Debt Investor Update

USA, 19-23 March 2018
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, expectations, guidance or indications 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 medial platforms and new technology; and the risk of failure of information technology and cybercrime. Nothing in this presentation or any related webcast should be construed as a profit forecast.
Key Messages

A New Phase of Growth - past the patent cliff

An Attractive Pipeline - a busy period of launches and commercial execution

Growth Platforms - underpinned by Emerging Markets and Oncology

Financial Performance - supporting enhanced cash generation
Strategy Update
Strategic priorities

1. Achieve scientific leadership
2. Return to growth
3. Be a great place to work
New Cambridge, UK R&D centre and HQ
Scientific collaborations key driver behind move
R&D productivity: Sustainable progress
A new AstraZeneca with science-based culture

**Scientific publications**
- High-impact publications
- Medium-impact publications
- Other publications

**FDA BTDs granted in AZN’s main therapy areas 2016-2017**

**Sustainable level of potential new medicines in Phase II trials**

Source: Internal analysis. High-impact (rating > 15); medium-impact (rating > 5); other (rating < 5).

Source: Internal analysis based on fosr.org. Includes Breakthrough Therapy Designations (BTD) in the three main AstraZeneca therapy areas.

AstraZeneca (AZN) and industry peers/competitors (CP) 1-7.
Focusing on three therapy areas

Oncology

Cardiovascular & Metabolic Disease

Respiratory
## Nine Pipeline Drivers to Consider

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<thead>
<tr>
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<tbody>
<tr>
<td>Key Phase III data readouts</td>
<td>ovarian cancer 1L - H1 2018</td>
<td>Imfinzi +/- treme - H1 2018</td>
<td>Imfinzi +/- treme - H1 2018</td>
<td>chronic lymphocytic leukaemia - 2019</td>
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<td></td>
<td>pancreatic cancer - H2 2018</td>
<td>lung cancer 3L (ARCTIC)</td>
<td>lung cancer 1L (MYSTIC) (final OS)</td>
<td>ovarian cancer 3L - 2019</td>
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<td></td>
<td>ovarian cancer 3L - 2019</td>
<td>head &amp; neck cancer 1L (KESTREL)</td>
<td>head &amp; neck cancer 2L (EAGLE)</td>
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<td></td>
<td></td>
<td>Imfinzi + treme - lung cancer 1L (NEPTUNE)</td>
<td>Imfinzi - lung cancer (PACIFIC) (final OS*) - 2019</td>
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<td>- H2 2018</td>
<td>- 2019</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Imfinzi +/- treme - 2019</td>
<td>lung cancer 1L (POSEIDON)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- lung cancer 1L (POSEIDON)</td>
<td>small-cell lung cancer (CASPIAN)</td>
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<tr>
<td></td>
<td></td>
<td>- head &amp; neck cancer 1L (KESTREL)</td>
<td>bladder cancer 1L (DANUBE)</td>
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<tr>
<td></td>
<td></td>
<td>- head &amp; neck cancer 2L (EAGLE)</td>
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</tr>
</tbody>
</table>

*Overall Survival
Status as of 2 February 2018.
### Nine Pipeline Drivers to Consider

<table>
<thead>
<tr>
<th>Regulatory decision or submission</th>
<th>roxadustat</th>
<th>ZS-9</th>
</tr>
</thead>
<tbody>
<tr>
<td>submission - type-2 diabetes CVOT* (DECLARE) - 2019</td>
<td>submission - anaemia (US) - H2 2018</td>
<td>decision - hyperkalaemia (US, EU)</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Key Phase III data readouts</th>
<th>type-2 diabetes CVOT* (DECLARE) - H2 2018</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>heart failure - 2019</td>
<td>-</td>
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<table>
<thead>
<tr>
<th>PT010</th>
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<table>
<thead>
<tr>
<th>Regulatory submission</th>
<th>COPD - 2019</th>
<th>COPD - H2 2018</th>
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</table>

