# **GLAXOSMITHKLINE PHARMACEUTICALS LIMITED**

Registered Office: Dr. Annie Besant Road, Mumbai 400 030, India. Telephone: +91 22 24959595; Fax: +91 22 24959494

Voluntary Open Offer for acquisition of 20,609,774 Shares representing 24.33% of the Voting Share Capital from the public shareholders of GlaxoSmithKline Pharmaceuticals Limited (the "Target Company") by GlaxoSmithKline Pte Ltd ("GSK Pte" or the "Acquirer") along with GlaxoSmithKline ptc ("GSK pte" or the "PAC") in its capacity as a person acting n concert with the Acquirer.

This detailed public statement ("DPS") is being issued by HSBC Securities and Capital Markets (India) Private Limited (the "Manager to the Open Offer") on behalf of the Acquirer and the PAC to the public shareholders of the Target Company in compliance with Regulation 6 read with Regulations 13(4), 14 and 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "SEBI (SAST) Regulations, 2011"), pursuant to the Public Announcement ("PA") filed on 16 December 2013 with the BSE Ltd. ("BSE"), the National Stock Exchange of India Limited ("NSE"), the Securities and Exchange Board of India ("SEBI") and the Target Company in terms of Regulation 6 of the SEBI (SAST) Regulations, 2011.

"Voting Share Capital")

For the purpose of this DPS, the following terms would have the meanings assigned to them below: "Shares" shall mean the fully paid-up equity shares of a face value of INR 10 each of the Target Company carrying voting

rights and including any security which entitles the holder thereof to exercise voting rights "Open Offer" shall mean the voluntary open offer made by the Acquirer and the PAC to the public shareholders of the Target Company for the acquisition of up to 20,609,774 Shares (Twenty million, six hundred and nine thousand, seven hundred and seventy four Shares) representing 24.33% of the total fully diluted voting equity share capital of the Target Company

"NRI" shall mean a non-resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. "OCB" shall mean an overseas corporate body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.

#### ACQUIRER, PAC, TARGET COMPANY AND OPEN OFFER

### Details of the Acquirer - GlaxoSmithKline Pte Ltd

- The Acquirer is a private limited company incorporated under the laws of Singapore with its registered office at 150 Beach Road, #21-00 Gateway West, Singapore 189720.
- The Acquirer was incorporated as Glaxo Orient (Pte.) Ltd on 24 June 1981. Effective 4 October 1993, the Acquirer changed its name to Glaxo Orient Pte Ltd. On 31 May 1995, its name was changed to Glaxo Wellcome Orient Pte Ltd, which was further changed to Glaxo Wellcome Asia Pacific Pte Limited on 6 June 1997. Effective 15 March 2002, the name of the Acquirer was changed to GlaxoSmithKline Pte Ltd
- The principal activities of the Acquirer are promotion, import, export, sale of pharmaceutical and consumer healthcare products and to act as the regional headquarters for the GlaxoSmithKline group's Asia Pacific operations.
- The Acquirer is a wholly owned indirect subsidiary of GSK plc. The Acquirer is a wholly owned subsidiary of Setfirst Limited, which is a wholly owned subsidiary of GlaxoSmithKline Finance plc. GlaxoSmithKline Finance plc is a wholly owned subsidiary of GlaxoSmithKline Holdings Limited, which is a wholly owned subsidiary of GSK plc. Each of the intermediate companies (with the exception of GlaxoSmithKline Finance plc) is a private limited liability company incorporated in England under the laws of England and Wales, GlaxoSmithKline Finance plc is a public limited company incorporated in England under the laws of England and Wales.
- The Acquirer's equity shares are not listed on any stock exchange.
- The Acquirer does not hold any Shares or voting rights of the Target Company. The Acquirer does not have any representatives on the board of directors of the Target Company. The Acquirer has certain commercial transactions with the Target Company as set out below

		(ATTIOUTICITINE THIIIIOTI)			
Description of the nature of the transaction	Financial year ended 31 December 2011	Financial year ended 31 December 2012			
Reimbursement of expenses (net)	5.99	6.20			
Source: Annual Report of the Target Company for the year ended 31 December 2012. Further, the Target Company has not published detailed schedules for interim financials and consequently the financial information, which has					
<ul> <li>been subject to limited review and disclosed herein, for the 9 months ended 30 September 2013 does not provide</li> </ul>					

