

Year-To-Date and Q3 2016 Results

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

10 November 2016



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; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; effects of patent litigation in respect of IP rights; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the risk that strategic alliances and acquisitions, including licensing and collaborations, will be unsuccessful; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; 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 of delay to new product launches; the difficulties of obtaining and maintaining regulatory approvals for products; 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 risk that new products do not perform as we expect; failure to achieve strategic priorities or to meet targets or expectations; 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 risk of misuse of social medial platforms and new technology; the risks associated with developing our business in emerging markets; the risk of illegal trade in our products; the risks from pressures resulting from generic competition; the risk of failure to successfully implement planned cost reduction measures through productivity initiatives and restructuring programmes; economic, regulatory and political pressures to limit or reduce the cost of our products; the risk that regulatory approval processes for biosimilars could have an adverse effect on future commercial prospects; the impact of failing to attract and retain key personnel and to successfully engage with our employees; the impact of increasing implementation and enforcement of more stringent anti-bribery and anti-corruption legislation; and the risk of failure of information technology and cybercrime. Nothing in this presentation / webcast should be construed as a profit forecast.



Agenda

Overview

Pascal Soriot



Growth Platforms

Mark Mallon



Finance

Marc Dunoyer



Pipeline

Sean Bohen



Closing and Q&A

Pascal Soriot



Q3 highlights

Guidance unchanged; pipeline-driven transformation continues

Business & Financials

Total Revenue reflects loss of *Crestor* exclusivity and quarterly US *Symbicort* impact/gross-to-net adjustments, lack of *FluMist* and one-off events in Emerging Markets

'New AstraZeneca' grew 6% YTD

- **Tagrisso** now biggest AZN lung cancer medicine
- **Farxiga** global SGLT2 leader (42% volume) and largest AZN Diabetes medicine
- Continued strong execution in Emerging Markets
 - #2 in China and fastest growth
 - #3 in Russia

EPS supported by active cost management and one-off tax benefit

- R&D stable despite continued investment in strong pipeline
- SG&A further reduced in line with commitments

A Dow Jones Sustainability leader in Pharmaceuticals/Biotechnology/Life Sciences



Q3 highlights; continued

Guidance unchanged; pipeline-driven transformation continues

Pipeline

Oncology

- *Faslodex*: Regulatory submission (JP)
- *Lynparza*: Positive Phase III trial
- *Tagrisso*: Regulatory submission, Priority Review (CN)
- cediranib: Regulatory withdrawal (EU)
- selumetinib: Negative Phase III trial

Cardiovascular & Metabolic Diseases

- *Brilinta*: Regulatory approval (JP); Phase III trial in PAD¹ not superior to clopidogrel
- *Farxiga* + *Bydureon*: Positive Phase III trial
- ZS-9: Regulatory re-submission (US)

Respiratory

- Benralizumab: 4th positive Phase III efficacy trial

Other

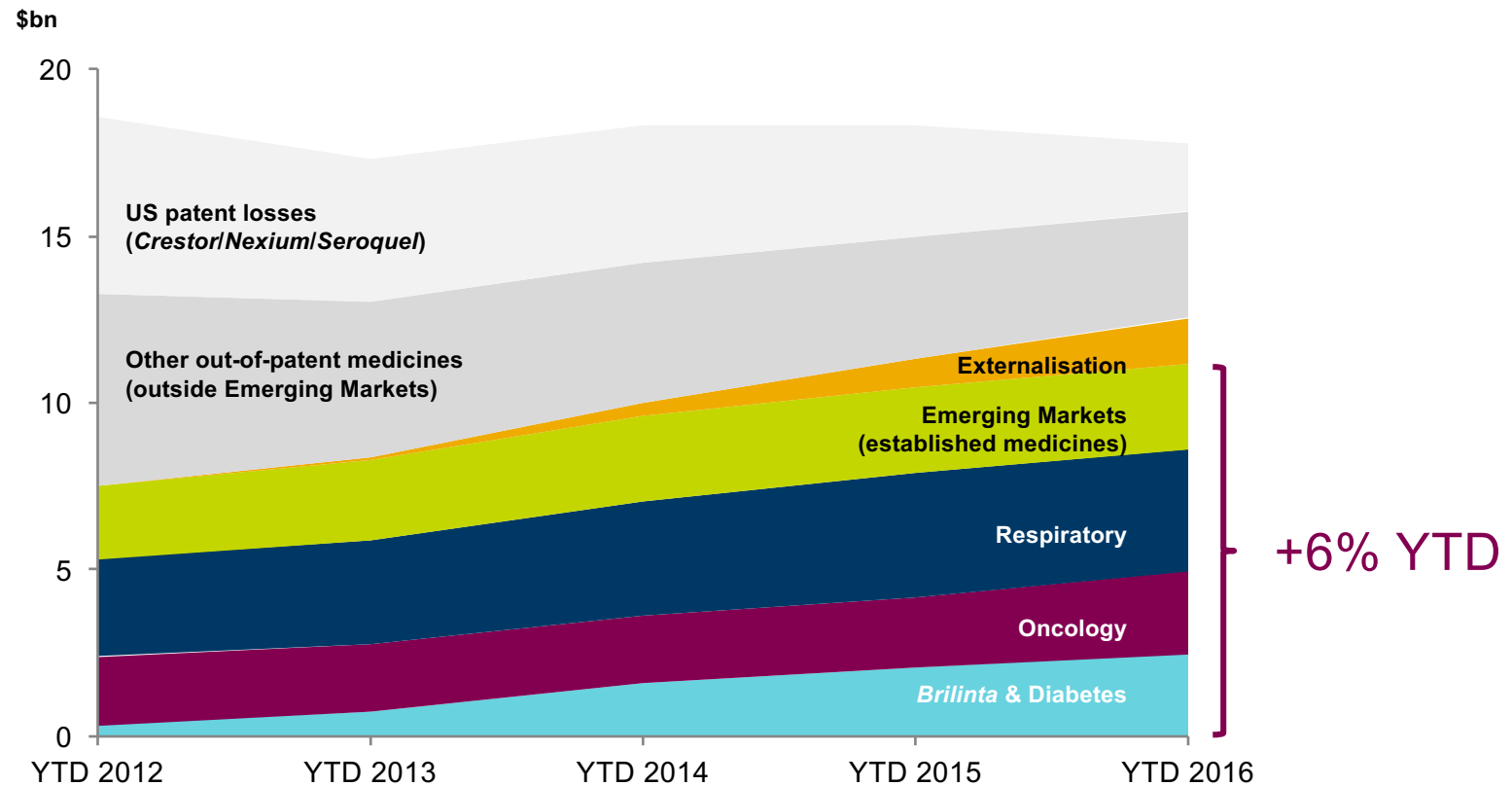
- AZD3293 (BACEi): Fast Track (US)