<table>
<thead>
<tr>
<th>Key Phase III data readouts</th>
<th>COPD - H2 2018</th>
<th>COPD - H1 2018</th>
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</thead>
</table>

*cardiovascular outcomes trial
Status as of 2 February 2018.
Unlocking and realising the potential of new medicines

## Late-stage pipeline news flow in 2018 and 2019

<table>
<thead>
<tr>
<th>Regulatory decision</th>
<th>H1 2018</th>
<th>H2 2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lynparza</strong> - ovarian cancer 2L (EU)</td>
<td><strong>Lynparza</strong> - breast cancer (JP)</td>
<td><strong>Lynparza</strong> - ovarian cancer 3L (EU)</td>
<td></td>
</tr>
<tr>
<td><strong>Imfinzi</strong> - lung cancer (PACIFIC) (US)</td>
<td><strong>Imfinzi</strong> - lung cancer (PACIFIC) (EU, JP)</td>
<td><strong>Imfinzi</strong> - lung cancer 1L (NEPTUNE)</td>
<td></td>
</tr>
<tr>
<td><strong>ZS-9</strong> - hyperkalaemia (US, EU)</td>
<td><strong>Bydureon autoinjector</strong> - type-2 diabetes (EU)</td>
<td><strong>Bydureon autoinjector</strong> - type-2 diabetes (EU)</td>
<td></td>
</tr>
<tr>
<td><strong>Bevespi</strong> - COPD (EU)</td>
<td><strong>Lynparza</strong> - pancreatic cancer</td>
<td><strong>Lynparza</strong> - ovarian cancer 3L</td>
<td></td>
</tr>
<tr>
<td><strong>Bevespi</strong> - COPD (JP)</td>
<td><strong>Imfinzi +/- trial</strong> - lung cancer 3L (ARCTIC)</td>
<td><strong>Imfinzi +/- trial</strong> - lung cancer 1L (MYSTIC)</td>
<td></td>
</tr>
<tr>
<td><strong>Duaklir</strong> - COPD (US)</td>
<td><strong>Lynparza</strong> - ovarian cancer 1L</td>
<td><strong>Lynparza</strong> - pancreatic cancer</td>
<td></td>
</tr>
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<td><strong>Lynparza</strong> - breast cancer (EU)</td>
<td><strong>Lynparza</strong> - ovarian cancer 1L (NEPTUNE)</td>
<td><strong>Imfinzi +/- trial</strong> - lung cancer 1L (POSEIDON)</td>
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<td><strong>Imfinzi +/- trial</strong> - lung cancer 1L (MYSTIC)</td>
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<td></td>
</tr>
<tr>
<td>- head &amp; neck cancer 2L (EAGLE)</td>
<td>- head &amp; neck cancer 2L (EAGLE)</td>
<td><strong>Brilinta</strong> - CAD2 type-2 diabetes CVOT</td>
<td></td>
</tr>
<tr>
<td><strong>selumetinib</strong> - thyroid cancer</td>
<td><strong>selumetinib</strong> - thyroid cancer</td>
<td><strong>Farxiga</strong> - type-2 diabetes CVOT (DECLARE)</td>
<td></td>
</tr>
<tr>
<td><strong>roxadustat</strong> - anaemia (US)</td>
<td><strong>roxadustat</strong> - anaemia (US)</td>
<td><strong>Fasenra</strong> - COPD</td>
<td></td>
</tr>
<tr>
<td><strong>PT010</strong> - COPD</td>
<td><strong>PT010</strong> - COPD</td>
<td>panifrolumab - lupus</td>
<td></td>
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<tr>
<td><strong>Lynparza</strong> - ovarian cancer 1L</td>
<td><strong>Lynparza</strong> - ovarian cancer 1L (NEPTUNE)</td>
<td><strong>Lynparza</strong> - ovarian cancer 3L</td>
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<td><strong>Imfinzi +/- trial</strong> - lung cancer 1L (MYSTIC)</td>
<td><strong>Imfinzi +/- trial</strong> - lung cancer 1L (POSEIDON)</td>
<td><strong>Lynparza</strong> - lung cancer (PACIFIC) (final OS)</td>
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<tr>
<td><strong>Farxiga</strong> - type-2 diabetes CVOT1 (DECLARE)</td>
<td><strong>Fastigia</strong> - type-2 diabetes CVOT (DECLARE)</td>
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<tr>
<td><strong>Fasenra</strong> - COPD</td>
<td><strong>Fasenra</strong> - COPD</td>
<td><strong>Fasenra</strong> - COPD</td>
<td></td>
</tr>
<tr>
<td>panifrolumab - lupus</td>
<td>panifrolumab - lupus</td>
<td>panifrolumab - lupus</td>
<td></td>
</tr>
</tbody>
</table>

