

Full-Year and Q4 2015 Results

4 February 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 media 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

Luke Miels



Finance

Marc Dunoyer



Pipeline

Sean Bohen



Closing

Pascal Soriot



Highlights

- **Total Revenue \$24.7bn, +1%**
 - Growth Platforms: Now 57% of total¹, +11%
- **Core EPS \$4.26, +7%**
 - Underpinned by Core SG&A cost reduction; 2% in FY 2015 and 11% in Q4
- **Pipeline progress continued: Two approvals and two regulatory submissions in Q4**
- **2016 Guidance (CER)**
 - Total Revenue: A low to mid single-digit percent decline
 - Core EPS: A low to mid single-digit percent decline

1. As a percentage of Total Revenue and includes New Oncology as a sixth Growth Platform
Absolute values at actual exchange rates. Growth rates at Constant Exchange Rates (CER)



Strong Q4 pipeline newsflow

Regulatory approvals

- **Zurampic** (lesinurad) - gout (US)
- **Tagrisso** - lung cancer (US, EU)

Regulatory submission acceptances

- **brodalumab** - psoriasis (US, EU)
- **ZS-9** - hyperkalaemia (EU)

Other key developments

- CHMP positive opinions (EU):
 - **Zurampic**, **Brilique** - prior MI (PEGASUS trial), **Tagrisso**

On track to deliver 7-8 potential regulatory submissions for new medicines in 2015-2016

CAZ AVI (CEPH/BLI) serious infections ✓	
cediranib (VEGFR) ovarian cancer (EU) ✓	
selumetinib (MEK) uveal melanoma ✗	
Tagrisso (EGFR) NSCLC 2L T790M ✓	
brodalumab (IL17R) psoriasis ✓	
PT003 (LAMA/LABA) COPD ✓	
2015	
	acalabrutinib (BTK) blood cancer
	tremelimumab (CTLA-4) mesothelioma
	roxadustat (HIF-PHI) anaemia (CN)
	benralizumab (IL-5R) severe asthma
	2016



Leveraging top-line growth down the P&L

	FY 2015 \$m	% change	% Total Revenue	Q4 2015 \$m	% change
Total Revenue	24,708	+1	100	6,399	+2
<i>Of which Growth Platforms</i>	14,003	+11	57	3,588	+11
Core EPS	\$4.26	+7	-	\$0.94	+22

Absolute values at actual exchange rates. Growth rates at CER



Growth Platforms

Luke Miels

EVP, Global Product & Portfolio Strategy, Global Medical Affairs and Corporate Affairs



Strong performance across all areas

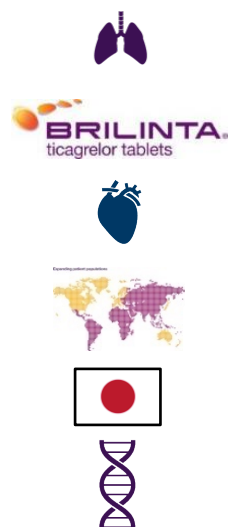
	FY 2015 \$m	% change	% Total Revenue	Q4 2015 \$m	% change
Growth Platforms	13,885	+10	56	3,531	+10
 Respiratory	4,987	+7	-	1,289	+4
 Brilinta/Brilique	619	+44	-	174	+43
 Diabetes	2,224	+26	-	585	+24
 Emerging Markets	5,822	+12	-	1,428	+10
 Japan	2,020	+4	-	541	+8

Absolute values at actual exchange rates. Growth rates at CER



New Oncology further strengthens Growth Platforms

Lynparza, Iressa (US), Tagrisso and future medicines



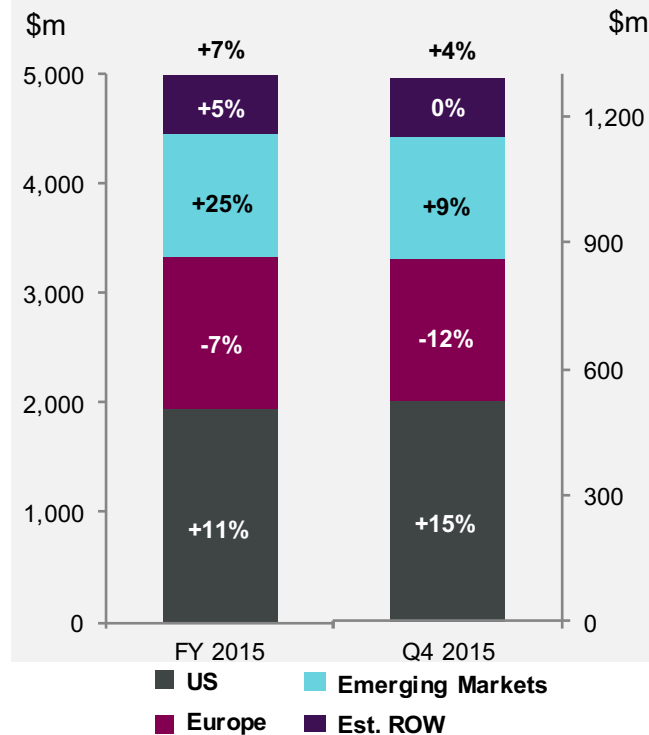
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Emerging Markets	5,822	+12	-	1,428	+10
Japan	2,020	+4	-	541	+8
New Oncology	119	n/m	-	57	n/m