1. PAD = Peripheral Artery Disease



Total Revenue: Inflection point approaching

New AstraZeneca is emerging from patent losses



Absolute values at constant exchange rates (CER)



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Closing and Q&A

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Growth Platforms: Robust despite soft Q3

Increasing Oncology contribution; Japan stable







	Q3 2016 \$m	% change	% Total Revenue	YTD 2016 \$m	% change	% Total Revenue
Growth Platforms	3,584	3	63	10,763	6	62
 Emerging Markets	1,395	3	-	4,308	6	-
 Respiratory	1,110	(8)	-	3,543	(2)	-
 Diabetes	606	6	-	1,829	13	-
 Japan	595	0	-	1,593	(2)	-
 Brilinta	208	25	-	603	39	-
 New Oncology¹	197	n/m	-	448	n/m	-

1. New Oncology comprises *Lynparza*, *Iressa* (US) and *Tagrisso*
Absolute values at actual exchange rates. Growth rates at CER



Growth Platforms: Robust despite soft Q3

Increasing Oncology contribution; Japan stable

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Today's
focus

Absolute values at actual exchange rates. Growth rates at CER

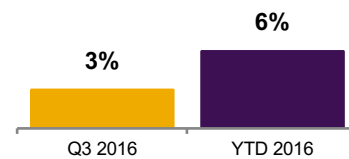
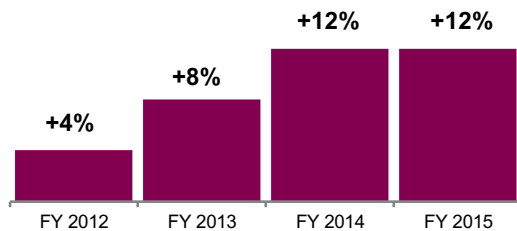


Emerging Markets

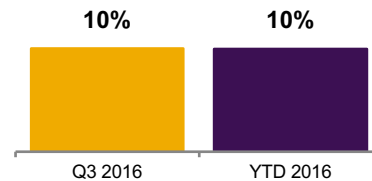
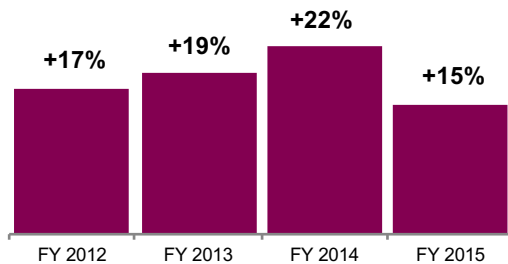
China performing well; softness in other markets

**Long-term target:
Mid to high single-digit growth**

Emerging Markets



China



Growth rates at CER and for YTD unless otherwise stated

Good fundamentals; balanced performance

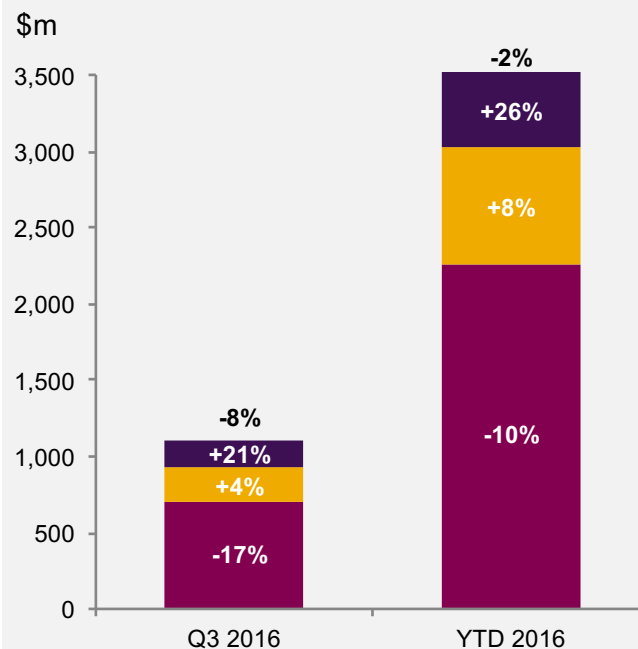
- Balanced presence: China less than half of total. Russia +13%, Brazil +5%
- Established medicines benefiting from patient demographics, better diagnosis and access
- Challenging conditions in some markets
 - Saudi Arabia; Venezuela
- New medicines/pipeline well positioned
 - *Tagrisso* China regulatory submission complete



Respiratory

Symbicort continues as global leader in competitive market

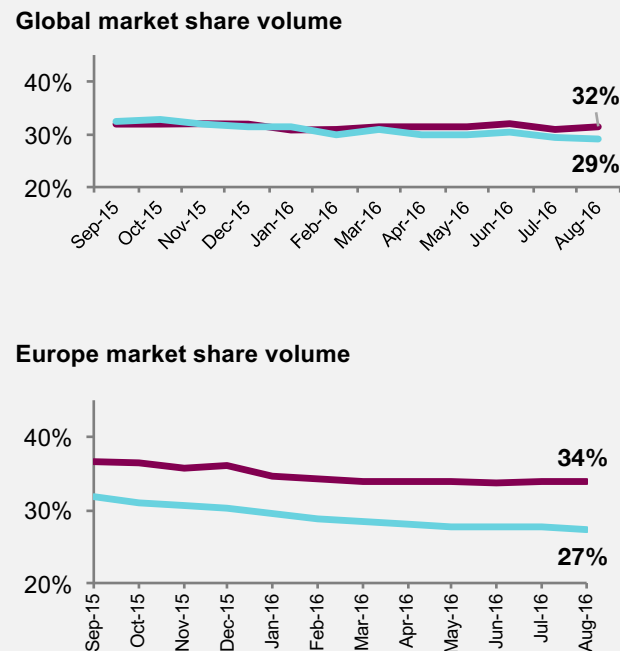
Q3 impacted by US true-ups and managed-care access gains