### Key Phase III data readouts

1. Cardiovascular outcomes trial.
2. Coronary artery disease.

Status as of 2 February 2018.

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1. Cardiovascular outcomes trial.
2. Coronary artery disease.

Status as of 2 February 2018.
Product Sales: Improving momentum

Absolute values and change at CER.

US patent losses (Crestor/Nexium/Seroquel)

Other out-of-patent medicines (outside Emerging Markets)

Externalisation

Emerging Markets (established medicines)

Respiratory

Oncology

Brilinta & Diabetes

FY 2012
FY 2013
FY 2014
FY 2015
FY 2016
FY 2017

+6%
FY 2017
(+11% Q4 2017)
Growth across therapy areas and Emerging Markets

<table>
<thead>
<tr>
<th>Product Sales</th>
<th>Q4 2017 $m</th>
<th>% change</th>
<th>% Product Sales</th>
<th>FY 2017 $m</th>
<th>% change</th>
<th>% Product Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oncology</td>
<td>1,120</td>
<td>19</td>
<td>20</td>
<td>4,024</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>New CVMD</td>
<td>1,024</td>
<td>21</td>
<td>19</td>
<td>3,567</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Respiratory</td>
<td>1,334</td>
<td>8</td>
<td>24</td>
<td>4,706</td>
<td>(1)</td>
<td>23</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>1,630</td>
<td>9</td>
<td>30</td>
<td>6,149</td>
<td>8</td>
<td>31</td>
</tr>
</tbody>
</table>

The individual components of Product Sales do not add up due to overlaps in Emerging Markets and the omission of products outside the three main therapy areas. Product Sales values at actual exchange rates; change at CER.
Emerging Markets
China growth accelerated

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

China growth was a highlight; other EMs solid overall

- Mid to high single-digit growth in EMs continued
  - Growth impacted by economic conditions in Russia and parts of LatAm/MEA*

- **Oncology +20%**: Lung cancer $0.4bn; *Iressa* (+8%) and *Tagrisso* launched. Hormone-receptor medicines $0.7bn with *Faslodex* (+18%)

- **New CVMD +23%**: Key medicines continued to grow; *Brilinta* (+21%) and *Forxiga*, largest Diabetes medicine (+73%)

- **Respiratory +13%**: Continued double-digit growth for *Pulmicort* (+23%; 61% of total); *Symbicort* (+10%)

* Latin America and Middle-East & Africa. Change at CER.
Emerging Markets
Geographic platform for growth

US
31% of Product Sales

Europe
24% of Product Sales

Japan
11% of Product Sales

Emerging Markets (ex-China)
16% of Product Sales

Rest of World Established (ex-Japan)
4% of Product Sales

China
15% of Product Sales

2017 Product Sales as reported
2018: Focus on return to growth
Momentum improved during 2017

Significantly-improved momentum
(FY 2010 - Q4 2017 Product Sales growth)

Many opportunities to support growth in 2018

- **Lynparza**: launched tablet launched in breast cancer
- **Tagrisso**: launch in 1st line lung cancer (FLAURA trial)
- **Imfinzi**: launch in Stage III lung cancer (PACIFIC trial)
- **Brilinta**: continued global growth
- **Farxiga**: continued global growth, DECLARE trial
- **Crestor**: loss of exclusivity (EU, JP)
- **Fasenra**: launched in severe, uncontrolled asthma

