

# Introduction

**Innovation & growth: Progress with strategy**

Pascal Soriot, Executive Director, Chief Executive Officer

# Cautionary statement regarding 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 presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. 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 presentation 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 patents, marketing exclusivity or trade marks, or the risk of failure to obtain patent protection; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the risk that strategic alliances and acquisitions 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 failure by third parties to supply materials or services; the risk of failure to manage a crisis; the risk of delay to new product launches; the difficulties of obtaining and maintaining regulatory approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; the risk of environmental liabilities; the risks associated with conducting business in emerging markets; the risk of reputational damage; the risk of product counterfeiting; the risk of failure to successfully implement planned cost reduction measures through productivity initiatives and restructuring programmes; the risk that regulatory approval processes for biosimilars could have an adverse effect on future commercial prospects; and the impact of increasing implementation and enforcement of more stringent anti-bribery and anti-corruption legislation. Nothing in this presentation should be construed as a profit forecast.



<b>Time</b>	<b>Topic</b>	<b>Presenter</b>	<b>Additional Q&amp;A participants</b>
12:30-12:45	Introduction	Pascal Soriot	
12:45-1:05	Core therapeutic areas	Luke Miels	
1:05-1:20	Emerging Markets/Japan	Mark Mallon	
1:20-1:40	Q&A		James Ward-Lilley, Fouzia Laghrissi Thode, Tom Keith-Roach & Mondher Mahjoubi
1:40-2:00	Pipeline: RIA	Bing Yao	
2:00-2:20	Pipeline: CVMD	Elisabeth Björk	
2:20-2:40	Q&A		James Ward-Lilley, Fouzia Laghrissi Thode, Chuck Bramlage, Maarten Kraan & Tom Keith-Roach
2:40-3:00	Break		
3:00 -3:45	Pipeline: Oncology	Susan Galbraith & Mohammed Dar	
3:45-4:15	Q&A		Mondher Mahjoubi & Antoine Yver
4:15-4:35	Late-stage development	Briggs Morrison	
4:35-4:55	Break		
4:55-5:35	IMED & MedImmune	Mene Pangalos & Bahija Jallal	
5:35-6:00	Q&A		
6:00-6:20	Finance (including Q&A)	Marc Dunoyer	Luke Miels & Briggs Morrison
6:20-6:30	Closing	Pascal Soriot	
6:30-9:00	Drinks/Networking Dinner		