■ Symbicort ■ Pulmicort ■ Others

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

Symbicort global leader and Europe volume has stabilised



■ Symbicort ■ Competitor

Source: IMS

US, Europe competitive Emerging Markets growth

US -11%

- Volume growth offset by a true-up related to past quarters and managed-care access gains; strategic decision to prepare a platform for future launches incl. *Bevespi* and *benralizumab*

Europe -7%

- Stable *Symbicort* competitive environment
- Continued launches of new medicines

Emerging Markets +17%

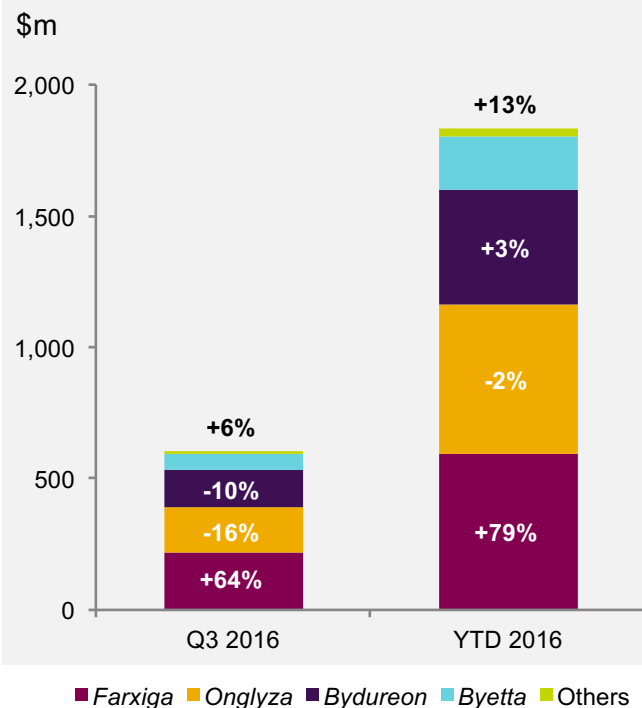
- Increase in market uptake continued
 - Pulmicort* +20%
 - Symbicort* +11%



Diabetes

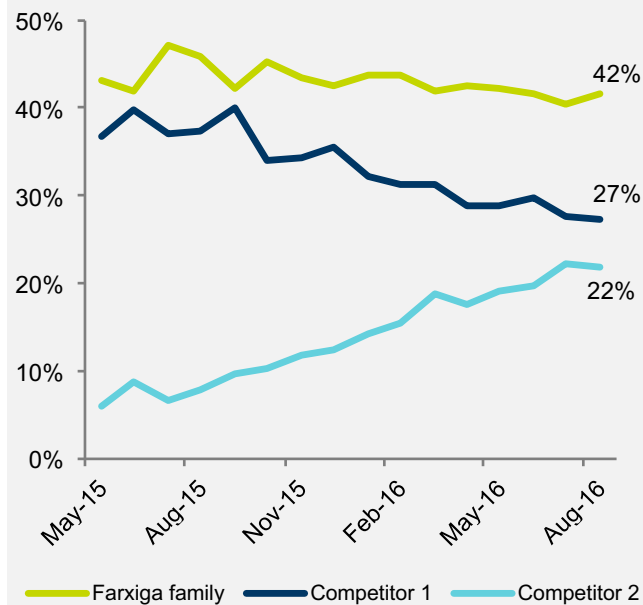
Global growth with focus on *Farxiga*

Farxiga now largest AstraZeneca Diabetes medicine YTD



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

Farxiga global leader in SGLT2 class by volume



Volume PDOT (Patient Days On Therapy)
Source: IMS Health MIDAS, August 2016

Growth in all regions

US +6%

- Growth market, but intense competition for market share
- *Farxiga* +78% from improved access and market-share gain

Europe +19%

- Growth in focus medicine *Forxiga*, and *Bydureon*
- *Forxiga* leading the SGLT2 class

Emerging Markets +36%

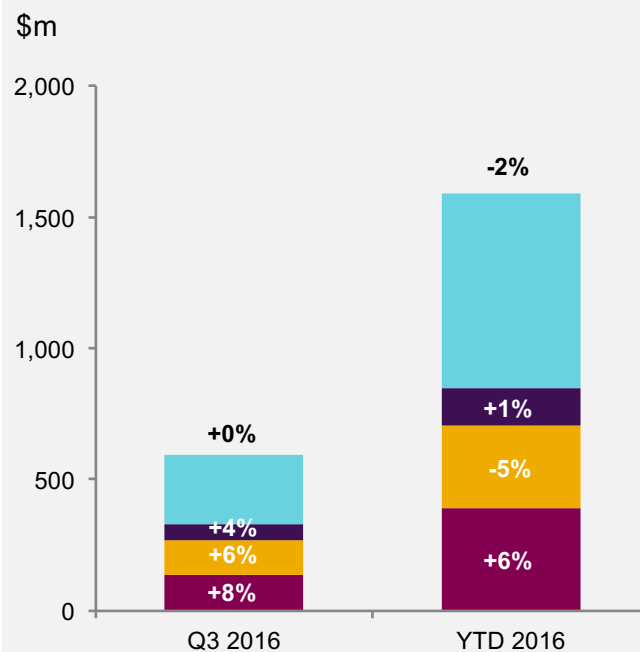
- Strong growth in all medicines; *Forxiga* +120%



