

Q1 2017 Results

Conference call and webcast for investors and analysts, London, UK

27 April 2017



Forward-looking statements

In order, among other things, to utilise the 'safe harbour' provisions of the US Private Securities Litigation Reform Act 1995, we are providing the following cautionary statement:

This document contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group, including, among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. Although we believe our expectations are based on reasonable assumptions, any forward-looking statements, by their very nature, involve risks and uncertainties and may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. The forward-looking statements reflect knowledge and information available at the date of preparation of this document and AstraZeneca undertakes no obligation to update these forward-looking statements. We identify the forward-looking statements by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. Important factors that could cause actual results to differ materially from those contained in forward-looking statements, certain of which are beyond our control, include, among other things: the loss or expiration of, or limitations to, patents, marketing exclusivity or trademarks, or the risk of failure to obtain and enforce patent protection; effects of patent litigation in respect of IP rights; the impact of any delays in the manufacturing, distribution and sale of any of our products; the impact of any failure by third parties to supply materials or services; the risk of failure of outsourcing; the risks associated with manufacturing biologics; the risk that R&D will not yield new products that achieve commercial success; the risk of delay to new product launches; the risk that new products do not perform as we expect; the risk that strategic alliances and acquisitions, including licensing and collaborations, will be unsuccessful; the risks from pressures resulting from generic competition; the impact of competition, price controls and price reductions; the risks associated with developing our business in emerging markets; the risk of illegal trade in our products; the difficulties of obtaining and maintaining regulatory approvals for products; the risk that regulatory approval processes for biosimilars could have an adverse effect on future commercial prospects; the risk of failure to successfully implement planned cost reduction measures through productivity initiatives and restructuring programmes; the risk of failure of critical processes affecting business continuity; economic, regulatory and political pressures to limit or reduce the cost of our products; failure to achieve strategic priorities or to meet targets or expectations; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; the risk of substantial product liability claims; the risk of failure to adhere to applicable laws, rules and regulations; the risk of failure to adhere to applicable laws, rules and regulations relating to anti-competitive behaviour; the impact of increasing implementation and enforcement of more stringent anti-bribery and anti-corruption legislation; taxation risks; exchange rate fluctuations; the risk of an adverse impact of a sustained economic downturn; political and socio-economic conditions; the risk of environmental liabilities; the risk of occupational health and safety liabilities; the risk associated with pensions liabilities; the impact of failing to attract and retain key personnel and to successfully engage with our employees; the risk of misuse of social media platforms and new technology; and the risk of failure of information technology and cybercrime. Nothing in this presentation / webcast should be construed as a profit forecast.



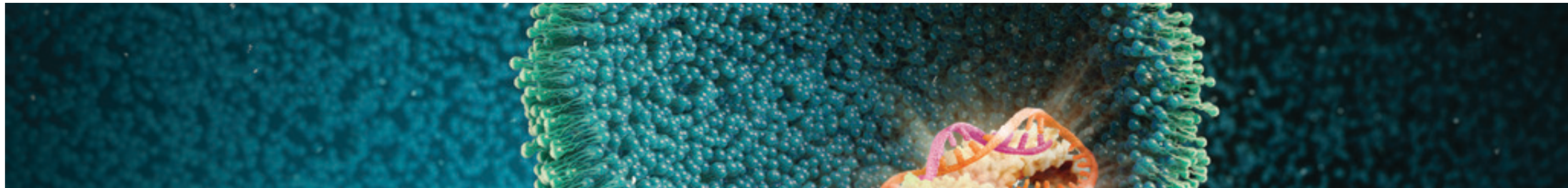
Presenters



Pascal Soriot
Executive Director and
Chief Executive Officer



Mark Mallon
Executive Vice President,
Global Portfolio and Product
Strategy, Global Medical
Affairs, Corporate Affairs and
International West



Marc Dunoyer
Executive Director and
Chief Financial Officer



Sean Bohen
Executive Vice President,
Global Medicines Development
and Chief Medical Officer



Agenda



Overview



Growth Platforms



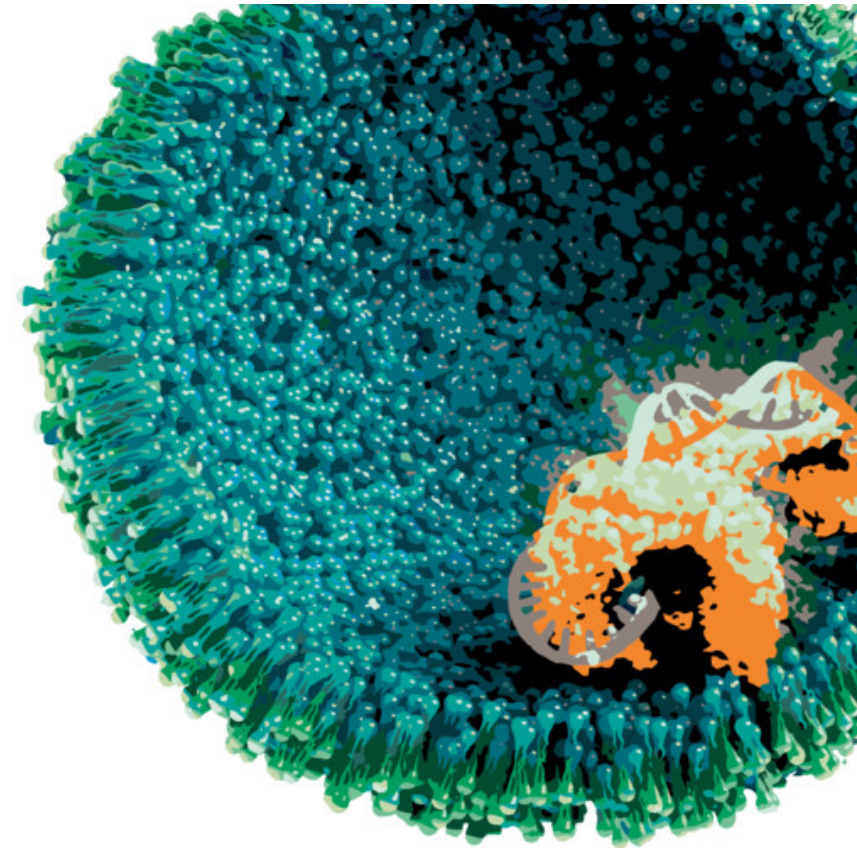
Finance



Pipeline and news flow



Closing and Q&A



Highlights

A good start to 2017

Business & financials

Total Revenue declined, primarily reflecting tail of *Crestor* US loss of exclusivity

'New AstraZeneca' Product Sales grew by 6% in Q1

- Emerging Markets up 9%; now the largest sales region
 - China: *Tagrisso* approved and launched; *Forxiga* approved
- Respiratory sales stable; *Symbicort* global volume-share leader
- *Brilinta* and *Farxiga* continued strong growth trajectories
- *Tagrisso* continued impressive launch in the US, EU and Japan
- Japan back to growth in the quarter, despite 2016 price cuts

EPS supported by cost management

2017 guidance confirmed

Growth at Constant Exchange Rates (CER) and for Q1 2017 unless otherwise stated. Guidance at CER.