- details of related party transactions The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act, 1992 ("SEBI Act").
- The Acquirer's key financial information based on its audited standalone financial statements as at and for financial : 2 years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer, and its interim unaudited standalone financial statements as at and for 9 months ended 30 September 2013, which have been subject to review based on the International Standard on Review Engagements ("ISRE") 2410 by PricewaterhouseCoopers LLP, are as follows:-

			As at and for financial year ended 31 December 2011					
	SGD	INR	SGD	INR	SGD	INR	SGD	INR
Total Revenue / Turnover	313,336	15,472	340,195	16,798	394,611	19,485	315,826	15,595
Net Income / Net Profit	(2,237)	(110)	3,498	173	13,216	653	23,609	1,166
Net worth / Total Shareholders' Funds	111,489	5,505	115,277	5,692	265,088	13,090	1,288,697	63,633
Earnings Per Share ("EPS")	(0.07)	(3.32)	0.11	5.20	0.08	3.84	0.02	1.00

Note: Since the financial statements of the Acquirer are prepared in Singapore Dollars ("SGD"), the functional currency of the Acquirer, they have been converted into INR for purpose of convenience of translation. INR to SGD conversion has been assumed at a rate of 1 SGD = INR 49.3781 as on the date of the PA (Source: Bloomberg). Source: The standalone financial information set forth above (with the exception of EPS, see note below) has been extracted from the audited standalone financial statements of the Acquirer as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with Singapore Financial Reporting Standards and audited by PricewaterhouseCoopers LLP. The interim standalone financial information set forth above for the 9 months ended 30 September 2013 has been extracted from the unaudited condensed financial statements prepared in accordance with Singapore Financial Reporting Standards, which have been subject to review based on ISRE 2410 by PricewaterhouseCoopers LLP, the statutory auditors of the Acquirer.

EPS has been calculated for the purpose of this DPS as the Net Income / Net Profit for the period divided by the number of ordinary shares outstanding as at the balance sheet date of the relevant period. EPS is not disclosed in either the audited standalone financial statements of the Acquirer, or its unaudited interim financial statements

### Details of Persons Acting in Concert (PAC) - GlaxoSmithKline plc ("GSK plc")

- GSK plc is a public limited company incorporated under the laws of England and Wales with its registered office at : 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom.
- GSK plc was established in 2000 by merging Glaxo Wellcome plc (formed from the acquisition of Wellcome plc by Glaxo plc), and Smithkline Beecham plc (formed by merging Beecham plc and Smithkline Beckman Corporation which was formed by combining the Smithkline French and Beckman companies).
- GSK plc was incorporated under the UK Companies Act 1985 under the name of Trushelf Co (No. 2577) Limited on 6 December 1999. It changed its name to GlaxoSmithKline Limited on 14 January 2000 and re-registered as a public limited company on 22 May 2000. On 21 June 2000, it changed its name to GlaxoSmithKline plc and has not changed
- GSK plc is a global healthcare company that researches and develops a broad range of innovative products. It operates in three primary areas of business - pharmaceuticals, vaccines and consumer healthcare. More information in this regard can be found at www.gsk.com.
- GSK plc is the ultimate parent company of the GlaxoSmithKline group, including the Acquirer. GSK plc is a widely held listed company with a diverse public shareholding base. No person has a controlling ownership interest in GSK plc. Public filings do not identify any person as the promoter of GSK plc.
- GSK plc has been listed on the London Stock Exchange since December 2000.
- GSK plc does not directly hold any shares in the Target Company. Glaxo Group Limited. Eskaylab Limited. Burrough Wellcome International Limited and Castleton Investment Limited are wholly owned indirect subsidiaries of GSK 