Japan

Performance recovered after the April price cuts

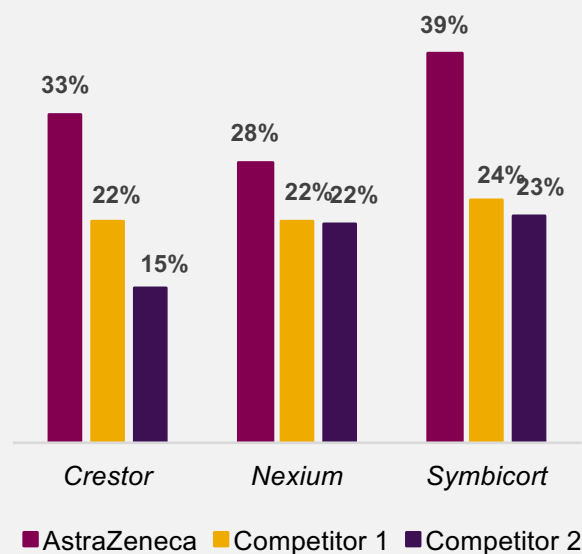
Focus medicines: Q3 growth despite biennial price cuts



■ Crestor ■ Nexium ■ Symbicort ■ Others

Absolute values at actual exchange rates. Growth rates at CER

Focus medicines: Leading dynamic patient share



■ AstraZeneca ■ Competitor 1 ■ Competitor 2

Source: IMS, August 2016

New medicines starting to transform Japanese business

- *Tagrisso* launched in May; 2,400 patients treated
- Product Sales accelerated; Q3: \$28m; Q2: \$15m
- *Brilinta* approved in September (limited label from launch)

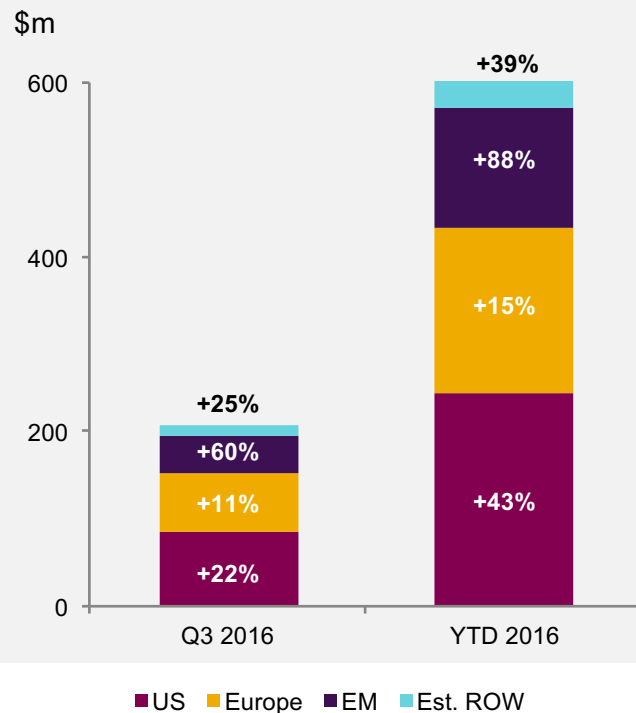
Long-term target:
Low single-digit growth



Brilinta

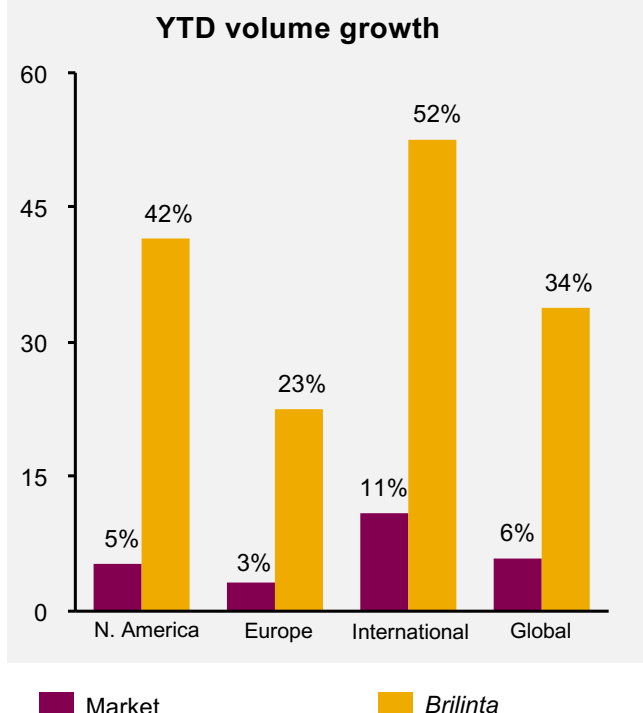
Solid growth continues

Growth across all markets



Absolute values at actual exchange rates. Growth rates at CER

Brilinta continued to outgrow the market



Source: IMS Health MIDAS, data updated to August 2016
Oral anti-platelet medicines, days of therapy

Strong execution of lifecycle management

US

- Lower quarterly growth reflecting inventory increase Q3 2015
- Positive momentum from changes to competitor's label
- 60mg now ~10% of new prescriptions

Europe

- Broad increase in hospital-discharge share and market-share gains
- 60mg launched in most of Europe

Emerging Markets

- 109% growth in China, with NRDL¹ review underway

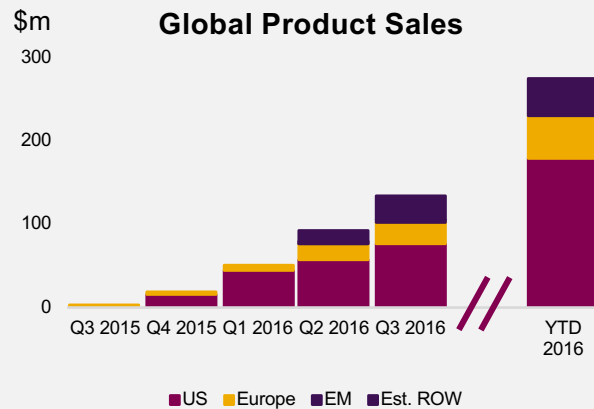
1. NRDL = National Reimbursement Drug List



New Oncology

Launches progressing well

Tagrisso (lung cancer)



