Slide 1: Title slide (AZ/BMS Diabetes alliance)

Slide 2: Cautionary Statement

[Safe harbour announcement]

Slide 3: Title slide

Thank you Nicklas, and good morning everyone. Thanks for joining us on today’s call which will discuss the very exciting news of our expanded diabetes alliance with Bristol-Myers Squibb that furthers our ambitions to become global leaders in the field of diabetes.

Slide 4: Strategic focus on diabetes

Diabetes is an important strategic focus for AstraZeneca. It is a disease of epidemic scale. Affecting 366 million people globally in 2011…of which 90-95% is Type 2. This number is expected to grow to over 550 million by 2030, driven, in part, by the growing incidence in Emerging Markets with the westernisation of dietary habits.

It is responsible for 4.6 million deaths last year alone, and consumes nearly half a trillion dollars in healthcare expenditures per annum with drug spend in the G7 alone amounting to nearly $25 billion.

Innovative drugs like DPP4’s and GLP-1 are moving up in the treatment paradigm based on new treatment guidelines.

Slide 5: Overview of Existing Collaboration

As a brief reminder and a some context for those who may have followed us from a distance, AstraZeneca and Bristol-Myers established a collaboration back in January 2007 to research, develop and commercialise novel drugs for Type 2 diabetes. It has been a strong partnership, reflecting our shared vision dedicated to global patient care and improving patient outcomes.

Our current portfolio includes Onglyza, one of the new class of oral diabetes medicines known as DPP-4 inhibitors…and Kombiglyze XR, a combination product containing Onglyza and extended release metformin. These products generated global sales of $473 million in 2011.

The other product in the portfolio is Forxiga—a novel first in class SGLT2 inhibitor, which is currently awaiting approval in the European Union following a positive recommendation from the CHMP in April of this year.

Slide 6: Diabetes Alliance now expanded

Late Friday US time we announced an exciting expansion of our alliance. Our collaboration partner, BMS will acquire Amylin Pharmaceuticals for $31 per share. Including Amylin’s net debt and its contractual payment obligation to Eli Lilly, this places the estimated total transaction value at around $7 billion.

We looked at a number of different transaction structures, but in the end we concluded that a deal structure with Bristol-Myers executing the overall acquisition of Amylin maximised speed and efficiency.
Following completion of BMS’s acquisition of Amylin, we will enter into collaboration arrangements for the development and commercialisation of Amylin’s portfolio of products, based on the framework of our existing alliance.

We will pay Bristol-Myers Squibb approximately $3.4 billion. Together, we will develop and market these products on a global basis, and profits and losses will be shared equally.

In addition, AstraZeneca has the option, exercisable at our own discretion, to establish equal governance rights over key strategic and financial decisions regarding the collaboration, upon payment of an additional $135 million.

**Slide 7: Strategic rationale**

We believe this collaboration presents a compelling strategic proposition.

It creatively builds on our long-standing successful collaboration in diabetes, with the benefits of sharing capital costs, risks and rewards.

Amylin’s products are highly complementary to our current portfolio and will create a comprehensive diabetes disease management platform to offer the market.

It adds immediate in-market revenues from two approved and marketed products for Type 2 diabetes, which along with a promising life-cycle management pipeline including delivery devices and formulation improvements, provides our collaboration with entrance to the fast-growing GLP-1 market, which we think has considerable growth potential. For example, according to Decision Resources they forecast the GLP-1 market to grow from $1.5 billion to $8 billion in the G7 markets by the year 2020.

GLP-1 agonists are injectable medicines that mimic several of the actions of the body’s own naturally occurring hormone called GLP-1, which stimulates insulin release from the pancreas.

This collaboration leverages the combined development, regulatory and commercial strengths of AstraZeneca and Bristol-Myers Squibb to maximise the potential of Amylin’s portfolio on a global scale.

**Slide 8: Amylin Pharmaceuticals Profile**

Here is a brief snapshot of Amylin.

Amylin Pharmaceuticals is a US Biopharmaceutical company based in San Diego, California.

They market two first-in-class medicines to treat diabetes: Byetta (exenatide), the first GLP-1, and Symlin—an analogue of the human hormone amylin—which is used in combination with mealtime insulin to improve glucose control.