Absolute values at actual exchange rates. Growth rates at CER



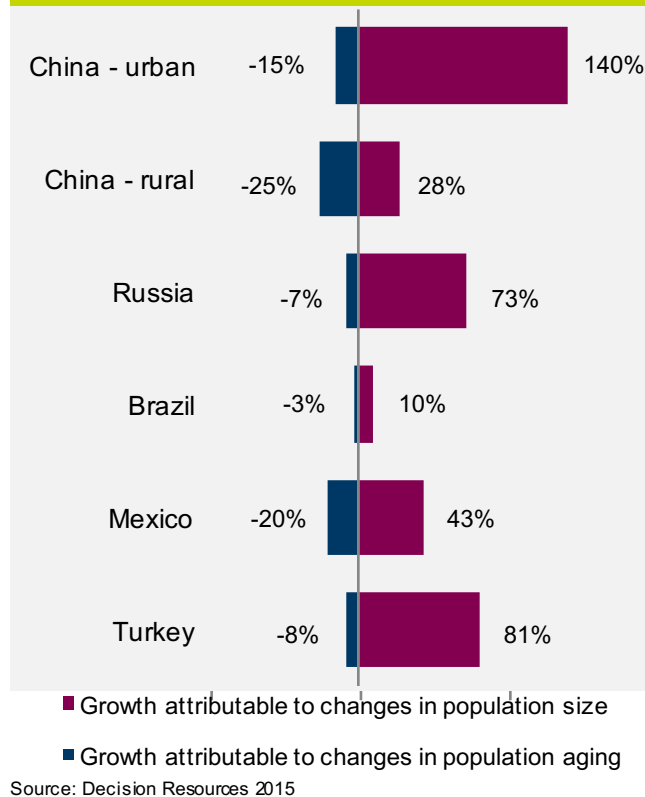
Respiratory: Strength in Emerging Markets

Growth supported by new medicines



Absolute values at actual exchange rates. Growth rates at CER

Expected growth of active diagnosed prevalent asthma cases (2010-2026)



Particular strength in Emerging Markets

US +11%

- *Symbicort* +1%, driven by higher market share within growing market
- *Tudorza* and *Daliresp*: Good uptake

EU (7)%

- *Symbicort* lower due to analogues
- Portfolio enhanced by *Eklira*, *Duaklir* and Takeda transaction from 2016

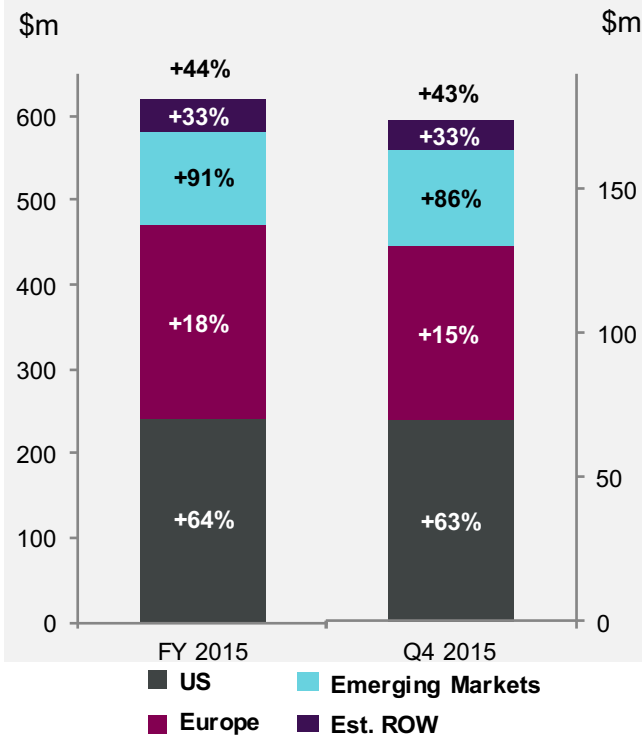
Emerging Markets +25%

- China +38%
- *Pulmicort* strength +35%; China +43%



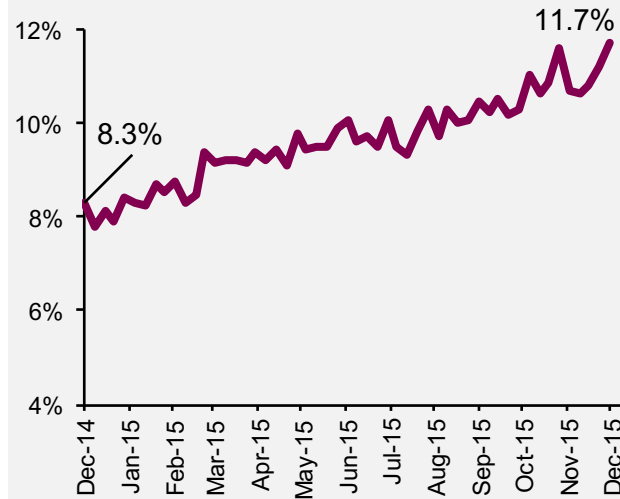
Brilinta/Brilique: Growth in all markets