Highlights, continued

Pipeline-driven transformation continues

Pipeline

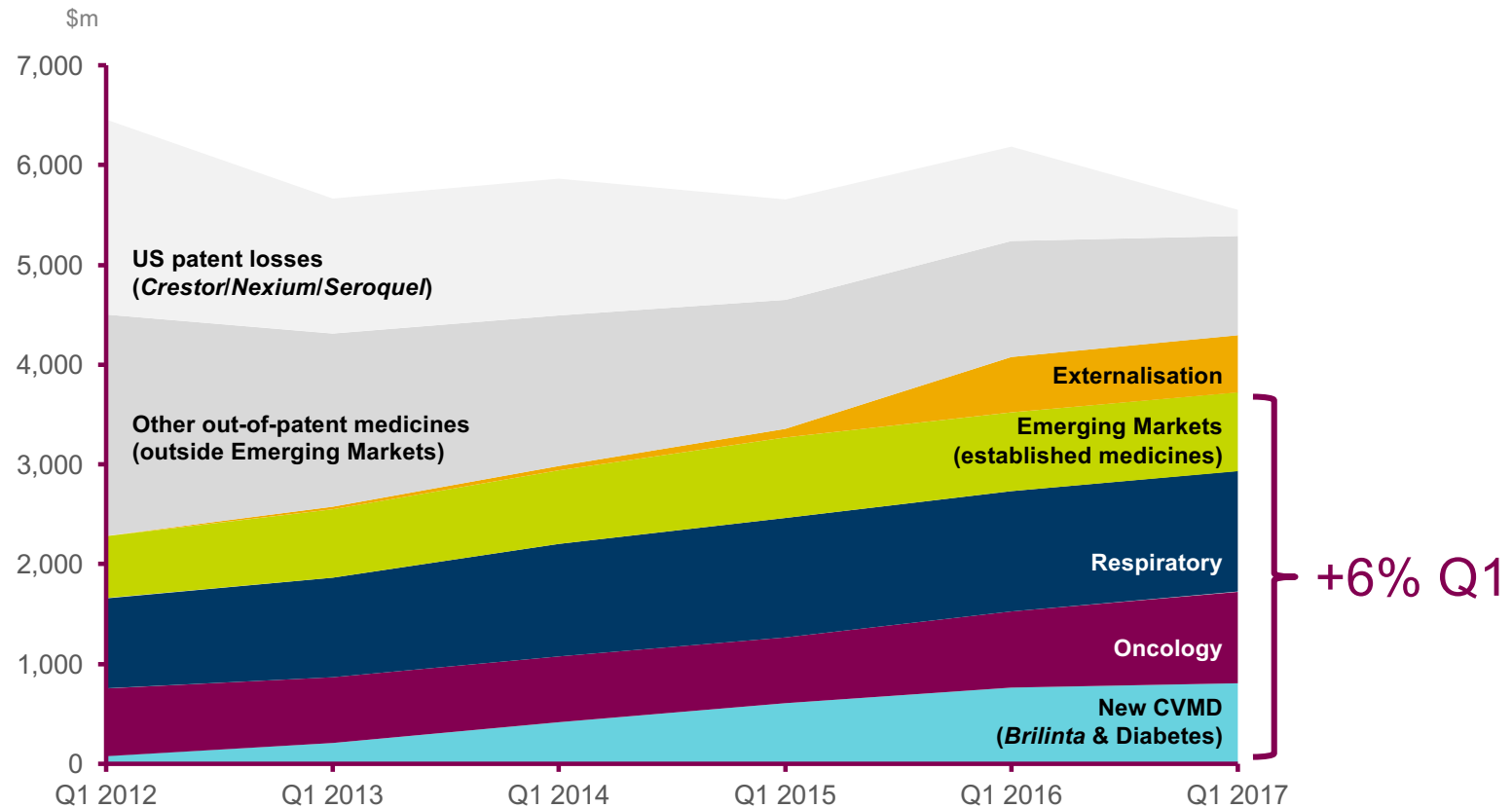
Oncology	• <i>Tagrisso</i> • <i>Lynparza</i>	lung cancer ovarian cancer breast cancer	Approval (US, EU; full approval, CN) Reg. submission (2L) (US) (Priority Review) Orphan Drug Designation (JP) Positive Phase III trial
Cardiovascular & Metabolic Diseases	• <i>Forxiga</i> • <i>Qtern</i> • <i>Bydureon</i> • ZS-9	type-2 diabetes hyperkalaemia	Approval (CN) Positive major data (CVD-REAL real-world study) Approval (US) Reg. submission (autoinjector) (US) Complete Response Letter (US)
Respiratory	• <i>Symbicort</i> • benralizumab	COPD exacerbations severe, uncontrolled asthma	Reg. submission (US) Reg. submission (JP)
Other	• <i>Siliq</i> • inebilizumab	psoriasis neuromyelitis optica spectrum disorder	Approval (US; by partner) Orphan designation (EU)

Status since the results announcement on 2 February 2017.



Total Revenue: An inflection point approaching

New AstraZeneca emerging strongly from patent losses

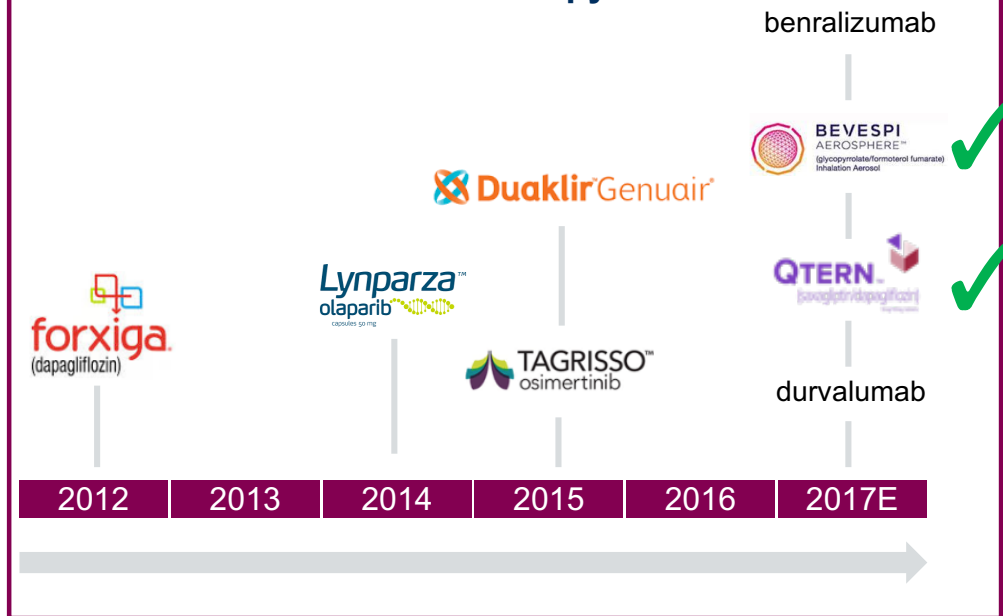


Absolute values at CER. Growth at CER and for Q1 2017 unless otherwise stated.

