Thank you Simon.

As Simon mentioned, I join you today from Sodertalje, Sweden – nearly 2 years since we began to make significant changes to the way we discover and develop new medicines.

And as announced this morning, we are in the process of taking a further step in accelerating our R&D strategy, which I will come back to shortly. I would like to provide an update on the progress of implementing our strategy, discuss our portfolio – including some exciting early phase projects and upcoming milestones, and lastly some insights and reflections on today’s R&D announcements.

In 2010, we announced a plan to increase our focus in a select number of disease areas, build key capabilities, transform our R&D operating model and change the organisational culture and leadership. Since that time, we have simplified our footprint and operating model.

We have made significant progress including five new product launches and we are delivering on the key capabilities we decided to invest in two years ago. Our expertise in these four areas has grown significantly and we are consistently applying these to our portfolio. One highlight is the payer evidence capability with 90% of our projects addressing payer evidence needs and supporting payer decisions globally.

For example, the combination of real world evidence with strong clinical data supported a number of successful reimbursement submissions for BRILINTA, our oral antiplatelet medicine. This includes a recent positive recommendation by The Federal Joint Committee in Germany, which acknowledged the additional benefit that BRILINTA provides to approximately 80% of the acute coronary syndrome patients in that country.

We have made progress in our late-stage products and pipeline, both internally as well as through licensing and partnerships.

BRILINTA continues to make progress, with 15 approvals this past quarter, 64 approvals to date, and under review in more than 30 markets including China and India. Our lifecycle management programme for BRILINTA is significant with over 11,000 patients enrolled worldwide.

BRILINTA is now included in a number of important clinical guidelines -- a recognition from the medical community of the cardiovascular mortality benefit this medicine can provide to physicians treating patients with acute coronary syndrome.

Onglyza has been approved for use as a combination therapy with insulin – with or without metformin – to improve blood sugar control in adult patients with type 2 diabetes in the United States and Europe. We have just completed recruitment in the cardiovascular outcomes trial, SAVOR, ahead of our planned timeline.

Our fixed dose combination, Komboglyze received marketing authorisation for the European Union. The reimbursement and launch process will occur on a country by country basis throughout the year.

Caprelsa – for the treatment of advanced medullary thyroid cancer has received a positive opinion from the CHMP in Europe and we have submitted for regulatory approval in Russia. This compound truly represents our commitment to developing meaningful medicines for those who need them most.

Our current pipeline reflects 86 projects, of which 79 are in the clinical phase of development.

Fostamatinib’s Phase 3 programme in rheumatoid arthritis is progressing well. This project was in-licensed from Rigel in 2010.

Phase 3 trials for NKTR-118 continue to progress as expected – NKTR-118 is being investigated for the treatment of opioid induced constipation, a common side effect of prescription opioids when used for chronic pain. This product is being developed with Nektar Therapeutics.
Lastly, CAZ AVI, our beta-lactam/beta-lactamase inhibitor combination for the treatment of serious Gram-negative bacterial infections, has moved into Phase 3 development jointly with Forest Labs. We are excited about the potential help CAZ AVI will bring to hospitals facing additional costs linked to a rapid increase of antibiotic resistant microorganisms.

Clearly, we’re disappointed with the recent Complete Response Letter from the FDA for dapagliflozin – but we remain committed to dapagliflozin and its development as a therapeutic option for adults with type 2 diabetes. We remain on track with our global regulatory submissions including the recent filing in Mexico and continue discussions with health authorities in Europe and other countries.

We discontinued the development of olaparib for serous ovarian cancer following an interim analysis of a Phase 2 study.

With TC-5214, the second of five Phase 3 studies as an adjunct therapy for Major Depressive Disorder did not meet its primary end point. We will continue with the development of the remaining studies. Regulatory filings will be reviewed following analysis of the full results.

I would like to highlight a cohort of innovative medicines coming up for Phase 3 development decision that will address significant unmet medical needs. We are targeting seven assets which is a good reflection of our portfolio strategy at work. Three assets are large molecules and four, are a result of licensing/partnering or acquisition.

AZD6244 is for a population of patients who do poorly on current treatments for lung cancer -- where median overall survival is less than 6 months. Phase 2 data showed significant improvement in progression-free survival plus a trend to improvement in overall survival.

In Phase 2, CAM-3001 is for moderate to severe rheumatoid arthritis. Despite current treatments for rheumatoid arthritis, significant unmet need exists for a treatment that has efficacy of disease remission, improved physical function and quality of life.

In concluding my portfolio review, we anticipate regulatory decisions in Europe for dapagliflozin and Caprelsa as well as the US FDA decision for our seasonal influenza drug, Medi 3250. We are expecting data to read out on numerous products by year end including fostamatinib and the remaining studies for TC-5214.

As I mentioned, in 2010, we began to make significant changes to our disease area focus, capabilities, our R&D operating model, and leadership, all with a focus on product delivery.

However, as David and Simon have mentioned the environment continues to be a challenging one and we are responding in R&D by announcing an acceleration of our transformation.

This will result in a leaner, simpler more innovative organization with a lower and more flexible cost base. We will be better suited to access the best science available in order to discover and develop great medicines and bring them to patients.

—These changes will have a profound impact on Research & Development. For example,

- We will exit all R&D operations in Södertälje, Sweden.
- We will close our R&D presence in Montreal, Canada.
- In addition to site closures, there will be a gross impact of 2,200 R&D staff globally, subject to consultation.

We have also decided to make an innovative change to our Neuroscience area. This is a challenging disease area with a high unmet medical need. We strongly believe in the opportunity and are announcing today the creation of a virtual model.

In this model we will tap into the best available external science while sharing cost, risk and reward with other research partners active in this field.
This approach will introduce fundamentally new ways of working through which we aim to deliver greater innovation and improved productivity. Our virtual team will be based in major neuroscience hubs like Boston, US and Cambridge, UK. In addition, we will work closely with the best partners in other places.

I believe that this bold move and the further changes to accelerate the transformation of our R&D organization are the right decisions.

Our aspiration is to become a leader in biopharmaceutical R&D innovation and productivity.

Since 2010, we have transformed our internal leadership – with over 60% of our AstraZeneca senior leaders joining from other pharma and biotech sectors.

As I mentioned at the outset, we are seeing the benefits of our enhanced capabilities in every project -- Payer Evidence, Personalised Healthcare, Predictive Science and Innovative Clinical Trial Design & Interpretation. All with relentless delivery of innovative medicines that meet the real needs of patients.

Our portfolio has a renewed focus on quality as exhibited in the launches of Brilinta, Kombiglyze, and Caprelsa.

We increased our externalization capabilities, have partnered with a range of companies and now 40% of our clinical pipeline is in-licensed.

We continue to build and strengthen our biologics portfolio -- at the end of 2011, we had 8 biologics candidates in Phase 2 development.

We have made significant investments in Asia with AstraZeneca being at the forefront of establishing research laboratories in both, Shanghai, China and Bangalore, India, while building new capabilities to our R&D center in Osaka, Japan. I believe the strategy set forth is the right one. We are responding to the environmental challenges and we are making the necessary transformation to meet our commitments and ensure the success of the company in delivering great medicines to future generations.

Now I hand to Tony.