

## GSK PRESS STATEMENT

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The decision on where to locate a new biopharmaceutical manufacturing plant drew a step closer when senior GSK leaders recently visited the Ulverston site as part of their assessment of four short-listed UK sites which include Barnard Castle in County Durham and Irvine and Montrose in Scotland.

GSK said it was planning an investment of several hundreds of millions in a new manufacturing plant after the Government announced in November last year that it proposes to establish a 'patent box', a measure designed to encourage investment in R&D and related manufacturing in the UK by introducing a lower rate of corporation tax on profits generated from UK-owned intellectual property.

The visit gave the Ulverston team a chance to showcase the site and the strengths of the local area. The visiting team were shown very credible options for how Ulverston could accommodate the new plant and the excellent fit with the existing site and regional capabilities.

The visitors took a full tour of the plant which included potential locations for the new facility, a review of existing infrastructure and a detailed assessment of the current sterile manufacturing operations which highlighted how well current operations align to the future requirements of a Biopharmaceutical manufacturing operation

The Ulverston case for the new plant was also supported by external stakeholders:

Harry Knowles, Chief Executive Officer of Furness Enterprise, highlighted how the Local Development Order which provides very supportive planning conditions for the GSK proposal and how this, combined with the very strong synergies with local industry and skills make South Lakeland an ideal choice for the Biopharm investment. The development of the specialist skills required by GSK for Biopharm manufacture was a key topic of discussion, Dr Diane Cresswell and Dr John Stageman of Bionow, the biopharmaceutical support organisation for the Northwest region, demonstrated the strength of the region's skills and Biopharm infrastructure and provided outline plans for how new skills would be developed, this was very well received by the assessment team.

Site Director Adrian Lowes commented "the Biopharm opportunity is a result of the excellent reputation built up by the site, I am very proud to say that we were able to show the assessment team what a great operation we run here at Ulverston. We are getting tremendous support from the local community and I believe we have been able to show how the site, South Lakeland and the North West would deliver a credible solution to GSK's Biopharmaceutical ambitions"

The visit was part of the initial site impact assessment phase, which has been focused on gathering information to help assess the most suitable site for the investment. It is expected it will take into mid 2012 to complete the assessments and it is likely that some issues may require clarification or further investigation; however, a decision to proceed will not be finalized until there is additional

clarification on the terms of the UK Patent Box Legislation and progress of GSK's product pipeline as anticipated.

Following the decision on the preferred site, there will be a significant gap before construction starts whilst design plans are drawn up, planning permission is sought and the construction company is selected. Once construction is completed, there will be a period of qualification, start-up and training, and validation before the plant is ready to produce product available for commercial sale. It will probably then be some time before the plant would be operating at full capacity.

Altogether, this process is likely to take some time and we expect it to be at least 6 years before the plant is fully operational and the first product is available for commercial sale. Such a timescale is standard for this type of development.