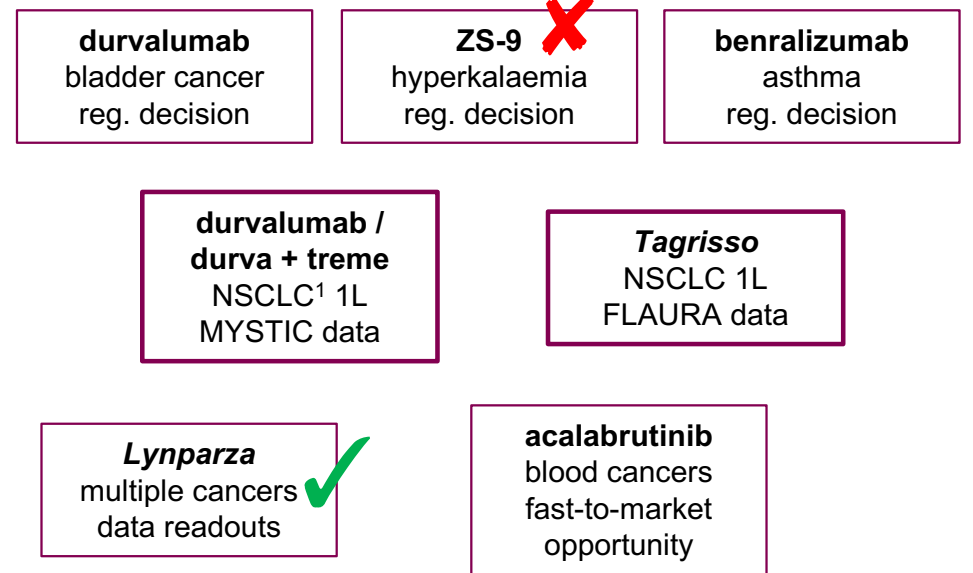


2017: Potential to be a defining year

Launches of new medicines from main therapy areas



Some of the key news flow opportunities in 2017



1. NSCLC = Non-Small Cell Lung Cancer.



Agenda



Overview



Growth Platforms



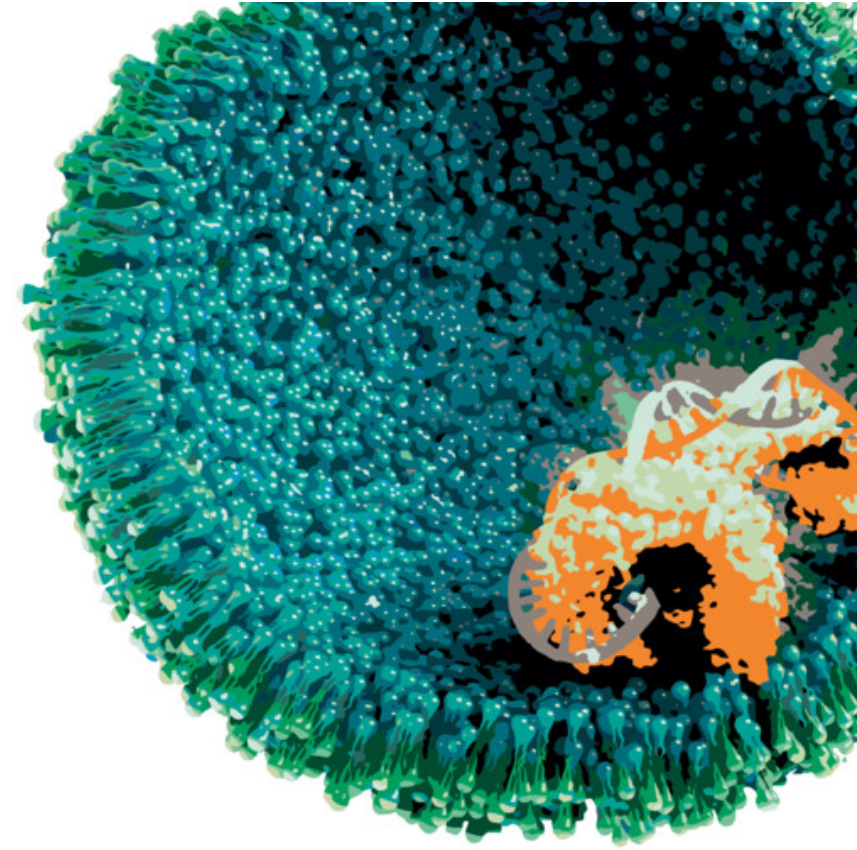
Finance



Pipeline and news flow



Closing and Q&A



Growth Platforms: Good start to 2017

Respiratory stable; growth in all other areas

		Q1 2017 \$m	% change	% Total Revenue
	Growth Platforms	3,572	5	66
	Emerging Markets	1,562	9	-
	Respiratory	1,181	0	-
	New CVMD¹	798	6	-
	Japan	450	3	-
	New Oncology²	236	139	-

Primary
focus today

1. New CVMD comprises *Brilinta* and *Diabetes*.

2. New Oncology comprises *Lynparza*, *Iressa* (US) and *Tagrisso*.

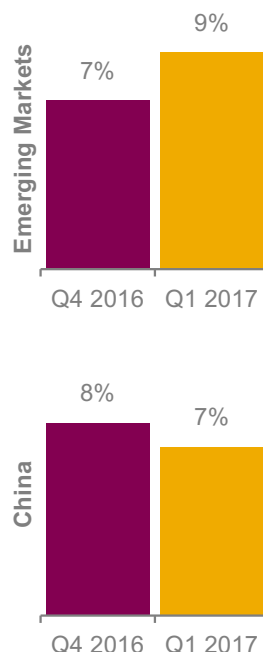
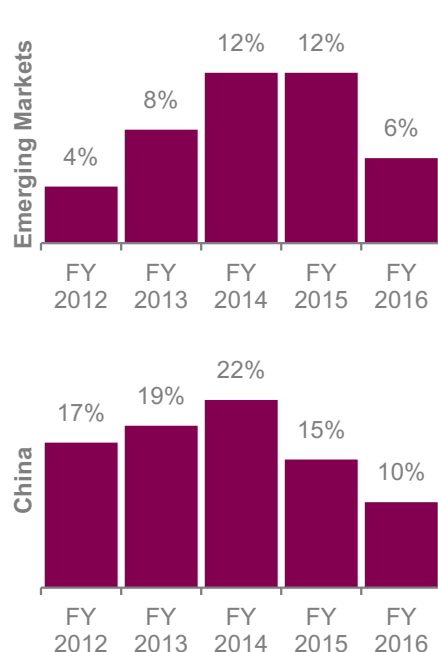
Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.



Emerging Markets

Higher growth overall

Product Sales growth Long-term target: Mid to high single-digit



An encouraging performance; successful execution

- Overall growth improved in Q1 2017
 - Faster pace many markets, in particular Middle-East/Africa
 - Underlying growth >10%, when adjusting for partnerships and divestments
- **Oncology +16%:** Legacy medicines supported by launches. *Tagrisso* approved and launched in China
- **New CVMD +34%:** *Brilinta* +54%. *Forxiga* +90% and approved in China
- **Respiratory +17%:** Continued strong growth for *Pulmicort* +28% and *Symbicort* +10%

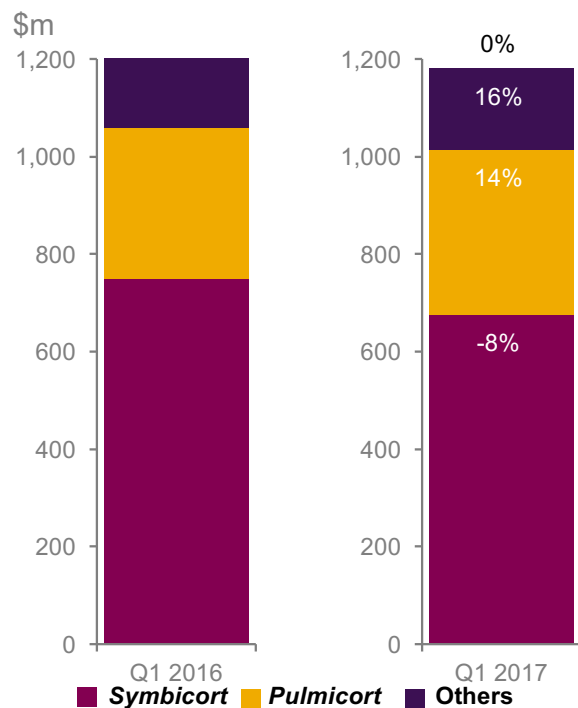
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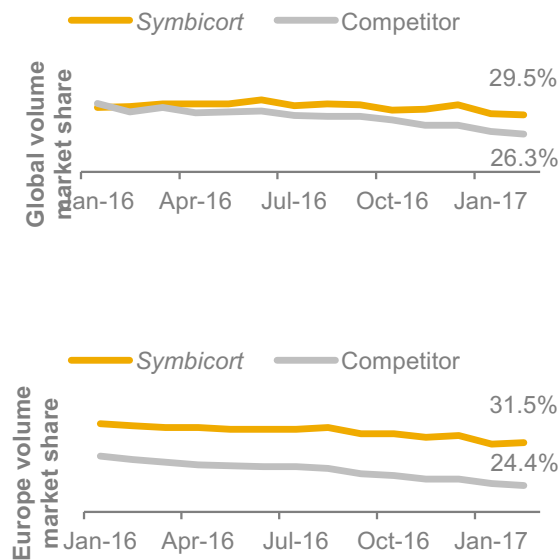
Respiratory

