, during which the offer will be open: [From the date of publication of the Final Terms to *[the Issue Date]*][*specify other*].
- (v) Description of the application process: [Not Applicable] / [*insert details of application / subscription process*]
- (vi) Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants: [Not Applicable] [*give details*]
[*Not applicable unless the full application process is being followed in relation to the issue*]
- (vii) Details of the minimum / maximum amount of application (whether in numbers of securities or aggregate amount to invest): [Not Applicable] / [*give details*]
- (viii) Method and time limits for paying up the securities and for delivery of the securities: [Not Applicable] / [*give details*]¹
- (ix) Full description of the manner and date in which results of the offer are to be made to public: [Not Applicable] / [*give details, as per below instruction*]
(If applicable (i) specify date on which the results of the offer will be made public and (ii) insert specific details in respect of the method of publication of such results (including, where relevant, details of any advertisements to be published)
- (x) Procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised: [Not Applicable] [*give details*]
[*Not applicable unless full application process is being followed in relation to the issue*]
- (xi) Offer Price: [The Issuer has offered the Notes to the [Managers] [Financial Intermediaries] at the initial issue price of [] less a total commission of []. OR (*where the price is not determined at the date of the Final Terms*) The issue price of the Notes will be determined by the Issuer and the [Managers] [Financial Intermediaries] on or about [] in accordance with market conditions then prevailing, including [supply and demand for the Notes and other similar securities] [and] [the then current market price of [insert relevant benchmark security, if any].]
- (xii) Process for notification to applicants of the amount of Notes allotted and indication whether dealing may begin before notification is made: [Not Applicable] / [*give details*]
[*Not applicable unless full application process is being followed in relation to the issue.*]

¹ Under normal circumstances, on the Issue Date, allocated Notes will be made available to the [Managers] [Financial Intermediaries] in such account as may be held by them directly or indirectly at Euroclear or Clearstream, Luxembourg.

[No dealings in the Notes on a regulated market (as defined in the Investment Services Directive 93/22/EC) may take place prior to the Issue Date.]

- (xiii) Details of any tranche(s) reserved for specific country: [Not Applicable] / [give details]
- (xiv) Additional information applicable to the terms and conditions of the offer, if any: [Not Applicable] / [give details]
- (xv) Other sales restrictions: No Managers [or Financial Intermediaries] shall make any offer or solicitation of the Notes using the exemption from the obligation set out to publish a prospectus without the prior written consent of the Lead Manager.
- (xvi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: []

10. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries (“ICSDs”) as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their lives. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]
(Include this text if “yes” selected in which case the Notes must be issued in New Global Note form)
- (vi) Name(s) and address(es) of the initial paying agent(s): []
- (vii) Names and addresses of additional Paying Agent(s) (if any): []

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by GlaxoSmithKline plc (‘GSK plc’), GlaxoSmithKline Capital Inc. (‘GSK Capital Inc.’) or GlaxoSmithKline Capital plc (‘GSK Capital plc’) (each an “Issuer” and together the “Issuers”) constituted by a Trust Deed (such Trust Deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 4th December, 2001 and made between GSK Capital Inc. and GSK Capital plc as issuers, GSK plc as guarantor (the “Guarantor”) and The Law Debenture Trust Corporation p.l.c. (the “Trustee”, which expression shall include any successor trustee) as Trustee of the Noteholders (as defined below). By a Second Supplemental Trust Deed dated 13th May, 2004 and made between the Issuers, the Guarantor and the Trustee, GlaxoSmithKline plc became an Issuer under the Programme. Notes issued by GSK Capital Inc. or GSK Capital plc (“Guaranteed Notes”) will be unconditionally and irrevocably guaranteed by the Guarantor under the terms of the Trust Deed.

References in these Terms and Conditions to the “*Issuer*” shall be to the Issuer of the Notes as specified in the applicable Final Terms.

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 9th March, 2007, and made between the Issuers, the Guarantor, the Trustee, Citibank, N.A. as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the “applicable Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons) in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee (being at 9th March, 2007 at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the registered offices of each Issuer at 980 Great West Road, Brentford, Middlesex, TW8 9GS and at the specified office of each of the Paying Agents, save that, if this Note is an unlisted Note of any Tranche /neither listed on a stock exchange nor admitted to trading on any market, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Tranche and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or, as the case may be, relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The relevant Issuer, the Guarantor, the Trustee and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, the Trustee and the Paying Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the Trust Deed and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall in the absence of manifest error, be conclusive and binding on all concerned. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, if the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Agent and the Trustee.

2. STATUS OF THE NOTES AND THE GUARANTEE

(a) Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) Status of the Guarantee

In the case of Guaranteed Notes, the payment of principal and interest (if any) together with all other sums payable by the Issuer under the Trust Deed in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed. The obligations of the Guarantor are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding (as defined in the Trust Deed):

- (a) the Issuer will not create or permit to subsist any mortgage, charge, pledge or lien (other than a lien arising by operation of law) upon the whole or any part of its property, assets or revenues, present or future, to secure (i) payment of any Relevant Indebtedness or (ii) any payment under any guarantee or indemnity granted by the Issuer in respect of any Relevant Indebtedness (as defined below); and
- (b) the Guarantor (in the case of Guaranteed Notes) will not and will procure that no Subsidiary (as defined below) of the Guarantor will create or permit to subsist any mortgage, charge, pledge or lien (other than a lien arising by operation of law) upon the whole or any part of its property, assets or revenues, present or future, to secure (i) payment of any Relevant

Indebtedness or (ii) any payment under any guarantee or indemnity granted by the Guarantor or any Principal Subsidiary (as defined below) in respect of any Relevant Indebtedness

without in any such case at the same time according to the Notes (unless it has already been so accorded) to the satisfaction of the Trustee either the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other arrangement (whether or not comprising security) as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition, “Relevant Indebtedness” means any indebtedness which (a) is in the form of or represented by bonds, notes, loan stock, depositary receipts or other securities issued otherwise than to constitute or represent advances made by banks and/or other lending institutions; (b) is denominated, or confers any right to payment of principal, premium and/or interest, in or by reference to any currency other than the currency of the country in which the issuer of the indebtedness has its principal place of business, or is denominated in or by reference to the currency of such country but is placed or offered for subscription or sale by or on behalf of, or by agreement with, the issuer as to over 20 per cent. outside such country; and (c) at its date of issue is, or is intended by the issuer to become, quoted, listed, traded or dealt in on any stock exchange, over-the-counter market or other securities market.