  13. plc (collectively referred to as the "Promoter Entities") which in aggregate own 42,917,488 Shares constituting 50.67% of the Voting Share Capital of the Target Company. The Promoter Entities are the current promoters of the Target Company.
- According to the Articles of Association of the Target Company, Glaxo Group Limited, one of the Promoter Entities, has the right to appoint and remove one third of the total non-retiring directors of the board of the Target Company, including the Chairman, the Vice-Chairman and the Managing Director. Four members of the board of directors of the Target Company i.e. Mr. D. S. Parekh (Chairman of the Target Company), V. Thyagarajan (Vice-Chairman of the Target Company), Dr. H. B. Joshipura (Managing Director of the Target Company) and Mr. S. Harford are representatives of Glaxo Group Limited and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011, these members have neither participated nor shall participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Open Offer.
- The Promoter Entities are not participating in the Open Offer as acquirers or persons acting in concert. The Promoter Entities, which are wholly owned indirect subsidiaries of the PAC, own Shares as follows:
  - Glaxo Group Limited holds 30,485,250 Shares constituting 35.99% of the Voting Share Capital;
  - Eskaylab Limited holds 5,880,000 Shares constituting 6.94% of the Voting Share Capital;
  - Burroughs Wellcome International Limited holds 3,360,000 Shares constituting 3.97% of the Voting Share Capital; Castleton Investment Limited holds 3,192,238 Shares constituting 3.77% of the Voting Share Capital.
- The Promoter Entities, which are wholly owned indirect subsidiaries of the PAC, received in aggregate INR 1,716.7 million and INR 1,931.3 million as dividend paid by the Target Company for the financial years ended 31 December 2011 and 31 December 2012 respectively.
- GSK plc does not directly engage in any commercial transactions with the Target Company. However the majority of products sold by the Target Company are sold under license from members of the GlaxoSmithKline group. The Target Company also enters into various related party transactions in the course of its business with other subsidiaries of GSK plc (in India and worldwide) such as purchase of materials/traded goods, clinical research and data : 2 management recoveries, and expenses recharged by, or to, other companies. Details of related party transactions which took place in the financial year ended 31 December 2012, are disclosed in the Related Party disclosures in the Annual Report of the Target Company for year ended 31 December 2012. Further, the Target Company has not published detailed schedules for interim financials and consequently the financial information subjected to limited review and disclosed herein for 9 months ended 30 September 2013 does not provide details of related party transactions.
- 12. GSK nlc has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.
- 13. GSK plc's key financial information based on its audited consolidated financial statements as at and for financial years ended 31 December 2010, 31 December 2011 and 31 December 2012, and its unaudited condensed consolidated interim financial statement as at and for 9 months ended 30 September 2013 are as follows:-

(Amount in GBP million and INR billion except per share data) As at and for As at and for As at and for As at and for 9 financial year ended financial year ended financial year ended months period ende 31 December 2010 | 31 December 2011 | 31 December 2012 | 30 September 2013 GRP INR GBP INR GRP GRP INR INR 28,392 27,387 19,599 1,990 Total Revenue / Turnove 2,883 2,781 26,431 2,684 166 5,261 534 Net Income / Net Profit 1,634 4,565 464 2,975 302 Net worth / Total 8.887 902 8.032 816 5.810 590 5.974 607 Shareholders' Funds

1.05 Note: Since the financials for GSK plc are presented in GBP they have been converted into INR for purpose of convenience translation. INR to GBP conversion has been assumed at the rate of 1 GBP = INR 101.5335 as on the

106

0.93

0.61

date of the PA (Source: Reserve Bank of India - http://www.rbi.org.in). Net Income / Net Profit is the profit attributable to GSK plc shareholders after deduction of profit attributable to non-

controlling interests. Source: The consolidated financial information of GSK plc set forth above has been extracted from GSK plc's audited consolidated financial statements as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012, which have been prepared in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the European Union and have been audited by PricewaterhouseCoopers LLP, GSK plc's statutory auditors. The interim consolidated financial information set forth above has been extracted from GSK plc's unaudited condensed consolidated financial statements as at and for the 9 months ended 30 September 2013, which have been prepared by applying consistent accounting policies to those applied by GSK plc in its Annual Report 2012, which was prepared in accordance with IAS and IFRS as adopted by the European Union. GSK plc's annual and interim financial statements have been publicly disclosed and are

#### available at www.gsk.com. The Target Company – GlaxoSmithKline Pharmaceuticals Limited

(Symbol: GLAXO: ISIN: INE159A01016)

0.32

Earnings Per Share

- The Target Company is a public company, incorporated on 13 November 1924, under the Companies Act VII of 1913
- The Target Company has its registered office at Dr. Annie Besant Road, Mumbai 400 030, India. The Target Company was incorporated as H. J. Foster and Company under Companies Act VII of 1913. On 1 March 1950, the Target Company's name was changed to Glaxo Laboratories (India) Private Limited, which was further changed to Glaxo Laboratories (India) Limited on 11 July 1968, Glindia Limited on 11 March 1987 and then to Glaxo India Limited on 1 September 1989. With effect from 8 October 2001, the name of the Target Company was changed
- to GlaxoSmithKline Pharmaceuticals Limited. The Shares of the Target Company are listed on the BSE (Scrip ID: GLAXOPHARMA; Scrip Code: 500660) and NSE

