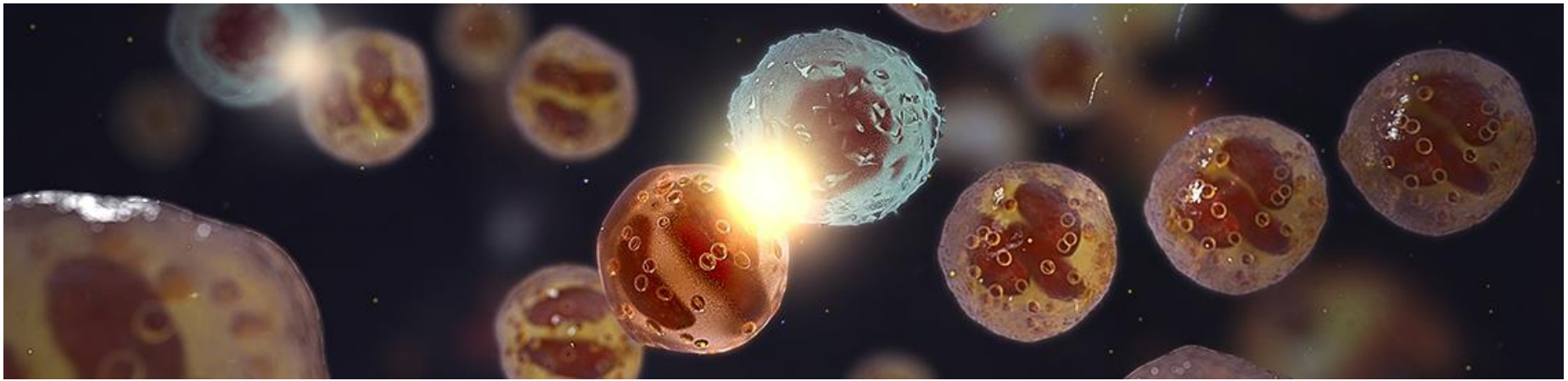
AstraZeneca
What science can do

Debt Investor Update

USA, 19-23 March 2018



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 document contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group, including, among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. 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 document 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, or limitations to, patents, marketing exclusivity or trademarks, or the risk of failure to obtain and enforce patent protection; effects of patent litigation in respect of IP rights; the impact of any delays in the manufacturing, distribution and sale of any of our products; the impact of any failure by third parties to supply materials or services; the risk of failure of outsourcing; the risks associated with manufacturing biologics; the risk that R&D will not yield new products that achieve commercial success; the risk of delay to new product launches; the risk that new products do not perform as we expect; the risk that strategic alliances and acquisitions, including licensing and collaborations, will be unsuccessful; the risks from pressures resulting from generic competition; the impact of competition, price controls and price reductions; the risks associated with developing our business in emerging markets; the risk of illegal trade in our products; the difficulties of obtaining and maintaining regulatory approvals for products; the risk that regulatory approval processes for biosimilars could have an adverse effect on future commercial prospects; the risk of failure to successfully implement planned cost reduction measures through productivity initiatives and restructuring programmes; the risk of failure of critical processes affecting business continuity; economic, regulatory and political pressures to limit or reduce the cost of our products; failure to achieve strategic priorities or to meet targets, expectations, guidance or indications of failure to adhere to applicable laws, rules and regulations; the risk of failure to adhere to applicable laws, rules and regulations relating to anti-competitive behaviour; the impact of increasing implementation and enforcement of more stringent anti-bribery and anti-corruption legislation; taxation risks; exchange rate fluctuations; the risk of an adverse impact of a sustained economic downturn; political and socio-economic conditions; the risk of environmental liabilities; the risk of occupational health and safety liabilities; the risk associated with pensions liabilities; the impact of failing to attract and retain key personnel and to successfully engage with our employees; the risk of misuse of social medial platforms and new technology; and the risk of failure of information technology and cybercrime. Nothing in this presentation or any related webcast should be construed as a profit forecast.