In these Terms and Conditions, “Subsidiary” means a subsidiary within the meaning of Section 736 of the Companies Act 1985.

4. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “*Fixed Interest Period*” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period or if, in the case of Notes in definitive form, no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes (or, if they are Partly Paid Notes, the full amount paid up);
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls on the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes or Index Linked Interest Notes is represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up) and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note or Index Linked Interest Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “**Business Day**” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and

Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the “TARGET System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), “*Floating Rate*”, “*Calculation Agent*”, “*Floating Rate Option*”, “*Designated Maturity*” and “*Reset Date*” have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no

such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the Interest Amount) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the relevant Notes (or, if they are Partly Paid Notes, the full amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (A) if “Actual/365” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (F) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and notice thereof to be given in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or calculation by Trustee*

If for any reason the Agent or the Calculation Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraph (ii) or (iv), as the case may be, above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions in this Condition but subject always to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or, as the case may be, the Calculation Agent.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agent, the Trustee, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

5. PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Auckland, respectively provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque (provided however that no payment may be made by transfer of funds to an account maintained in the United States or by cheque mailed to an address in the United States).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) *Presentation of definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part

payment of any sum due, endorsement) of definitive Notes, and payments of interest (if any) in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used in this Condition 5, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Floating Rate Notes, Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned in paragraph (a) above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) *Payments in respect of Global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing

between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

The holder of a Global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be). No person other than the holder of the Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the relevant Issuer or, as the case may be, the Guarantor in respect of any payments due on such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest (if any) in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest (if any) in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest (if any) on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest (if any) at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest (if any) in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Auckland,

respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or under any undertaking given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the relevant Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

- (i) *Where the Issuer is GSK Capital Inc.*

The provisions of this paragraph shall apply where the Issuer is GSK Capital Inc.

The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes or Index Linked Interest Notes, on any Interest Payment Date, upon not more than 30 nor less than 15 days' prior notice to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders (which notice will be irrevocable), at their Early Redemption Amount referred to in paragraph (e) below, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, but without reduction for applicable United States withholding taxes (as described in Condition 7(A)), if, as a result of any amendment to, or change in, the laws or regulations of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change is effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obliged to pay any Additional Amounts (as defined in Condition 7(A)) on the next succeeding Interest Payment Date in respect of the Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on

which the Issuer would be obliged to pay such Additional Amounts in respect of the Notes were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect.

Immediately prior to the giving of any notice of redemption pursuant to this paragraph the Issuer will deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receipholders and the Couponholders.

The Issuer at its election will either (x) redeem the Notes, in whole but not in part, at any time or, if the Notes are Floating Rate Notes or Index Linked Interest Notes, on any Interest Payment Date upon not more than 30 nor less than 15 days' prior notice to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders, at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, or (y) if and so long as the conditions of the final paragraph of Condition 7(i) are satisfied, pay the Additional Amounts specified in such paragraph (notwithstanding clause (d) of the first paragraph of Condition 7(i)), after determining, based on a written opinion of independent counsel chosen by the Issuer, that any payment made outside the United States by the Issuer or any of its Paying Agents of principal or interest due (if any) with respect to any Note, Receipt or Coupon would, under any present or future laws or regulations of the United States, be subject to any certification, information, documentation or other reporting requirement of any kind the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any United States governmental authority of the nationality, residence or identity of a beneficial owner of such Note, Receipt or Coupon who is a United States Alien (as defined in Condition 7(i)) (other than such a requirement (a) which would not be applicable to a payment made by the Issuer or any one of its Paying Agents (i) directly to the beneficial owner or (ii) to any custodian, nominee or other agent of the beneficial owner, or (b) which could be satisfied by the custodian, nominee or other agent certifying that the beneficial owner is a United States Alien, provided that in each case referred to in clauses (a)(ii) and (b) payment by such custodian, nominee or other agent of such beneficial owner would not otherwise be subject to any such requirement, or (c) which would not have been applicable but for the presentation by the holder of such Note, Receipt or Coupon for payment on a date more than 15 days after the Relevant Date (as defined in Condition 7(i)), or (d) which would be applicable only to a payment on a Note, Receipt or Coupon the holder or beneficial owner of which is owned 10 per cent. or more directly or indirectly by, or owns actually or constructively 10 per cent. or more of, the Issuer). The Issuer will make such determination and election and notify the Trustee thereof as soon as practicable, and the Issuer will promptly give notice of such determination (the "Determination Notice") in accordance with Condition 15 in each case stating the effective date of such certification, information, documentation or other reporting requirement, whether the Issuer will redeem the Notes or will pay the Additional Amounts specified in such paragraph and (if applicable) the last date by which the redemption of the Notes must take place. If the Issuer elects to redeem the Notes, such redemption will take place on such date (being, in the case of Floating Rate Notes, an Interest Payment Date), not later than one year after publication of the Determination Notice, as the Issuer elects by notice to the Trustee at least 30 days before such date, unless shorter notice is acceptable to the Trustee. Notwithstanding the foregoing, the Issuer will not so redeem the Notes if the Issuer, based on an opinion of independent counsel chosen by the Issuer subsequently determines, not less than 15 days prior to the date fixed for redemption, that subsequent payments would not be subject to any such requirement in which case the Issuer will notify the Trustee, which will give prompt notice of that determination in accordance with Condition 15, and any earlier notice of redemption shall thereupon be revoked and of no further effect.

If the Issuer elects as provided in (y) above to pay Additional Amounts, and as long as the Issuer is obligated to pay such Additional Amounts, the Issuer may subsequently redeem the Notes, at any time or, if the Notes are Floating Rate Notes, on any Interest Payment Date, in whole but not in part, upon not more than 30 nor less than 15 days' prior notice given to the Agent and the Trustee and (in accordance with Condition 15) to the Noteholders, at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption. Upon any such redemption, the Issuer will pay as Additional Amounts such amounts as may be necessary so that every net payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Note, Receipt or Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any United States governmental authority), after deduction or withholding for or on account of a backup withholding tax or similar charge (other than a backup withholding tax or similar charge which would be applicable solely by reason of the failure to comply with one or more of the requirements described in the third parenthetical clause of the preceding paragraph) but before deduction or withholding for or on account of any tax, assessment or other governmental charge described in clauses (a), (b), (c), (e), (f) or (g) of the first paragraph of Condition 7(i), would not be less than the amount provided for in such Note, Receipt or Coupon to be then due and payable.