Consistent growth across markets



Absolute values at actual exchange rates. Growth rates at CER

US oral anti-platelet class market share new-to-brand prescriptions



Source: IMS Health NPA, weekly data to 1 January 2016

Global execution of lifecycle management

US

- Launch of post-MI indication

EU

- CHMP positive opinion
- Indication leadership across EU markets

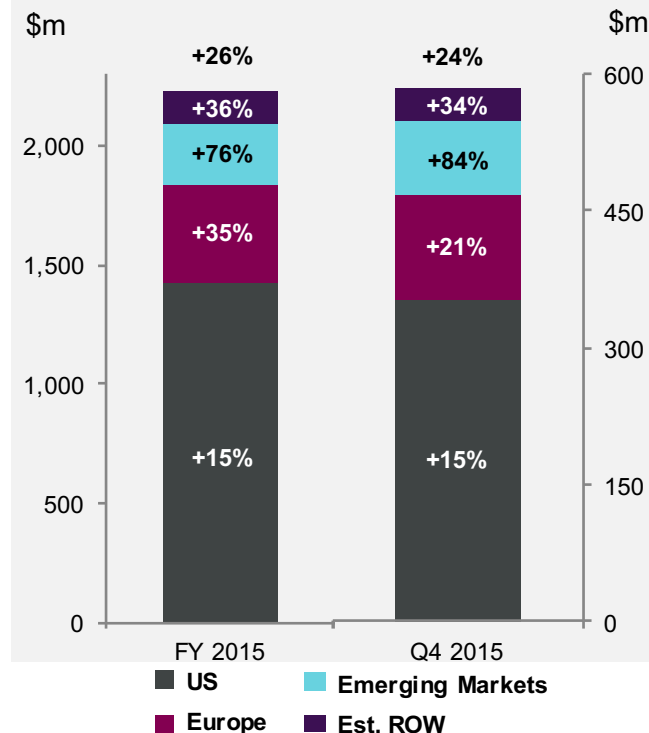
Emerging Markets

- China largest EM market (+160%)



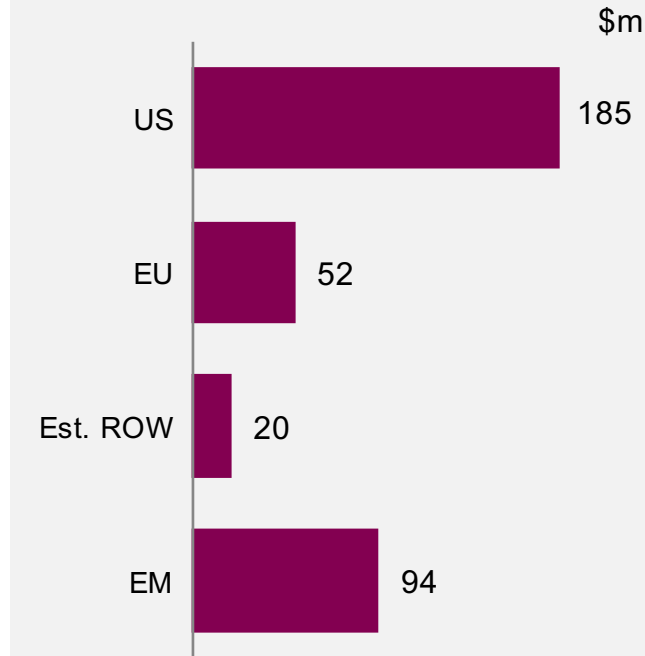
Diabetes: Global franchise growth continues

Quarterly growth continues at >20%



Absolute values at actual exchange rates. Growth rates at CER

Absolute FY 2015 growth of Diabetes franchise by geography



Absolute values at constant exchange rates in bar chart above

Strong growth in all markets

US +15%

- Benefit from full suite of medicines, led by *Farxiga*

EU +35%

- Increasing Diabetes footprint; growth across portfolio

Emerging Markets +76%

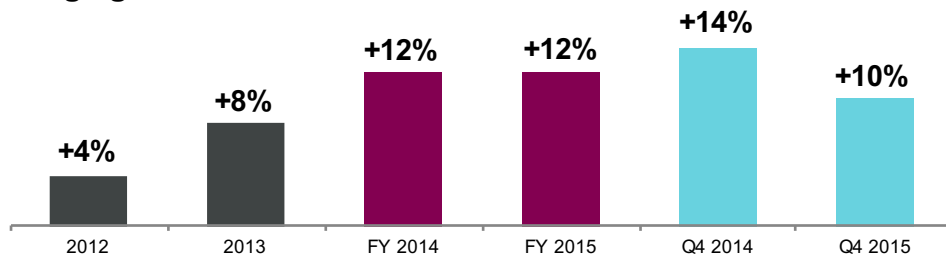
- Strong growth, *Forxiga* launch, *Onglyza* uptick