# Completing the first phase of the journey



## 3 strategic priorities

1

**Achieve  
scientific  
leadership**

2

**Return  
to growth**

3

**Be a great place  
to work**



# Scientific leadership

1

**Achieve  
scientific  
leadership**

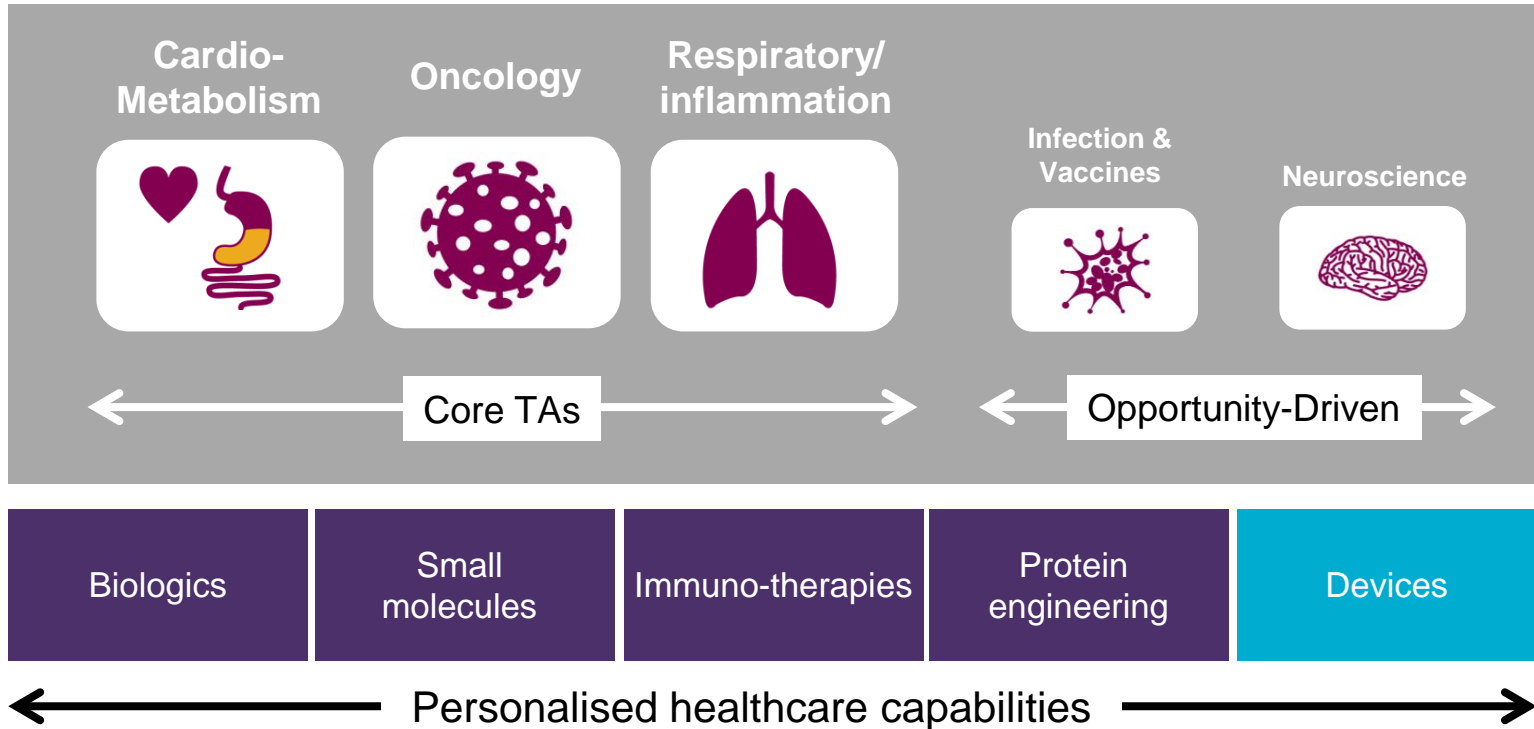
**FOCUS** on distinctive science in 3 core TAs

**PRIORITISE & ACCELERATE** our pipeline







**TRANSFORM** our innovation culture & model



# Focus: R&D in 3 core therapeutic areas & across key platforms



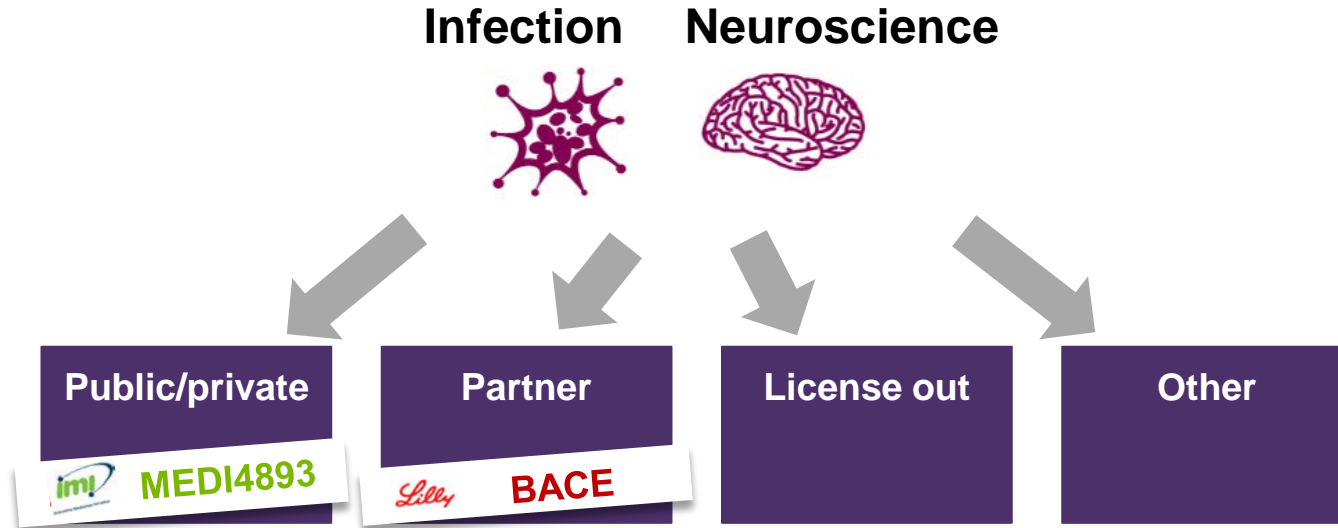
# Focus: Accelerating the pipeline in core therapeutic areas

