

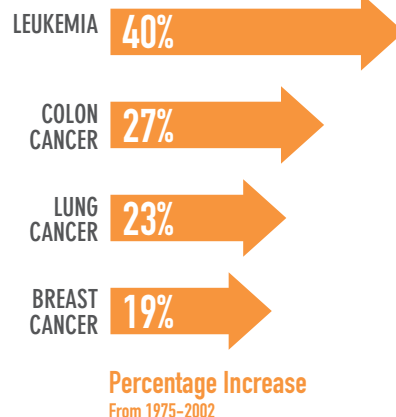
INNOVATION IN MEDICINES:

KEY TO SAVING LIVES, CUTTING COSTS AND IMPROVING THE ECONOMY.

INNOVATION SAVES LIVES

- New cancer drugs increase survival rates¹
- New medicines for heart disease and stroke now save over 1 million Americans a year³
- HIV deaths have declined by over 70% since the approval of combination therapy⁴
- Patients who take newer medicines in place of older ones have a lower mortality rate^{5*}

SURVIVAL RATES INCREASED²

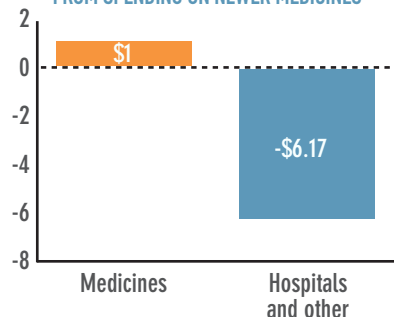


INNOVATION REDUCES COSTS

- For every \$1 spent on newer medicines in place of older ones, total healthcare spending is reduced by \$6.17^{6*}
- Ulcer surgery has become a relic of the past thanks to new medicines to treat gastrointestinal disorders over the past two decades⁷
- A new Alzheimer's medicine helped reduce treatment costs by 1/3rd by reducing the need for hospital and nursing care⁸
- Each additional dollar invested in beta-blockers for heart attack patients can return up to \$38.44 in health gains^{9**}

HEALTH COST OFFSETS⁵

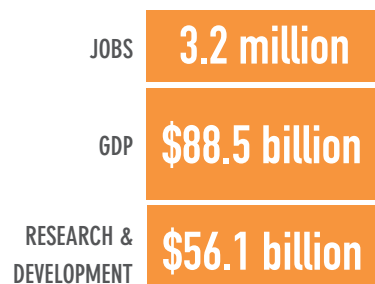
FROM SPENDING ON NEWER MEDICINES*



INNOVATION HELPS THE ECONOMY

- The biopharmaceutical industry supports an estimated 3.2 million jobs across the U.S. economy^{10†}
- The biopharmaceutical sector's direct contribution to GDP is \$88.5 billion annually, triple the contribution from other sectors^{10†}
- Investments in biopharmaceutical research and development pump as much as \$56.1 billion into the U.S. economy annually^{10†}

RIPPLE EFFECT OF INNOVATION^{10†}



Preserve an environment that rewards and encourages continued innovation.

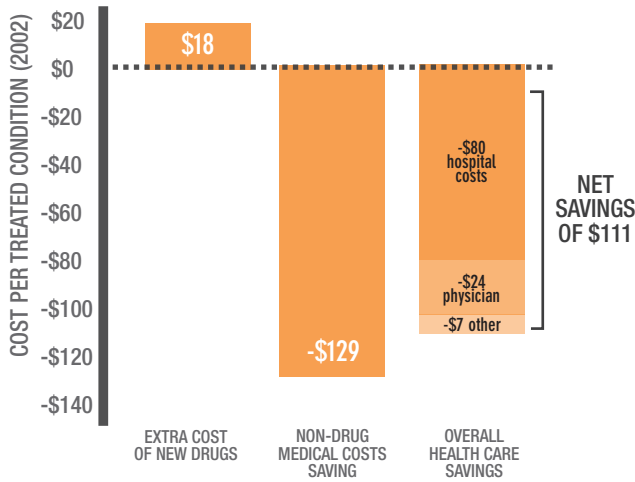
 Triple Solution for a Healthier America
Prevention · Intervention · Innovation

Document prepared by GlaxoSmithKline

AND THERE IS MORE EVIDENCE...

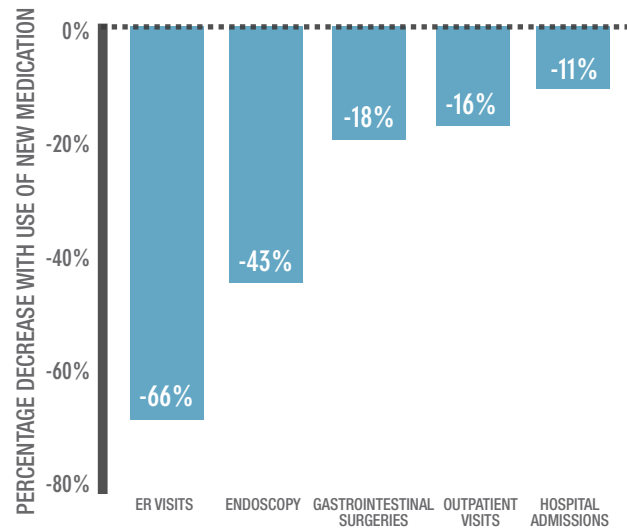
USING NEWER MEDICINES RESULTS IN SAVINGS OF \$111 PER TREATED CONDITION^{11*}

- New Medicines help patients lead longer, better lives and control overall health care spending by reducing invasive surgeries and expensive stays in hospitals or nursing homes