- Since the Shares of the Target Company, during the twelve calendar months preceding the calendar month in which the PA was made, have trading turnover of less than 10% of total number of Shares on the BSE or the NSE, the Shares of the Target Company are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011 The corporate identification number ("CIN") of the Target Company is L24239MH1924PLC001151.
- The Promoter Entities which are all wholly owned indirect subsidiaries of GSK plc in aggregate own 42,917,488 Shares constituting 50.67% of the Voting Share Capital of the Target Company. The Promoter Entities are the current promoters of the Target Company.
- As at 30 September 2013, the total paid-up equity share capital of the Target Company was INR 847,030,170 comprising 84,703,017 equity shares of INR 10 each. As at the date of this DPS, there are no (i) partly paid-up Shares; (ii) any instruments convertible into Shares; or (iii) any Shares under lock-in.
- The board of directors of the Target Company comprises fourteen members, namely: Mr. D.S. Parekh, Mr. V. Thyagarajan, Dr. H. B. Joshipura, Mr. R. R. Bajaaj, Ms. A. Bansal, Mr. P. V. Bhide, Mr. S. Harford, Mr. M. B. Kapadia, Mr. N. Kaviratne, Mr. R. Krishnaswamy, Mr. P. V. Nayak, Mr. A. N. Roy, Mr. R. Sequeira and Mr. D. Sundaram.
- According to the Articles of Association of the Target Company, Glaxo Group Limited, one of the Promoter Entities, has the right to appoint and remove one third of the total non-retiring directors of the board of the Target Company, including the Chairman, the Vice-Chairman and the Managing Director. Four members of the board of directors of the Target Company i.e. Mr. D. S. Parekh (Chairman of the Target Company), V. Thyagarajan (Vice-Chairman of the Target Company), Dr. H. B. Joshipura (Managing Director of the Target Company) and Mr. S. Harford are representatives of Glaxo Group Limited and in terms of Regulation 24(4) of the SEBI (SAST) Regulations, 2011, these members have neither participated nor shall participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the Open Offer.
- The Target Company's key financial information based on its audited consolidated financial statements for the financial years ended 31 December 2010, 31 December 2011 and 31 December 2012 audited by Price Waterhouse & Co., Bangalore, and the unaudited standalone interim financial statements (subjected to Limited Review by Price Waterhouse & Co., Bangalore as required under Clause 41 of the Listing Agreement) as at and for 9 months ended 30 September 2013 are as follows

(Amount INR in millions except per share data).

	(Autourie autominio oxoope por oriaro data)					
	As at and for financial year ended 31 December 2010			As at and for 9 months period ended 30 September 2013		
Total Revenue / Turnover	21,511	23,785	26,214	18,895		
Net Income / Net Profit	5,606	4,286	5,619	3,850		
Net worth / Total Shareholders' Funds	19,516	19,357	20,068	NA		
Earnings Per Share (EPS) (basic and diluted)	66.18	50.60	66.34	45.50 (not annualised)		

Source: The consolidated financial information set forth above has been extracted from the Target Company's audited consolidated financial statements as at and for years ended 31 December 2010, 31 December 2011 and 31 December 2012 prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956 and audited by Price Waterhouse & Co., Bangalore, Firm Registration Number 007567S. The interim standalone financial information set forth above has been extracted from the Target Company's interim unaudited standalone financial statements as at and for the 9 months ended 30 September 2013 prepared in accordance with applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act 1956, reviewed by the audit committee of the board, and approved by the board of directors of the Target Company at its meeting held on 11 November 2013. The Limited Review for the unaudited financial results for the quarter ended 30 September 2013, as required under Clause 41 of the Listing Agreement, has been completed by Price Waterhouse & Co., Bangalore, the Target Company's statutory auditors

#### Details of the Open Offer

- This Open Offer is for the acquisition of up to 20,609,774 Shares representing 24.33% of the Voting Share Capital of the Target Company.
- This Open Offer is being made to all the shareholders of the Target Company other than the Acquirer, the PAC and the Promoter Entities. As of the date of this DPS, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Shares of the Target Company All Shares (up to the maximum number set out above) validly tendered in the Open Offer will be acquired by the
- Acquirer, in accordance with the terms and conditions set forth in this DPS and the Letter of Offer The price being offered under this Open Offer is INR 3,100 per Share (the "Open Offer Price"), in accordance with
- Regulation 8 of the SEBI (SAST) Regulations, 2011. The Open Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a)of the SEBI (SAST) Regulations, 2011.
  - The Open Offer is subject to receipt of approval by the Acquirer from the Foreign Investment Promotion Board ("FIPB") under the Consolidated FDI Policy dated 5 April 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India for acquiring all Shares validly tendered under this Open Offer. Application for the FIPB approval has been made on 16 December 2013.