- Global Product Sales \$276m, incl. Japan
- Launched in 41 countries
- China launch expected H2 2017



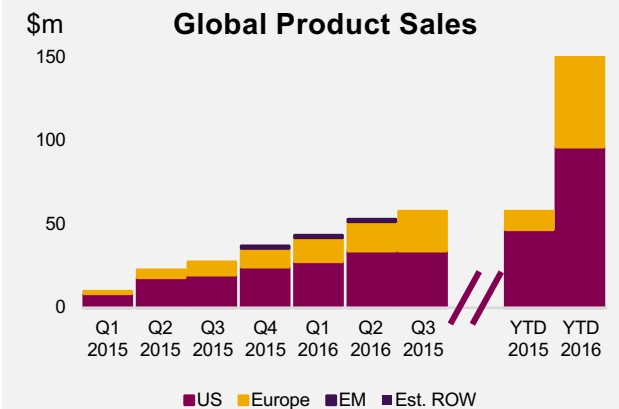
1. cobas® EGFR Mutation Test v2 (US-IVD)
Absolute values at actual exchange rates. Growth rates at CER

Tagrisso New blood-based test approved



- Current US T790M testing rate >40%; still ~40% chemotherapy use in 2nd-line setting
- US approval of less-invasive ctDNA test in September¹

Lynparza (ovarian cancer)



- Global Product Sales \$156m
- Launched in 30 countries; regulatory reviews ongoing in seven



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Reported Profit & Loss

	YTD 2016 \$m	% change	% Total Revenue	Q3 2016 \$m	% change	% Total Revenue
Total Revenue	17,417	(3)		5,699	(4)	
<i>Product Sales</i>	16,059	(6)	92	5,025	(14)	88
<i>Externalisation Revenue</i>	1,358	56	8	674	617	12
Gross Margin	82%	+63bps	-	82%	-165bps	-
R&D Expense	(4,347)	5	25	(1,402)	4	25
SG&A Expense	(8,027)	(2)	46	(2,403)	(8)	42
Other Operating Income	535	(47)	3	110	(75)	2
Tax Rate	(16)%			(47)%		

EPS	\$1.31	(26)	\$0.80	4
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Absolute values at actual exchange rates. Growth rates at CER. Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales



Core Profit & Loss

Other Income weighted towards Q4

	YTD 2016 \$m	% change	% Total Revenue	Q3 2016 \$m	% change	% Total Revenue
Total Revenue	17,417	(3)		5,699	(4)	
<i>Product Sales</i>	16,059	(6)	92	5,025	(14)	88
<i>Externalisation Revenue</i>	1,358	56	8	674	617	12
Gross Margin	83%	-90bps	-	84%	-47bps	-
R&D Expense	(4,150)	6	24	(1,337)	0	23
SG&A Expense	(6,119)	(7)	35	(1,892)	(12)	33
Other Operating Income	575	(43)	3	107	(76)	2
Tax Rate	8%			(9)%		

Core EPS

\$3.10

(10)

\$1.32

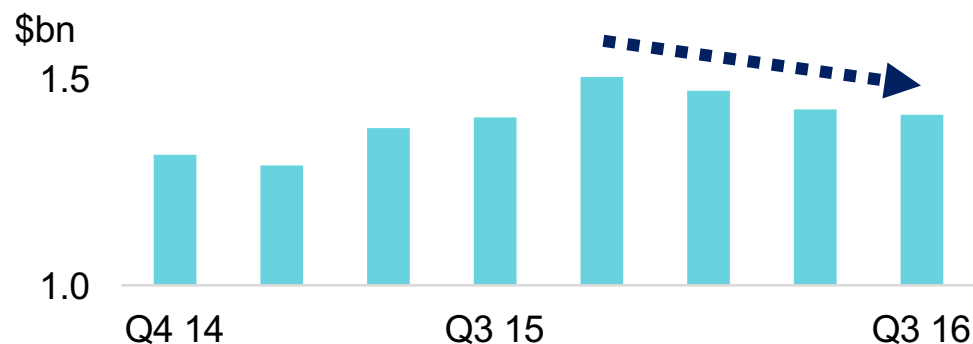
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Absolute values at actual exchange rates. Growth rates at CER. Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales

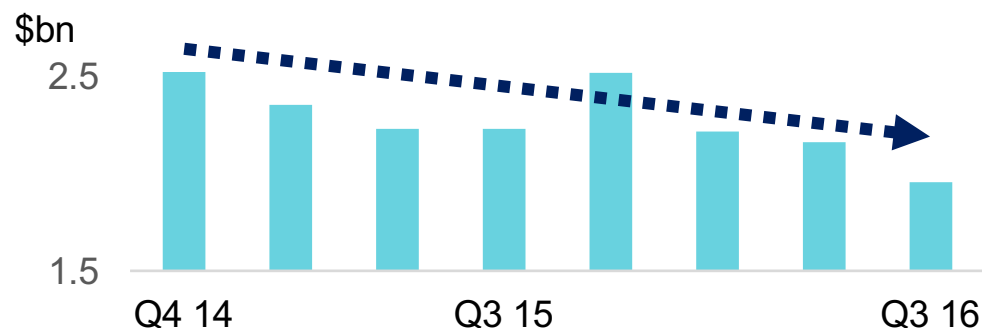


Continued progress and focus on cost discipline

Decline in Core R&D costs from Q4 2015 as committed



Core SG&A cost reduction being steadily delivered

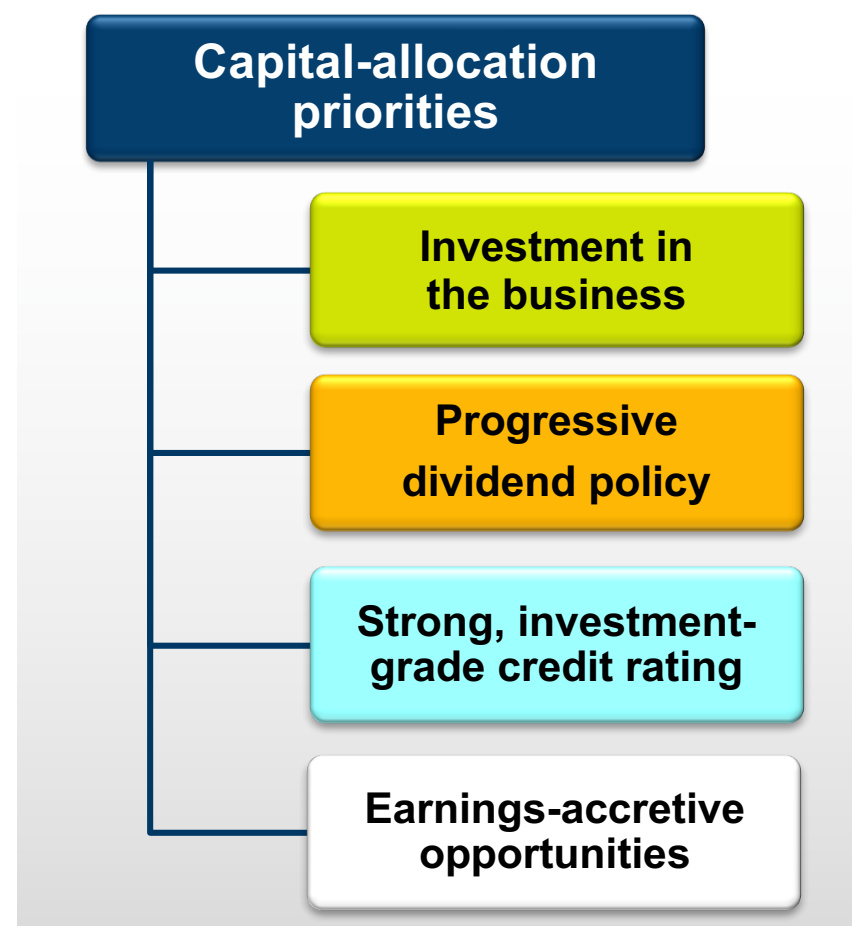
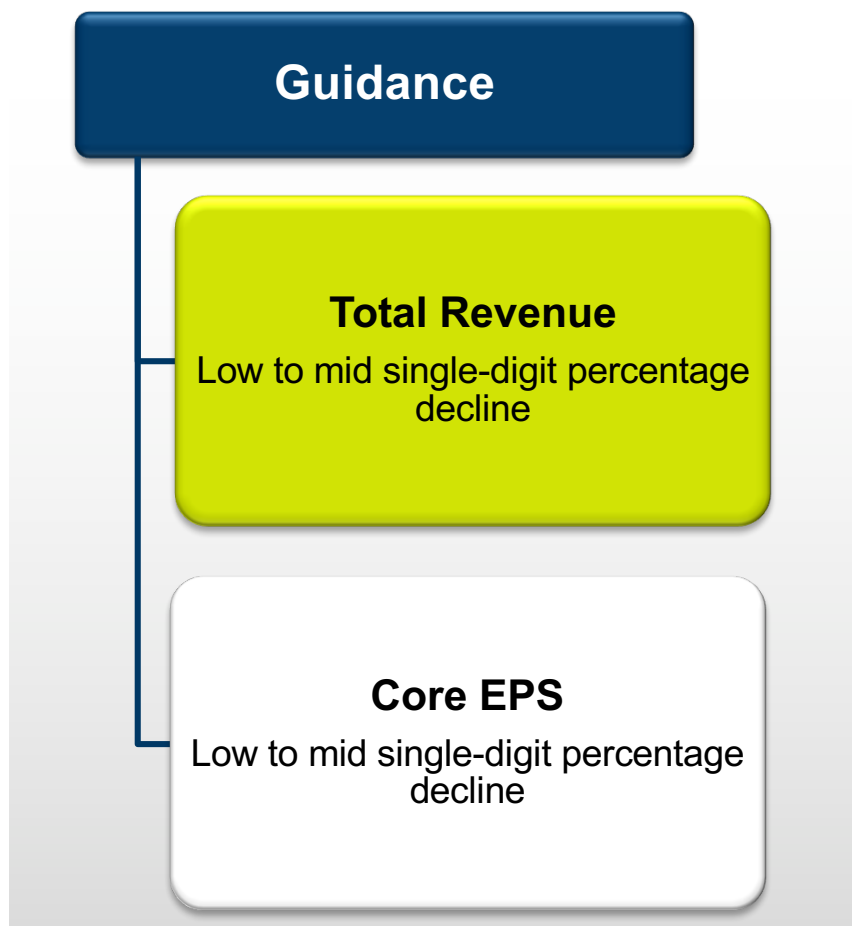


Absolute values at CER (2016)

- Stable Core costs in Q3 2016
- Investment focused on a number of potential medicines in pivotal trials
- A 12% reduction on Core costs in Q3 2016
- Particular progress in the US business
- >200 basis-point YTD reduction in the ratio to Total Revenue



FY 2016 guidance and capital-allocation guidance



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Q3 late-stage pipeline highlights

Main therapy areas

Oncology

- **Faslodex** - breast cancer (1st line):
Regulatory submission (JP)
- **Lynparza** - ovarian cancer (2nd line):
Positive Phase III trial
- **Tagrisso** - lung cancer:
Regulatory submission, Priority Review Designation (CN)
- **cediranib** - ovarian cancer:
Regulatory submission withdrawal (EU)

Cardiovascular & Metabolic Diseases

- **Brilinta** - CV disease:
-Regulatory approval (JP)
-Phase III PAD¹ trial did not show superiority to clopidogrel
- **Farxiga + Bydureon** - type-2 diabetes:
Positive Phase III trial
- **ZS-9** - hyperkalaemia:
Regulatory re-submission (US)



Respiratory

- **benralizumab** - severe, uncontrolled asthma: 4th positive Phase III efficacy trial (ZONDA)²



Other - Neuroscience

- **AZD3293** - Alzheimer's disease:
Fast Track Designation (US)

1. PAD = Peripheral Artery Disease

2. A total of five Phase III trials have reported: BISE, CALIMA, SIROCCO, GREGALE (safety), ZONDA
Status since the prior results announcement on 28 July 2016



Tagrisso

Strong foundation for industry leadership in EGFRm NSCLC

AURA3 data accepted at World Conference on Lung Cancer (Dec.)