The newest addition to their portfolio is Bydureon…the first and only once-weekly GLP-1 to be made available—which has now been approved in 33 markets and launched in 14 markets—largely focused on the US to date.

Amylin has around 1300 employees, and deploys a sales and marketing force of around 650 Diabetes specialist representatives.

They recorded revenues of $651 million in 2011.

They also have a state-of-the-art sterile production facility in Ohio.
Slide 9: Amylin’s Diabetes franchise

This slide shows the depth of Amylin’s portfolio, the main point is to highlight that there is a substantial lifecycle management programme behind Bydureon—including a dual chamber pen, a weekly suspension formulation that doesn’t require reconstitution, and a monthly suspension.

There is also an orphan drug that has been filed with the FDA called Metreleptin, to treat rare forms of lipodystrophy.

Slide 10: Enhancement of Existing Alliance

When placed within the Alliance portfolio, we will be the first to offer products in the 3 newest classes of diabetes treatments: DPP4, SGL-2 and now GLP-1—a comprehensive portfolio of treatments—from the earliest stages of the disease when oral therapies are the mainstay—across the spectrum of disease progression when combinations of oral drugs and initiation of injectable therapies are warranted.

Slide 11: Driving value for AZ shareholders

We believe this unique collaboration has the potential to drive significant value for AstraZeneca shareholders in excess of our cost of capital.

We valued Amylin using discounted cash flows. We and Bristol-Myers Squibb independently valued the opportunity and assets, and our views were very closely aligned.

We see significant revenue potential for the GLP portfolio in our hands, whereas consensus expectations likely reflect performance expectations for the exenatide franchise on an Amylin stand-alone basis and in the context of the unwinding of the relationship with their previous partner.

We are excited about the potential for GLP-1’s growth and their potential to achieve further penetration of the diabetes market.

We believe Bydureon is an exciting asset…the first once-weekly GLP-1 regimen, which we estimate has a 2 year head-start compared to the competition.

This exenatide franchise has significant scope to add value through Life Cycle management opportunities through delivery devices and formulations, including the development of a once monthly formulation.

And we believe that we can leverage Amylin’s presence with US Endocrinologists to the benefit of the current alliance portfolio.

Simply put, we believe that leveraging the combined development, regulatory and commercial strengths of the AstraZeneca and Bristol-Myers Squibb alliance will accelerate the sales potential of Amylin’s exenatide franchise, both in the US and in the Rest of World, in addition to its pipeline assets.

There is also scope for cost and operational synergies in addition to some tax synergies, which arise in two parts: firstly through use of Amylin’s net operating losses worth approximately $1.5 billion and amortisation of our $3.4 billion payment to Amylin; and secondly, the inclusion of the expanded collaboration with Amylin within our network and organisation will result in a lower tax rate for our share of their business than would be the case for Amylin as a stand-alone company.
Let me conclude my formal remarks with a word on financing and guidance from the AstraZeneca perspective.

We plan to finance our approximately $3.4 billion participation from existing cash resources and credit facilities.

With closing of the acquisition of Amylin by Bristol-Myers Squibb anticipated in the third quarter, we are making no change to our Core EPS guidance for full year 2012.

We reaffirm our commitment to our progressive dividend policy.

Our guidance is unchanged for 2012 net share repurchases of up to $4.5 billion, subject to market conditions and business needs.

The expansion of our collaboration will result in dilution to 2012 and 2013 earnings, post amortisation, in the range of high single digits to low-double digits cents per share. The corresponding pre amortisation impact is in the low single digits cents per share. Both measures become accretive from 2014, with meaningful accretion projected thereafter.

In summary, we are very excited about this creative opportunity to expand our already successful collaboration with Bristol-Myers Squibb by bringing in the very attractive Amylin portfolio, once Bristol completes their transaction.

With the current on-market products and associated line extensions, we believe that our collaboration can maximise the value of those assets in the marketplace, while offering a comprehensive disease management platform, on a truly global scale, that can make a real difference for patients with diabetes.

And it is value-creating for AstraZeneca shareholders.

And with that, we will take your questions.