A stable performance

Stable Q1 2017 Product Sales



**Symbicort global leader;
Europe volume relatively stable**



**US, Europe competitive;
Emerging Markets growth**

US -18%

- Symbicort competitive pricing environment continued; regained market share
- Bevespi launched with good access; tracking in line with similar launches

Europe -1%

- Volume growth; overall relatively stable competitive environment
- New medicines continue roll-out

Emerging Markets +17%

- Increase in market uptake continued
 - Pulmicort +28%
 - Symbicort +10%

Absolute values at actual exchange rates.
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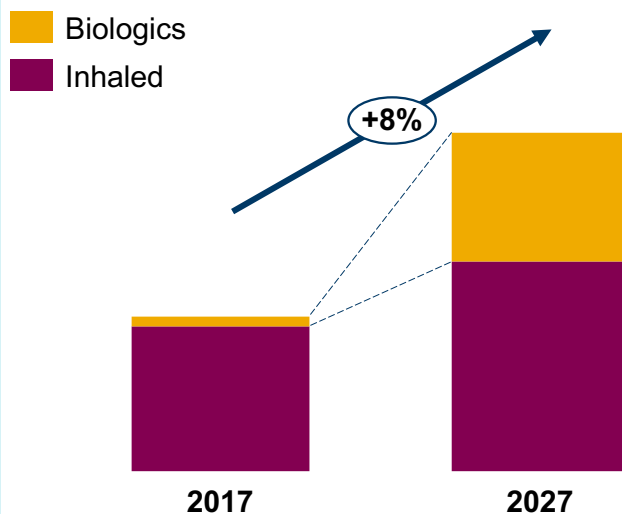
Source: QuintilesIMS.



Respiratory - strategy

Therapy area with potential for biopharmaceutical leadership

Drivers of market growth



Strength in inhaled

Backbone of care

Established medicines

Symbicort, Pulmicort, Bevespi, Duaklir, Daliresp/Daxas

New paradigms

PRN *Symbicort*, PT027, PT010, PT009, Aerosphere platform

Next generation

iSGRM, MABA, abediterol, iENAC

Leading biologics portfolio

Transforming outcomes

Benralizumab

Direct, rapid and near-complete depletion of eosinophils

Tralokinumab

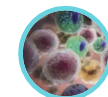
Blocks binding and signalling of IL-13 to IL-13 receptors

Tezepelumab

First-in-class targeting thymic stromal lymphopoietin (TSLP), an upstream driver of airway inflammation

Disease modification

Early intervention



Epithelium



Immunity



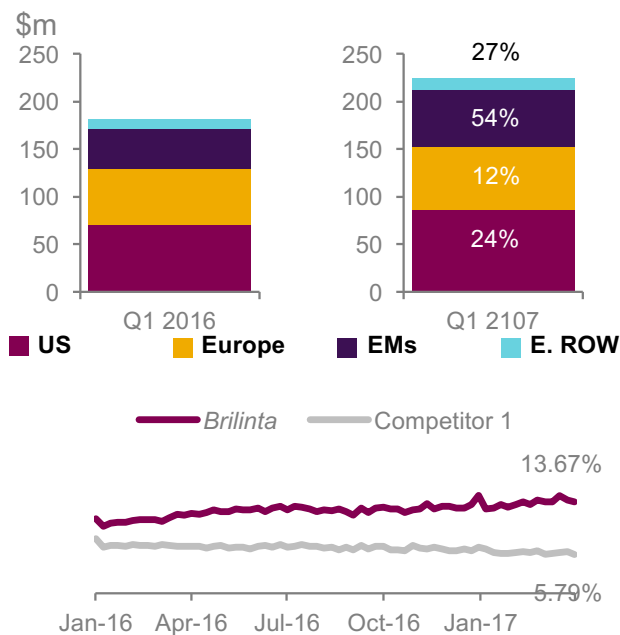
Regeneration

Source: External market research and internal estimates.

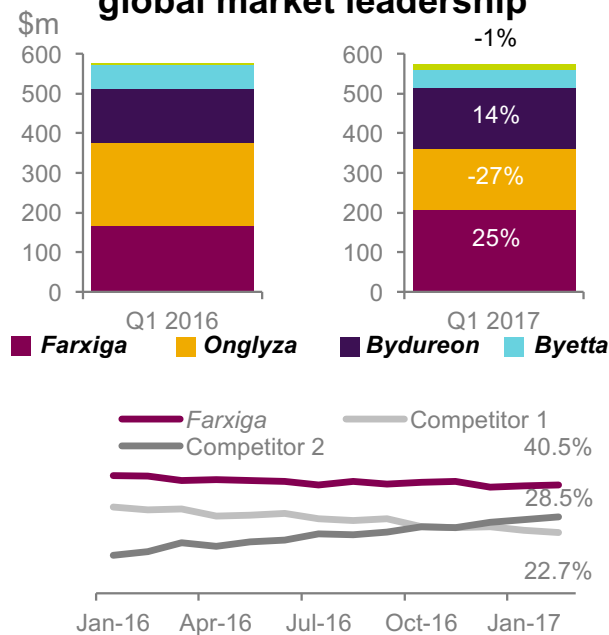
New CVMD

Focus on *Brilinta* and *Farxiga*

Brilinta: Growth in all markets



Diabetes: *Farxiga* growth drives global market leadership



Key observations

Brilinta

- Continued growth across all markets

Diabetes, key medicines

- *Farxiga*: Growth continues; global market leader. US growth subdued due to affordability programmes and managed-care access. Approved in China
- *Onglyza*: Continued competitive pressures globally
- *Bydureon*: Encouraging growth; new autoinjector accepted for regulatory review in the US