As of the date of this DPS, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals required by the Acquirer and / or the PAC to complete this Open Offer except as set out above. However, in case of any statutory approvals being required by the Acquirer and / or the PAC at a later date before the closure of the tendering period, the Open Offer shall be subject to all such approvals and the Acquirer and / or the PAC shall make the necessary applications for such approvals. In accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC, will have the right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused. NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. Further, if holders of Shares who are not persons resident in India (including NRIs, OCBs and Foreign Institutional Investors ("FIIs")) had required any approval from the Reserve Bank of India ("RBI") or the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Open Offer

- This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations, 2011.
- This Open Offer is not a competitive bid in terms of Regulation 20 of SEBI (SAST) Regulations, 2011. Upon completion of the Open Offer, assuming full acceptances, the Acquirer will hold 20,609,774 Shares of the Target
- Company, representing a total of 24.33% of the Voting Share Capital of the Target Company and together with the  $Promoter\ Entities\ will\ hold, in\ aggregate,\ 63,527,262\ Shares\ of\ the\ Target\ Company,\ representing\ a\ total\ of\ 75.00\%$  of the\ Voting\ Share\ Capital\ of\ the\ Target\ Company. The Shares will be acquired by the Acquirer and / or PAC free and clear from all liens, charges and encumbrances
- and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, 2011, neither the Acquirer nor the PAC has any plans
  - to sell, dispose of or otherwise encumber any material assets of the Target Company during the period of two years from the expiry of the Open Offer period except in the ordinary course of business of the Target Company (including the disposal of specific product portfolios/lines of the Target Company pursuant to the broader strategy of the GlaxoSmithKline group). It will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further, during such period of two years, save as set out above, the Acquirer and the PAC undertake not to sell, dispose of or otherwise encumber any material assets of the Target Company except with the prior approval of the shareholders of the Target Company through a special resolution by way of a
- The Shares of the Target Company are listed on the BSE and NSE. As per Clause 40A of the Listing Agreement read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. equity shares of the Target Company held by the public excluding the shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR. on a continuous basis for listing. Pursuant to this Open Offer, the public shareholding in the Target Company shall not reduce below the minimum level required as per the listing agreements entered into by the Target Company with BSE and NSE read with Rule 19A of the SCRR.
- The Manager to the Open Offer does not hold any Shares as of the date of this DPS.
- A copy of this DPS will be (i) submitted to SEBI through the Manager to the Open Offer; (ii) sent to the BSE and NSE on which the Shares are listed for being notified on the notice board; and (iii) sent to the Target Company at its registered office for placement before the board of directors of the Target Company.
- In terms of Regulation 6(1) of the SEBI (SAST) Regulations, 2011, during the Open Offer period, neither the Acquirer nor the PAC will acquire any Shares other than those tendered in the Open Offer.

# BACKGROUND TO THE OFFER

- The Open Offer is being made to the public shareholders of the Target Company pursuant to Regulation 6 of the SEBI (SAST) Regulations, 2011 and is a voluntary open offer by the Acquirer and the PAC
- The Open Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
- The Open Offer gives the Acquirer and the PAC increased exposure to one of the world's fastest growing and strategically important markets.

# SHAREHOLDING AND ACQUISITION DETAILS

- The Promoter Entities hold in aggregate 42,917,488 Shares, representing 50.67% of the Voting Share Capital of the Target Company. The Promoter Entities are wholly owned indirect subsidiaries of the PAC.
- The current and proposed shareholding of the Acquirer, the PAC and the Promoter Entities in the Target Company

Details	Acquirer		PAC		Promoter Entities		Total	
	Number	%	Number	%	Number	%	Number	%
Shareholding as on the date of the PA	Nil	Nil	Nil	Nil	42,917,488	50.67%	42,917,488	50.67%
Shares acquired in the period between the date of the PA and the date of the DPS	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Ni
Post Open Offer shareholding on diluted basis, as on 10th working day after closing of tendering period	20,609,774	24.33%	Nil	Nil	42,917,488	50.67%	63,527,262	75.00%