(ii) *Where the Issuer is GSK plc or GSK Capital plc*

The provisions of this paragraph shall apply where the Issuer is GSK plc or GSK Capital plc.

The Notes may be redeemed in whole but not in part, at the option of the Issuer, at any time or, if the Notes are Floating Rate Notes or Index Linked Interest Notes, on any Interest Payment Date, upon not more than 30 nor less than 15 days' prior notice given in accordance with Condition 15 (which notice will be irrevocable), at their Early Redemption Amount, together, if applicable, with interest accrued to (but excluding) the date fixed for redemption, if, as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any political subdivision or taxing authority thereof or therein (as applicable) affecting taxation, or any amendment to or change in an official application or interpretation of such laws or regulations, which amendment or change is effective on or after the Issue Date of the first Tranche of the Notes, the Issuer will become obligated to pay any additional amounts pursuant to Condition 7(ii) on the next succeeding Interest Payment Date in respect of the Notes; provided, however, that (1) no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due and (2) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Immediately prior to the giving of any notice of redemption pursuant to this paragraph the Issuer will deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent and the Trustee;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final

Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any partial redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (“Redeemed Notes”) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg [(to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion)], in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “Selection Date”). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be notified to Noteholders in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) *Redemption at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days’ notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(f) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) *Purchases*

The Issuer, the Guarantor or any other Subsidiary of the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, the Guarantor or the relevant Subsidiary of the Guarantor, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (A) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (B) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7. TAXATION

(i) *Where the Issuer is GSK Capital Inc.*

The provisions of this paragraph shall apply where the Issuer is GSK Capital Inc.

All payments of principal and interest (if any) by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (together, "Taxes") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United States or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor (as the case may be) will pay such amounts (the "Additional Amounts") as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that the foregoing obligations shall not apply to:

- (a) any such tax, duty, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of a power over such holder, if such holder is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof, or being or having been engaged in a trade or business therein or being or having been present therein, or having or having had a permanent establishment therein, or (ii) such holder's present or former status as a controlled foreign corporation for United States tax purposes or as a corporation which accumulates earnings to avoid United States federal income taxes;
- (b) any tax, duty, assessment or other governmental charge which would not have been so imposed but for the presentation by the holder of such Note, Receipt or Coupon for payment on a date more than 30 days after the date on which such payment became due and payable (assuming such day to have been a Payment Day (as defined in Condition 5(e))) or the date on which payment thereof was duly provided for, whichever occurs the later (the "Relevant Date");
- (c) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;
- (d) any tax, duty, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (e) any tax, duty, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal of or interest on such Note;
- (f) any tax, duty, assessment or other governmental charge imposed on interest received by a 10 per cent. shareholder of the Issuer within the meaning of Section 871(h)(3)(B) or Section 881(c)(3)(B) of the United States Internal Revenue Code of 1986, as amended (the "Code") or on interest received by a bank on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in Section 881(c)(3)(A) of the Code;
- (g) any withholding or deduction where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;

- (h) any Note, Receipt or Coupon presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (i) any combination of clauses (a), (b), (c), (d), (e), (f), (g) and (h) above;

nor will any Additional Amounts be paid with respect to any payment of the principal of or interest (if any) on any Note, Receipt or Coupon to any United States Alien who is a fiduciary or partnership or other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note, Receipt or Coupon. The term “United States Alien” means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust or a foreign partnership one or more of the members of which is for United States federal income tax purposes a foreign corporation, a non-resident alien individual, or a non-resident alien fiduciary of a foreign estate or trust.

If and so long as a certification, information, documentation or other reporting requirement referred to in the penultimate paragraph of Condition 6(b)(i) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, by so stating in the Determination Notice, to have the provisions of this paragraph apply in lieu of the provisions of such paragraph. In such event, the Issuer will pay as Additional Amounts (regardless of clause (d) above) such amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirements by the Issuer or any of its Paying Agents of principal or interest (if any) due in respect of any Note, Receipt or Coupon of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any United States governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which would be applicable solely by reason of the failure to comply with one or more of the requirements described in the third paragraph of Condition 6(b)(i)) but before deduction or withholding for or on account of any tax, assessment or other governmental charge described in clause (a), (b), (c), (e), (f), (g), (h) or (i) of the preceding paragraph, will not be less than the amount provided for in such Note, Receipt or Coupon to be then due and payable.

- (ii) *Where the Issuer is GSK plc or GSK Capital plc*

The provisions of this paragraph shall apply where the Issuer is GSK plc or GSK Capital plc.

All payments of principal and interest (if any) by the Issuer or the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges (together, “Taxes”) of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority thereof or therein having power to levy the same unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor (as the case may be) shall pay such additional amounts as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them had no such Taxes been required to be withheld or deducted; provided that no such additional amounts will be payable in respect of Notes, Receipts or Coupons:

- (a) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such withheld or deducted Taxes by reason of his having some connection with the United Kingdom other than the mere holding of a Note, Receipt or Coupon; or
- (b) to, or to a third party on behalf of, a Noteholder, Receiptholder or Couponholder if such withholding or deduction may be avoided by the Noteholder, Receiptholder or Couponholder complying with any statutory requirement or by making a declaration of non-residence or other

similar claim for exemption to any authority of or in the United Kingdom, unless such Noteholder, Receiptholder or Couponholder proves that he is not entitled so to comply or to make such declaration or claim; or

- (c) presented for payment in the United Kingdom; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a Noteholder, Receiptholder or Couponholder would have been entitled to payment of such additional amounts if he had presented his Note, Receipt or Coupon for payment on the thirtieth day after the Relevant Date (assuming that day to have been a Payment Day (as defined in Condition 5(e))); or
- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union (other than in the United Kingdom).