	Cardiovascular & Metabolic Disease 	Oncology 	Respiratory, Inflammation & Autoimmunity 
Internal accelerations	<ul style="list-style-type: none"> <li>✓ <i>Forxiga</i></li> <li>✓ <i>Bydureon</i></li> <li>✓ <i>Brilinta</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Lynparza</i></li> <li>✓ <i>AZD9291</i></li> <li>✓ <i>Selumetinib</i></li> <li>✓ <i>MEDI4736</i></li> <li>✓ <i>Tremelimumab</i></li> </ul>	<ul style="list-style-type: none"> <li>✓ <i>Benralizumab</i></li> <li>✓ <i>Tralokinumab</i></li> <li>✓ <i>Sifalimumab</i></li> <li>✓ <i>Anifrolumab</i></li> </ul>
Business development			

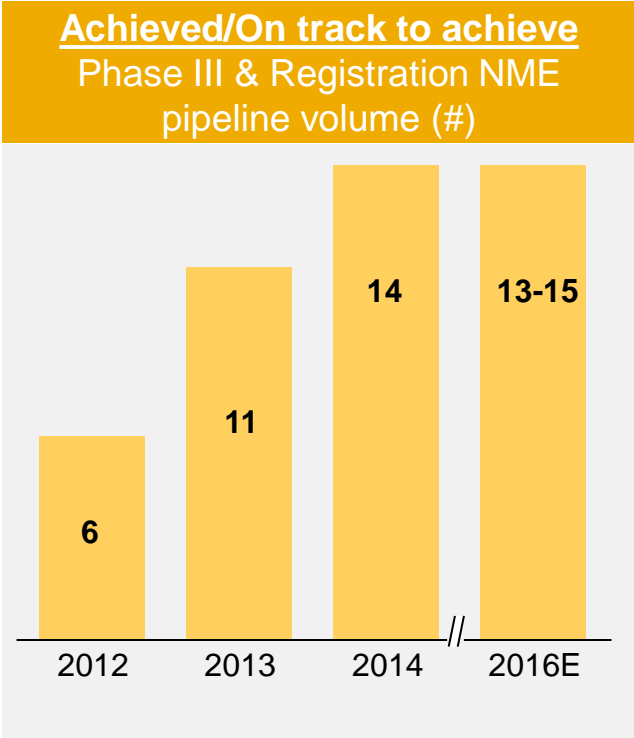
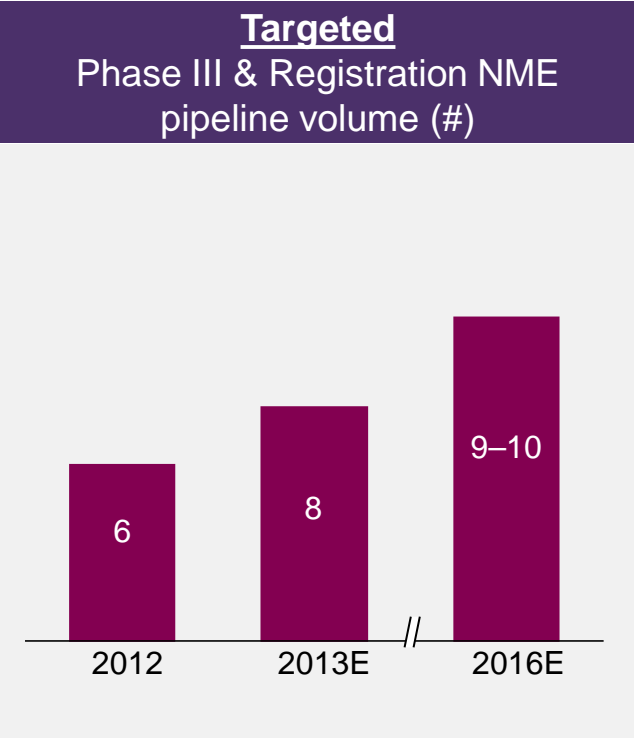




# Business model includes value creation through partnerships & licensing in Neuroscience & Infection



# Late-stage pipeline volume well ahead of plan



# What's next?

## Delivering a sustainable R&D pipeline

### Balanced pipeline

- ✓ Biologics now ~50% of pipeline
- ✓ Small molecule pipeline rebuilt
- ✓ Devices and diagnostics (PHC)

