

Q1 Results 2012

David Brennan, CEO



Q1 2012

- First quarter results reflect challenging revenue picture
- Pipeline strengthened by:
 - Amgen collaboration on 5 clinical stage projects in inflammation
 - Agreement to acquire Ardea Biosciences Inc adds Phase III asset for treatment of gout
 - FORXIGA™: positive recommendation for approval in EU by CHMP
- Revenue performance reflects loss of exclusivity on several brands and challenging market conditions
 - Delivery on restructuring
 - Disciplined management of operating costs
 - Lower tax rate
- Core EPS target for full year lowered to range of \$5.85 to \$6.15



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Simon Lowth, Chief Financial Officer



Headline results Q1 2012

	2012 \$m	2011 \$m	Actual growth	CER growth
Revenue	7,349	8,292	-11%	-11%
Core Operating Profit	2,997	3,678	-19%	-18%
Core EPS	\$1.81	\$ 2.23	-19%	-19%
Restructuring	(\$0.44)	(\$0.07)		
Merck & MedImmune amortisation	(\$0.09)	(\$0.08)		
Intangible impairments	--	--		
Legal provisions	(\$0.00)*	--		
Reported EPS	\$1.28	\$ 2.08	-38%	-39%

* Legal provision in the quarter was \$4 million, which does not round up to 1 cent per share



Regional revenue performance Q1 2012

	2012 \$m	CER growth	CER \$m	
Global Revenue	7,349	-11%	(918)	LOE -8pts; Astra Tech -1.7pts Gov't interventions \$370m
US	2,920	-12%	(384)	<i>Seroquel IR</i> returns provision \$223m
Western Europe	1,775	-19%	(427)	<i>Nexium, Arimidex, Merrem</i> generics
Established ROW	1,238	-9%	(119)	
Japan	598	-10%	(62)	Biennial price reduction/phasing
Canada	377	-8%	(35)	<i>Nexium & Atacand</i> generics
Other Established ROW	263	-8%	(22)	
Emerging Markets	1,416	+1%	12	
Emerging Europe	294	-2%	(5)	Turkey (gov't interventions)
China	380	+13%	42	
Emerging Asia Pacific	233	-2%	(6)	
Other Emerging ROW	509	-3%	(19)	Brazil (<i>Crestor/Seroquel IR</i> generics) Mexico



Brand revenue performance Q1 2012

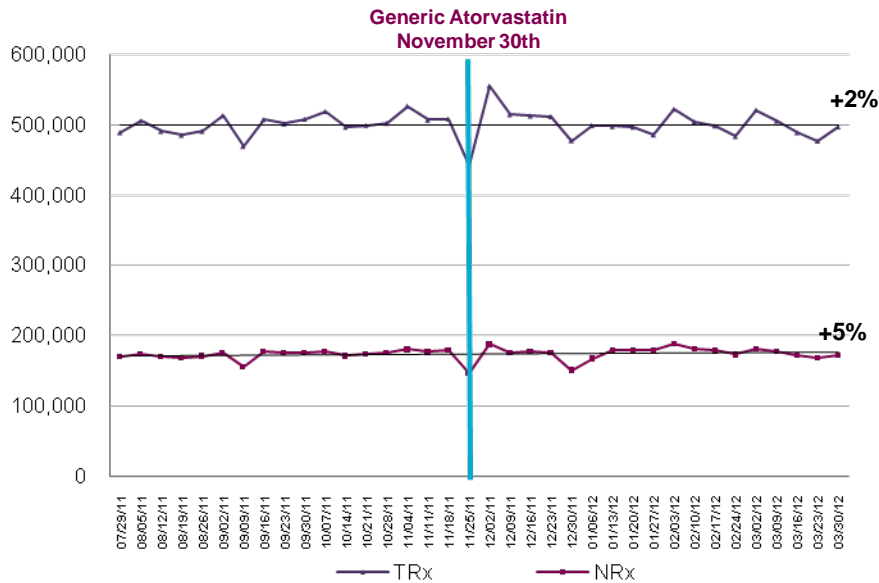
	2012 \$m	CER growth	CER \$m
Global Revenue	7,349	-11%	(918)
<i>Crestor</i>	1,500	+2%	26
<i>Symbicort</i>	723	-3%	(19)
<i>Seroquel XR</i>	384	+14%	49
ONGLYZA™	72	+106%	37
<i>Nexium</i>	953	-18%	(204)
<i>Seroquel IR</i>	754	-25%	(252)
<i>Seloken/Toprol-XL</i>	224	-8%	(19)
<i>Arimidex</i>	144	-39%	(90)
<i>Merrem</i>	100	-40%	(69)



