

SLIDE 1: Title Slide

Thank you Pascal.

Hello everyone. My name is Briggs Morrison and I'm the Executive Vice President of Global Medicines Development. I joined AstraZeneca a year ago after holding a similar position at Pfizer and various roles in Development at Merck. I am a Medical Oncologist by training.

Today, I would like to provide a brief update on the priorities for R&D at AstraZeneca, on our portfolio – including pipeline movement, 2012 highlights and a late stage update - and the anticipated news flow for 2013.

SLIDE 2: Driving strategic priorities

We've set clear and focused priorities to achieve scientific leadership:

- Progress the pipeline and rebuild the phase III portfolio
- Enhance R&D productivity
- Strengthen our capabilities in translational science and personalised medicine
- Foster a culture of high quality, innovative science

As you will see, our phase I and II pipeline is shaping up and our investment in large molecules is taking effect. We've built good momentum in our portfolio and it's important that we now pull these assets through to the patient.

SLIDE 3: Pipeline movement since 2011

Let's look at our pipeline movement since 2011. It now includes 84 projects, of which 71 are in the clinical phase of development and 13 are either launched, approved or filed.

There are 11 NME projects currently in late stage development, either in phase III or under regulatory review. During 2012, across the portfolio, 39 projects have progressed to their next phase. 12 molecules entered first human testing. 19 projects were discontinued.

SLIDE 4: Phase I-III – small and large molecule

This slide shows a detailed view across phases I, II and III in both small and large molecules. You can see that we have a good balance of small and large molecules today, with the latter making up approximately 45%.

The work we have been doing in the last few years has injected real quality into our pipeline. This is reflected particularly in phases I and II. This bodes well for what we can expect to enter phase III in the coming years, and I'll touch on that later in this presentation.

SLIDE 5: Pipeline progress in 2012

Last year, there was a lot of activity and good progression in our late-stage pipeline.

As Pascal mentioned, we saw, for example, the launches of Zinforo, Forxiga and Komboglyze in Europe; Oxis, Symbicort SMART and COPD in Japan; and phase III starts for brodalumab and CAZ AVI. In Q4, we also had the approval of Brilinta in China, and I'll start with this product as I take a more in-depth look at some of our late-stage assets.

SLIDE 6: Late stage – launch products

BRILINTA continues to make progress in terms of availability around the world, with 88 approvals to date. It is under review in a further 18 countries.

PARTHENON, our life cycle management programme for BRILINTA, has seen continued investment, with over 50,000 patients now enrolled in a range of studies worldwide.

We have completed PHILO, our ACS study in Asia, and plan to submit in Q2 for approval in Japan. Our PEGASUS-TIMI54 study in post MI is also progressing well and on track for filing in 2015.

We recruited the first patient in the EUCLID study in PAD in December. PAD affects 27 million people in Europe and North America and there is currently insufficient evidence on how best to medically manage PAD patients, resulting in substantial healthcare costs. We aim to file in 2016.

We are also investing significantly in global investigator sponsored studies.

In Q4, BRILINTA was added to ACCF/AHA guidelines for the management of patients with STEMI (ST-Elevation Myocardial Infarction). This brings to 11, the number of global guidelines that include Brilinta as part of the standard of care.

In November, the European Commission approved **FORXIGA** for the treatment of type 2 diabetes in the European Union. FORXIGA is the first SGLT2 inhibitor in the world to gain regulatory approval. It provides physicians with a completely new option to help improve glycaemic control along with the additional benefits of weight loss and blood pressure reduction. We have now launched in the UK, Germany and Denmark. We also received Therapeutic Goods Administration approval for FORXIGA in Australia.

We have had constructive discussions with the FDA about the FORXIGA NDA. We will be providing additional data from ongoing studies and expect to re-submit the NDA in mid-2013. Assuming a standard six month review by the FDA, we anticipate a response before the end of 2013.

We are excited about the future of the dapagliflozin franchise and have submitted a marketing authorisation application in Europe for dapa/met immediate-release fixed dose combination in Q4 2012. We expect to begin enrolment in DECLARE, a cardiovascular outcomes study, in Q2 this year.

For **Onglyza**, the SAVOR-TIMI 53 trial is fully recruited and follow-up is ongoing. The study complies with new FDA type 2 diabetes mellitus guidance regarding long-term cardiovascular risk. As the trial progressed, we recruited patients more quickly than originally anticipated. Our enrollment target was increased from 12,000 patients to 16,500. This increased sample size allowed us to accrue events more rapidly thus leading to completion earlier than planned.