News Release



TAGRISSO MET PRIMARY ENDPOINT IN PHASE III 2ND-LINE LUNG CANCER TRIAL

Tagrisso demonstrated superior progression-free survival compared to standard platinum-based chemotherapy, with a safety profile consistent with previous trials

First randomised trial to evaluate the clinical benefit of an EGFR T790M medicine, and data are consistent with those supporting Tagrisso approvals

18 July 2016



Tagrisso forthcoming news flow

Regulatory decisions

H2 2017
China

Regulatory submissions

Q4 2016
AURA3 (2nd-line T790M) (US, EU)

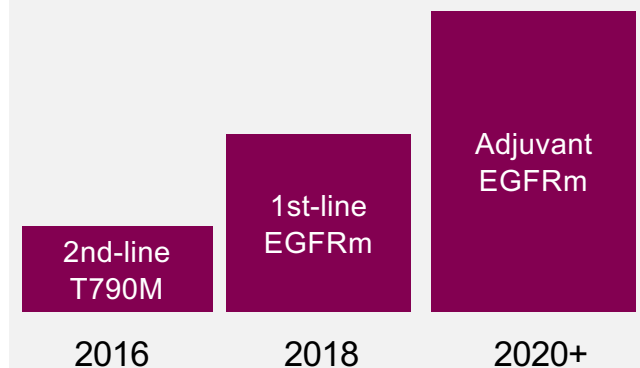
Key data readouts

2017
H1: BLOOM (leptomeningeal disease)
H2: FLAURA (1st line)

2020+
ADAURA (adjuvant)

Foundation for industry leadership in EGFRm NSCLC

Earlier lines of EGFRm NSCLC



Ambition: Tagrisso as standard of care for EGFRm NSCLC



ESMO¹ 2016 take-away messages

Advancement in next-generation Oncology treatments

1

Immuno-Oncology

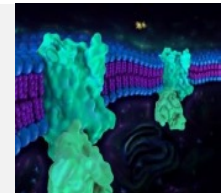
Durvalumab: Study 1108 (NSCLC cohort) show impressive monotherapy efficacy
Durva + next-gen IO²: Combinations with STAT3 / CXCR2 in HNSCC³, other solid tumours
Next-gen IO: Activated OX40 promotes the survival and proliferation of T-cells



2

Faslodex

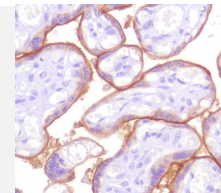
FALCON trial showed efficacy in HR+ 1st-line metastatic breast cancer
Phase II plans to investigate the addition of durvalumab in triple-negative breast cancer



3

PD-L1 diagnostic assays

Comparative analysis of PD-L1 diagnostic assays in ~500 HNSCC tumour samples






1. ESMO = European Society for Medical Oncology
2. IO = Immuno-Oncology
3. HNSCC = Head & Neck Squamous Cell Carcinoma



Immuno-Oncology: AstraZeneca's path to market

Key Phase III data coming soon; H1 2017 key to success

-  = durvalumab
-  = durva + trema
-  = fully recruited

Bladder cancer

DANUBE
1st-line bladder

Lung cancer

MYSTIC
1st line (PFS)

MYSTIC
1st line (OS)

ARCTIC
3rd line PD-L1 neg.

PACIFIC
Stage III unresectable

NEPTUNE
1st line (OS)

Head & Neck cancer

HAWK (Phase II)^{1,2}
2nd line PD-L1 pos.

CONDOR (Phase II)¹
2nd line PD-L1 neg.

KESTREL
1st line

EAGLE
2nd line

Q4 2016

H1 2017

H2 2017

2018

Potential leadership in IO-IO combinations across multiple cancer types

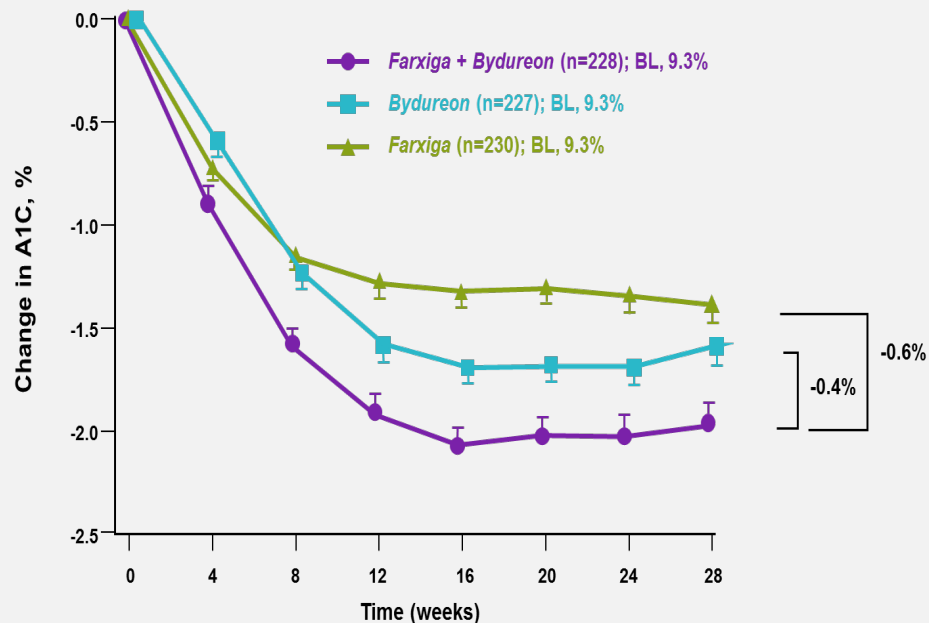
1. Potential fast-to-market opportunity ahead of randomised, controlled trials
2. Internal data availability