“**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, if the full amount of such money has not been received by the Agent or the Trustee prior to such date, or the date on which the full amount of such money having been so received by the Agent or Trustee, notice to that effect shall have been given in accordance with Condition 15.

8. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured to its satisfaction), (provided that, except in the case of the happening of the event mentioned in paragraph (i) below, the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer and the Guarantor (in the case of Guaranteed Notes), that the Notes are, and they shall thereby immediately become, due and repayable at their Early Redemption Amount (as described in Condition 6(e)) together with accrued interest as provided in the Trust Deed (except in the case of Zero Coupon Notes to which the provisions of Condition 6(j) apply), if any of the following events shall occur (each, following certification as aforesaid, an “Event of Default”) and be continuing:

- (i) the Issuer, failing whom the Guarantor (in the case of Guaranteed Notes), fails to pay the principal of any Notes within seven business days of the due date or fails to pay any interest (if any) in respect of the Notes within 14 business days of the due date and for the purposes of this paragraph (i) “**business day**” shall mean a day (other than a Saturday or a Sunday) on which commercial banks are open for business in London; or
- (ii) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes or the Trust Deed or the Guarantor (in the case of Guaranteed Notes) defaults in performance or observance of or compliance with any of its obligations under the Notes or the Trust

Deed, which default is incapable of remedy or which, if capable of remedy, is not remedied to the Trustee's satisfaction within 30 days (or such longer period as the Trustee may permit) after written notice requiring remedy of such default shall have been given to the Issuer and the Guarantor by the Trustee; or

- (iii) any indebtedness for borrowed moneys of either the Issuer, the Guarantor (in the case of Guaranteed Notes) or any Principal Subsidiary, having in any particular case an outstanding principal amount of at least £10,000,000 (or its equivalent, from time to time, in any other currency), becomes due and payable prior to its stated maturity by reason of an event of default in relation thereto or is not paid on its due date or after any applicable period of grace; or
- (iv) a distress or execution or other legal process is levied or enforced against, or an encumbrancer takes possession of, or an administrative or other receiver or an administrator is appointed of, the whole or any part (which is substantial in relation to the Guarantor and its Subsidiaries taken as a whole) of the assets or undertakings of the Issuer, the Guarantor or any Principal Subsidiary and is not stayed, removed, discharged or paid out within 30 days; or
- (v) the Issuer, the Guarantor (in the case of Guaranteed Notes) or any Principal Subsidiary is unable to pay its debts generally as they fall due or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors generally or an effective resolution is passed or an order is made for the winding up of the Issuer, the Guarantor or any Principal Subsidiary or the Issuer, the Guarantor or any Principal Subsidiary stops payment of its obligations generally or ceases to carry on its business or a part thereof which is substantial in relation to the Guarantor and its Subsidiaries taken as a whole (except in any case for the purpose of a reconstruction, union, transfer, merger or amalgamation effected with the consent of the Trustee and except, in the case of a Principal Subsidiary, for the purpose of a reconstruction, union, transfer, merger or amalgamation pursuant to which all of its property, assets and undertaking are transferred to either the Issuer, the Guarantor (in the case of Guaranteed Notes) or another Principal Subsidiary).

“*Principal Subsidiary*” is defined in the Trust Deed to mean a Subsidiary of the Guarantor whose total assets or total profits before interest payable and tax (“Gross Profits”) (attributable to the Guarantor) represent 10 per cent. or more of the consolidated total assets or consolidated Gross Profits (as the case may be) of the Guarantor and its Subsidiaries as reflected in the latest published audited consolidated financial statements of the Guarantor and its Subsidiaries (all as more particularly described in the Trust Deed). Total assets and total Gross Profits will, for this purpose, exclude assets and profits eliminated in the consolidation referred to in the previous sentence.

A certificate signed by any two Directors of the Guarantor or by any one Director and the Secretary of the Guarantor to the effect that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of a manifest error, be conclusive and binding on all parties.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. ENFORCEMENT

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor (in the case of Guaranteed Notes) as it may think fit to enforce any obligation, condition or provision binding on the Issuer or the Guarantor (in the case of Guaranteed Notes) under the Notes, Receipts or Coupons or under the Trust Deed, but shall not be bound to do so unless:

- (a) It has been so directed by an Extraordinary Resolution or in writing by the holders of at least one-quarter of the nominal amount of the Notes outstanding; and
- (b) It has been indemnified and/or secured to its satisfaction.

No Noteholder, Receipholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Guarantor (in the case of Guaranteed Notes) unless the Trustee, having become bound to proceed as aforesaid, fails to do so within a reasonable time and such failure is continuing.

12. INDEMNIFICATION OF TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trust Deed also contains provisions pursuant to which the Trustee is entitled *inter alia*, (i) to enter into business transactions with each Issuer, the Guarantor and/or any Subsidiary of the Guarantor and to act as trustee for the holders of any other securities issued or guaranteed by or relating to either Issuer, the Guarantor or any Subsidiary of the Guarantor, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receipholders or Couponholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

13. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer was incorporated; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by another relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or such other relevant authority; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and, in certain limited circumstances, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receipholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

15. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or admitted to trading by another relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or any relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative definitive Note or definitive Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent, the Trustee and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including proposals to modify by Extraordinary Resolution these Terms and Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that, at any meeting the business of which includes the modification of certain material terms and conditions of the Notes and provisions of the Trust Deed (as set out therein), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-quarter, of the nominal amount of the Notes for the time being outstanding. A Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders. An Extraordinary Resolution may also be effected in writing executed by or on behalf of the persons holding or representing not less than 90 per cent. of the nominal amount of the Notes for the time being outstanding. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (subject as provided above) of, or to any waiver or authorisation of any breach or proposed breach of any provision of, the Notes or the Trust Deed or determine without any such consent as aforesaid,

that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification to correct a manifest or a formal, minor or technical error or an error, which in the opinion of the Trustee is proven.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter.