### Robust early stage

- ✓ Early-stage pipeline robust
- ✓ Discovery focused on core TAs
- ✓ New technologies

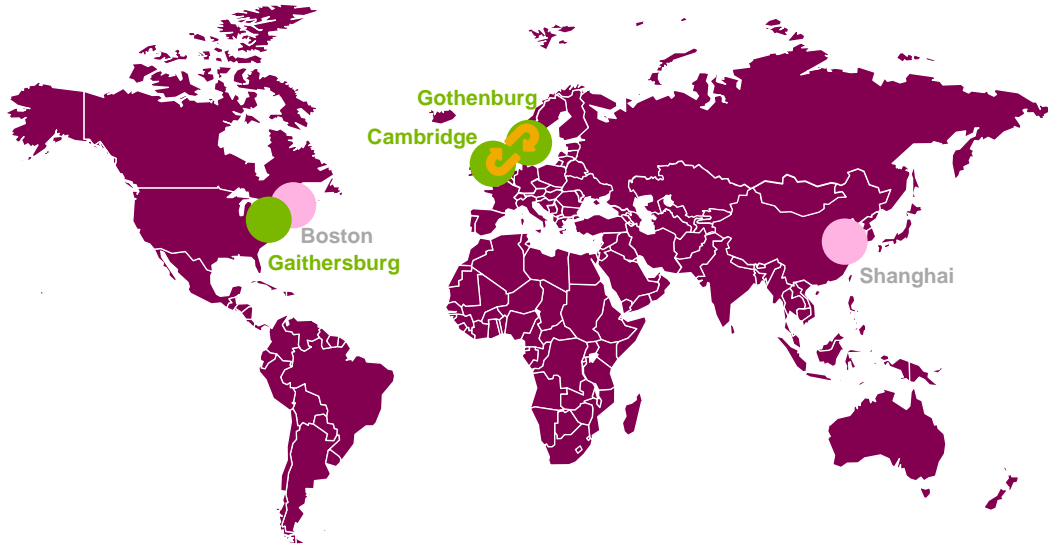
### Strong science base

- ✓ Scientific talent
- ✓ Publications / quality
- ✓ Academic collaborations
- ✓ R&D hub sites



# What's next?

## Aligning around three strategic R&D sites & two satellites



- ✓ **Cambridge (UK)**  
New site progressing to plan and rapidly building presence in Cambridge area
- ✓ **Gothenburg (Möln dal) (SE)**  
Links to European academic centers strengthened
- ✓ **Gaithersburg (US)**  
R&D relocation from Wilmington will be completed ahead of schedule



# Return to growth

# 2

**Return  
to growth**

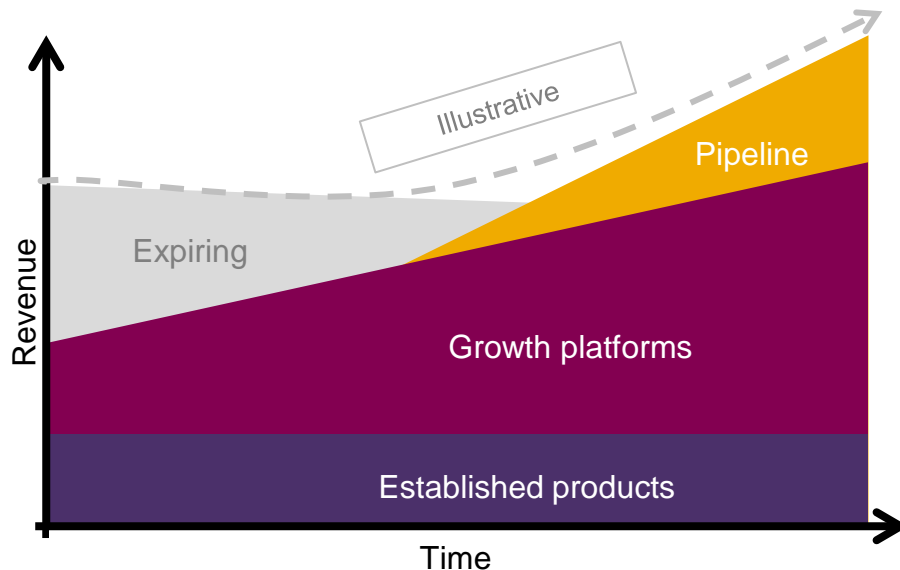
**FOCUS** on key growth platforms

**ACCELERATE** through business development

**TRANSFORM** through specialty care / biologics



## Business shape broadly in line with expectations and previous communications



- **Today**  
Growth platforms have grown to over half of total revenues
- **Medium term**  
2017 revenue to be broadly in line with 2013
- **Long term**  
Ambition to become a >\$45bn company by 2023