Key Messages

- A New Phase of Growth - past the patent cliff
- An Attractive Pipeline - a busy period of launches and commercial execution
- Growth Platforms - underpinned by Emerging Markets and Oncology
- Financial Performance - supporting enhanced cash generation

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What science can do

Strategy Update

Strategic priorities

1

Achieve scientific leadership

2

Return to growth

3

Be a great place to work

New Cambridge, UK R&D centre and HQ

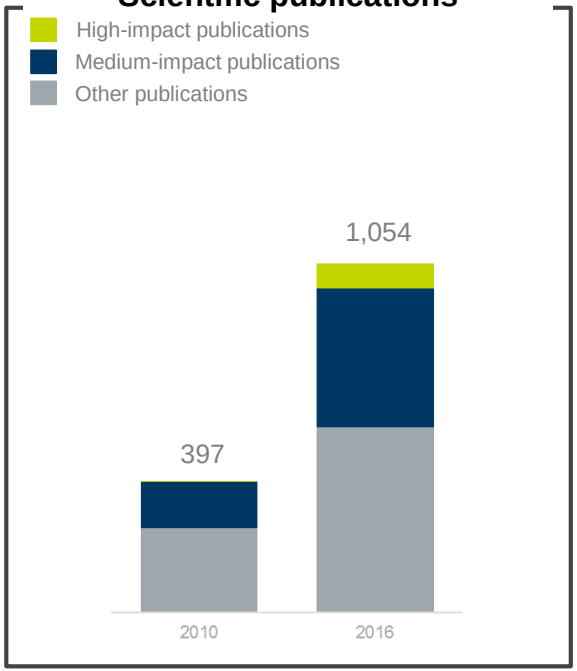
Scientific collaborations key driver behind move

R&D productivity: Sustainable progress

A new AstraZeneca with science-based culture

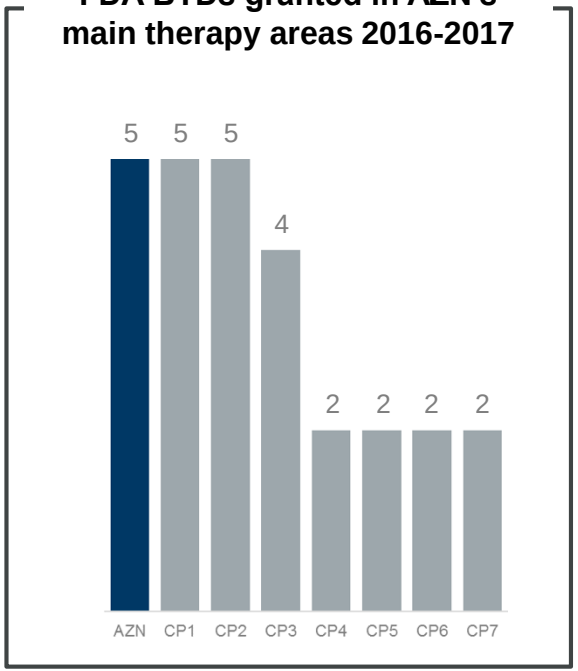
1 Achieve scientific leadership

Scientific publications



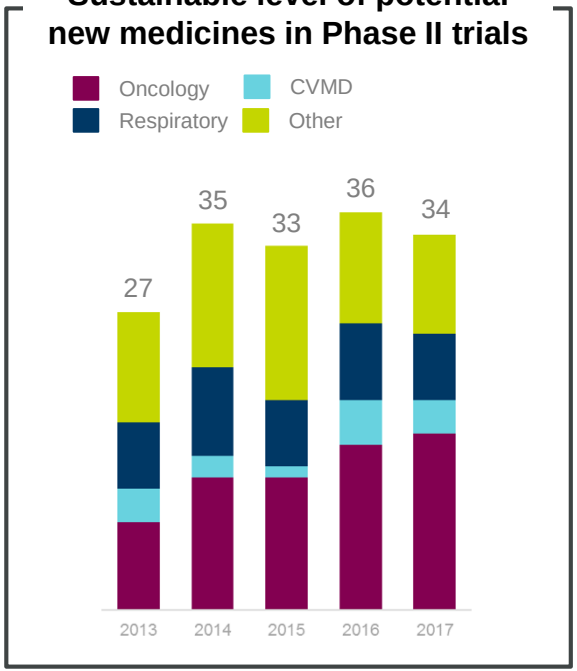
Source: Internal analysis. High-impact (rating > 15); medium-impact (rating > 5); other (rating < 5).