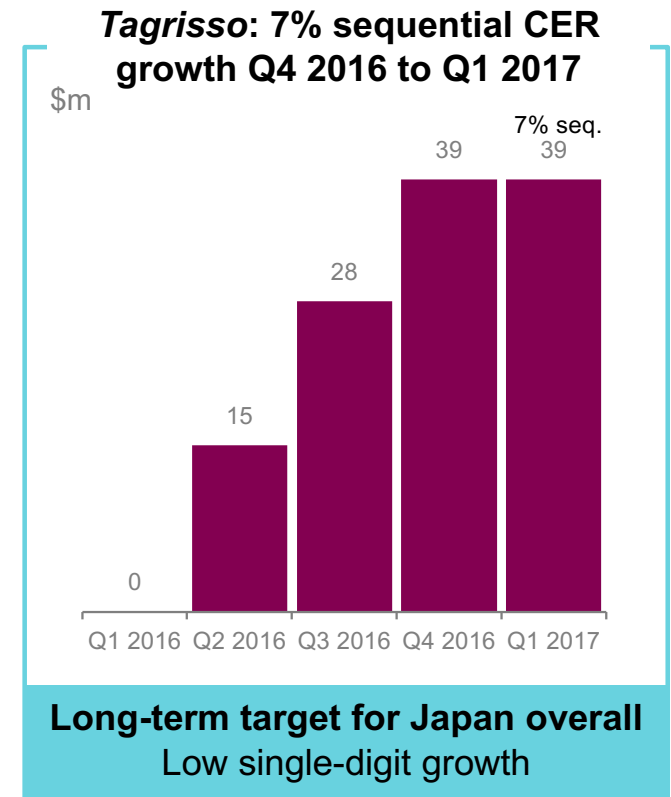
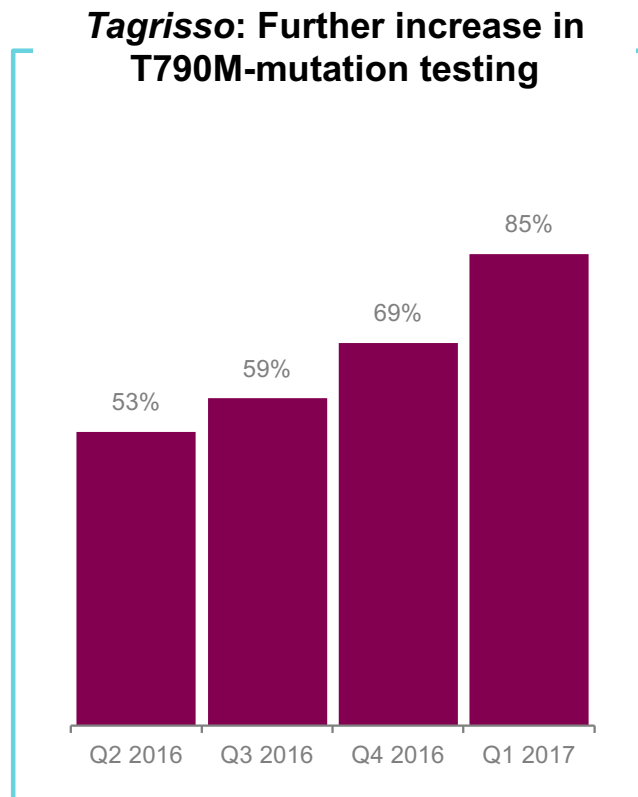
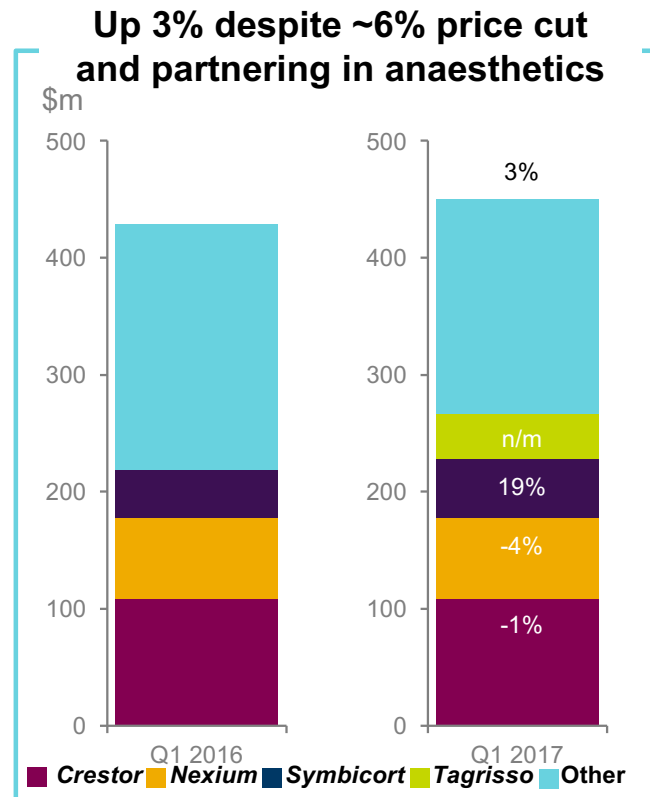
Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

Source: QuintilesIMS.



Japan

Back to growth; *Tagrisso* helping to change the business



Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

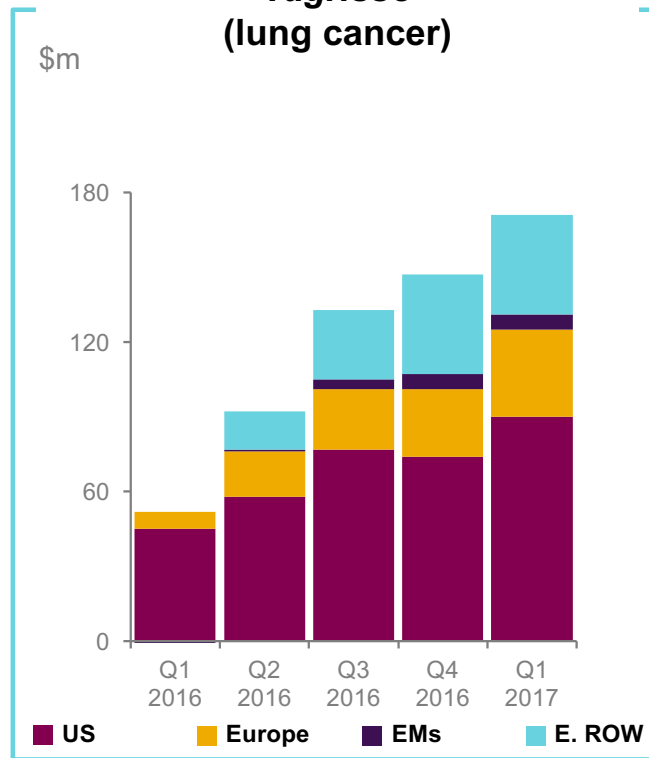
Source: External market research.



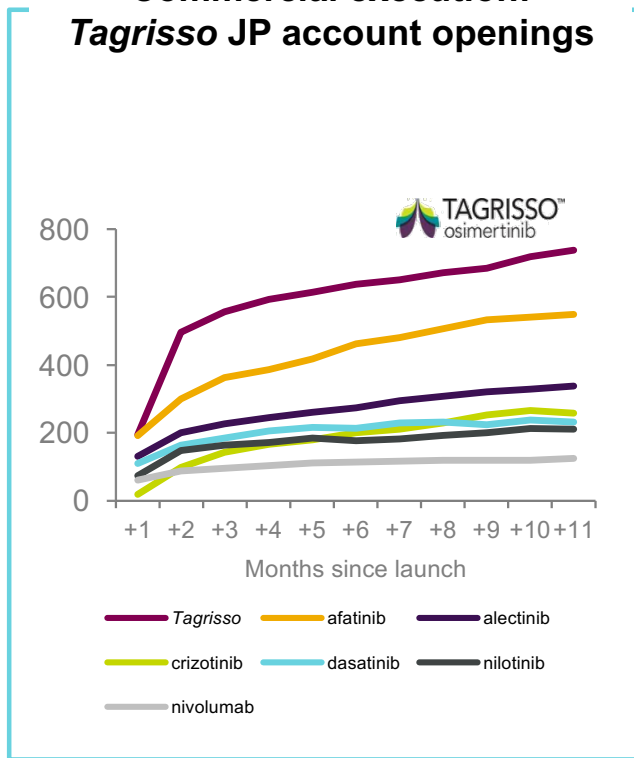
New Oncology

Important growth

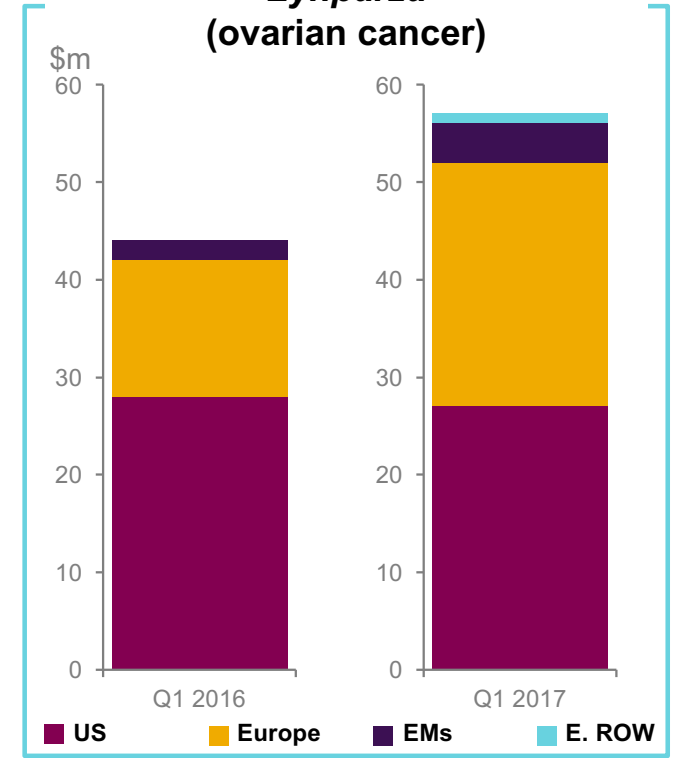
**Tagrisso
(lung cancer)**



**Commercial execution:
Tagrisso JP account openings**



**Lynparza
(ovarian cancer)**



Absolute values at actual exchange rates.
Growth at CER and for Q1 2017 unless otherwise stated.