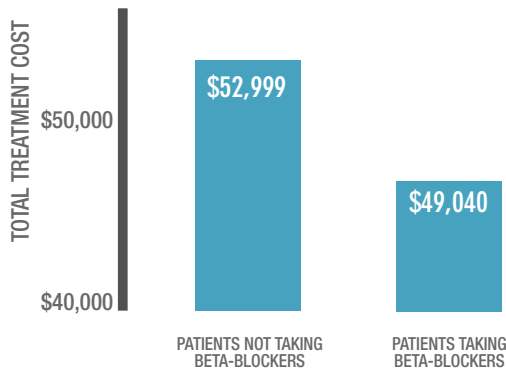
NEW MEDICATION FOR CROHN'S DISEASE REDUCES NEED FOR COSTLY HEALTH CARE SERVICES¹²

- Surgeries and ER visits reduced



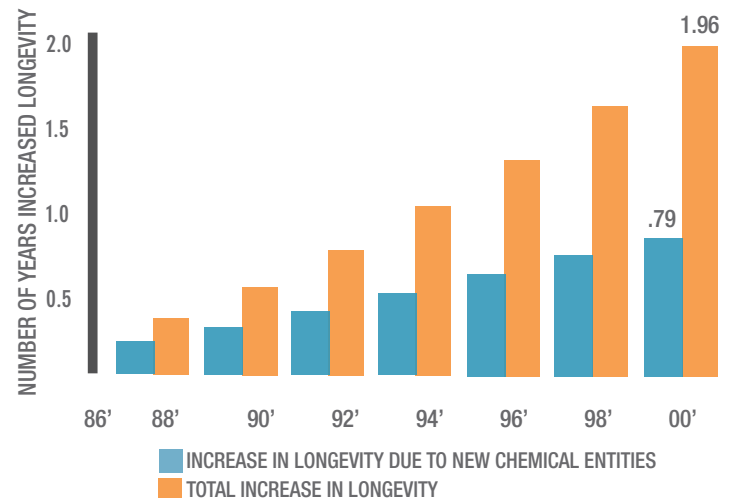
PATIENTS TAKING MEDICINES FOR HEART FAILURE INCUR LOWER HEALTH COSTS¹³

- Beta-Blockers reduce total treatment costs for heart failure by \$3,959



NEW CHEMICAL ENTITIES INCREASE LONGEVITY¹⁴

- New chemical entities account for more than a 40% increase in life expectancy between 1986 and 2000



To learn more about the savings potential of prevention, intervention and innovation, visit ForAHealthierAmerica.com

* 5.5 years from FDA approval vs. 15 years

** Health gains defined as an additional life year gained or additional quality-adjusted life year.

† 2006 Data

Sources: 1. Frank R. Lichtenberg, "The Expanding Pharmaceutical Arsenal in the War on Cancer", National Bureau of Economic Research Working Paper No. 10328 (Cambridge, MA: NBER, February 2004); 2. Cancer Facts and Figures 2007, American Cancer Society, available at www.cancer.org; 3. G. Kolata, "Gains on Heart Disease Leave More Survivors, and Questions" found at: <http://www.nytimes.com/2003/01/19/us/gains-on-heart-disease-leave-more-survivors-and-questions.html>; 4. HIV Mortality Slides 2006, found at <http://www.cdc.gov/hiv/topics/surveillance/resources/slides/mortality/index.htm>; 5. F. R. Lichtenberg, The Effect of Drug Vintage on Survival: Micro Evidence from Puerto Rico's Medicaid Program, National Bureau of Economic Research Working Paper No. 10884 (Cambridge, MA: NBER, November 2004); 6. F.R. Lichtenberg, "Benefits and Costs of Newer Drugs: an Update," National Bureau of Economic Research Working Paper No. 10884 (Cambridge, MA: NBER, June 2002); 7. M. McClellan, "Speech Before the First International Colloquium on Generic Medicine," September 25, 2003; 8. J.W. Hill, et al. "The Effect of Donepezil Therapy on Health Costs in a Managed Care Plan," Managed Care Interface, (March 2002): 63-70; 9. Medtap International, "The Value of Investment in Health Care: Better Care, Better Lives (Executive Summary)," (Bethesda, MD: Medtap, 2003); 10. The Biopharmaceutical Sector's Impact on the US Economy: Analysis at the National, State and Local Level. March 2009, Available at <http://www.archstoneconsulting.com/biopharmapdf/report.pdf>; 11. F. Lichtenberg, Benefits and Costs of Newer Drugs: An Update, National Bureau of Economic Research Working Paper No. w8996 (Cambridge, MA: NBER, June 2002); 12. J. H. Rubenstein et al., "Infliximab Decreases Resource Use Among Patients with Crohn's Disease," Journal of Clinical Gastroenterology 35, no. 2 (2002): 151-156; 13. P. A. Cowper et al., "Economic Effects of Beta-Blocker Therapy in Patients with Heart Failure," The American Journal of Medicine 116, no. 2 (2004): 104-111; 14. F. R. Lichtenberg, The Impact of New Drug Launches on Longevity: Evidence from Longitudinal, Disease-Level Data from 52 Countries, 1982-2001, National Bureau of Economic Research Working Paper No. 9754 (Cambridge, MA: NBER, June 2003).