Low single-digit percentage increase in Product Sales

Change (Product Sales growth) and 2018 guidance at CER.
On track to deliver long-term goals

2012–2014
Building strong foundations

2015–2017
Delivering on return to growth

2018+
Sustainable delivery and growth

>$45bn in 2023

Target is at constant exchange rates (2013) which is equivalent to ~$40bn at today’s exchange rates
Financial Update
## Reported Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 $m</th>
<th>% change</th>
<th>% Total Revenue</th>
<th>Q4 2017 $m</th>
<th>% change</th>
<th>% Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>22,465</td>
<td>(2)</td>
<td>100</td>
<td>5,777</td>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>- Product Sales</td>
<td>20,152</td>
<td>(5)</td>
<td>90</td>
<td>5,487</td>
<td>3</td>
<td>95</td>
</tr>
<tr>
<td>- Externalisation Revenue</td>
<td>2,313</td>
<td>38</td>
<td>10</td>
<td>290</td>
<td>(12)</td>
<td>5</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>79.6%</td>
<td>(1) pp*</td>
<td>-</td>
<td>77.6%</td>
<td>(-) pp</td>
<td>-</td>
</tr>
<tr>
<td>R&amp;D Expenses</td>
<td>5,757</td>
<td>(1)</td>
<td>26</td>
<td>1,551</td>
<td>(2)</td>
<td>27</td>
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<tr>
<td>SG&amp;A Expenses</td>
<td>10,233</td>
<td>10</td>
<td>46</td>
<td>3,078</td>
<td>n/m</td>
<td>53</td>
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<tr>
<td>Other Operating Income</td>
<td>1,830</td>
<td>11</td>
<td>8</td>
<td>848</td>
<td>(25)</td>
<td>15</td>
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<tr>
<td>Tax Rate</td>
<td>-29%</td>
<td>-</td>
<td>-</td>
<td>-210%</td>
<td>-</td>
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<tr>
<td>EPS</td>
<td>$2.37</td>
<td>(15)</td>
<td>$1.03</td>
<td>(24)</td>
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*Percentage points.

Absolute values at actual exchange rates; change at CER.

Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.
## Core Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>FY 2017 $m</th>
<th>% change</th>
<th>% Total Revenue</th>
<th>Q4 2017 $m</th>
<th>% change</th>
<th>% Total Revenue</th>
</tr>
</thead>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>22,465</td>
<td>(2)</td>
<td>100</td>
<td>5,777</td>
<td>2</td>
<td>100</td>
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<tr>
<td>- Product Sales</td>
<td>20,152</td>
<td>(5)</td>
<td>90</td>
<td>5,487</td>
<td>3</td>
<td>95</td>
</tr>
<tr>
<td>- Externalisation Revenue</td>
<td>2,313</td>
<td>38</td>
<td>10</td>
<td>290</td>
<td>(12)</td>
<td>5</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>81.2%</td>
<td>(1) pp</td>
<td>-</td>
<td>79.4%</td>
<td>1 pp</td>
<td>-</td>
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<tr>
<td><strong>R&amp;D Expenses</strong></td>
<td>5,412</td>
<td>(3)</td>
<td>24</td>
<td>1,456</td>
<td>(4)</td>
<td>25</td>
</tr>
<tr>
<td><strong>SG&amp;A Expenses</strong></td>
<td>7,853</td>
<td>(3)</td>
<td>35</td>
<td>2,175</td>
<td>5</td>
<td>38</td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td>1,953</td>
<td>14</td>
<td>9</td>
<td>852</td>
<td>(26)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Tax Rate</strong></td>
<td>14%</td>
<td>-</td>
<td>-</td>
<td>3%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>$4.28</td>
<td>(2)</td>
<td>-</td>
<td>$1.30</td>
<td>13</td>
<td>-</td>
</tr>
</tbody>
</table>

Absolute values at actual exchange rates; change at CER.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.
Ongoing income increasing