FDA BTDs granted in AZN's main therapy areas 2016-2017



AstraZeneca (AZN) and industry peers/competitors (CP) 1-7.
Source: Internal analysis based on focr.org. Includes Breakthrough Therapy Designations (BTD) in the three main AstraZeneca therapy areas.

Sustainable level of potential new medicines in Phase II trials



Focusing on three therapy areas

Oncology

Cardiovascular & Metabolic Disease

Respiratory

Nine Pipeline Drivers to Consider

	Lynparza olaparib	TAGRISSO osimertinib	IMFINZI durvalumab	CALQUENCE (acalabrutinib) 100 mg capsules
Regulatory decision	ovarian cancer 2L (EU) - H1 2018 breast cancer (JP) - H2 2018	lung cancer (US) - H1 2018 lung cancer (EU, JP) - H2 2018	lung cancer (PACIFIC) (US) - H1 2018 lung cancer (PACIFIC) (EU, JP) - H2 2018	
Key Phase III data readouts	ovarian cancer 1L - H1 2018 pancreatic cancer - H2 2018 ovarian cancer 3L - 2019		*Imfinzi* +/- treme - H1 2018 - lung cancer 3L (ARCTIC) - lung cancer 1L (MYSTIC) (final OS) - head & neck cancer 1L (KESTREL) - head & neck cancer 2L (EAGLE) *Imfinzi* + treme - lung cancer 1L (NEPTUNE) - H2 2018 *Imfinzi* - lung cancer (PACIFIC) (final OS*) - 2019 *Imfinzi* +/- treme - 2019 - lung cancer 1L (POSEIDON) - small-cell lung cancer (CASPIAN) - bladder cancer 1L (DANUBE)	chronic lymphocytic leukaemia - 2019

*Overall Survival
Status as of 2 February 2018.

Nine Pipeline Drivers to Consider

farxiga (dapagliflozin) 5mg tablets

roxadustat

ZS-9

Regulatory decision or submission	submission - type-2 diabetes CVOT* (DECLARE) - 2019	submission - anaemia (US) - H2 2018	decision - hyperkalaemia (US, EU)
Key Phase III data readouts	type-2 diabetes CVOT* (DECLARE) - H2 2018 heart failure - 2019	-	-

Fasenra™ (benralizumab) Subcutaneous Injection 30 mg

PT010

Regulatory submission	COPD - 2019	COPD - H2 2018
Key Phase III data readouts	COPD - H2 2018	COPD - H1 2018

*cardiovascular outcomes trial
Status as of 2 February 2018.