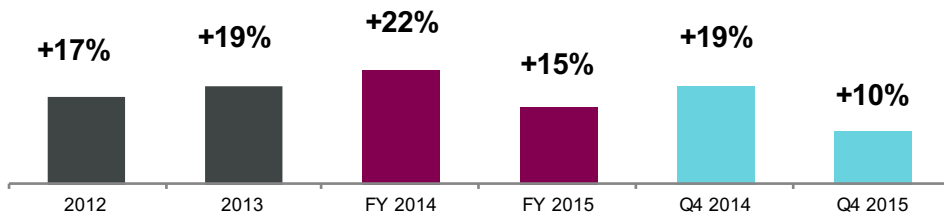
Emerging Markets: Continued high growth

Growth continued at double digits

Emerging Markets



China



Growth rates at CER

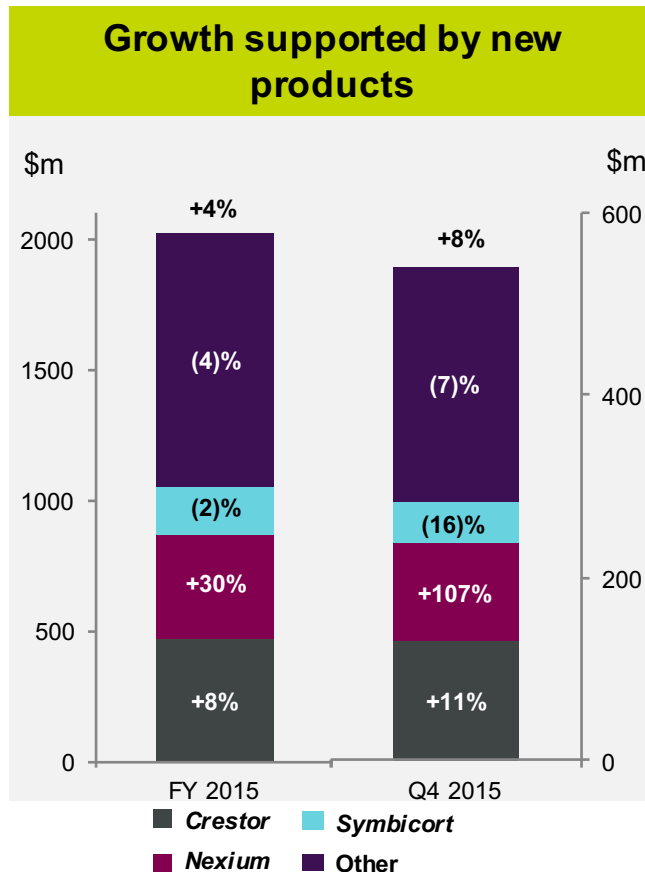
Broad-based performance

- Strong growth driven by established portfolio
- Balanced presence: ~40% China, ~60% ex-China (Brazil +16%, Russia +21%)
- New medicines and pipeline well-positioned for growing patient needs
- Performance currently exceeding long-term targets

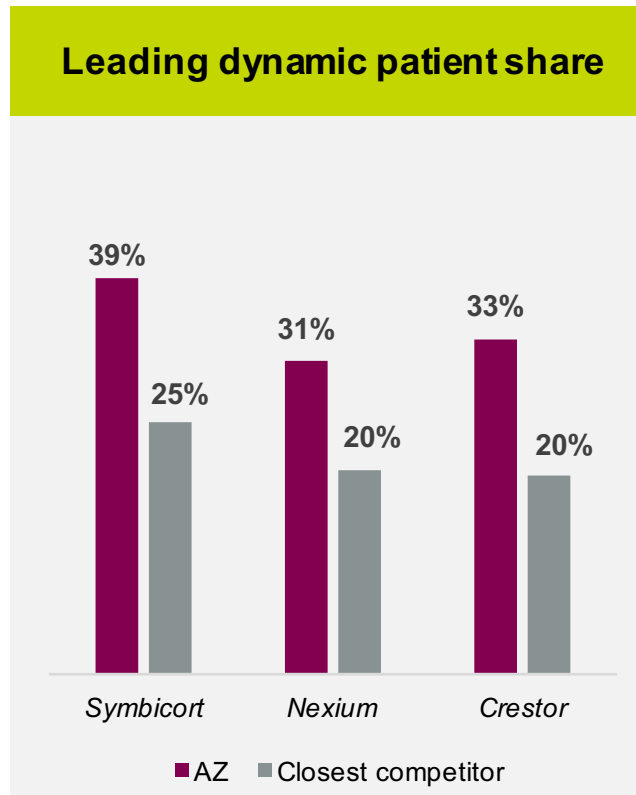
Long-term target: Mid-to-high single-digit growth



Japan: Continued solid growth



Absolute values at actual exchange rates. Growth rates at CER



Source: IMS, November 2015

Established products to be augmented by new opportunities

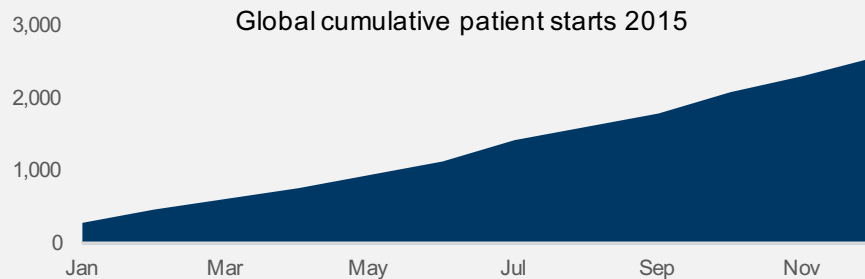
- Strong market share, Product Sales growth from key medicines despite challenging external environment
- *Brilinta* regulatory decision for ACS and post-MI indications expected H1 2016
- *Tagrisso* priority review, regulatory decision expected H1 2016

Long-term target:
Low single-digit growth



New Oncology: Fundamental to future growth

Lynparza (ovarian cancer)

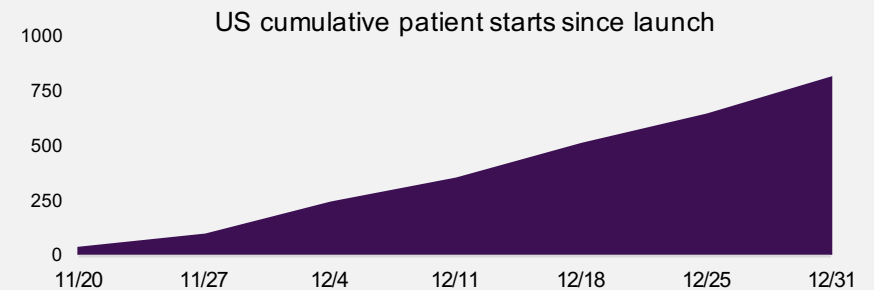


- Global Product Sales \$94M
- Approved in 24 countries, launched in 15



Absolute values at actual exchange rates

Tagrisso (lung cancer)