The Trustee may agree (in the case of Guaranteed Notes), without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution at any time or times of (i) the Guarantor or any Successor in Business (as defined in the Trust Deed) or Holding Company (as defined in the Trust Deed) of the Guarantor, or (ii) subject to the Notes, Receipts and Coupons remaining unconditionally and irrevocably guaranteed by the Guarantor or a Successor in Business or Holding Company of the Guarantor, any other company which is controlled by such guarantor, as the principal debtor under the Trust Deed and the Notes or (iii) any Successor in Business or Holding Company of the Guarantor, as guarantor under the Trust Deed and the Notes. Such agreement shall also be subject to the relevant provisions of the Trust Deed, such amendments thereof and such other conditions as the Trustee may approve or require. In the case of any proposed substitution, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons and/or the Trust Deed, provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

In connection with the exercise of its powers, trusts, authorities and discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination, substitution or change of law as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (in the case of Guaranteed Notes), the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided in Condition 7 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction*

GSK Capital Inc. has irrevocably agreed in the Trust Deed for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as “Proceedings”) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons may be brought in such courts.

GSK Capital Inc. has in the Trust Deed irrevocably and unconditionally waived any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against GSK Capital Inc. in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) *Appointment of Process Agent*

GSK Capital Inc. has in the Trust Deed irrevocably and unconditionally appointed the Guarantor at its registered office for the time being as its agent for service of process, and undertakes that, in the event of its ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

Unless otherwise stated in the applicable Final Terms, the net proceeds from each issue of Notes will be used for the general purposes of the Group and such specific purposes as may be determined from time to time. If the net proceeds, in relation to a particular Tranche of Notes, will be used for anything other than making profit and/or hedging certain risks, this will be stated in the applicable Final Terms.

GLAXOSMITHKLINE CAPITAL INC.

GSK Capital Inc. was incorporated with limited liability under the laws of the State of Delaware on 9th August, 1990 with registered number 2238362. The principal objects of GSK Capital Inc. are set out in Section 4 of GSK Capital Inc.'s certificate of incorporation.

GSK Capital Inc. is a wholly owned indirect subsidiary of the Guarantor, and acts as a United States resident financing company of the Group. The purpose of GSK Capital Inc. is to raise US dollar denominated finance in the capital markets, guaranteed by GSK plc, and lend to other members of the Group.

The principal executive office of GSK Capital Inc. is located at 1403 Foulk Road, Wilmington, Delaware 19899-8985 U.S.A. with telephone number +1 302 658 7581.

Board of Directors of GSK Capital Inc.

The members of the Board of Directors of GSK Capital Inc., none of whom have activities outside the Group significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Function in GSK Capital Inc.</u>
Rupert M. Bondy	Director
Julian S. Heslop	Director

The business address of each of the above directors is 1403 Foulk Road, Wilmington, Delaware 19899-8985 U.S.A.

GSK Capital Inc. confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and or other duties of the Board of Directors.

As at 6th March, 2007 (being the latest practical date at which such figures could be obtained) 1000 ordinary \$0.01 were in issue and fully paid. GSK Capital Inc. confirms that there has been no material change in the issued share capital since this date.

GSK Capital Inc. complies with the various requirements of the corporate governance regime of the State of Delaware and the United States.

GLAXOSMITHKLINE CAPITAL PLC

GSK Capital plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 16th May, 1988 with registered number 2258699. The principal objects of GSK Capital plc are set out in clause 4 of its memorandum of association and include carrying on business as a general commercial company.

GSK Capital plc is a wholly owned subsidiary of SmithKline Beecham plc which is a wholly owned indirect subsidiary of the Guarantor, and acts as a United Kingdom resident financing company of the Group.

The principal executive and registered office of GSK Capital plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS with telephone number +44 20 8047 5000.

Board of Directors of GSK Capital plc

The members of the Board of Directors and Secretary of GSK Capital plc, none of whom have activities outside the Group which are significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Function in GSK Capital plc</u>
Glaxo Group Limited	Director
Edinburgh Pharmaceutical Industries Limited	Director
Victoria A. Whyte	Secretary

The business address of Glaxo Group Limited and the Secretary is 980 Great West Road, Brentford, Middlesex TW8 9GS. The business address of Edinburgh Pharmaceutical Industries Limited is Shewalton Road, Irvine, Ayrshire, Scotland, KA11 5AP.

GSK Capital plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and or other duties of the Board of Directors.

As at 6th March, 2007 (being the latest practical date at which such figures could be obtained) 100,000 ordinary £1 shares were in issue and fully paid. GSK Capital plc confirms that there has been no material change in the issued share capital since this date.

GSK Capital plc complies with the various requirements of the corporate governance regime of the United Kingdom.

GLAXOSMITHKLINE PLC

GSK plc was incorporated with limited liability in England and Wales pursuant to the Companies Act 1985 on 6th December, 1999 with registered number 3888792. The principal objects of GSK plc are set out in clause 4 of its memorandum of association and include carrying on business as a general commercial company. It also has powers to carry on trades and businesses.

The principal executive and registered office of GSK plc is located at 980 Great West Road, Brentford, Middlesex TW8 9GS with telephone number +44 20 8047 5000.

GSK plc is the parent company of the Group which had sales of £23.2⁽¹⁾ billion from continuing operations in 2006.

The Group is a global healthcare group engaged in the creation, discovery, development, manufacture and marketing of pharmaceutical and consumer health-related products.

In 2006, the Group manufactured its products in 37 countries and sold them in over 140 countries. The major markets for the Group's products are the USA, France, Japan, the UK, Italy, Germany and Spain. At 31st December, 2006 it employed approximately 100,000 employees.

As at 6 March, 2007, (being the latest practical date at which such figures could be obtained), of the issued share capital of GSK plc, 260,017,678 ordinary shares of 25p each were held in Treasury and 5,749,218,056 ordinary shares of 25p were in free issue. Of the ordinary shares of 25p each in free issue, 115,546,638 ordinary shares of 25p each and American Depositary Shares representing a further 33,261,858 25p ordinary shares of 25p each were held in the Employee Share Ownership Plan Trust. GSK plc confirm that there has been no material change in the issued share capital since this date.

Note:

(1) This figure has been extracted from the audited financial statements of the Group at 31st December, 2006.