Source: External market research and internal data.



Agenda



Overview



Growth Platforms



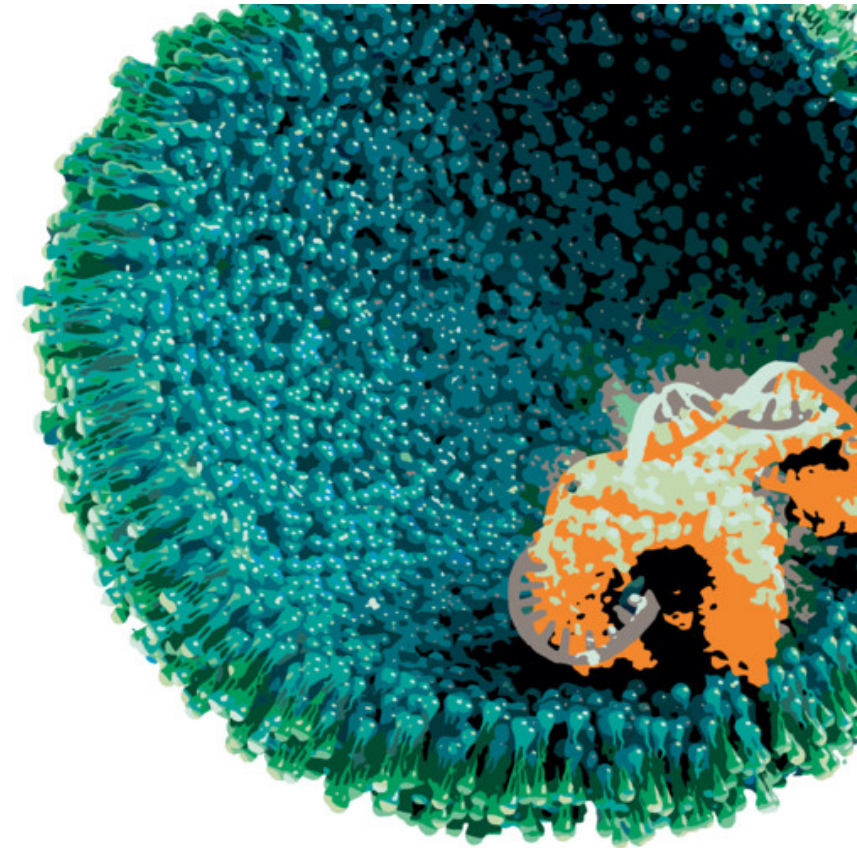
Finance



Pipeline and news flow



Closing and Q&A



Reported Profit & Loss

	Q1 2017 \$m	% change	% Total Revenue
Total Revenue	5,405	(10)	100
- Product Sales	4,843	(12)	90
- Externalisation Revenue	562	3	10
Gross Margin	82.3%	(2)	-
R&D Expenses	1,453	2	27
SG&A Expenses	2,300	(8)	43
Other Operating Income	236	n/m	4
Tax Rate	12%	-	-
EPS	\$0.42	(35)	

Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.



Core Profit & Loss

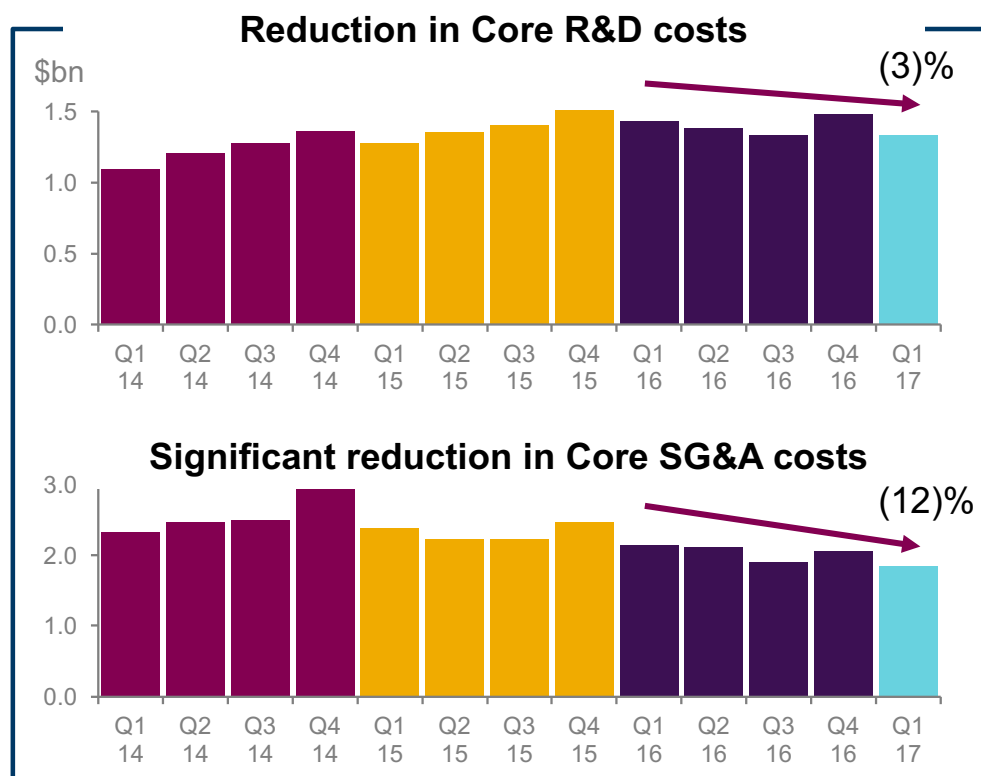
SG&A reduction larger than anticipated for FY17

	Q1 2017 \$m	% change	% Total Revenue
Total Revenue	5,405	(10)	100
- Product Sales	4,843	(12)	90
- Externalisation Revenue	562	3	10
Gross Margin	83.6%	(1)	-
R&D Expenses	1,338	(3)	25
SG&A Expenses	1,829	(12)	34
Other Operating Income	333	n/m	6
Tax Rate	17%	-	-
EPS	\$0.99	(4)	

Absolute values at actual exchange rates. Growth at CER and for Q1 2017 unless otherwise stated.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.



Continued progress and focus on cost discipline



- Reduction in Core R&D costs
 - Q1 2017: Down by 3%
 - FY 2017: Core R&D costs are expected to be broadly in line with those in FY 2016
- Very significant reduction in Core SG&A costs
 - Q1 2017: Down by 12%
 - FY 2017: Further reduction in Core SG&A costs from FY 2016

Absolute values and growth at CER; growth rates for Q1 2017 unless otherwise stated.



FY 2017 guidance and capital-allocation priorities

Guidance

Total Revenue

Low to mid single-digit percentage decline

Core EPS

Low to mid teens percentage decline

Capital-allocation priorities

Investment in the business

Progressive dividend policy

Strong, investment-grade credit rating

Immediately earnings-accretive, value-enhancing opportunities

Guidance at CER.