#### (assuming full acceptances) Neither the Acquirer, the PAC, nor the directors of the Acquirer or the PAC hold any Shares in the Target Company OFFER PRICE

The Shares of the Target Company are listed on the BSE (Scrip Code: 500660) and the NSE (Symbol: GLAXO). The annualised trading turnover of the Target Company for the period commencing on 1 December 2012 and ended

on 30 November 2013, on the NSE and the BSE, where the Shares are listed, is as follows Name of stock exchange Total Number of Shares traded | Total Number of Shares Trading Turnove during the past 12 months (% of the total listed Shares NSE 84.703.017 6.056.786 7.15%

BSE 1.348.033 84,703,017 1.59% Since the Shares of the Target Company, during the twelve calendar months preceding the calendar month in which the PA was made, have trading turnover of less than 10% of total number of Shares on the BSE or the NSE the Shares of the Target Company are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST)

The Open Offer Price of INR 3,100 per Share of the Target Company is justified in terms of Regulation 8(2) of SEBI

Α	the highest negotiated price per Share, if any, of the Target Company for any acquisition under the agreement attracting the obligations to make a public announcement of an Open Offer;	Not applicable
В	the volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of public announcement of an Open Offer;	Not applicable
С	the highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the PA;	Not applicable
D	the volume-weighted average market price of the Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA of the Open Offer for Shares of the Target Company made under SEBI (SAST) Regulations, 2011, as traded on the NSE being the stock exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period; and	Not applicable as the Shares are not frequently traded
Е	where the Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.	Valuation parameters as given below

31 December 2012 of the Target Company are as follows:				
Parameter				
Return on Net worth <sup>(1)</sup>	28.5%			
Book Value per Share <sup>(2)</sup>	236.93			
Reported EPS FY12 <sup>(3)</sup>	66.34			
Price Earning multiple on FY12 EPS (based on Offer Price) (4)	46.7x			
Industry Price Faming multiple(5)	21 6x			

Mr. Sumant Sakhardande, Chartered Accountant, (Membership no. 34828), Partner at Haribhakti & Co. (Firm Registration No: 103523W), has undertaken a valuation exercise under the provision of Regulation 8(2)(e) of SEBI (SAST) Regulations, 2011 and arrived at a value of INR 1,964 per Share of the Target Company

- (1) Return on Net worth calculated as Profit after tax for the year ended 31 December 2012 / Average of the Net worth as at the years ended 31 December 2011 and 31 December 2012.
- (2) Book value per share calculated as Net worth / Number of outstanding equity shares as at the year ended 31 December 2012.
- (3) Reported Earnings Per Share ("EPS") (basic and diluted) for the year ended 31 December 2012 as reported
- in the Annual Report of the Target Company for the year ended 31 December 2012.

  (4) Calculated as Offer Price divided by EPS for the year ending 31 December 2012 as reported in the Annual Report of the Target Company for the year ended 31 December 2012.
- (5) Source: Capital Market Vol XXVIII / 21 Dec 09-22, 2013 excluding outliers (Fulford India: 221.4x and Fresenius Kabi Oncology: 381.6x) Industry: Pharmaceuticals Multinationals.
- The Acquirer and the PAC are permitted to make upward revisions in the Open Offer Price, at any time prior to the last three working days before the commencement of the tendering period of the Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirer and the PAC are required to (i) make corresponding increases to the amount kept in the escrow account, as set out in paragraph V.5 of this DPS; (ii) make a public announcement in the newspapers where this DPS is published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the BSE, the NSE and the Target Company at its registered
  - The Open Offer Price represents a 26.0% premium to the closing price of the Shares on 13 December 2013 (on the NSE), which was the last trading day prior to the date of PA. The Open Offer Price also represents a 50.1% premium over the last 12 months (since the closing price of the Shares as on 14 December 2012 on the NSE).

#### FINANCIAL ARRANGEMENTS

The total funding requirement for the Open Offer (assuming full acceptances) i.e., for the acquisition of 20,609,774 Shares at the Open Offer Price of INR 3,100 per Share, is INR 63,890,299,400 (Indian Rupees sixty three billion, eight hundred and ninety million, two hundred and ninety nine thousand, and four hundred) (the "**Offer Conside** The Acquirer and the PAC have adequate resources to meet the financial requirements of this Open Offer since GSK plc had GBP 3,252 million (equivalent to INR 330 billion), in cash and cash equivalents, as on 30 September 2013 as disclosed in its unaudited condensed consolidated financial statements, prepared by applying consistent accounting policies to those applied in its Annual Report 2012, which was prepared in accordance with IAS and IFRS as adopted by the European Union and as publicly disclosed and available at www.gsk.com.

