

Cautionary Statement Regarding Forward-Looking Statements



In order to utilise the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, AstraZeneca is providing the following cautionary statement. This presentation contains forward-looking statements with respect to the financial condition, results of operations and businesses of AstraZeneca. By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements. These factors include, among other things, the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; and the risk of environmental liabilities.

AstraZeneca Business Review Day 2006



Infection: Addressing a health care crisis

John H. Rex



Infection: An emerging growth area

We're not entirely new to this area

- Merrem™: An ultra-broad-spectrum IV antibiotic
 - 2005 sales: \$505m

But, we're approaching it now in new ways

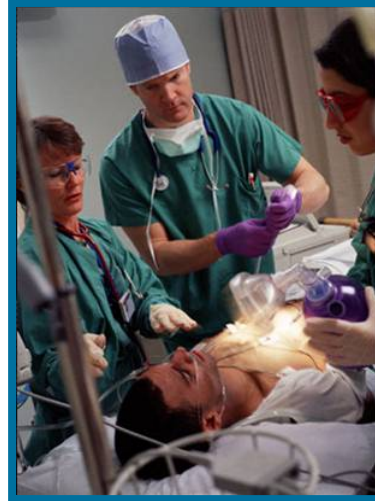
- CytoFab™
 - Late-stage product for sepsis
- AZD1279
 - Novel class oral antibacterial agent for respiratory infections
- Further antibacterial opportunities at preclinical stage
 - Broad-spectrum follow-up to AZD1279
 - Other novel classes
- Preclinical anti-tuberculosis opportunities

AstraZeneca Business Review Day 2006

CytoFab™: A late-stage sepsis opportunity



- A serious medical problem
 - US data: Annually kills as many as colon and lung cancer combined
- Xigris™ is the only licensed sepsis product
 - But, not widely used due to side-effect of severe bleeding
- **Substantial market opportunity**
 - In the United States in 2004,
 - 300,000 cases of severe sepsis
 - Only 25% eligible for Xigris™



AstraZeneca Business Review Day 2006

CytoFab™: A late-stage sepsis opportunity



- AstraZeneca is developing CytoFab™
 - CytoFab™ is a polyclonal ovine (sheep-derived) anti-TNF-alpha antibody fragment for sepsis
- CytoFab™ has the potential to interrupt the core sepsis pathway **caused by all types of infection**
 - The cytokine TNF-alpha is the key driver of sepsis
 - CytoFab™ is more potent than prior anti-TNF-alpha therapies
 - CytoFab™ produces rapid & effective clearance of TNF-alpha
 - **Should be appropriate for all patients with sepsis**

AstraZeneca Business Review Day 2006

CytoFab™: A late-stage sepsis opportunity



- Positive randomised, placebo-controlled Phase 2b data
 - Increased days free of ventilator (5 days more!)
 - Increased days out of ICU (5 days more!)
 - Mortality reduced from 37% to 26%
 - No bleeding risk
- Deal structure
 - A global deal with Protherics, signed December 2005
 - Protherics will manufacture CytoFab™ bulk product
 - AstraZeneca will develop and commercialise
- Phase 3 starts 2007 after manufacturing upgrade
 - The development program is on track for this target

AstraZeneca Business Review Day 2006

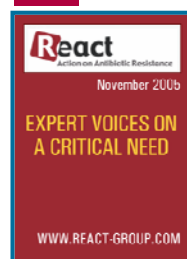
Resistance: The clarion call



US



EU



A public health crisis is brewing

- Resistance is inevitable and progressive
 - MRSA: Sweeping through hospitals
 - Gram-negatives: Lethal in hospital-acquired (nosocomial) pneumonia
 - ... and many others

A pipeline void

- A relatively paucity of new options
- Most products under development are extensions of known classes
- World-wide concern from thought leaders

AstraZeneca Business Review Day 2006

AstraZeneca invested here five years ago



- Goal: Become the leader in novel antibacterial agents
 - This will yield value to society and to the business
- Infection offers a different kind of risk profile
 - **Technical risk:** P1 success → 40%+ chance of registration
 - **Speed:** < Six years for Phase 1 to registration
 - **Sustainability:** A steady stream of novel agents is needed
- Infection offers predictable value
 - **Sales:** Differentiated compounds can grow rapidly
 - Example: Linezolid: \$628m world-wide in year 5
 - **Margin:** Smaller specialist sales force will often suffice

AstraZeneca Business Review Day 2006

Boston discovery: Science at its best!



- **An unprecedented set of tools**
 - Complete genome sequences of target organisms
 - Enhanced corporate compound collection
 - Novel lead generation technology
 - Advanced toxicity screening
- **These tools have rapidly brought multiple opportunities to the Discovery-Development interface**
 - These opportunities are not “me too” classes
 - They are novel structural classes selected for
 - Lack of cross-resistance with current compounds
 - Physical properties that permit flexible dosing

AstraZeneca Business Review Day 2006

Boston discovery: Success is at hand



- AZD1279: First of a new structural class
 - Class shows bactericidal behavior
 - Active **in vitro** where other drugs now show resistance
 - Notable activity against multidrug-resistant *S. pneumoniae*

	MIC90 (µg/ml) for panels of resistant isolates			
	AZD1279	Azithromycin	Levofloxacin	Amoxicillin
<i>S. pneumoniae</i>	0.5	>16	>4	4
<i>H. influenzae</i>	0.5	8	0.01	>64
<i>M. catarrhalis</i>	0.12	< 0.01	0.03	16

- Activity **in vitro** translates readily to **activity in vivo**
 - Prompt multi-log reductions in organism burden

AstraZeneca Business Review Day 2006

Boston discovery: Only the beginning



- AZD1279
 - Oral formulation planned to start into man later this year
 - Pharmacokinetic data will decide whether it progresses
- Whether AZD1279 advances or not, more is coming
 - Compound #2 from the AZD1279 structural class
 - Different spectrum: Broad Gram-positive activity
 - MICs < 0.1 mg/ml for MRSA and Enterococcus
- **And this is just the start:** Example of novel class #2
 - Broad and ultra-broad-spectrum Gram-negative activity
 - Properties that permit oral and IV therapy

AstraZeneca Business Review Day 2006

Bangalore discovery: AZ and TB



- Tuberculosis
 - Silently infects 1/3rd of mankind
 - Kills 2 million per year
 - Resistance is growing: No major new drugs for decades
 - A world-wide effort is underway to change this picture
- AstraZeneca is contributing via Bangalore Discovery
 - An internal unit that is part of our global discovery network
- But, also a collaborative approach
 - AZ is 1 of 4 major partners in the recently awarded EU Framework VI project grant for new TB therapies

AstraZeneca Business Review Day 2006

AZ infection: An emerging area



- Multiple therapies for “Bad Bugs, No Drugs”
 - Merrem™
 - An ultra-broad-spectrum agent
 - Boston Discovery
 - Broad- and ultra-broad-spectrum antibacterial agents
 - CytoFab™
 - Therapy for sepsis due to any infection
 - Tuberculosis
 - Active participation in the global effort to find new drugs
- Goal: Address unmet needs and drive market value

AstraZeneca Business Review Day 2006