AstraZeneca and our partner Bristol-Myers Squibb plan to submit data from the SAVOR trial to the FDA and other health authorities during the second half of 2013, two years ahead of schedule.

In June, **Symbicort** SMART was approved and launched in Japan. The COPD indication was approved in August and launched in September.

PATHOS, our real-world study of the impact of different COPD management strategies on outcomes for patients was shared at ERS. Examining 19,000 patient years of data, this is the largest and longest real world study to compare the effectiveness and safety of budesonide/formoterol and fluticasone/salmeterol in patients with moderate to severe COPD.

Specific to the US, the next step for Symbicort will be preparing the submission for the Breath Actuated Inhaler (BAI) – which is on track for a 2014 filing.

SLIDE 7: Late stage – phase III

I'd also like to talk about some of the assets that are in phase III.

For **naloxegol**, the phase III KODIAC studies are progressing well. KODIAC is designed to investigate the safety and efficacy of naloxegol as a medicine to relieve constipation, which is a side effect of prescription opioid use for chronic pain management.

We announced top-line results from two pivotal phase III trials (KODIAC-04 and KODIAC-05) and one safety extension trial (KODIAC-07) in patients with non-cancer related pain and OIC in November 2012. More phase III data from KODIAC-04 and -05 will be presented at the DDW conference in May.

Enrollment in KODIAC-08, a long term safety trial, is complete and high level results will report this quarter. We remain on track for regulatory submissions in the US, Europe and Canada in mid-2013, pending AstraZeneca's full analysis of the results from all four trials and a pre-NDA meeting with the FDA.

CAZ AVI is an innovative combination of an established antibiotic ceftazidime with a novel inhibitor of bacterial resistance avibactam. CAZ AVI aims to treat hospitalised patients with complicated intra-abdominal infections, complicated urinary tract infections, and hospital acquired pneumonia. We enrolled our first patient for the phase III study in 2012.

Brodalumab, the anti-IL-17 receptor monoclonal antibody we are developing in collaboration with Amgen, is being investigated for the treatment of psoriasis. Phase III was initiated in Q3. A psoriatic arthritis phase II study has also completed and data analysis is underway.

Fostamatinib is the first oral kinase inhibitor with selectivity for spleen tyrosine kinase in development for rheumatoid arthritis. Our phase III OSKIRA programme is on track to report in Q2, with anticipated filings in the US and EU in Q4.

Our acquisition of Ardea last year brought the phase III asset **lesinurad** into our portfolio. Lesinurad is a selective uric acid re-absorption inhibitor (SURI) that primarily targets the URAT1 and OAT4 transporters in the proximal tubule cells of the kidney regulating uric acid excretion from the body.

Lesinurad is being developed as an oral, once-daily chronic treatment for gout. It's being studied in an ongoing phase III programme including as an add-on treatment to allopurinol in patients not reaching target serum uric acid levels on allopurinol alone. Due to its complementary mechanism of action and tolerability profile, it has the potential to fundamentally change the treatment of gout by helping the majority of uncontrolled patients achieve serum uric acid targets less than 6mg/dL.

We are targeting regulatory submissions in the US and EU in 2014.

SLIDE 8: What's ahead – potential NME phase III starts 2013/14

In 2013, there are five programmes that could potentially progress to, and start, phase III. In 2014, there are an additional 11 programmes. Not all of these will make it, but this figure reflects the phase I and II progress I mentioned earlier: our consistent focus on phase I and II quality increases the chances of successful phase III starts in the long term.

SLIDE 9: Expected news flow highlights 2013

This year, as well as the upcoming phase III starts, there are many more milestones anticipated: further phase III results for fostamatinib and naloxegol; several submissions, including Brilinta in Japan, and Forxiga in Japan and China; and the launch of the FluMist Quadrivalent flu vaccine in the US – to name just a few expected developments.

SLIDE 10: Conclusion – driving strategic priorities

As you can see, our focus on quality, the innovative science in our labs and the enhancements to our approach are beginning to play out. Continuing this momentum over the next few years will, I believe, result in a significant increase in our phase III new molecular entities in the pipeline by 2016.

I will speak more about additional opportunities we are creating within our pipeline at our Capital Markets day in New York in March.

Thank you.

-ENDS-