Ongoing Externalisation Revenue of $821m in 2017

MRK collaboration benefit
- 2017: $1.85bn; ~$1.25bn in Externalisation Revenue
- Further income in the years to come
  - First approval milestone of $70m in Q1 2018
  - Remaining option payments of $500m in 2018-2019
  - Regular milestones; approval (~1/3) and sales-related (~2/3); mono and combo therapy up to ~$6bn remaining

Key observations

Increasing contribution from Ongoing
Externalisation Revenue, incl. MRK

Absolute values at actual exchange rates.
Continued progress and focus on cost discipline

1. Sales, marketing and medical
2. General and admin

Absolute values at actual exchange rates; change at CER.

Reduction in Core R&D costs: -3% FY 2017

- Core R&D costs
  - FY 2017: Down by 3%
    Investment concentrated in main therapy areas
  - FY 2018: Anticipated to be in the range of a low single-digit percentage decline to stable

Reduction in Core SG&A costs: -3% FY 2017

- Core SG&A costs (split in SMM\(^1\) and G&A\(^2\))
  - FY 2017: Down by 3%
    Investment increasingly in Sales support vs G&A
  - FY 2018: Anticipated to be increase by a low to mid single-digit percentage
2018 Guidance and unchanged capital-allocation priorities

Product Sales
A low single-digit percentage increase

Core EPS
$3.30 to $3.50

Unchanged capital-allocation priorities

- Investment in the business
- Progressive dividend policy
- Strong, investment-grade credit rating
- Immediately earnings-accretive, value-enhancing opportunities

Guidance at CER.
Treasury Update
Improving operating cash flow more than offset by continued investment in the pipeline and dividend payments

### 2017 Net Debt Waterfall

<table>
<thead>
<tr>
<th>Component</th>
<th>Net Debt ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening net debt</td>
<td>(2)</td>
</tr>
<tr>
<td>Acerta Payment</td>
<td></td>
</tr>
<tr>
<td>EBITDA before R&amp;D</td>
<td></td>
</tr>
<tr>
<td>R&amp;D</td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td></td>
</tr>
<tr>
<td>Tax, Interest and Other</td>
<td></td>
</tr>
<tr>
<td>Gain/Disposal of intangibles (net)</td>
<td></td>
</tr>
<tr>
<td>Other capex (net)</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td></td>
</tr>
<tr>
<td>Closing net debt</td>
<td></td>
</tr>
</tbody>
</table>
## Net debt composition

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-17 $m</th>
<th>31-Dec-16 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross debt</td>
<td>(17,807)</td>
<td>(16,808)</td>
</tr>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>3,324</td>
<td>5,018</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,300</td>
<td>898</td>
</tr>
<tr>
<td>Net derivative financial instruments</td>
<td>504</td>
<td>235</td>
</tr>
<tr>
<td>Net debt</td>
<td>(12,679)</td>
<td>(10,657)</td>
</tr>
</tbody>
</table>
Liquidity, debt and rating summary

• Strong liquidity at 31 December 2017
  ➢ Group cash and short term investments of $4.6 billion
  ➢ Undrawn $3 billion committed bank facilities (mature in 2022)

• Access to diverse sources of funding through US and European debt programme, USCP programme

<table>
<thead>
<tr>
<th>Programme</th>
<th>Valid to</th>
<th>Limit</th>
<th>Utilisation as at 31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registered Shelf Programme</td>
<td>Nov-19</td>
<td>Unlimited</td>
<td>USD 12.8bn</td>
</tr>
<tr>
<td>Euro Medium Term Note Programme</td>
<td>Aug-18</td>
<td>USD 5bn</td>
<td>USD 3.9bn</td>
</tr>
<tr>
<td>US Commercial Paper</td>
<td>N/A</td>
<td>USD 15bn</td>
<td>USD 0.2bn</td>
</tr>
</tbody>
</table>

• The Board continues to target a strong, investment-grade credit rating.
• The Company is currently rated as:
  ➢ Moody’s: A3 Negative outlook / P2
  ➢ Standard & Poor’s: BBB+ Stable outlook / A2
Smooth debt maturity profile with 10 year average life

