



GlaxoSmithKline

January 14, 2013

National Stock Exchange of India Limited
Exchange Plaza, C – 1, Block - G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

GlaxoSmithKline
Consumer Healthcare Ltd.

DLF Plaza Tower
DLF City Phase-1
Gurgaon 122002
Haryana, India

Tel. (0124) 2540700 / 4057700
Fax. (0124) 2540720-21
www.gsk.com

Dear Sir,

Subject: Recommendation Report by the Committee of Independent Directors on Voluntary Open Offer

In due compliance with Regulation 26 (7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011), please find enclosed the Recommendation report by the Committee of Independent Directors of GlaxoSmithKline Consumer Healthcare Limited on the fairness of the Offer Price in relation to the Voluntary Open Offer by GlaxoSmithKline Pte Ltd ("Acquirer") along with Horlicks Limited and GlaxoSmithKline plc. in their capacity as persons acting in concert (each entity individually referred to as "PAC" and together referred to as "PACs") with the Acquirer for acquisition of 13,389,410 Shares representing 31.84% of the total Voting Share Capital from the public shareholders of the Target Company.

The Recommendation report has been approved by the Committee of Independent Directors in its meeting held on January 14, 2013 at 11.00 a.m. at the Corporate office of the Company at DLF Plaza Tower, DLF City Phase – I, Gurgaon 122002.

Thanking you,

Yours faithfully,
For GlaxoSmithKline
Consumer Healthcare Limited

Surinder Kumar
Executive Vice President – Legal
& Company Secretary

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of GlaxoSmithKline Consumer Healthcare Limited under Regulation 26 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SEBI (SAST) Regulations)

Date	January 14, 2013										
Name of the Target Company	GlaxoSmithKline Consumer Healthcare Limited										
Details of the Offer pertaining to Target Company	Voluntary open offer being made by the GlaxoSmithKline Pte Ltd ("Acquirer") along with Horlicks Limited ("Horlicks") and GlaxoSmithKline plc ("GSK plc") (Horlicks and GSK plc are together referred to as the PACs) to the public shareholders of the Target Company in accordance with Regulation 6 of SEBI (SAST) Regulations for the acquisition of 1,33,89,410 shares representing 31.84% of the voting share capital of the Target Company										
Name(s) of the acquirer and PAC with the acquirer	<u>Acquirer</u> GlaxoSmithKline Pte Ltd <u>Person Acting in Concert (PAC)</u> 1. Horlicks Limited 2. GlaxoSmithKline plc										
Name of the Manager to the offer	HSBC Securities and Capital Markets (India) Private Limited 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 Telephone: +91 22 2268 1558 / 1703 Fax: +91 22 2263 1984 Email: gskconsumeropenoffer@hsbc.co.in Contact Person: Mr. Mayank Jain/ Ms. Tanu Singh SEBI Registration Number: INM000010353										
Members of the Committee of Independent Directors ("IDC")	1. Mr. Subodh Bhargava 2. Mr. Mukesh H. Butani 3. Mr. Naresh Dayal 4. Mr. Kunal Kashyap 5. Mr. P Dwarakanath Mr. Subodh Bhargava is the Chairman of the IDC										
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract / relationship), if any	All members of IDC are directors of the Target Company. Their shareholding in the Target Company is as below: <table border="1"> <tr> <td>Mr. Subodh Bhargava</td><td>Nil</td></tr> <tr> <td>Mr. Mukesh H. Butani</td><td>239</td></tr> <tr> <td>Mr. Naresh Dayal</td><td>Nil</td></tr> <tr> <td>Mr. Kunal Kashyap</td><td>Nil</td></tr> <tr> <td>Mr. P Dwarakanath</td><td>Nil</td></tr> </table> Other than their position as director of the Target	Mr. Subodh Bhargava	Nil	Mr. Mukesh H. Butani	239	Mr. Naresh Dayal	Nil	Mr. Kunal Kashyap	Nil	Mr. P Dwarakanath	Nil
Mr. Subodh Bhargava	Nil										
Mr. Mukesh H. Butani	239										
Mr. Naresh Dayal	Nil										
Mr. Kunal Kashyap	Nil										
Mr. P Dwarakanath	Nil										

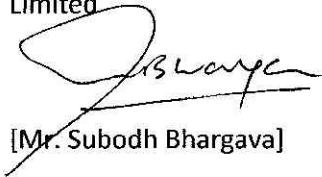


	Company, there is no other contract or relationship between IDC Members and the Target Company
Trading in the Equity shares/other securities of the Target Company by IDC Members	None of the IDC member has traded in any of the securities of the Target Company 1. during a period of 12 months prior to the date of the Public Announcement; and 2. during the open offer period
IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract / relationship), if any.	None of the IDC Members hold any shares of the Acquirer/ PACs and there is no relationship between the members of the IDC and the Acquirer/ PACs
Trading in the Equity shares/other securities of the acquirer by IDC Members	None of the IDC Members have done any trading in the equity shares/ other securities of the Acquirer/ PACs
Recommendation on the Open offer, as to whether the offer , is or is not, fair and reasonable	IDC believes that the Offer Price of Rs.3,900 per share is fair and reasonable and in line with SEBI (SAST) Regulations.
Summary of reasons for recommendation	1. The Offer is a voluntary open offer and the IDC is not aware of any material impact on the business of the Target Company as a result of the Offer and therefore the operations and the business model of the target company will likely to continue as in the past. 2. Kotak Mahindra Capital Company Limited acted as professional advisor to the IDC and are of the view that the Offer Price of Rs.3,900 per share is fair and reasonable, from a financial point of view 3. Based on the above, a review of the public announcement and draft letter of offer, the IDC is of the opinion that the Offer Price of Rs.3,900 offered by the Acquirer is fair and reasonable.
Details of Independent Advisors, if any.	Kotak Mahindra Capital Company Limited 1st Floor, Bakhtawar Nariman Point Mumbai – 400021 SEBI Registration Number: INM000008704
Any other matters to be highlighted	None

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Takeover Code.



For and on behalf of the Committee of Independent Directors of GlaxoSmithKline Consumer Healthcare Limited



[Mr. Subodh Bhargava]



[Chairman, Committee of Independent Directors]

Place: Gurgaon

Date: January 14, 2013