Crestor: US performance

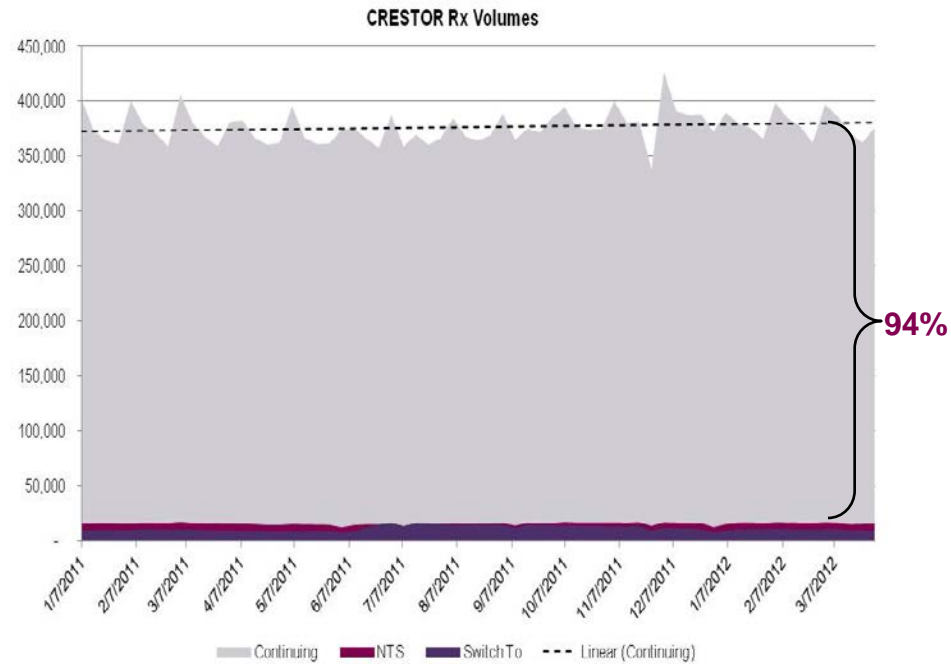
TRx growth slightly ahead of market post atorvastatin

In 18 wks post atorvastatin: Crestor TRx's +2% vs Prior Yr



Source: IMS NPA (TRx), Data Week ending 03/30/12

Crestor Continuing Therapy Rx's stable (94% of Total volume)