BOARD OF DIRECTORS OF GLAXOSMITHKLINE PLC

The members of the Board of Directors of the GSK plc (the “Board”) and their activities outside the Group (if any) which are significant with respect to the Group, are as follows:

<u>Name of Director</u>	<u>Age</u>	<u>Executive/ Non-Executive</u>	<u>Function in Group</u>
Executive			
Garnier, Dr. Jean-Pierre	59	Executive	Chief Executive Officer
Heslop, Mr. Julian Spenser	53	Executive	Chief Financial Officer
Slaoui, Dr. Moncef	47	Executive	Chairman, Research & Development
Non-Executive			
Burns, Dr. Stephanie	52	Non-Executive	Non-Executive Director
Culp, Mr. H. Lawrence	43	Non-Executive	Non-Executive Director
Davis, Sir Crispin Henry Lamert	57	Non-Executive	Non-Executive Director
Gent, Sir Christopher Charles	58	Non-Executive	Chairman, Chairman of the Nominations Committee and Chairman of the Corporate Responsibility Committee
Maughan, Sir Deryck	59	Non-Executive	Non-Executive Director
Podolsky, Dr. Daniel	53	Non-Executive	Non-Executive Director
Prosser, Sir Ian Maurice Gray	63	Non-Executive	Senior Independent Director
Schmitz, Dr. Ronaldo Hermann	68	Non-Executive	Non-Executive Director
de Swaan, Mr. Tom	60	Non-Executive	Non-Executive Director and Chairman of the Audit Committee
Wilson, Sir Robert Peter	63	Non-Executive	Non-Executive Director and Chairman of the Remuneration Committee

GSK plc confirms that there are no potential conflicts of interest between any duties owed to it and the private interests and or other duties of the Board of Directors.

The business address for each of the above directors is 980 Great West Road, Brentford, Middlesex TW8 9GS.

SUMMARY FINANCIAL INFORMATION OF THE GROUP

The following summary financial information, set out on pages 81 and 82 inclusive, is extracted (without material adjustments) from the audited consolidated Report and Accounts of GSK plc, for the years ended 31st December, 2006 and 31st December, 2005, as prepared under International Financial Reporting Standards (“IFRS”). These are available as specified under the heading “Documents Available for Inspection” on page 91.

Consolidated Income Statement Years ended 31st December, 2006 and 2005

	31st December,	
	2006	2005
	<i>£m</i>	<i>£m</i>
Turnover	23,225	21,660
Operating Profit	7,808	6,874
Net Finance Expense	(65)	(194)
Share of after tax profits of associates and joint ventures	56	52
Profit Before Taxation	7,799	6,732
Taxation	(2,301)	(1,916)
Profit After Taxation.....	5,498	4,816
Profit Attributable to Minority Interests.....	(109)	(127)
Profit Attributable to Shareholders.....	<u>5,389</u>	<u>4,689</u>

Consolidated Balance Sheet
As at 31st December, 2006 and 2005

	31st December,	
	2006	2005
	<i>£m</i>	<i>£m</i>
Non-current assets		
Property, plant, equipment and investments.....	7,666	7,290
Intangible assets	4,051	4,079
Other non-current assets	2,844	2,652
Total Non-Current Assets	14,561	14,021
Current assets		
Cash, cash equivalents and liquid investments	3,040	5,234
Other current assets	7,952	7,943
Total Current Assets	10,992	13,177
Total Assets.....	25,553	27,198
Current liabilities		
Short-term borrowings	(718)	(1,200)
Other Current Liabilities	(6,547)	(8,311)
Total Current Liabilities	(7,265)	(9,511)
Non-current liabilities		
Long-term borrowings	(4,772)	(5,271)
Other non-current liabilities	(3,868)	(4,846)
Total Non-Current Liabilities	(8,640)	(10,117)
Total Liabilities.....	(15,905)	(19,628)
Net Assets	9,648	7,570
Equity		
Shareholders' equity	9,386	7,311
Minority interests	262	259
Total Equity	9,648	7,570

TAXATION

United Kingdom Taxation

The following is only a summary of the Issuers' understanding of current United Kingdom tax law and HMRC practice as at the date of this Offering Circular relating to certain United Kingdom tax implications of investing in the Notes as they affect most investors (other than dealers in securities). It does not deal with situations where the Noteholder is not the beneficial owner of the Notes. Persons who are unsure of their tax positions are strongly advised to consult their own professional advisers.

Interest on the Notes

1. *Notes issued by GSK plc or GSK Capital plc*

- (a) *Short-term Notes.* Where interest is payable on Notes which have a maturity of less than one year (and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more), the interest will not be “yearly interest” for the purposes of the Income and Corporation Taxes Act 1988 (the “Taxes Act”) and accordingly payments of interest on such Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
- (b) *Other Notes.* Interest bearing Notes will constitute “Quoted Eurobonds” within the meaning of Section 349 of the Taxes Act while the Notes are listed on a “recognised stock exchange” within the meaning of Section 841 of the Taxes Act (the London Stock Exchange is such a “recognised stock exchange”). Under HMRC published practice, securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List by the UK Listing Authority and admitted to trading by the London Stock Exchange. Payments of interest on such Notes as fall outside the scope of paragraph (a) above, but which are Quoted Eurobonds, may be made without withholding or deduction for or on account of United Kingdom income tax irrespective of whether the Notes are in global form or in definitive form. In all other cases an amount must be withheld on account of United Kingdom income tax at the lower rate (currently 20 per cent.) from payments of interest on such Notes as fall outside the scope of paragraph (a) above, subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty or to the interest being paid to the persons (including companies within the charge to United Kingdom corporation tax) and in the circumstances specified in Sections 349A to 349D of the Taxes Act.

Where a Noteholder is associated with the Issuer, resident in a Member State of the EU and entitled in practice to the benefit of the European Council Directive 2003/49/EC, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

2. *Notes issued by GSK Capital Inc.*

Payments of interest on Notes issued by GSK Capital Inc. may be made without withholding or deduction for or on account of United Kingdom income tax.