Agenda



Overview



Growth Platforms



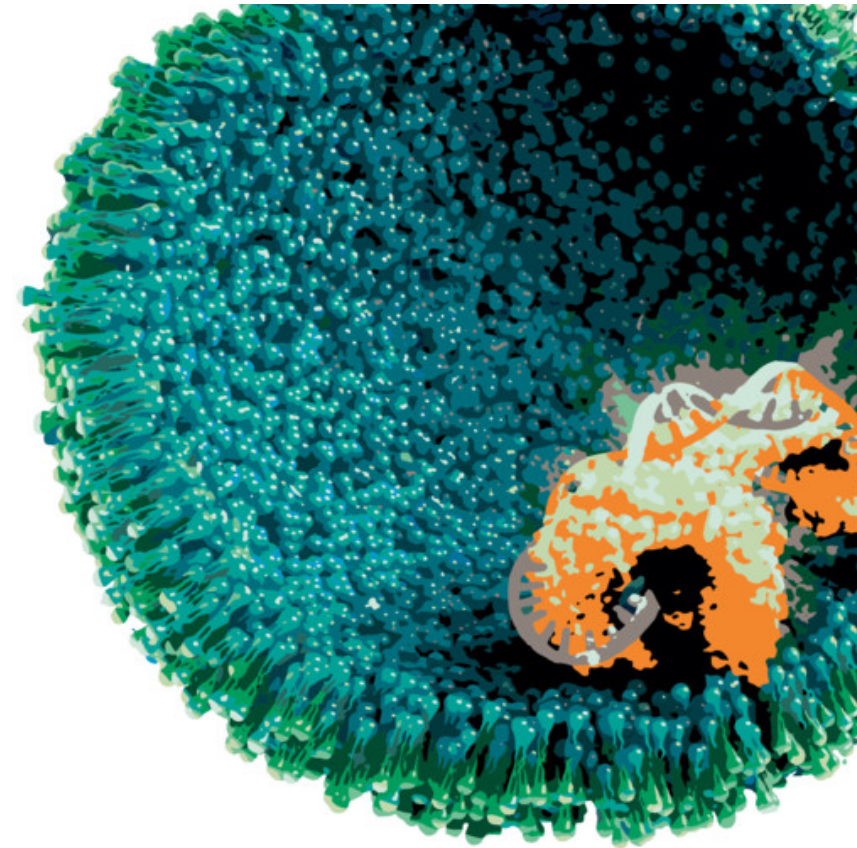
Finance



Pipeline and news flow



Closing and Q&A



Q1 2017 late-stage pipeline highlights

Main therapy areas

Oncology

- **Lynparza**
Ovarian
 - Regulatory submission (2L) (US) (Priority Review)
 - Data presentation SGO
 - Orphan Drug Designation (JP)
- Breast*
 - Positive Phase III trial
- **Tagrisso** - lung cancer: Approval
 - US, EU (full approval)
 - CN

Cardiovascular & Metabolic Diseases

- **Forxiga** - type-2 diabetes: Approval (CN); major data CVD-REAL real-world study
 - **Qtern** - type-2 diabetes: Approval (US)
 - **Bydureon** - autoinjector: Regulatory submission (US)
- 
- **ZS-9** - hyperkalaemia: Complete Response Letter (US)

Respiratory

- **Symbicort** - COPD¹ exacerbations: Regulatory submission (US)
- **benralizumab** - severe, uncontrolled asthma: Regulatory submission (JP)

Other - Autoimmunity

- **Siliq** - psoriasis: Approval (US; by partner)
- **inebilizumab** - neuromyelitis optica spectrum disorder: Orphan designation (EU)

1. COPD = Chronic Obstructive Pulmonary Disease.
Status since the prior results announcement on 2 February 2017.



Oncology highlights from recent meetings

Progress across launched and pipeline medicines



Immuno-Oncology

Updated Phase I/II efficacy and safety data from Study 1108 for patients with locally-advanced or metastatic urothelial bladder cancer



Immuno-Oncology

Further concordance between PD-L1 diagnostic assays for patients with NSCLC using 500 additional tumour samples



Lynparza

Phase III SOLO-2 data presentation in BRCA-mutated 2L ovarian cancer as maintenance treatment



Immuno-Oncology

Phase I data on TLR7/8 agonist MEDI9197 in solid tumours

DNA Damage Response

Phase I/II data on *Lynparza* and temozolomide in 2L SCLC¹

1. SCLC = Small-Cell Lung Cancer.



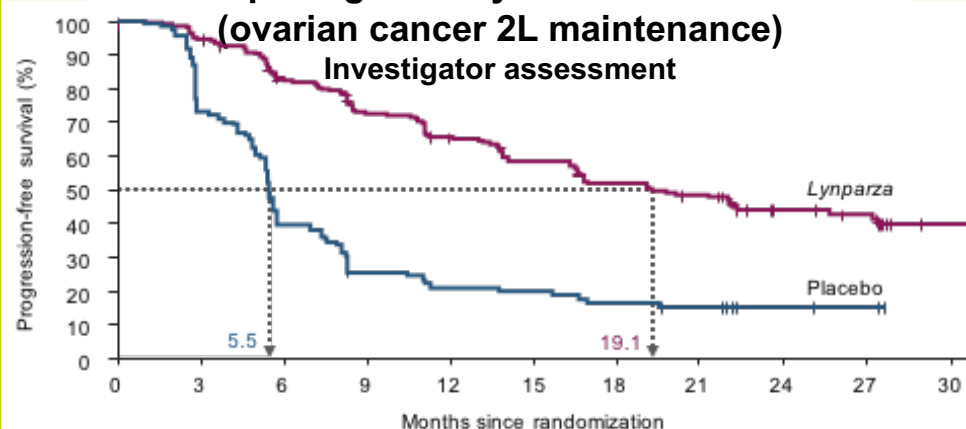
Lynparza: Ovarian cancer

Compelling efficacy and safety

Compelling efficacy data from SOLO-2

(ovarian cancer 2L maintenance)

Investigator assessment



PFS ¹	Lynparza (N=196)	Chemotherapy (N=99)
Investigator, HR (95% CI)	0.30 (0.22; 0.41) p<0.0001	
Investigator, median PFS, months	19.1	5.5
BICR, HR (95% CI)	0.25 (0.18; 0.35) p<0.0001	
BICR ² , median PFS, months	30.2	5.5

1. PFS = Progression-Free Survival.

2. BICR = Blinded Independent Central Review.

Source: Presentation at SGO 2017.

Compelling safety data, patient convenience

% (events, n)	Anemia Grade ≥3	Neutropenia Grade ≥3	Thrombocytopenia Grade ≥3
SOLO-2	19.5% (38)	5.1% (10)	1.0% (2)
Interpretation	>10%	<10%	<<10%



Reducing burden for patients; from 16 capsules to 4 tablets



Durvalumab and durva + treme

Phase III news flow; 2017 a key year

= durvalumab = durva +/- treme ✓ = fully recruited				
Bladder cancer (UC ¹)				DANUBE 1L ✓ ²
Head & neck cancer		KESTREL 1L ✓	EAGLE 2L	
Lung cancer (NSCLC)				POSEIDON 1L IO-IO-CTx triple
		ARCTIC 3L PD-L1 low/neg. ✓	NEPTUNE 1L (final OS)	PEARL 1L (Asia)
	MYSTIC 1L (PFS) ✓	PACIFIC Stage III unresectable ✓	MYSTIC 1L (final OS) ✓	ADJUVANT Adjuvant
	Mid 2017	H2 2017	2018	2018+