Late-stage pipeline news flow in 2018 and 2019

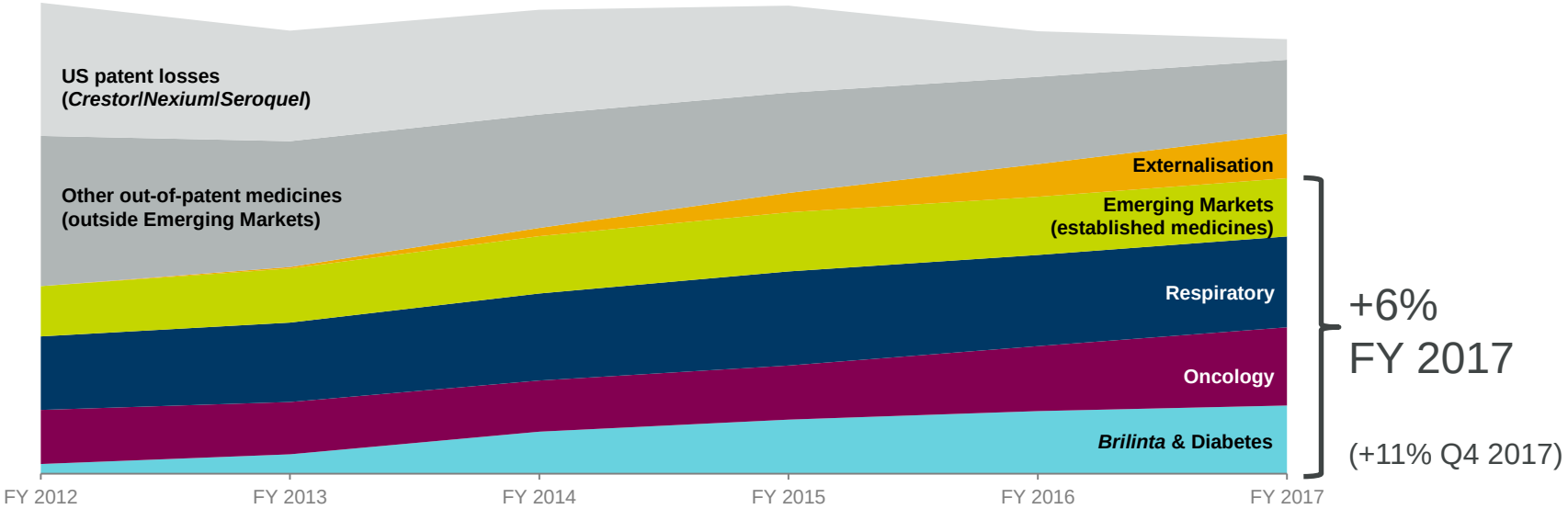
Unlocking and realising the potential of new medicines

1 Achieve scientific leadership

	H1 2018	H2 2018	2019
Regulatory decision	***Lynparza*** - ovarian cancer 2L (EU) ***Tagrisso*** - lung cancer (US) ***Imfinzi*** - lung cancer (PACIFIC) (US) **ZS-9** - hyperkalaemia (US, EU)	***Lynparza*** - breast cancer (JP) ***Tagrisso*** - lung cancer (EU, JP) ***Imfinzi*** - lung cancer (PACIFIC) (EU, JP) ***Bydureon*** **autoinjector** - type-2 diabetes (EU) ***Bevespi*** - COPD (EU)	
Regulatory submission	***Lynparza*** - breast cancer (EU) ***Imfinzi*** +/- **treme** - lung cancer 3L (ARCTIC) ***Bevespi*** - COPD (JP) ***Duaklir*** - COPD (US)	***Lynparza*** - ovarian cancer 1L ***Imfinzi*** + **treme** - lung cancer 1L (NEPTUNE) ***Imfinzi*** +/- **treme** - lung cancer 1L (MYSTIC) - head & neck cancer 1L (KESTREL) - head & neck cancer 2L (EAGLE) **selumetinib** - thyroid cancer **roxadustat** - anaemia (US) **PT010** - COPD	***Lynparza*** - pancreatic cancer - ovarian cancer 3L ***Imfinzi*** +/- **treme** - lung cancer 1L (POSEIDON) - small-cell lung cancer (CASPIAN) - bladder cancer 1L (DANUBE) ***Brilinta*** - CAD[2]/type-2 diabetes CVOT ***Farxiga*** - type-2 diabetes CVOT (DECLARE) ***Fasenra*** - COPD **anifrolumab** - lupus
Key Phase III data readouts	***Lynparza*** - ovarian cancer 1L ***Imfinzi*** +/- **treme** - lung cancer 3L (ARCTIC) - lung cancer 1L (MYSTIC) (final OS) - head & neck cancer 1L (KESTREL) - head & neck cancer 2L (EAGLE) **selumetinib** - thyroid cancer **PT010** - COPD	***Lynparza*** - pancreatic cancer ***Imfinzi*** + **treme** - lung cancer 1L (NEPTUNE) ***Farxiga*** - type-2 diabetes CVOT[1] (DECLARE) ***Fasenra*** - COPD **anifrolumab** - lupus	***Lynparza*** - ovarian cancer 3L ***Imfinzi*** - lung cancer (PACIFIC) (final OS) ***Imfinzi*** +/- **treme** - lung cancer 1L (POSEIDON) - small-cell lung cancer (CASPIAN) - bladder cancer 1L (DANUBE) ***Calquence*** - chronic lymphocytic leukaemia ***Brilinta*** - CAD/type-2 diabetes CVOT ***Farxiga*** - Heart failure **lanabecestat** - Alzheimer's disease