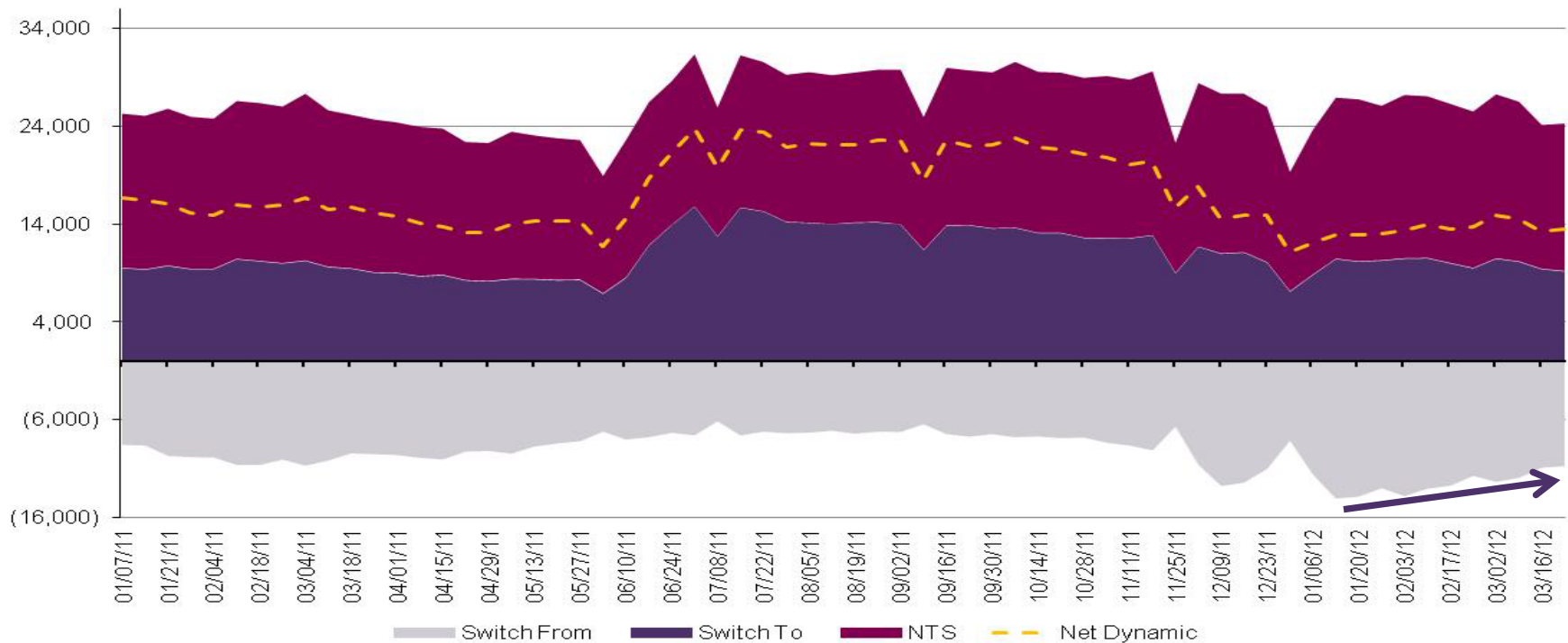
Source: IMS NPA, Data Week ending 03/30/12



Crestor: US

Steady *New to therapy (NTS)* and *Switch To* volume...
and *Switch From* trending favourably

