



July 29, 2008

Mr. Martin Delaney  
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To The Members of The FAIR Pricing Coalition:

Thank you for sharing your concerns regarding the pricing of HIV medications and its effect on patient access. Access to life-saving medications is of utmost concern and a top priority for GSK. We strive to ensure all patients have access to the necessary medications needed to optimize their therapy.

Since the launch of AZT, GSK has consistently taken a responsible approach to pricing. We have always been willing to meet with the FAIR Pricing Coalition (FPC) to hear and address concerns. GSK has chosen to take a responsible approach acknowledging the need of this high-risk population while balancing this responsibility with our ongoing commitment to R&D and our need to provide returns for our shareholders.

In consideration of these factors, GSK is pleased to share that we have had constructive discussion with the ADAP Crisis Task Force on these issues. As noted on our earlier call with FPC, the ADAP population is at highest risk of losing access to medications as ADAPs are not entitlement programs. GSK has continued to work closely with the Task Force since 2003 to provide financial aid to these programs and patients. GSK is providing financial aid which will yield savings to ADAPs beyond what a price freeze would provide. Our offer to ADAPs yields almost double the benefit that a price freeze would provide and will be effective through December 2010.

GSK is also concerned about the rising cost of copays and the impact of this financial burden on people living with HIV. As such, GSK implemented the Lexiva Patient Support Program in 2006 to help reduce out-of-pocket costs. Based on positive data from the Lexiva program and the continuing burden facing patients, GSK will extend the program to include all GSK HIV medicines and to increase the maximum copay from \$50 to \$100. As with the Lexiva program, this new offering will cover copays for two years. This initiative represents a significant financial commitment from GSK in helping HIV patients access the medicines they need. For legal reasons disclosed on the last call, we are unable to extend this initiative to federally funded programs.

Experience from our Lexiva program shows that 90% of eligible patients incur copays of less than \$50; therefore, this extended plan will provide assistance from the very first dollar and address the concerns of increasing copays for almost all of patients who bear this increasing financial burden.

This will address the need of those patients in the non-government market who sometimes have to choose between basic necessities or adhering to their drug regimen.

In the US, GSK continues to work with ADAPs to implement State Pharmaceutical Assistance Programs (SPAPs) for Medicare patients allowing ADAPs to more effectively use their funds. GSK also works with patient advocacy organizations and legislators to advocate for State funding to supplement Federal funding to ADAPs. In 2007, through its Patient Assistance Programs, GSK distributed more than \$388 M of medications to over 484,000 patients. GSK also matches employee philanthropic contributions dollar for dollar, further extending the impact of the people who work at GSK in their local communities.

Through GSK's commitment to all patients, we continue to support and lead philanthropic contributions around the world. In the HIV arena, our Positive Action program follows a four prong strategy to stem the increase of HIV infection around the world by: tackling stigma and discrimination, supporting prevention efforts, assistance in achieving successful treatment, and supporting health resource capacity in resource poor settings. Positive Action supported 65 projects in 63 countries around the world in partnership with 54 organizations over the last seven years. Just as an example, we've trained 8,000 community and healthcare workers in east Africa, and we've established a sustainable prevention project that will initially reach 500,000 women and 2.5 million family members in rural India. Our leadership in community partnerships, philanthropic efforts, and improving health access on a global basis is a core part of who we are at GSK.

We thank the FPC for its willingness to work with GSK and the Pharmaceutical Industry to address the concerns and needs of the HIV population. We believe the financial aid to ADAP and the expansion of the copay assistance program affords the greatest direct benefit to HIV patients within government and non-government markets. We will work with the ADAP Crisis Task Force to finalize details of the agreement and provide further information to you on the expansion of the copay program once complete.

Kind Regards,

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