1. Cardiovascular outcomes trial.
2. Coronary artery disease.
Status as of 2 February 2018.

Product Sales: Improving momentum



Absolute values and change at CER.

Growth across therapy areas and Emerging Markets

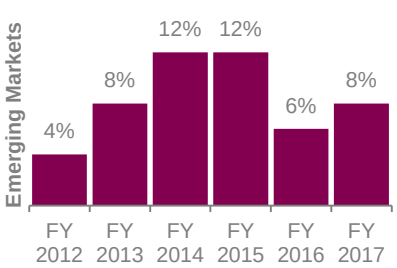
	Q4 2017 $m	% change	% Product Sales	FY 2017 $m	% change	% Product Sales
Product Sales	5,487	3	100	20,152	(5)	100
Oncology	1,120	19	20	4,024	19	20
New CVMD	1,024	21	19	3,567	9	18
Respiratory	1,334	8	24	4,706	(1)	23
Emerging Markets	1,630	9	30	6,149	8	31

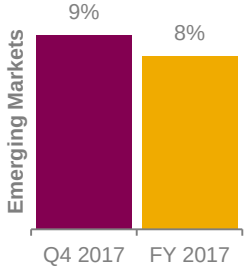
The individual components of Product Sales do not add up due to overlaps in Emerging Markets and the omission of products outside the three main therapy areas.
Product Sales values at actual exchange rates; change at CER.

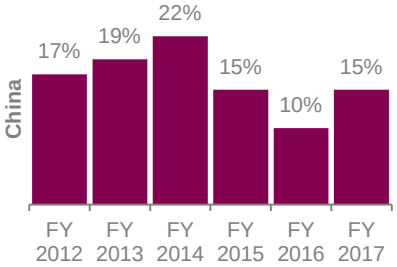
Emerging Markets

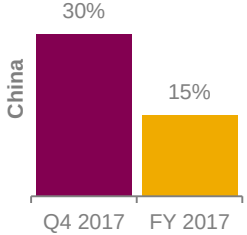
China growth accelerated

Product Sales accelerated
Long-term target: Mid to high single-digit









China growth was a highlight; other EMs solid overall

- **Mid to high single-digit growth in EMs continued**
  - Growth impacted by economic conditions in Russia and parts of LatAm/MEA*
- **Oncology +20%**: Lung cancer $0.4bn; *Iressa* (+8%) and *Tagrisso* launched. Hormone-receptor medicines $0.7bn with *Faslodex* (+18%)
- **New CVMD +23%**: Key medicines continued to grow; *Brilinta* (+21%) and *Forxiga*, largest Diabetes medicine (+73%)
- **Respiratory +13%**: Continued double-digit growth for *Pulmicort* (+23%; 61% of total); *Symbicort* (+10%)

* Latin America and Middle-East & Africa.
Change at CER.