3. *HMRC information gathering powers in relation to GSK plc, GSK Capital plc and GSK Capital Inc.*

Noteholders who are individuals may wish to note that HMRC has power to obtain information (including the name and address of the beneficial owner of the interest or the amount payable on redemption) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual, or who either pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act

2005 to or receives such amounts for the benefit of an individual. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

4. *Further United Kingdom income tax issues for interest on Notes issued by GSK plc or GSK Capital plc*

Interest on the GSK plc and GSK Capital plc Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even when paid without withholding subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

However, interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation through a branch or agency (or, in the case of a Noteholder which is a company, which carries on a trade through a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

5. *United Kingdom corporation tax payers*

In general Noteholders which are within the charge to United Kingdom corporation tax in respect of Notes will be charged to tax and obtain relief as income on all returns, profits or gains on and fluctuations in value of the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

6. *Other United Kingdom tax payers*

Taxation of chargeable gains

A disposal of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains, unless the Notes constitute “qualifying corporate bonds” within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992. There are provisions to prevent any particular gain (or loss) from being charged (or relieved) at the same time under these provisions and also under the provisions of the “accrued income scheme” described below.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the “accrued income scheme” if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

Taxation of discount

If the Notes constitute “deeply discounted securities” for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005, individual Noteholders who are within the scope of United Kingdom income tax will be liable to United Kingdom income tax on any gain made on the sale or other disposal (including redemption) of the Notes but such Noteholder will not be able to

claim relief from income tax in respect of costs incurred on the acquisition, transfer or redemption, or losses incurred on the transfer or redemption, of the Notes.

European Union Directive on Taxation of Savings Income

Under European Union Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-European Union countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

U.S. Taxation

Circular 230 Legend

Any discussions of U.S. federal tax matters set forth in this Offering Circular were written in connection with the promotion and marketing by the Issuers and Dealers of the transactions described in this Offering Circular. Such discussions were not intended or written to be legal or tax advice to any person and were not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax-related penalties that may be imposed on such person. Each person considering an investment in the Notes should seek advice based on its particular circumstances from an independent tax advisor.

Discussion

The following summary describes the material federal income and estate tax consequences of the ownership of Notes by a “Non-U.S. person” (as defined below). This summary does not discuss all of the tax consequences that may be relevant to a Non-U.S. person in light of his or her particular circumstances. Under present United States federal income and estate tax law, and subject to the discussion below concerning information reporting and backup withholding:

- (a) payments of principal of and interest in respect of the Notes by GSK Capital Inc. or any of its Paying Agents to any Non-U.S. person will not be subject to withholding of United States income tax, provided, however, that in the case of interest (1) the holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of GSK Capital Inc. entitled to vote; (2) the holder is not a controlled foreign corporation for United States tax purposes that is related to GSK Capital Inc. through stock ownership; and (3) the holder is not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, as described in section 881(c)(3)(A) of the United States Internal Revenue Code of 1986 (as amended) (the “Code”);
- (b) a holder of a Note or Coupon who is a Non-U.S. person will not be subject to United States federal income tax on any gain realised on the sale, exchange or redemption of a Note or Coupon unless (i) such gain is effectively connected with a trade or business of such holder in the United States or (ii) in the case of certain Non-U.S. persons who are individuals and hold the Note or Coupon as a capital asset, such individuals are present in the United States for 183 or more days in the taxable year of such sale, exchange or redemption and certain other conditions are satisfied; and
- (c) a Note or Coupon held by an individual who at the time of death is not a citizen or resident (as specifically defined for United States federal estate tax purposes) of the United States will not be subject to United States federal estate tax as a result of such individual’s death, if at the time of death the individual did not actually or constructively own 10 per cent. or more of the total

combined voting power of all classes of stock of GSK Capital Inc. entitled to vote, unless such individual held the Note or Coupon in connection with a United States trade or business.

The conclusions expressed in sections (a) through (c) above may not apply to certain Notes providing for the payment of contingent interest described in section 871(h)(4) of the Code (relating primarily to interest based on or determined by reference to income, profits, cash flow and other comparable attributes of the obligor or a party related to the obligor), to certain Index Linked Redemption Notes, certain Index Linked Interest Notes or to certain Dual Currency Notes. The Final Terms issued in respect of any Notes providing for the payment of contingent interest as defined in section 871(h)(4) of the Code or in respect of Index Linked Redemption Notes, Index Linked Interest Notes or Dual Currency Notes to which the conclusions set forth in (a) through (c) above do not apply will describe the principal United States federal income tax consequences arising from holding an interest in such Notes.

A holder of Notes that is a Non-U.S. person and whose income from the Notes is effectively connected with such holder's conduct of a United States trade or business will generally be taxed in the same manner as a United States Person. Such Non-U.S. persons should consult their own tax advisors in this regard.

Certain payments to non-corporate persons of interest on and principal of obligations, and of the proceeds of the sale of obligations, are subject to information reporting and may be subject to backup withholding. Under current United States federal income tax laws and regulations, payments of interest on a Note made outside the United States by GSK Capital Inc. or any of its Paying Agents will not be subject to information reporting or backup withholding. In addition, backup withholding and information reporting will not apply to principal payments upon the redemption or retirement of the Notes, or proceeds from the sale of the Notes or Coupons, provided that (a) such redemption, retirement or sale was effected at an office outside the United States, and (b) such payment was made, or collected on behalf of another person, by a person (including a nominee, agent, or custodian of the beneficial owner) that is not a U.S. payor or U.S. middleman. For these purposes, a person will not be a "U.S. payor" or "U.S. middleman" unless such person is (i) a United States person, (ii) a foreign branch of a United States person, (iii) a controlled foreign corporation as to the United States, (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons (as defined in Treasury regulations) who in the aggregate hold more than 50 per cent. of the income or capital interest in the partnership or if, at any time during its tax year, such foreign partnership is engaged in a United States trade or business, (v) a Non-U.S. person if 50 per cent. or more of its gross income from all sources for the three-year period preceding payment was effectively connected with the conduct of a United States trade or business, or (vi) a U.S. branch of a foreign bank or a foreign insurance company. Moreover, backup withholding and information reporting will not apply to payments in redemption or retirement of a Note if the redemption or retirement is effected by GSK Capital Inc. or any of its Paying Agents at the foreign office of a person that is not acting as a custodian, nominee or other agent of the holder of Note.

Information reporting and backup withholding generally will apply to payments of proceeds from the sale of a Note or Coupon that is not described in the preceding paragraph unless the payor has documentary evidence, generally on IRS Form W-8BEN, in its records that the beneficial owner is not a United States Person and certain conditions are met, or the beneficial owner otherwise establishes an exemption.