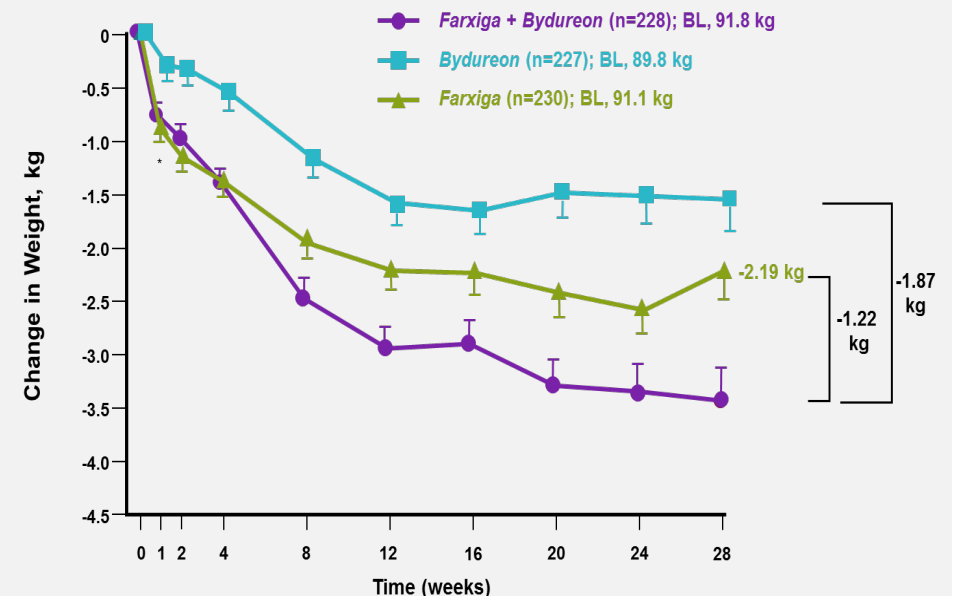
Diabetes franchise

Farxiga primary focus

DURATION-8: *Farxiga* + *Bydureon* significantly lowered blood sugar (A1C) at week 28



DURATION-8: *Farxiga* + *Bydureon* significantly reduced weight from baseline at week 28



Two new Phase III outcomes trials announced: Chronic kidney disease (CKD) and chronic heart failure (CHF)



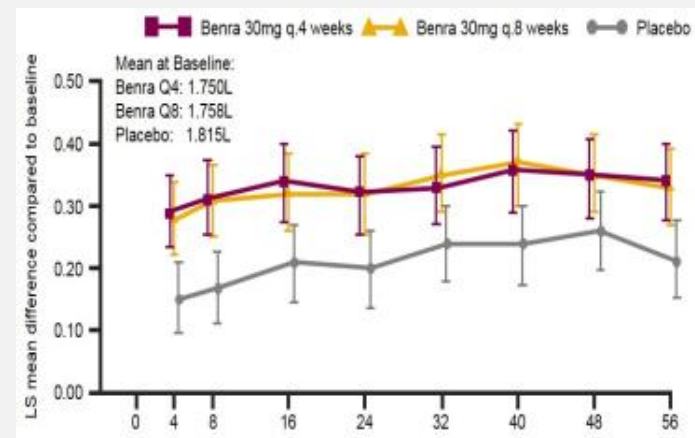
Respiratory biologics

Benralizumab has best-in-disease potential

Benralizumab: Differentiated profile for severe, uncontrolled asthma

- Reduced annual asthma exacerbation rates (up to 51%)
- Reduced corticosteroid use (ZONDA; 4th positive Phase III efficacy trial)¹
- Sustained improvements in lung function
- Improved daily asthma symptoms and quality of life
- Convenient 8-week dosing in pre-filled syringe
- On track for Q4 2016 US/EU regulatory submissions

SIROCCO and CALIMA demonstrated sustained lung-function improvement



Pipeline of first-in-class/disease biologics on track

- **Tralokinumab:** (anti-IL13; mediator in ~50% of severe, uncontrolled asthma cases): **Phase III data readout H2 2017**
- **Tezepelumab²:** (anti-TSLP/epithelial cytokine-targeting): **Phase II data readout H1 2017**

1. A total of five Phase III trials have reported: BISE, CALIMA, SIROCCO, GREGALE (safety), ZONDA

2. In collaboration with Amgen



Pipeline news flow in 2016 & 2017

Realising potential of new medicines

	Q4 2016	H1 2017	H2 2017
Regulatory decisions	-	Faslodex - breast cancer (1st line) (JP) saxa/dapa - type-2 diabetes (US) ZS-9 - hyperkalaemia (US, EU) brodalumab - psoriasis (US, EU)	Tagrisso - lung cancer (CN)
Regulatory submissions	Tagrisso - lung cancer (US, EU) (AURA3) roxadustat - anaemia (CN) benralizumab - severe, uncontrolled asthma (US, EU)	Faslodex - breast cancer (1st line) (US, EU) Lynparza - ovarian cancer (2nd line) durva + treme - head&neck cancer (CONDOR) ¹ (US) acalabrutinib - blood cancer (US) ¹ Bydureon - autoinjector (US) benralizumab - severe, uncontrolled asthma (JP)	Lynparza - breast cancer durvalumab - lung cancer (PACIFIC) (US) durva + treme - lung cancer (MYSTIC) - lung cancer (ARCTIC)
Key Phase III/II* data readouts	-	Lynparza - breast cancer durva + treme - lung cancer (MYSTIC) - lung cancer (ARCTIC) - head & neck cancer (CONDOR) ^{*1} acalabrutinib - blood cancer ^{*1}	Lynparza - ovarian cancer (1st line) Tagrisso - lung cancer (1st line) durvalumab - lung cancer (PACIFIC) durva + treme - head & neck cancer (KESTREL) moxetumomab - leukaemia roxadustat - anaemia ² tralokinumab - severe, uncontrolled asthma

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

2. AstraZeneca-sponsored trial



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Pipeline-driven transformation on track

New AstraZeneca emerging from patent cliff

- Financials on track; unchanged guidance for the year
- 13 new potential medicines in Phase III/under registration
- Oncology progressing ahead of expectations
 - *Tagrisso*
 - Immuno-Oncology
- Busy news flow over next 12 months



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

10 November 2016