# What's next?

## Upcoming submissions drive longer-term growth

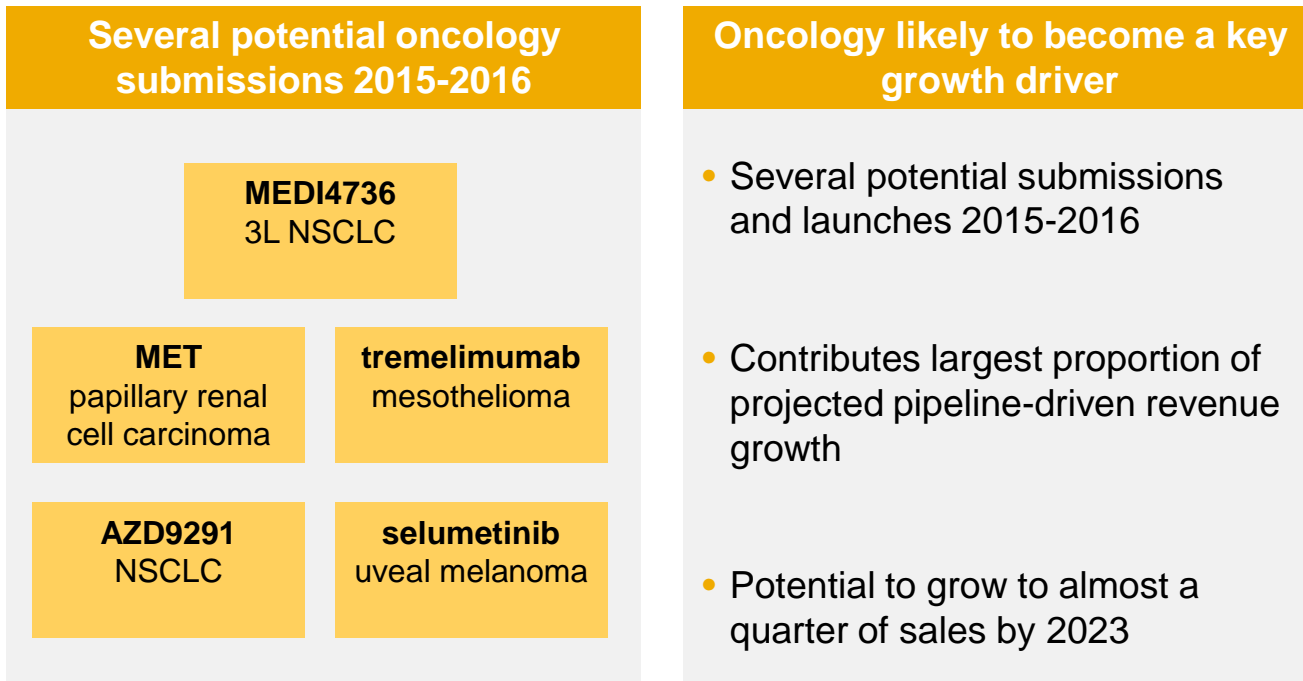
LE submission opportunities				<b>MEDI4736 + tremelimumab</b> 2L SCCHN
			<b>Faslodex</b> 1L metastatic breast cancer	<b>MEDI4736</b> 2L SCCHN
			<b>Brilinta</b> stroke	<b>Lynparza</b> BRCAm metastatic breast cancer
		<b>saxa/dapa FDC</b> type 2 diabetes	<b>brodalumab*</b> psoriatic arthritis	<b>Lynparza</b> BRCAm PSR ovarian cancer (SOLO-2)
	<b>Brilinta</b> prior MI	<b>Bydureon</b> autoinjector	<b>lesinurad FDC</b> gout	<b>Caprelsa</b> differentiated thyroid cancer
NME submission opportunities		<b>CAZ AVI</b> serious infections	<b>roxadustat</b> CKD / ESRD (China)	<b>MET</b> papillary renal cell carcinoma
	<b>brodalumab*</b> psoriasis	<b>selumetinib</b> uveal melanoma	<b>benralizumab</b> severe asthma	<b>tremelimumab</b> mesothelioma
	<b>PT003 (LAMA/LABA)</b> COPD	<b>AZD9291</b> NSCLC	<b>PT001 (LAMA)</b> COPD	<b>MEDI4736</b> 3L NSCLC
2015			2016	