- Product Sales \$19M (launched 13 November 2015)
- NCCN¹ treatment guideline inclusion one week after approval



1. National Comprehensive Cancer Network;
a US cancer guideline-setting organisation



Finance

Marc Dunoyer
Chief Financial Officer



FY 2015: Finance highlights

- **Total Revenue \$24.7bn, +1%**
 - Growth Platforms: Now 57% of total¹, +11%
- **Core R&D investment underpinned by**
 - Core Gross Margin on Product Sales up by 1% point
 - Core SG&A cost reduction of 2% and 11% in Q4
 - Externalisation Revenue ~\$1b; Other Operating Income ~\$1.5bn
- **Core EPS \$4.26, +7%; +22% in Q4 2015**
- **Commitment to the progressive dividend policy**
 - A second interim dividend of \$1.90 per share
 - An unchanged full-year dividend per share
- **2016 Guidance (CER)**
 - Total Revenue: A low to mid single-digit percent decline
 - Core EPS: A low to mid single-digit percent decline
- **Future capital-allocation priorities outlined**

1. As a percentage of Total Revenue and includes New Oncology as a sixth Growth Platform
Absolute values at actual exchange rates. Growth rates at CER



Profit & Loss

Leveraging top-line resilience

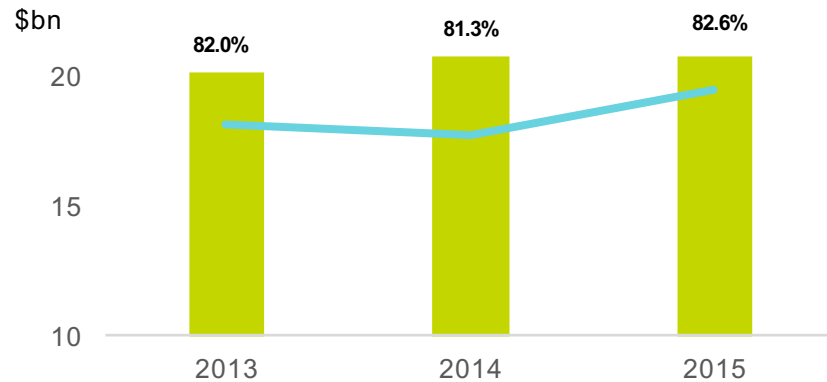
	FY 2015 \$m	% change	% Total Revenue	Q4 2015 \$m	% change
Total Revenue	24,708	+1	100	6,399	+2
Product Sales	23,641	(1)	96	6,207	-
Externalisation Revenue	1,067	+140	4	192	+490
Core Cost of Sales	(4,119)	(6)	17	(1,209)	+3
Core Gross Profit	20,589	+2	83 ¹	5,190	+2
Core R&D	(5,603)	+21	23	(1,567)	+21
Core SG&A	(9,265)	(2)	37	(2,461)	(11)
Core Tax Rate	16%	-	-	14%	3% points
Core EPS	\$4.26	+7		\$0.94	+22

1. Gross Profit as % of Total Revenue reflects Gross Profit derived from Product Sales, divided by Product Sales.
Absolute values at actual exchange rates. Growth rates at CER

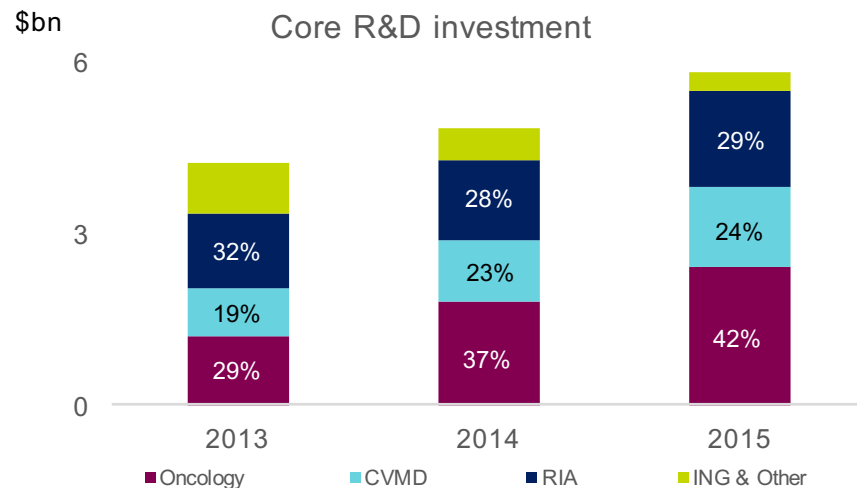


R&D investment underpinned by strong Core Gross Profit

Core Gross Profit & Margin



- Manufacturing efficiencies
- Focus on supply chain
- Evolving mix of Product Sales from pipeline