**:** 3. Source of funds shall be cash available with GSK plc in its bank accounts outside India maintained with its banking group including HSBC Bank plc.

PricewaterhouseCoopers LLP, Chartered Accountants, 1 Embankment Place, London WC2N 6RH, Telephone Number +44 20 7583 5000, Fax Number +44 20 7212 4652, Registration Number OC303525 has, vide its certificate dated 16 December 2013 certified that the Acquirer and / or the PAC have adequate financial resources for fulfilling its obligations under the Open Offer. By way of security for performance of the Acquirer and the PAC's obligations under the SEBI (SAST) Regulations,

2011, the Acquirer has created an Escrow Account named "GlaxoSmithKline Pharmaceuticals Limited Open Offer Escrow Account" (the "Escrow Account" (the "Escrow Account") with The Hongkong and Shanghai Banking Corporation Limited (Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Murnbai – 400 057) (the "Escrow Bank") and has deposited a sum of INR 7,139,029,940 (Indian Rupees seven billion, one hundred and thirty nine million, twenty nine thousand, and nine hundred and forty only) in the said Escrow Account

Cash. The Escrow Account — Cash is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of SEBI (SAST) Regulations, 2011, i.e., 25% of the first INR 500 Crore (Indian Rupees five hundred Crore only) and 10% thereafter.

The Manager to the Open Offer has entered into an agreement dated 16 December 2013 with the Acquirer, the PAC and the Escrow Bank (the "Escrow Agreement") pursuant to which the Acquirer and/or the PAC have authorised the Manager to the Open Offer to realize the value of the Escrow Account - Cash as per the provisions of the SEBI (SAST) Regulations, 2011.

The Acquirer and the PAC have, by certificates dated 16 December 2013, given undertakings to the Manager to the Open Offer to meet their financial obligations under the Open Offer.

Based on the above, the Manager to the Open Offer is satisfied about the ability of the Acquirer and the PAC to implement the Open Offer in accordance with the SEBI (SAST) Regulations, 2011 as firm arrangements for funds through verifiable means have been made by the Acquirer and / or the PAC to meet the payment obligations under the Open Offer.

#### STATUTORY AND OTHER APPROVALS

The Open Offer is subject to receipt of approval by the Acquirer from the FIPB under the Consolidated FDI Policy dated 5 April 2013 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India for acquiring all Shares validly tendered under the Open Offer. Application for the FIPB approval has been made on 16 December 2013.

NRI and OCB holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. Further, if holders of Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit the previous RBI / FIPB approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept the Open Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Shares tendered in the Open Offer.

As on the date of this DPS, to the best of the knowledge of the Acquirer and the PAC there are no statutory approvals required for the acquisition of Shares tendered pursuant to the Open Offer except as set out above. However, if any other statutory approvals are required or become applicable, this Open Offer would be subject to the receipt of such other statutory approvals. In accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011, the Acquirer and the PAC, will have the right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal of the Open Offer, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS is published.

In case of delay in receipt of any statutory approvals which may be required at a later date before the closure of the tendering period, of the Open Offer, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and / or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer and / or the PAC agreeing to pay interest to the public shareholders for delay beyond 10 working days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of Shares, the Acquirer and / or the PAC have the option to make payment to such holders of Shares in respect of whom no statutory approvals are required in order to complete the Open Offer.

# TENTATIVE SCHEDULE OF ACTIVITY

 LINATIVE CONLEGGE OF ACTIVITY								
S. No.	Nature of the Activity	Day and Date						
a.	PA	Monday, 16 December 2013						
b.	DPS	Monday, 23 December 2013						
C.	Last date for public announcement of a competing open offer being made	Wednesday, 15 January 2014						
d.	Identified Date*	Friday, 24 January 2014						
e.	Last date by which the Letter of Offer is required to be dispatched to the shareholders	Friday, 31 January 2014						
f.	Last date for upward revision of Open Offer Price	Tuesday, 4 February 2014						
g.	Last date by which an independent committee of the board of directors of the Target Company shall give its recommendation	Wednesday, 5 February 2014						
h.	Publication of advertisement containing announcement of the schedule of activities of Open Offer and procedure for tendering acceptances, in the newspapers where the DPS was published and notification to the SEBI, the BSE, the NSE and the Target Company	Thursday, 6 February 2014						
i.	Date of commencement of tendering period (Offer opening Date)	Friday, 7 February 2014						
j.	Date of closing of tendering period (Offer closing Date)	Friday, 21 February 2014						
k.	Last date of payment of consideration to the shareholders of the Target Company tendering their shares pursuant to the Open Offer	Monday, 10 March 2014						