\*Partner Amgen to manage regulatory submission



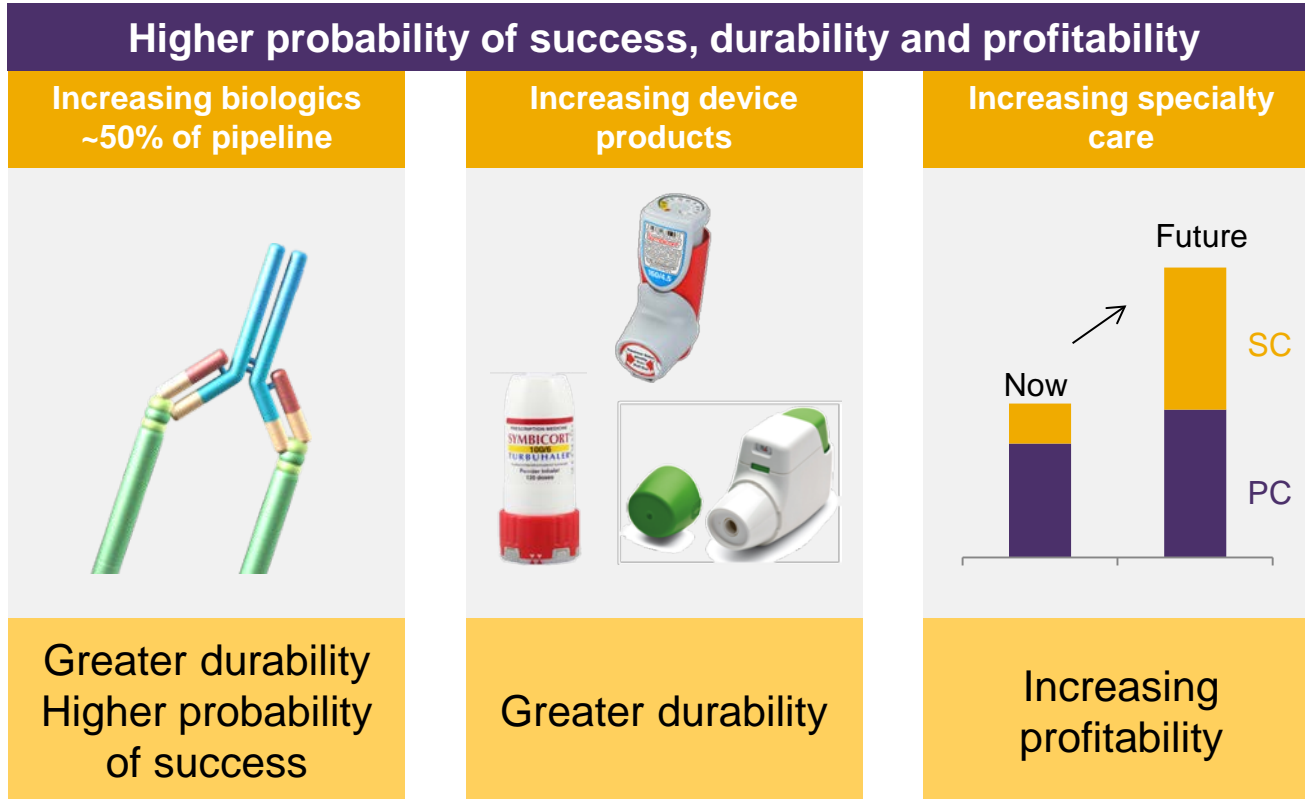
## What's next?

### Oncology will become sixth growth platform





# Building a different shape of business



# Great place to work

3

Be a great place  
to work

**FOCUS** on simplification of our business

**DRIVE** continued productivity improvements

**EVOLVE** our culture



## 2014 FOCUS employee survey shows good progress on cultural journey

Category	Total favourable	AstraZeneca overall 2012	Global high performance norm	Global pharma norm
Engagement	85	+8*	-1*	+5*
Leadership	71	+10*	-1*	+12*
Scientific & patient orientation	88	+12*	+1*	+8*
Organisational effectiveness	76	+5*	0	+6*
Purpose & values	85	n/a	0	+22*
Line manager	84	+2*	+5*	+8*
Talent & development	71	+6*	-2*	+4*
Performance & reward	77	+4*	+3*	+10*
Integrity and ethics	83	+4*	+3*	+5*
Diversity and inclusion	80	+5*	+3*	+8*