Potential leadership in IO & IO-IO combinations across multiple cancer types

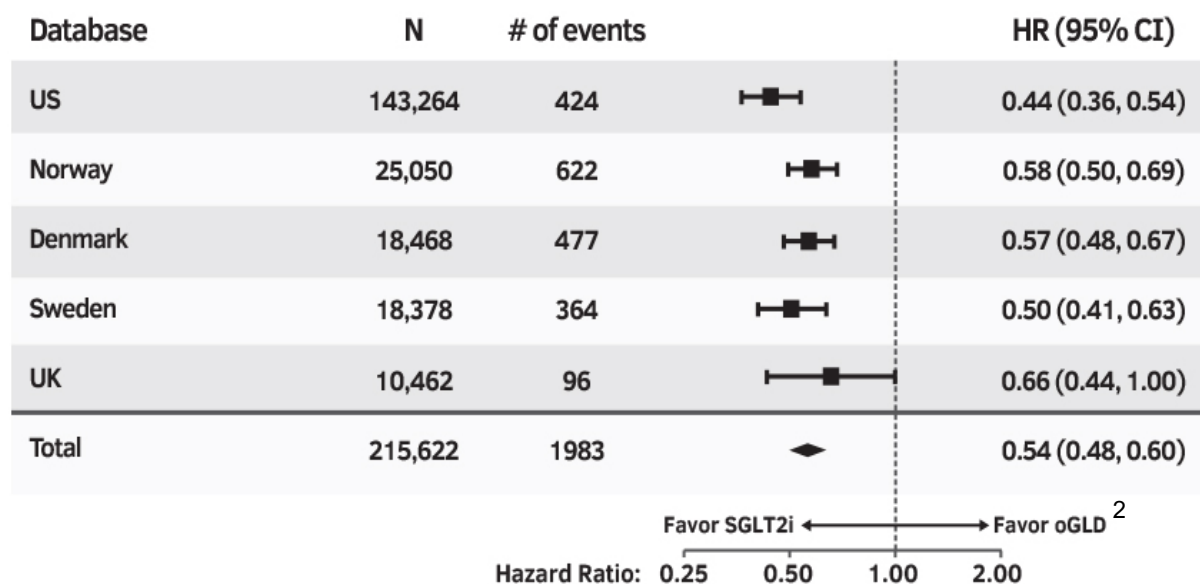
1. Urothelial Carcinoma.
2. Global trial excluding China.



CV¹ outcomes: SGLT2 class reduced morbidity/mortality

Farxiga strengthened by first real-world study in >300,000 patients

CVD-REAL study
Hospitalisation for heart failure or all-cause death



46% risk reduction in hospitalisation for heart failure or all-cause death

1. CV = Cardiovascular.
2. oGLD = Other glucose-lowering drugs.
Data are on treatment, unadjusted.
Source: Presentation at ACC 2017.

Key ongoing CV outcomes trials

Bydureon

Phase III **EXSCEL** trial
Data, regulatory submission now expected in Q3 and H2 2017, respectively

Farxiga

Phase III **DECLARE** trial
Data, regulatory submission expected in 2019 at the latest (final analysis)

Phase III **Dapa-HF** trial

Heart failure trial; started Q1 2017

Phase III **Dapa-CKD** trial

Chronic kidney disease trial; started in Q1 2017



Late-stage pipeline news flow in 2017 and 2018

Unlocking and realising the potential of new medicines

	Q2 2017 / mid-2017	H2 2017	2018
Regulatory decision	<i>Faslodex</i> - breast cancer (1L) (JP) <i>durvalumab</i> - bladder cancer (US)	<i>Faslodex</i> - breast cancer (1L) (US, EU) <i>Lynparza</i> - ovarian cancer (2L) (US) <i>benralizumab</i> - severe, uncontrolled asthma (US)	<i>Bydureon</i> - autoinjector (US) <i>benralizumab</i> - severe, uncontrolled asthma (EU,JP)
Regulatory submission	<i>Lynparza</i> - ovarian cancer (2L) (EU) <i>acalabrutinib</i> - blood cancer (US) ¹ <i>Bevespi</i> - COPD (EU)	<i>Lynparza</i> - breast cancer <i>durvalumab</i> - lung cancer (PACIFIC) (US) <i>durva +/- treme</i> - lung cancer (MYSTIC) - lung cancer (ARCTIC) <i>Bydureon</i> - CVOT ²	<i>Lynparza</i> - ovarian cancer (1L) <i>Tagrisso</i> - lung cancer (1L) <i>durva +/- treme</i> - head & neck cancer (KESTREL) - head & neck cancer (EAGLE) - bladder cancer (DANUBE) <i>moxetumomab</i> - leukaemia <i>selumetinib</i> - thyroid cancer <i>roxadustat</i> - anaemia ³ <i>benralizumab</i> - COPD <i>tralokinumab</i> - severe, uncontrolled asthma <i>Duaklir</i> - COPD (US) <i>PT010</i> - COPD
Key Phase III/II* data readouts	<i>durva +/- treme</i> - lung cancer (MYSTIC) (mid-2017) <i>acalabrutinib</i> - blood cancer* ¹	<i>Lynparza</i> - ovarian cancer (1L) <i>Tagrisso</i> - lung cancer (1L) <i>durvalumab</i> - lung cancer (PACIFIC) <i>durva +/- treme</i> - lung cancer (ARCTIC) - head & neck cancer (KESTREL) <i>moxetumomab</i> - leukaemia <i>Bydureon</i> - CVOT <i>tralokinumab</i> - severe, uncontrolled asthma	<i>durva +/- treme</i> - lung cancer (NEPTUNE) - head & neck cancer (EAGLE) - bladder cancer (DANUBE) <i>selumetinib</i> - thyroid cancer <i>roxadustat</i> - anaemia <i>benralizumab</i> - COPD <i>PT010</i> - COPD <i>anifrolumab</i> - lupus

1. Potential fast-to-market opportunity ahead of randomised, controlled trials.

2. CVOT = Cardiovascular Outcomes Trial.

3. AstraZeneca-sponsored trials.



Agenda



Overview



Growth Platforms



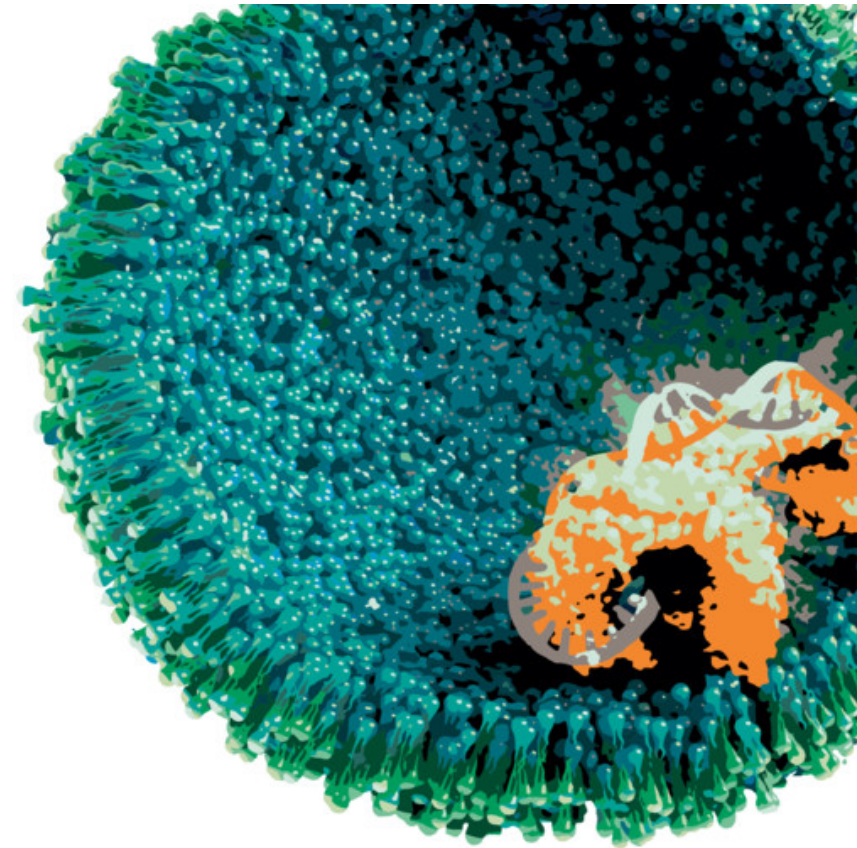
Finance



Pipeline and news flow



Closing and Q&A



Pipeline-driven transformation on track

New AstraZeneca steadily emerging this year

- **Good start to 2017**
 - Financials on track
 - Guidance confirmed
 - Strong pipeline news flow
- **12 new potential medicines in Phase III/under registration**
- **Oncology progressing ahead of expectations**
 - *Tagrisso, Lynparza* and Immuno-Oncology
- **Busy pipeline news flow over next 3-9 months**



Q&A



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Q1 2017 Results

Conference call and webcast for investors and analysts, London, UK

27 April 2017