Emerging Markets

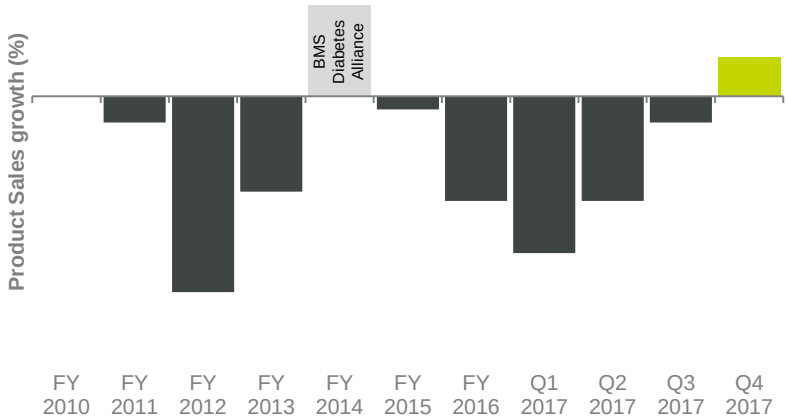
Geographic platform for growth

2017 Product Sales as reported

2018: Focus on return to growth

Momentum improved during 2017

Significantly-improved momentum
(FY 2010 - Q4 2017 Product Sales growth)



Many opportunities to support growth in 2018

Lynparza
launched tablet launched in breast cancer

Tagrisso
launch in 1st line lung cancer (FLAURA trial)

Imfinzi
launch in Stage III lung cancer (PACIFIC trial)

Brilinta
continued global growth

Farxiga
continued global growth, DECLARE trial

Crestor
loss of exclusivity (EU, JP)

Fasenra
launched in severe, uncontrolled asthma

Low single-digit percentage increase in Product Sales

Change (Product Sales growth) and 2018 guidance at CER.

On track to deliver long-term goals

Target is at constant exchange rates (2013) which is equivalent to ~$40bn at today's exchange rates

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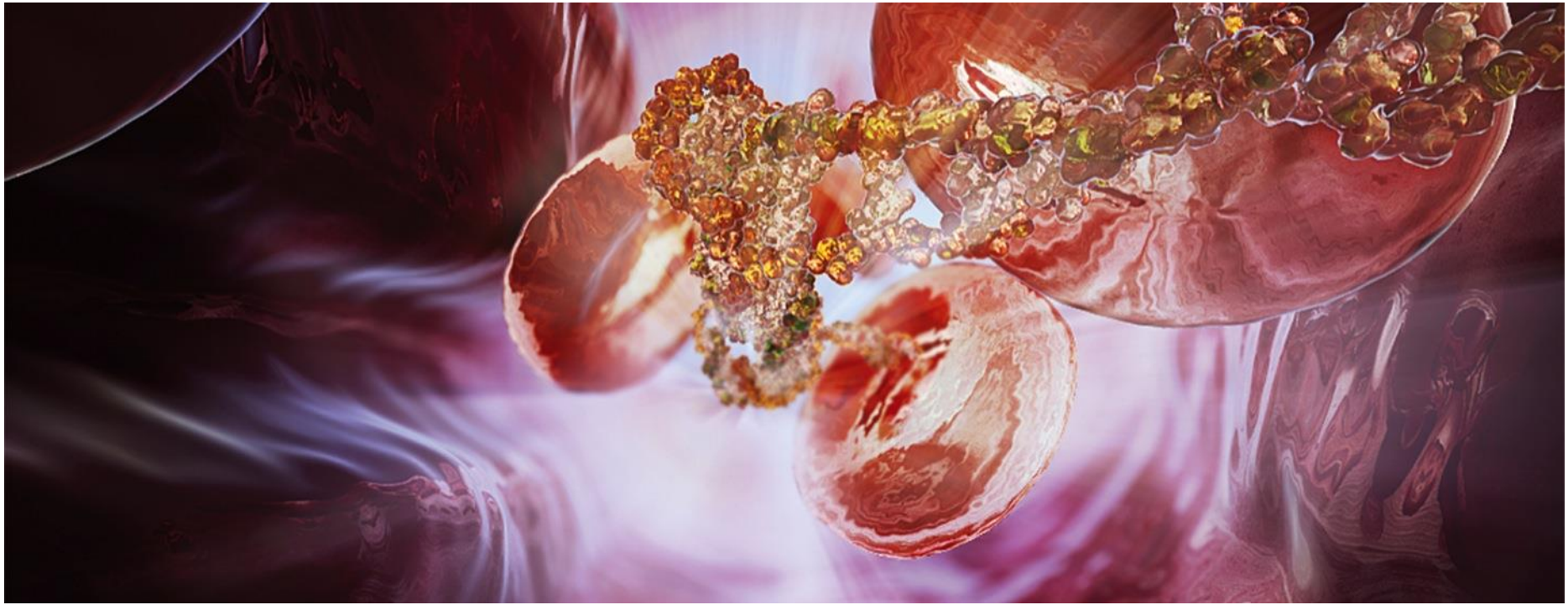
Financial Update