The accuracy of the above statement depends on GSK Capital Inc. having in effect procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling the Notes are aware that the Notes cannot be offered, delivered or sold during the restricted period to a person who is within the United States or who is a United States person. As used in this section, "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; "United States person" means any citizen or resident of the United States, a corporation, partnership or other entity organised in or under the laws of the United States, any state thereof or the District of Columbia and an estate the income of which is subject to United States federal income taxation regardless of its source and a trust if (x) a court within the United States is able to exercise primary supervision over the administration of the trust and (y) one or more United States

persons have the authority to control all substantial decisions of the trust; and a “Non-U.S. person” means any person other than a United States person.

For purposes of applying the rules set forth under this heading “U.S. Taxation” to an entity that is treated as fiscally transparent (e.g. a partnership) for U.S. federal income tax purposes, the beneficial owner means each of the ultimate beneficial owners of the entity.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 9th March, 2007 (the “Programme Agreement”), agreed with each Issuer and (in the case of Guaranteed Notes) the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons or persons within the U.S. or its possessions. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons or persons within the U.S. or its possessions. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the relevant final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a

“Non-exempt Offer”), in the period beginning on the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, and ending on the date specified in such prospectus or final terms, as applicable;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (in the case of Guaranteed Notes); and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor (in the case of Guaranteed Notes) nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor (in the case of Guaranteed Notes) and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of GSK Capital Inc. dated 20th November, 2001 and a resolution of the Board of Directors of GSK Capital plc dated 15th November, 2001. The increase in Programme size has been duly authorised by resolutions of the Board of Directors of each of GSK Capital plc and GSK Capital Inc. dated 27th March, 2006. The participation in the programme of GSK plc as an Issuer has been duly authorised by a resolution of the Corporate Administration & Transactions Committee of GSK plc dated 5th May, 2004. The increase in Programme size has been duly authorised by a resolution of the Board of Directors of GSK plc dated 29th September, 2005. The giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 20th September, 2001.

Listing of Notes

The listing of Notes on the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The listing of the Programme in respect of Notes is expected to be granted on or about 13th March, 2007. Application is expected to be made for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market and to be admitted to the Official List.

Documents Available for Inspection

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection from the registered offices of the Issuers and from the specified office of the Paying Agent for the time being in London:

- (i) the constitutional documents of the Issuers;
- (ii) the consolidated financial statements of the Group in respect of the financial years ended 31st December, 2005 and 31st December, 2006, in each case together with the audit reports prepared in connection therewith;
- (iii) the most recently available audited annual consolidated financial statements of the Group, in each case together with the audit reports prepared in connection therewith and the most recently available interim financial statements (if any) of the Group;
- (iv) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular;
- (vi) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that Final Terms relating to an unlisted Note, which is neither listed nor admitted to trading on a market, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to its holding of such Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (vii) in the case of each issue of Notes admitted to trading on the Gilt Edged and Fixed Interest Market and subscribed pursuant to a subscription agreement or equivalent document, such agreement.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 3 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of GSK plc and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 31st December, 2006 and there has been no material adverse change in the prospects of GSK plc and/or GSK Capital Inc. and/or GSK Capital plc and/or the Group since 31st December, 2006.

Post-Issuance Reporting

The Issuers do not intend to provide post-issuance information in respect of any Notes issued under the Programme.

Litigation

Save as disclosed in note 12 'Taxation' to the financial statements set out on pages 100 to 102 of the Group's Annual Report 2006 and in 'Legal Proceedings' set out on pages 156 to 164 of the Group's Annual Report 2006 (which is incorporated by reference herein), there are no governmental, legal or arbitration proceedings, including any which are pending or threatened, of which the Issuers or the Guarantor are aware, which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of any of the Issuers or the Guarantor and their respective subsidiaries. As at 31st December, 2006, the Group had £1.1 billion of provisions for legal and other disputes and other matters, including amounts relating to US antitrust, product liability, contract terminations, self-insurance, environmental clean-up and property rental but excluding tax matters disclosed in Note 12 'Taxation' to the financial statements set out on pages 100 to 102 of the Group's Annual Report 2006. Legal provisions are disclosed in detail in Note 27 'Other Provisions' to the financial statements set out on page 115 of the Group's Annual Report 2006.

Auditors

The auditors of GSK plc and GSK Capital plc are PricewaterhouseCoopers LLP, Embankment Place, London, WC2N 6RH (the "Auditors"), who have audited without qualification, (i) in accordance with International Standards on Auditing (UK and Ireland) the accounts of GSK plc and GSK Capital plc for the financial years ended 31st December, 2006 and 2005; (ii) in accordance with generally accepted auditing standards in the United Kingdom the accounts of GSK plc and GSK Capital plc for the financial years ended 31st December, 2004 and 2003.

The audit reports of each of GSK plc and GSK Capital plc in respect of the financial year ended 31st December, 2006 contained a statement that the reports were made solely to the companies' members, as a body, in accordance with Section 235 of the Companies Act 1985. The audit work was undertaken so that the auditors could state to GSK plc's and GSK Capital plc's members those matters which they are required to state in their auditor's reports and for no other purpose. To the fullest extent permitted by law, they do not accept or assume responsibility to anyone other than GSK plc and GSK Capital plc and these companies' members as a body, for their audit work, for their reports, or for the opinions they have formed.

The statement is recommended in recent guidance issued by the Institute of Chartered Accountants in England and Wales for inclusion in all Section 235 of the Companies Act 1985 audit reports produced by audit firms.

The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors and/or any other expert in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and the Auditors or such other expert in connection therewith contains any limit on liability (monetary or otherwise) of the Auditors or such other expert.

The financial information included herein does not constitute statutory accounts of GSK plc or GSK Capital plc within the meaning of Section 240 of the Companies Act 1985 (the “Companies Act”). Statutory consolidated accounts relating to each financial year to which such financial information relates have been delivered to the Registrar of Companies in England and Wales. The Auditors have made reports under Section 235 of the Companies Act on such statutory accounts. No qualification has been made with respect to any such report nor has any statement been made under Section 273(2) or (3) of the Companies Act.

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