Crestor Dynamic Volumes

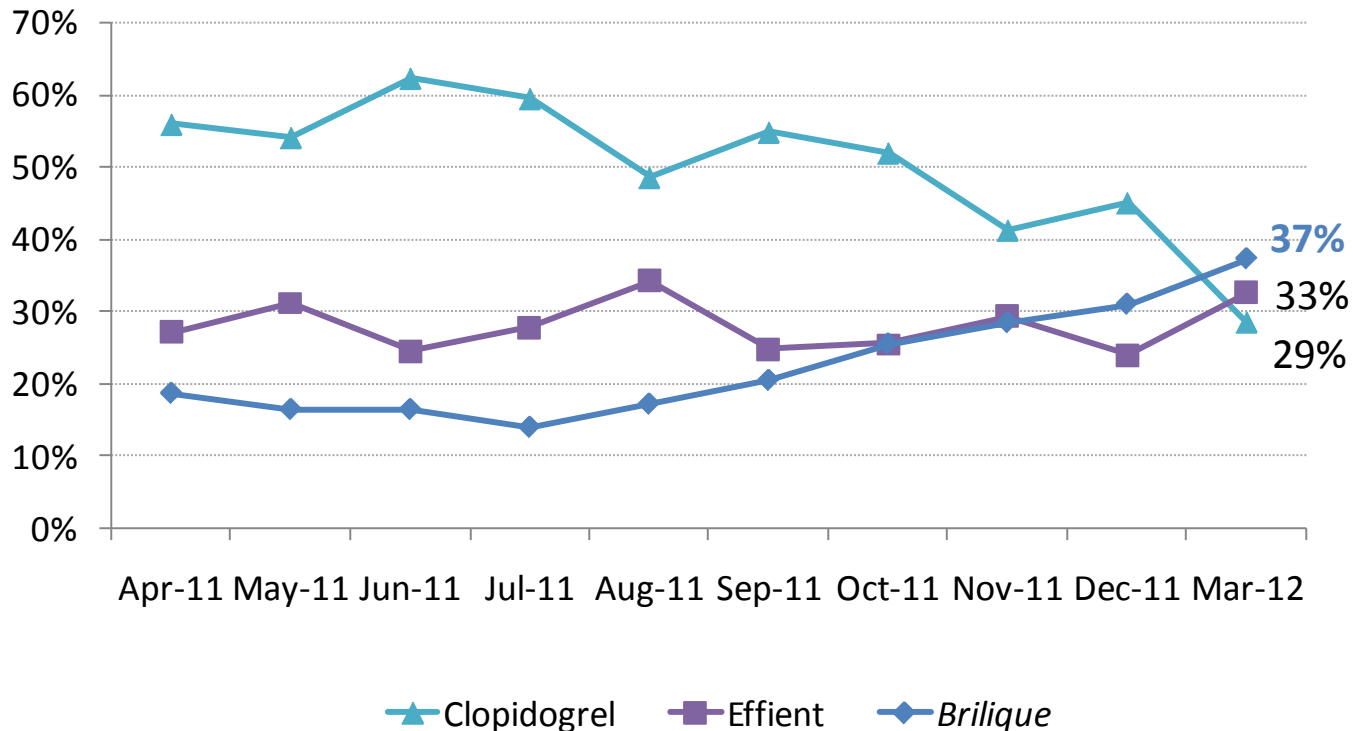


Brilique: GERMANY

Hospital physicians reported *Brilique* on protocol in 79% of target hospitals through March 2012

Where on protocol in target hospitals, *Brilique* now leads in ACS hospital initiations

Share of ACS initiations :
BRILINTA "On Protocol " Hospitals



Brilinta: US

Progress in Q1 2012

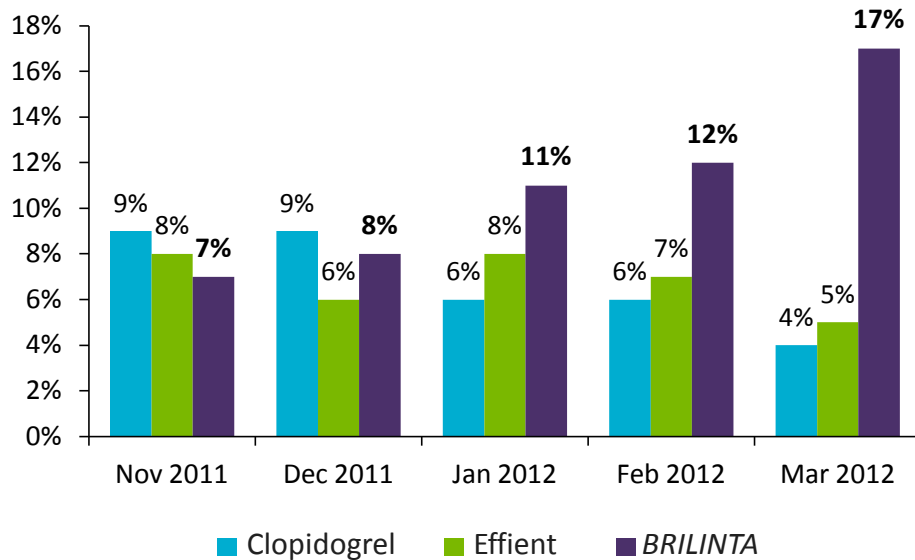
- Hospital formulary access: 68% of top 400 hospitals (up from 46% in Q4)
- On protocol in 20% of top 400 hospitals (up from 14% in Q4)
- Trial rate among Interventional Cardiologists is 15.4% (up from 6% in Q4)
- Managed markets: Unrestricted access for 61% of covered lives