\* Denotes statistical significance

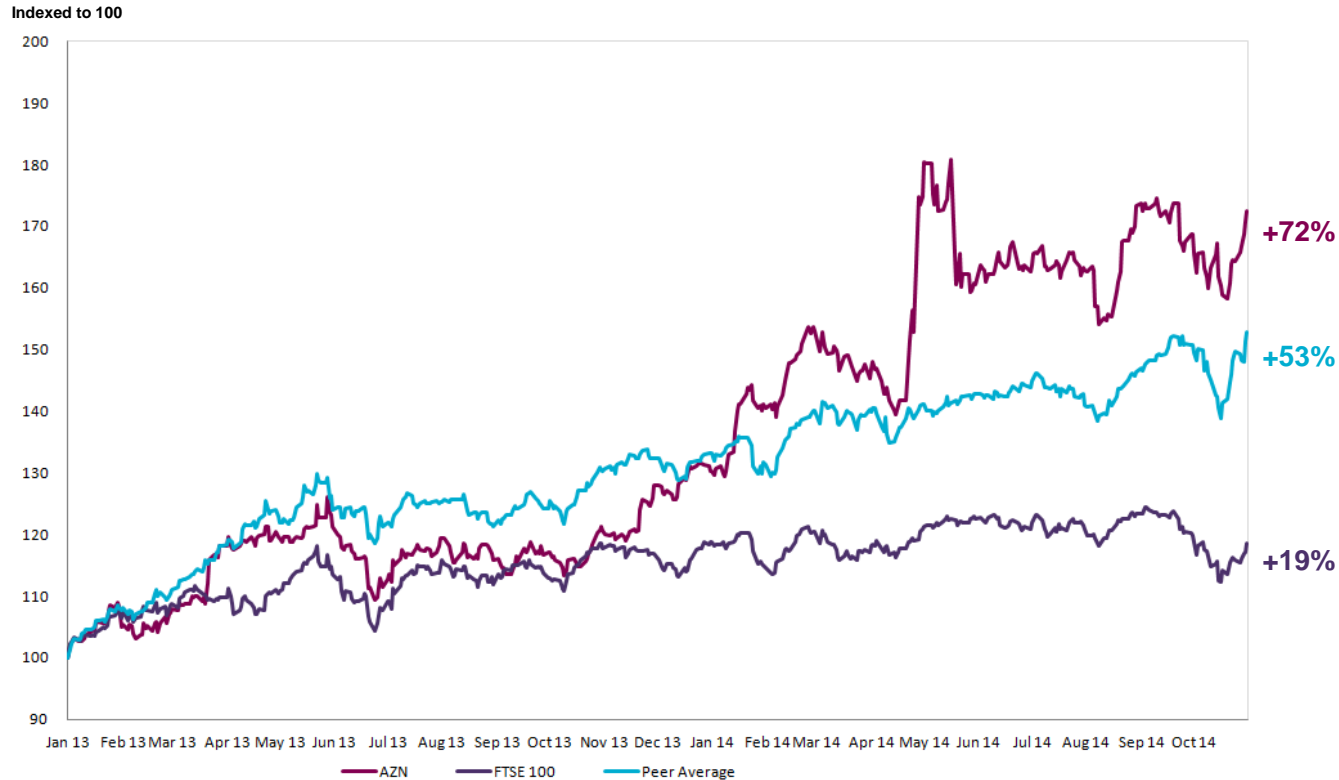


# Driving a simpler, more productive business

	Key focus	Progress ...
<b>Structure</b>	Spans of control Organisational layers	<ul style="list-style-type: none"><li>• Improved to <b>7</b> on average</li><li>• Most staff within <b>8</b> layers</li></ul>
<b>Decision making</b>	Governance Delegation of authority	<ul style="list-style-type: none"><li>• Fewer committees</li><li>• Moved to 1 global standard</li></ul>
<b>Process &amp; systems</b>	Enterprise IT systems Business processes	<ul style="list-style-type: none"><li>• Delivering 2014 / 2015</li><li>• Focus for 2015</li></ul>



# Total Shareholder Return since 1 January 2013



Peer Average is an equal weighted index consisting of GSK, Novartis, Roche, Sanofi, AbbVie, Bristol-Myers Squibb, Eli Lilly, Johnson & Johnson, Merck and Pfizer.  
Source: Datastream