Reported Profit & Loss

	FY 2017 $m	% change	% Total Revenue	Q4 2017 $m	% change	% Total Revenue
Total Revenue	**22,465**	**(2)**	**100**	**5,777**	**2**	**100**
- Product Sales	20,152	(5)	90	5,487	3	95
- Externalisation Revenue	2,313	38	10	290	(12)	5
Gross Margin	79.6%	(1) pp*	-	77.6%	(-) pp	-
R&D Expenses	5,757	(1)	26	1,551	(2)	27
SG&A Expenses	10,233	10	46	3,078	n/m	53
Other Operating Income	1,830	11	8	848	(25)	15
Tax Rate	-29%	-	-	-210%	-	-
EPS	**$2.37**	**(15)**		**$1.03**	**(24)**	

* Percentage points.
Absolute values at actual exchange rates; change at CER.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

Core Profit & Loss

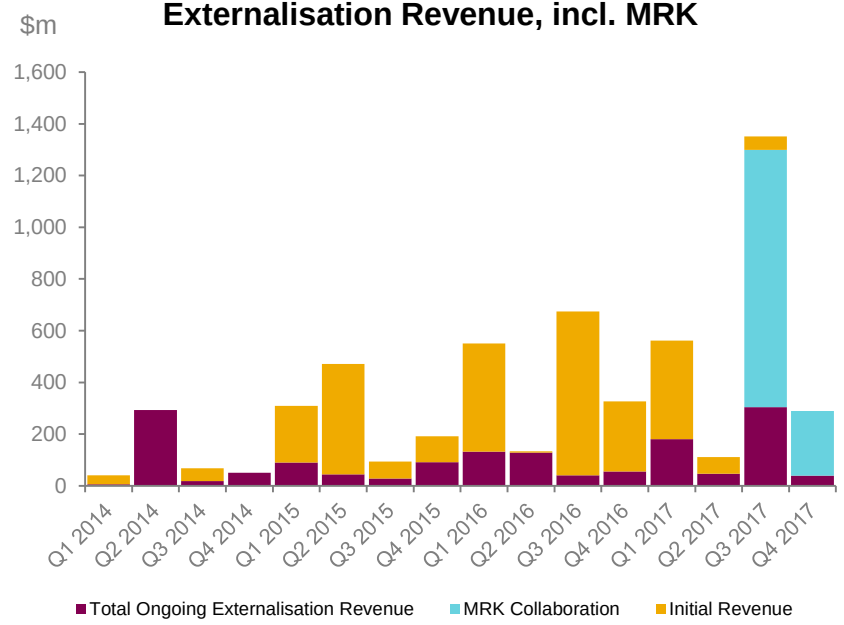
	FY 2017 $m	% change	% Total Revenue	Q4 2017 $m	% change	% Total Revenue
Total Revenue	**22,465**	**(2)**	**100**	**5,777**	**2**	**100**
- Product Sales	20,152	(5)	90	5,487	3	95
- Externalisation Revenue	2,313	38	10	290	(12)	5
Gross Margin	81.2%	(1) pp	-	79.4%	1 pp	-
R&D Expenses	5,412	(3)	24	1,456	(4)	25
SG&A Expenses	7,853	(3)	35	2,175	5	38
Other Operating Income	1,953	14	9	852	(26)	15
Tax Rate	14%	-	-	3%	-	-
EPS	**$4.28**	**(2)**		**$1.30**	**13**	