\* Date falling on the 10th working day prior to the commencement of the tendering period, for the purposes of determining the holders of Shares (other than the Acquirer, the PAC and the Promoter Entities) ) to whom the Letter of Offer shall be sent

# VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

Every person holding Shares in the Target Company, other than the Promoter Entities, regardless of whether s/he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Open Offer. Persons who have acquired the Shares of the Target Company but whose names do not appear in the register of

members of the Target Company on the Identified Date, or unregistered owners, or those who have acquired the Shares of the Target Company after the Identified Date, or those who have not received the Letter of Offer may participate in this Open Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Open Offer as per the terms and conditions of the Open Offer as set out in this DPS and in the Letter of Offer. In the alternate, such holders of Shares may apply on the Form of Acceptance-cum-Acknowledgement in relation to the Open Offer annexed to the Letter of Offer which may also be obtained from the SEBI website (http://www.sebi.gov.in/) or from Karvy Computershare Private Limited (the "Registrar to the Open Offer"). The application is to be sent to the Registrar to the Open Offer at the address mentioned below so as to reach the Registrar to the Open Offer on or before 21 February 2014 (i.e. the date of closing of the tendering period), together with:

In the case of Shares held in physical form, the name, address, number of Shares held, number of Shares offered distinctive numbers and folio number together with the original Share certificate/s and valid transfer deeds. Persons who have acquired Shares of the Target Company should send to the Registrar to the Open Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and / or such other documents as may be specified; or

In the case of Shares held in dematerialized form, Depository Participant ("DP") name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares as per the instructions given below:

Depository Participant Name Karvy Stock Broking Ltd. Client ID 18693282 KCPL ESCROW ACCOUNT-GSK PHARMA-OPEN OFFER Account Name National Securities Depository Ltd. ("NSDL") Depository Such shareholders may download (a) the Letter of Offer from the SEBI website (http://www.sebi.gov.in); or (b)

obtain a copy of Letter of Offer by writing to the Registrar to the Open Offer or the Manager to the Open Offer superscribing the envelope "GLAXOSMITHKLINE PHARMACEUTICALS LIMITED OPEN OFFER" with suitable

# DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER

#### OF OFFER OTHER INFORMATION

The Acquirer and the PAC along with their directors accept the responsibility for the information contained in the PA and this DPS and also for the obligations of the Acquirer and the PAC laid down in the SEBI (SAST) Regulations, 2011.

In this DPS, all references to "INR" are references to the Indian National Rupee(s) ("INR"). Certain financial details contained in this DPS are denominated in Singapore Dollar(s) ("SGD") and Pound(s) Sterling ("GBP"). The INR equivalent quoted in each case for SGD is calculated based on the reference rate of INR 49.3781 per SGD as on the date of the PA (Source: Bloomberg). The INR equivalent quoted in each case for GBP is calculated based on the exchange rate of INR 101.5335 per ĞBP as on the date of the PA (Source: Reserve Bank of India - http://www.rbi.org.in).

This DPS will also be available on the SEBI website (http://www.sebi.gov.in). XI. DETAILS OF MANAGER TO THE OPEN OFFER AND REGISTRAR TO THE OPEN OFFER

REGISTRAR TO THE OPEN OFFER MANAGER TO THE OPEN OFFER <u>KARVYII</u>



Address: 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 Telephone: +91 22 2268 1703 / 1560 Fax: +91 22 2263 1984 Email: gskpharmaopenoffer@hsbc.co.in Contact Persons: Ms. Tanu Singh / Mr. Mayank Sharma

SEBI Registration Number: INM000010353

Karvy Computershare Private Limited Address: Plot No 17 to 24, Vithalrao Nagar, Hi-Tech City Road, Madhapur, Hyderabad 500081, Andhra Pradesh, India Telephone: +91 40 2342 0818 – 828 / Toll free no: 1-800-3454-001 Fax: +91 40 234 31551 Email: murali.m@karvy.com Contact Person: Mr. Muralikrishna SEBI Registration Number: INR000000221

Issued by: the Manager to the Open Offer on behalf of the Acquirer and the PAC

Place: Mumbai Date: 23 December 2013