- Increasing focus on main therapy areas
- Oncology now enjoys the largest share

Up-weighted 2015 investment in R&D

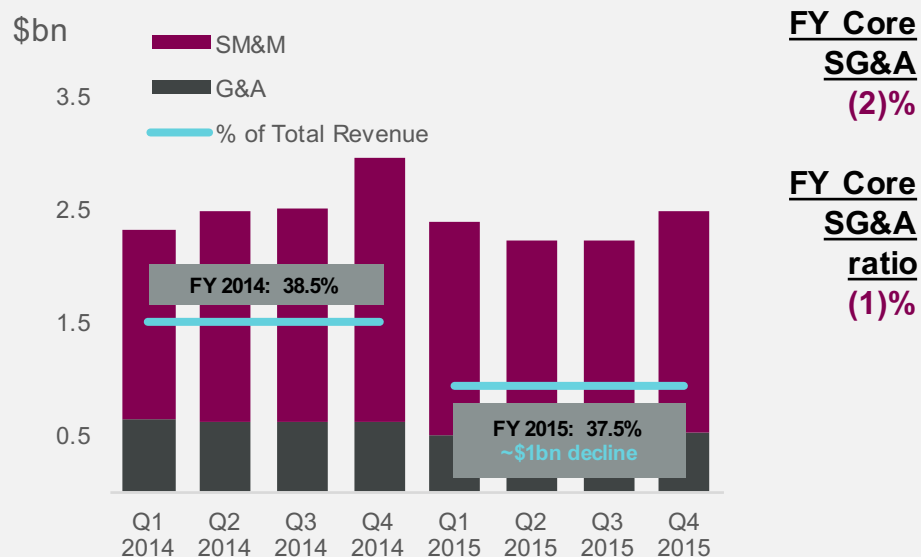
FY 2016 Core R&D costs are expected to be at a similar level to FY 2015 based on constant exchange rates

Absolute values at actual exchange rates. Growth rates at CER. Gross profit and margin here exclude the impact from Externalisation Revenue



Continued focus on Core SG&A reduction

2015 Core SG&A cost reduction delivered



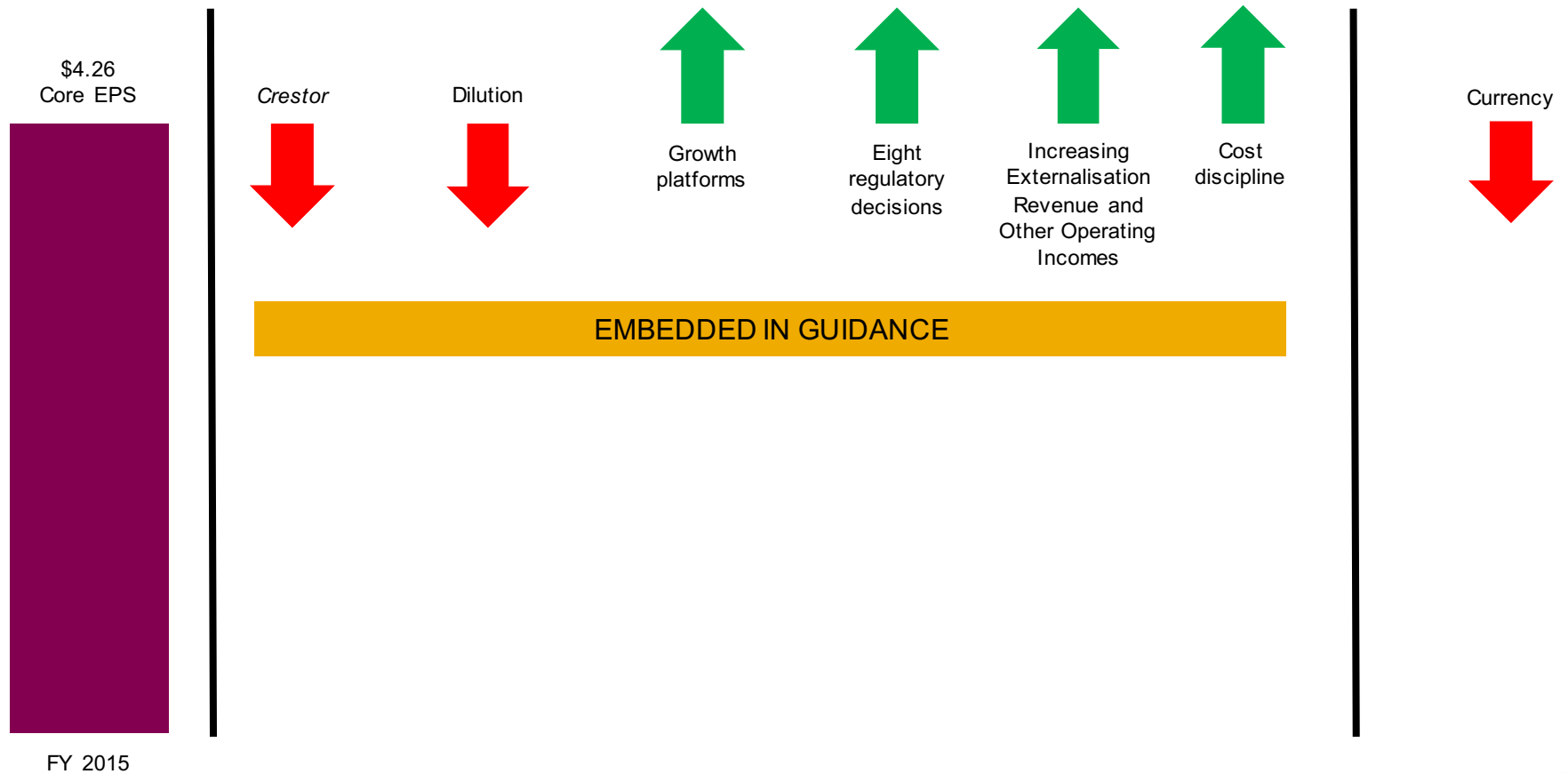
Core SG&A commitment renewed

- The Company is committed to materially reducing Core SG&A costs in FY 2016 based on constant exchange rates
- Productivity programmes and progress
 - reducing third-party spend
 - optimising functions and processes
 - sales and marketing effectiveness