Debt Maturity Profile at 31 December 2017

Weighted average maturity: 10 years

1 FX converted at December 2017 spot rates (USD/EUR 0.8439; USD/GBP 0.7517)
Key Messages

A New Phase of Growth - past the patent cliff

An Attractive Pipeline - a busy period of launches and commercial execution

Growth Platforms - underpinned by Emerging Markets and Oncology

Financial Performance - supporting enhanced cash generation
Debt Investor Update
March 2018
Appendix
### Highlights continued

**News flow continued at high speed in the period**

**Pipeline developments**

<table>
<thead>
<tr>
<th>Category</th>
<th>Drug/Compound</th>
<th>Disease Area</th>
<th>Event(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oncology</strong></td>
<td><em>Faslodex</em></td>
<td>breast cancer (combinations)</td>
<td>Approval (US, EU)</td>
</tr>
<tr>
<td></td>
<td><em>Lynparza</em></td>
<td>ovarian cancer 2L breast cancer</td>
<td>Approval (JP), Priority review (CN), Approval (US)</td>
</tr>
<tr>
<td></td>
<td><em>Tagrisso</em></td>
<td>lung cancer 1L (FLAURA)</td>
<td>Regulatory submission acceptance (US - Priority Review, EU, JP)</td>
</tr>
<tr>
<td><strong>Cardiovascular and Metabolic Diseases</strong></td>
<td><em>Bydureon + insulin</em></td>
<td>type-2 diabetes</td>
<td>Approval (EU)</td>
</tr>
<tr>
<td></td>
<td><em>ZS-9</em></td>
<td>hyperkalaemia</td>
<td>Regulatory submission (US), CHMP positive opinion reiterated (EU)</td>
</tr>
<tr>
<td></td>
<td><em>roxadustat</em></td>
<td>anaemia</td>
<td>Priority review (CN)¹</td>
</tr>
<tr>
<td><strong>Respiratory</strong></td>
<td><em>Fasenra (benralizumab)</em></td>
<td>severe, uncontrolled asthma</td>
<td>Approval (US, EU, JP)</td>
</tr>
<tr>
<td></td>
<td><em>PT010</em></td>
<td>COPD²</td>
<td>Phase III KRONOS trial - most primary endpoints met³</td>
</tr>
<tr>
<td></td>
<td><em>tezepelumab</em></td>
<td>severe, uncontrolled asthma</td>
<td>Phase III programme initiated</td>
</tr>
</tbody>
</table>

1. By partner Fibrogen.
2. Chronic obstructive pulmonary disease.
3. Eight of the nine primary endpoints in the KRONOS trial were met, including two non-inferiority endpoints to qualify PT009, one of the comparators. Status since the previous results announcement on 9 November 2017.
Respiratory

*Symbicort* sustained in a competitive market

**Symbicort** US and Europe market share stable

- **US** -8%
  - *Symbicort* access maintained, but pricing pressure remained despite some improvement in H2 2017
  - Growth in new medicines
    - Daliresp (+25%); Bevespi progressed

- **Europe** -5%
  - Overall stable *Symbicort* volume

- **Emerging Markets** +13%

---

Chart legend: *Symbicort*; *Pulmicort*; Others

Absolute values at actual exchange rates; change at CER.

NBRx = New-to-brand prescriptions.

Source: IQVIA, formally Quintiles IMS Holdings, Inc..
Fasenra: Our first respiratory biologic
Now approved in the US, the EU and Japan

28-51%\textsuperscript{1}
reduction in the annual asthma exacerbation rate versus placebo

116-159\text{mL}\textsuperscript{1}
significant improvement in lung function as measured by forced expiratory volume in one second (FEV\textsubscript{1}) versus placebo

75\textsuperscript{1}
reduction in median OCS\textsuperscript{2} dose from baseline (vs 25% for placebo) and discontinuation of OCS use in 52% of eligible patients