# Total Shareholder Return since 1 January 2013

## Pharma peer group

Rank	Company	TSR
1	AbbVie	99%
2	Bristol-Myers Squibb	90%
3	<b>AstraZeneca</b>	<b>72%</b>
4	Novartis	67%
5	Roche	64%
6	Johnson & Johnson	62%
7	Merck	50%
8	Eli Lilly	43%
9	Pfizer	27%
10	FTSE 100	19%
11	GlaxoSmithKline	16%
12	Sanofi	11%

## Top-15 FTSE\*

Rank	Share	TSR
1	<b>AstraZeneca PLC</b>	<b>72%</b>
2	Vodafone Group PLC	43%
3	British American Tobacco PLC	23%
4	Royal Dutch Shell PLC (B)	16%
5	GlaxoSmithKline PLC	16%
6	Royal Dutch Shell PLC (A)	15%
7	BP PLC	15%
8	Unilever PLC	13%
9	Diageo PLC	8%
10	HSBC Holdings PLC	8%
11	BG Group PLC	6%
12	Barclays PLC	4%
13	Rio Tinto PLC	-9%
14	BHP Billiton PLC	-18%
15	Standard Chartered PLC	-36%

\* Ranking includes the 15 shares with highest weighting of the FTSE 100 index as per 1st January 2013.

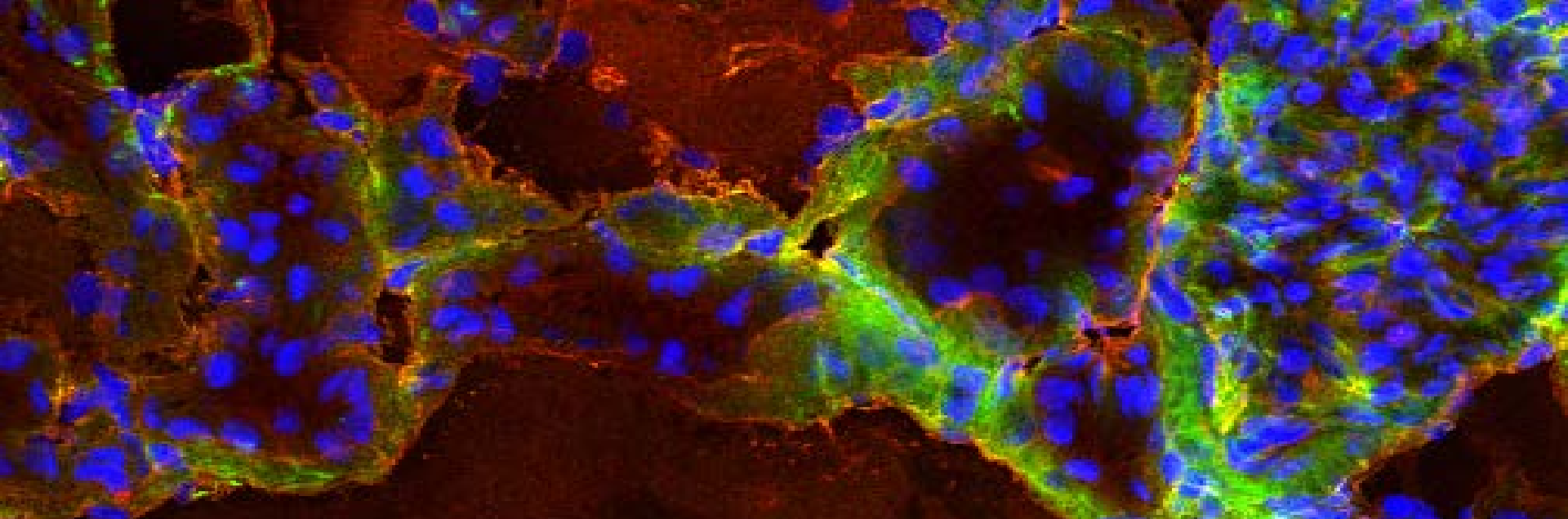
Source: Datastream October 2014; Bloomberg October 2014



## Key messages

- ✓ Strategy implementation on track
- ✓ Building a sustainable, durable and more profitable business
- ✓ Pipeline value rapidly increasing
- ✓ Accelerating return to growth and ambition to become a >\$45bn company by 2023





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