Absolute values at actual exchange rates. Growth rates at CER



A year of challenges and opportunities



FY 2016 guidance & capital-allocation priorities

FY 2016 guidance (CER)

Total Revenue

Low to mid single-digit
percentage decline

Core EPS

Low to mid single-digit
percentage decline

Capital allocation priorities

Investment in
the business

Progressive
dividend
policy

Strong,
investment-
grade credit
rating

Earnings-
accretive
opportunities

Growth rates at CER



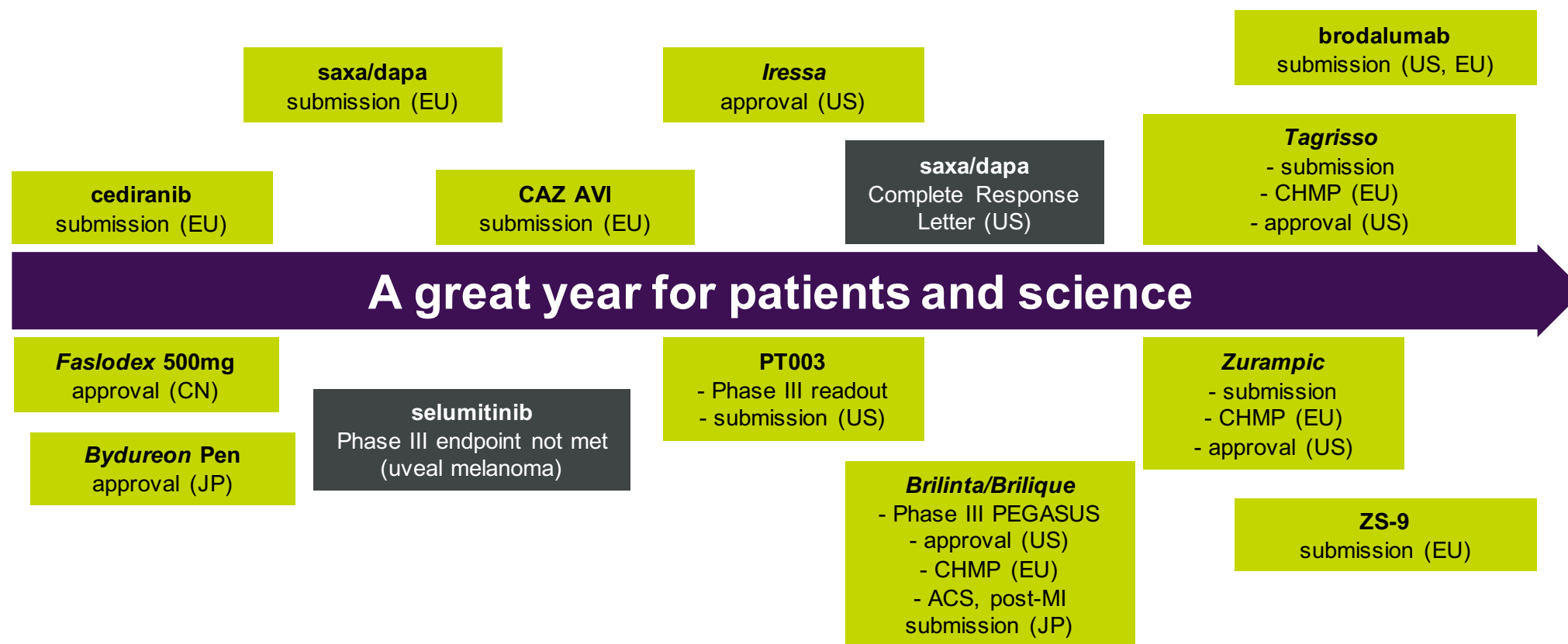
Pipeline

Sean Bohen

EVP, Global Medicines Development & Chief Medical Officer



2015: Delivering the late-stage pipeline



Q4 late-stage pipeline highlights

Respiratory, Inflammation & Autoimmunity (RIA)

- **Symbicort** - asthma: LABA safety trial positive
- **Zurampic** - gout: Approval (US), CHMP positive opinion (EU)
- **brodalumab** - psoriasis: Regulatory submission (US, EU)
- **anifrolumab** - lupus (SLE): Phase II presentation



Cardiovascular & Metabolic Disease (CVMD)

- **Brilique** - prior MI: CHMP positive opinion (EU)
- **ZS-9** - hyperkalaemia: Regulatory submission (EU)
- **saxa/dapa** - new US regulatory submission now expected H1 2016



Oncology

- **Lynparza** - prostate cancer: Breakthrough Therapy (US)
- **Tagrisso** - lung cancer: Approval (US, EU), ADAURA (adjuvant) trial started
- **durvalumab** no reg. submission for monotherapy in PD-L1+ 3L NSCLC
- **durva + treme** trials started: NEPTUNE (1L NSCLC), EAGLE (2L SCCHN), KESTREL (1L SCCHN), DANUBE (1L bladder cancer), ALPS (2L pancreatic cancer)

Status since the prior results announcement on 5 November 2015



2016 key pipeline newsflow

Regulatory decisions

H1 2016

- **Zurampic** - gout (EU)
- **PT003** - COPD (US)
- **ZS-9** - hyperkalaemia (US)
- **Tagrisso** - lung cancer (JP)

H2 2016

- **saxa/dapa** - type-2 diabetes (EU)
- **cediranib** - ovarian cancer (EU)
- **CAZ AVI** - serious infections (EU)

