

Response to Mr Bowen

During 2005 GSK shipped over 45 million tablets of preferentially-priced Combivir to the developing world. This is a 40% increase on last year and more than in the 2 previous years combined. Likewise, shipments of Efavir also grew by 135% to 81 million tablets shipped in 2005. It is difficult to estimate the number of patients treated as a result of our preferential pricing agreements, since GSK does not control healthcare provision. A report from the UN-led Accelerating Access Initiative (AAI), suggests that by December 2005, more than 716,000 people living with HIV/AIDS in developing countries were receiving treatment with at least one ARV medicine provided by the AAI companies. This is a 77% increase on previous year. Overall shipments and patient numbers are still low given the scale of the AIDS epidemic but the growth is encouraging.

Background - Overview of GSK contribution

GlaxoSmithKline's commitment and contribution to the fight against the scourge of HIV/AIDS embraces four key areas - investment in research and development (R&D), preferential pricing of our antiretrovirals (ARVs), community investment activities and partnerships that foster effective approaches against the disease and the challenges it presents. We outlined our contribution in the report "Facing the Challenge", which was published in June 2001. In each key area, we continue to see significant progress. For further details please visit - http://corp.gsk.com/about/developing_world.htm.

Research and Development

GlaxoSmithKline has had a pioneering role in the development of HIV medicines and vaccines. GSK introduced Retrovir (AZT), the first anti-retroviral therapy, in 1986. Retrovir was the only medication available to treat HIV infection until 1991. In 1995 we introduced Efavir (3TC) and, in order to help patients to adhere to complex regimens, Combivir (AZT/3TC) was introduced in 1997. Combination therapy for HIV has resulted in significant improvements in the treatment of the disease.

Some highlights in our R&D activity are:

- *€€€€€*In June 2005, GSK announced a public-private partnership with the International AIDS Vaccine Initiative (IAVI) to develop an AIDS vaccine. The collaboration – the first-ever in AIDS vaccine research between IAVI and a major vaccine company – will facilitate early research and development of GSK's non-human primate adenovirus vaccine vector as an enabling component of an effective AIDS vaccine.
- *€€€€€*In November 2005, GSK and the Institut Pasteur announced a new European collaboration to develop an AIDS vaccine by fusing genes from the human immunodeficiency virus (HIV) onto an existing measles vaccine.
- *€€€€€*GSK Biologicals also has an in-house AIDS vaccine development project using the company's proprietary adjuvant technology. A successful AIDS vaccine might need to combine several of these approaches.
- *€€€€€***Paediatric formulations:**
- *€€€€€***Collaborative clinical studies:**

Preferential Pricing

GSK has offered sustainable preferential pricing for certain ARVs since 1997. All our key ARVs are now available at not-for-profit prices to public sector customers and not-for-profit organisations in 64 countries - all the Least Developed Countries of the world (LDCs) and all of sub-Saharan Africa. In addition, all private employers in sub-Saharan Africa who provide care and treatment to their uninsured staff can purchase our ARVs at not-for-profit preferential prices. All CCM projects fully funded by the Global Fund to Fight AIDS TB and Malaria and projects funded by the US President's Emergency Plan for AIDS Relief (PEPFAR) are also eligible. Our prices are sustainable – we do not make a profit on them, but we do cover our costs. This means that we can sustain supply

of these high-quality products for as long as they are needed. A Guide to our preferential pricing offer with a list of contacts is available on our web site http://corp.gsk.com/about/nfp_pricing_guide.htm.

• €€€€ During 2005 we shipped over 45 million tablets of preferentially-priced Combivir to the developing world. This is a 40% increase on last year and more than in the 2 previous years combined. Likewise, shipments of Epivir also grew by 135% to 81 million tablets shipped in 2005. **It is difficult to estimate the number of patients treated as a result of our preferential pricing agreements, since GSK does not control healthcare provision. A report from the UN-led Accelerating Access Initiative (AAI), suggests that by December 2005, more than 716,000 people living with HIV/AIDS in developing countries were receiving treatment with at least one ARV medicine provided by the AAI companies. This is a 77% increase on previous year. Overall shipments and patient numbers are still low given the scale of the AIDS epidemic but the growth is encouraging.**

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Community Partnership

GSK has a long history of supporting community investment programmes that have the potential to make a difference where it matters most.

Positive Action, initiated in 1992, is GlaxoSmithKline's international community partnership programme supporting communities living with and affected by HIV and AIDS. Positive Action has pioneered support for community organisations who are frequently the only source of HIV/AIDS education, treatment literacy and care for people living with HIV/AIDS in developing countries. Since 1992, Positive Action has supported community-based responses to HIV and AIDS in over 50 countries.

In late October 2005, GSK announced a new \$1.8 million programme to improve and scale up HIV/AIDS healthcare services at 60 facilities in Kenya. This new project focuses on training healthcare professionals and integrating community support and outreach services to combat stigma and discrimination.

Innovative Partnerships

To reflect the gravity of the HIV/AIDS crisis in sub-Saharan Africa, we granted our first licence in October 2001 to Aspen Pharmacare, sub-Saharan Africa's largest generics company, for the manufacture and sale of versions of *Combivir*, *Epivir* and *Retrovir*. The licence now covers both the public and private sectors across all of sub-Saharan Africa. During 2004, we granted 5 new voluntary licences, 4 were to South African generic companies - Thembalami Pharmaceuticals (Pty) Limited, Feza Pharmaceuticals, Biotech Pharmaceuticals and Cipla Medpro - and the 5th to Cosmos Pharmaceuticals in Kenya. In November 2005 we signed a licencing agreement with Universal Corporation of Kenya. In total we have signed seven licencing agreements, some cover just parts of Africa and others all of sub-Saharan Africa.

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