Brilinta: US

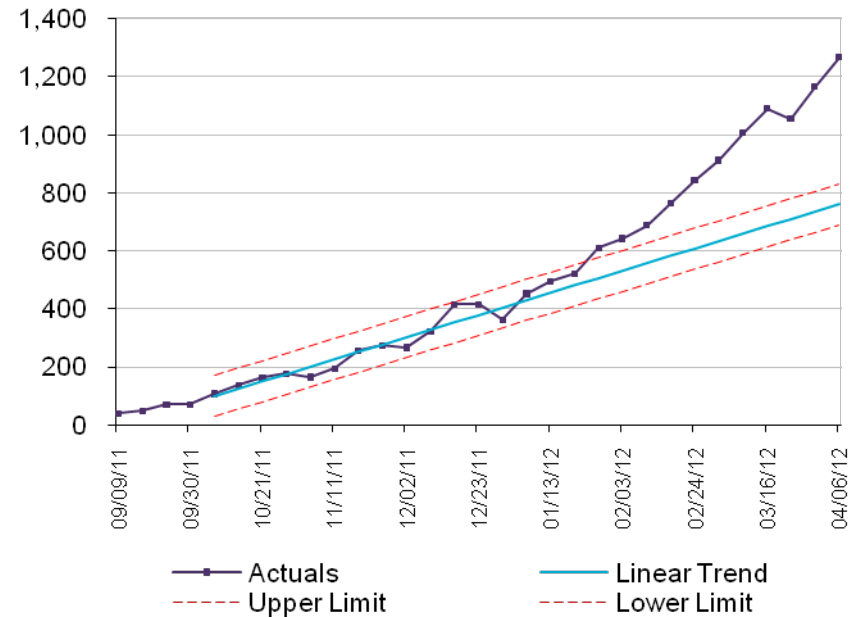
CV Mortality benefit gaining traction

ICs ranking product above all competitors :
“CV mortality reduction benefit”



Inflection in TRx trend vs Q4 exit rate

Brilinta TRx Volume



Core margin: Q1 2012

	\$m	CER %	% sales	Delta vs PY CER
Revenue	7,349	-11%	-	
Core Gross Margin	6,029	-13%	82.0	-190 bps
Distribution	(76)	-3%	1.0	-10 bps
Core SG&A	(2,138)	-9%	29.1	-80 bps
Core Other Income	267	+25%	3.6	+110 bps
Core Pre-R&D Profit	4,082	-14%	55.5	-170 bps
Core R&D	(1,085)	+2%	14.7	-190 bps
Core Operating Profit	2,997	-18%	40.8	-360 bps



Restructuring Programme: Phase 3 2012-14

- Total programme cost estimated at \$2.1 billion; most to be taken in 2012
 - \$702 million charged in Q1 2012
 - Cost of Sales: \$55m
 - R&D: \$445m
 - SG&A: \$202m
 - Estimated annual benefits of \$1.6 billion by end 2014



Q1 2012: Cash flow/distributions

Cash generated from operating activities \$1.5 billion (Q1 2011 \$1.9 billion)

- Disciplined management of working capital partially offsets the reduction in operating profit and the \$500 million pension fund contribution

Total cash distributions: \$3,417 million

- \$2,505 million: Payment of second interim dividend from 2011
- Net share repurchases \$912 million (2012 target \$4.5 billion)
- Second option of Merck exit arrangements
 - Six month window to exercise begins May 2012 (first of 3 opportunities)
 - Exercise ends contingent payments on PPI's and effectively ends relationship with and obligations to Merck (other than some residual manufacturing arrangements)
 - No decision as yet



Guidance for 2012 (Core basis)

Revenue	Low to mid-teens decline at CER
Gross Margin	Below 2011, but above 80%
Core Pre-R&D Margin	Below 2011, but upper half of mid-term planning range
Net Finance Expense	In line with 2011
Other Operating Income	Low double-digit decline vs 2011
Tax Rate	Effective reported tax rate around 22%
Core EPS	Range \$5.85 to \$6.15



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