2. Oral corticosteroids
New CVMD

Brilinta and Farxiga each reached >$1bn milestone

**Brilinta**: Blockbuster
US NBRx continued to grow

**Diabetes**: Farxiga blockbuster
Global leadership ongoing

**Commercial focus maintained on the two largest medicines**

**Brilinta** +29%
- Sustained solid growth in all regions

**Farxiga** +28%
- US (+7%) continued growth; stable share in a growing market
- Ex-US (54% of total) Continuous strong growth, e.g. Emerging Markets (+73%), Europe (+28%)
**Japan**

Tagrisso supported the sustained growth; Crestor offset

**Growth ongoing**

+2% Q4; +4% FY

- **Symbicort**
  - In-market growth; sales reduced by tough comparison and partner buying

- **Tagrisso**
  - Continued strong growth; sequential maturation due to 90%+ testing and prescription rate

- **Nexium**
  - Tough comparison; remained market leader in the class

- **Crestor**
  - Decline as a result of 20+ generic competitors

- New approvals: Lynparza and Fasenra

**Key medicines remained volume-share leaders**

**Chart legend:** Other Crestor Nexium Tagrisso Symbicort

Absolute values at actual exchange rates; change at CER.

1. Ryotanki: Regulation in Japan that restricts prescriptions for medicines in their first year on the market to just two weeks.
Oncology
Growth being delivered

- Total Oncology +19%
- 20% of total Product Sales
- *Faslodex* approaching $1bn
- Six new medicines 2014-2020, with four delivered
  - *Lynparza*: Growth accelerating
  - *Tagrisso*: Success in 2L; preparing for 1L
  - *Imfinzi*: Q4 inflection point
  - *Calquence*: Encouraging early uptake

**Oncology Product Sales**

New medicines boosting growth

Absolute values at CER.
The leading PARP inhibitor with revitalised US growth

**Lynparza**

Continued strong growth  
+58% Q4; +35% FY

- **Strong US sales momentum**  
  Europe awaiting new tablet
  - **US +11%, but +74% in Q4**  
    Continued strong growth; launch of tablets and the broad label in OC\(^1\)
  - **Europe +58%**  
    Steady progress in 2L OC; awaiting tablet label
  - **Next commercial milestones**  
    - BC\(^2\) launch in US (ongoing)
    - First launch in Japan; OC (ongoing) followed by BC (H2)
    - Tablets in Europe (H1)

**MRK collaboration update**

- Continued integration of both development and commercial efforts
- Joint US field force being deployed. Other countries to follow

*Chart legend: US European Markets Established Rest of World Absolute values at actual exchange rates.*

1. Ovarian cancer.
2. Breast cancer.
Tagrisso and Imfinzi

Q4: Accelerating growth

- **US** +59%
  Higher testing rates of ~70% underpinned continued growth; preparing for 1st-line launch

- **Europe** +142%
  Testing rates generally below US; France leading, momentum from launches in Italy and Germany

- **Japan**
  Back to sequential growth

- **Emerging Markets**
  China, other launches

**Tagrisso**

68 approvals; 16 awaited

**Imfinzi**

- Product sales $19m; $18m in Q4
- **Current approvals**
  2nd-line bladder cancer: US (3rd in the market), Brazil, Canada, and Israel
- **Next steps**
  Launch in Stage III unresectable lung cancer*

* Imfinzi is not yet approved in lung cancer.
Prudent Treasury Risk Management Policies

The Company operates with a centralised Treasury structure so that key Treasury risks are managed at a Group level.

**Investment policy**
- Security and liquidity
- Financial counterparty limits

**Foreign Exchange Policy**
- Foreign Exchange exposures managed centrally
- Transactional currency exposures substantially hedged

**Interest Rate Policy**
- Level of floating rate debt matched to cash
- Significant portion of financial liabilities at fixed interest rates

**Credit Risk**
- Cash managed centrally
- Derivatives positions fully collateralised

**Liquidity Policy**
- Prudent level of available cash and unutilised credit facilities
- Group funding centrally managed
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