Key regulatory submissions

H1 2016

- **Brilinta/Brilique** - stroke
- **saxa/dapa** - type-2 diabetes (US)

H2 2016

- **benralizumab** - severe asthma (US, EU)
- **roxadustat** - anaemia (CN)¹
- **tremelimumab** - mesothelioma
- **acalabrutinib** - blood cancer (US)

Key data readouts

H1 2016

- **benralizumab** - severe asthma
- **Brilinta/Brilique** - stroke
- **Lynparza** - gastric cancer
- **tremelimumab** - mesothelioma

H2 2016

- **Brilinta/Brilique** - PAD²
- **Lynparza** - ovarian, breast cancers
- **durvalumab** - H&N cancer
- **acalabrutinib** - blood cancer
- **selumetinib** - lung cancer

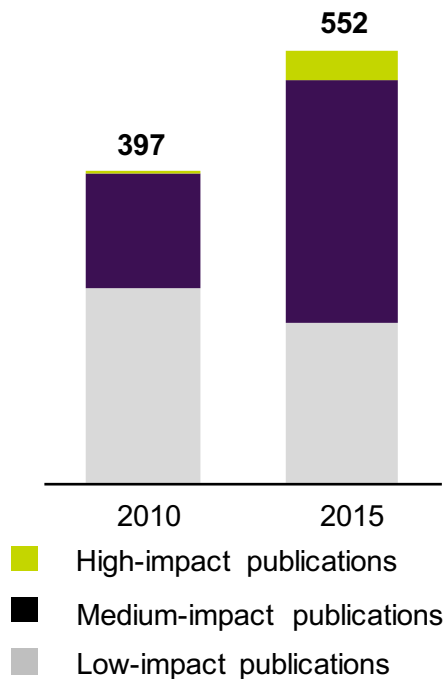
1. Rolling regulatory submission

2. Peripheral Arterial Disease

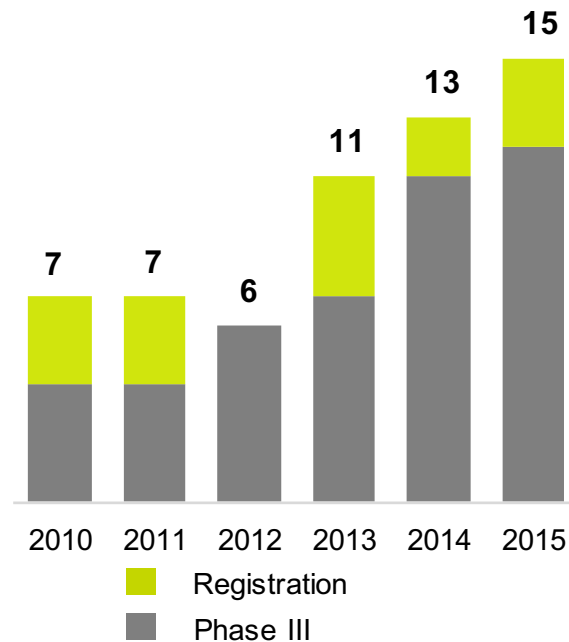


Sustainable R&D productivity

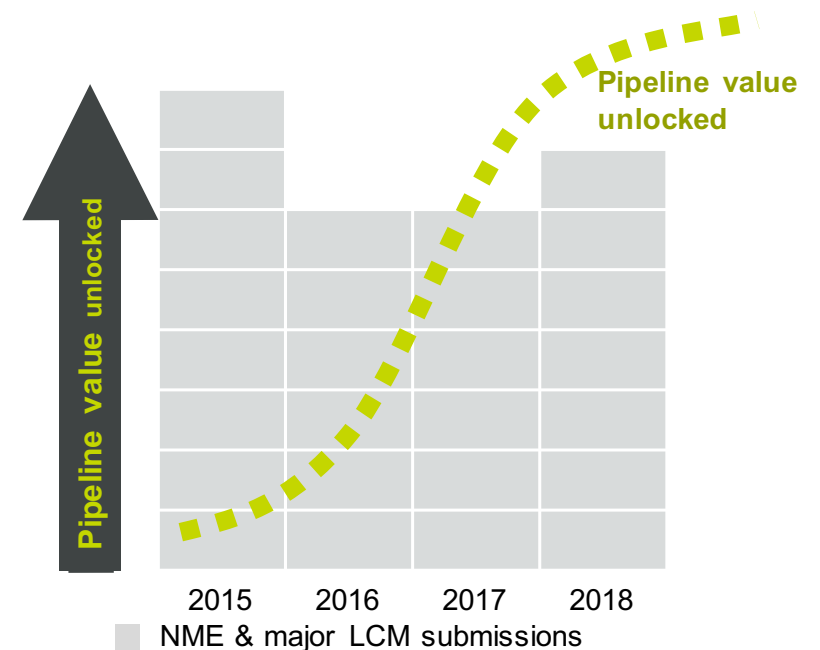
Publications



Phase III / Registration NMEs



Unlocking pipeline value



Delivering sustainable R&D productivity improvements

High-impact (rating > 15); medium-impact (rating > 5);
low-impact (rating < 5)

Reflects Phase III / Registration volumes at year-end

Reflects expected regulatory submissions of key NMEs
and major lifecycle management programmes



Closing

Pascal Soriot

Chief Executive Officer



Highlights

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On track to deliver long-term goals



1. Target is at constant exchange rates (2013) which is equivalent to ~\$40bn at today's exchange rates



Full-Year and Q4 2015 Results

4 February 2016