Absolute values at actual exchange rates; change at CER.
Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

Externalisation Revenue

Ongoing income increasing

Increasing contribution from Ongoing Externalisation Revenue, incl. MRK



Key observations

- Ongoing Externalisation Revenue of $821m in 2017

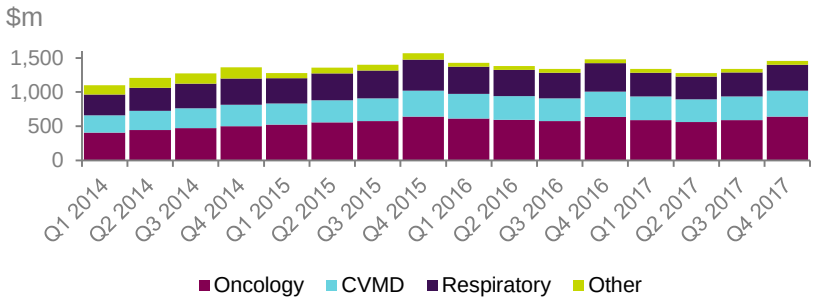
MRK collaboration benefit

- 2017: $1.85bn; ~$1.25bn in Externalisation Revenue
- Further income in the years to come
  - First approval milestone of $70m in Q1 2018
  - Remaining option payments of $500m in 2018-2019
  - Regular milestones; approval (~1/3) and sales-related (~2/3); mono and combo therapy up to ~$6bn remaining

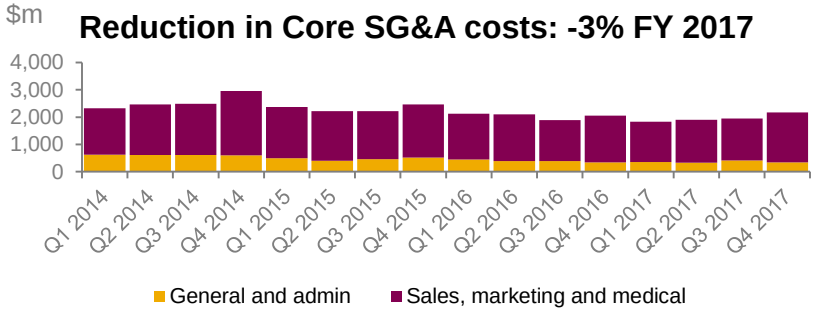
Absolute values at actual exchange rates.

Continued progress and focus on cost discipline

Reduction in Core R&D costs: -3% FY 2017



Reduction in Core SG&A costs: -3% FY 2017



Continued reduction in Core costs

- Core R&D costs
  - FY 2017: Down by 3%

    Investment concentrated in main therapy areas
  - FY 2018: Anticipated to be in the range of a low single-digit percentage decline to stable
- Core SG&A costs (split in SMM[1] and G&A[2])
  - FY 2017: Down by 3%

    Investment increasingly in Sales support vs G&A
  - FY 2018: Anticipated to be increase by a low to mid single-digit percentage

1. Sales, marketing and medical
2. General and admin

Absolute values at actual exchange rates; change at CER.

2018 Guidance and unchanged capital-allocation priorities

Product Sales

A low single-digit percentage increase

Core EPS

$3.30 to $3.50

Unchanged capital-allocation priorities

- Investment in the business
- Progressive dividend policy
- Strong, investment-grade credit rating
- Immediately earnings-accretive, value-enhancing opportunities

Guidance at CER.

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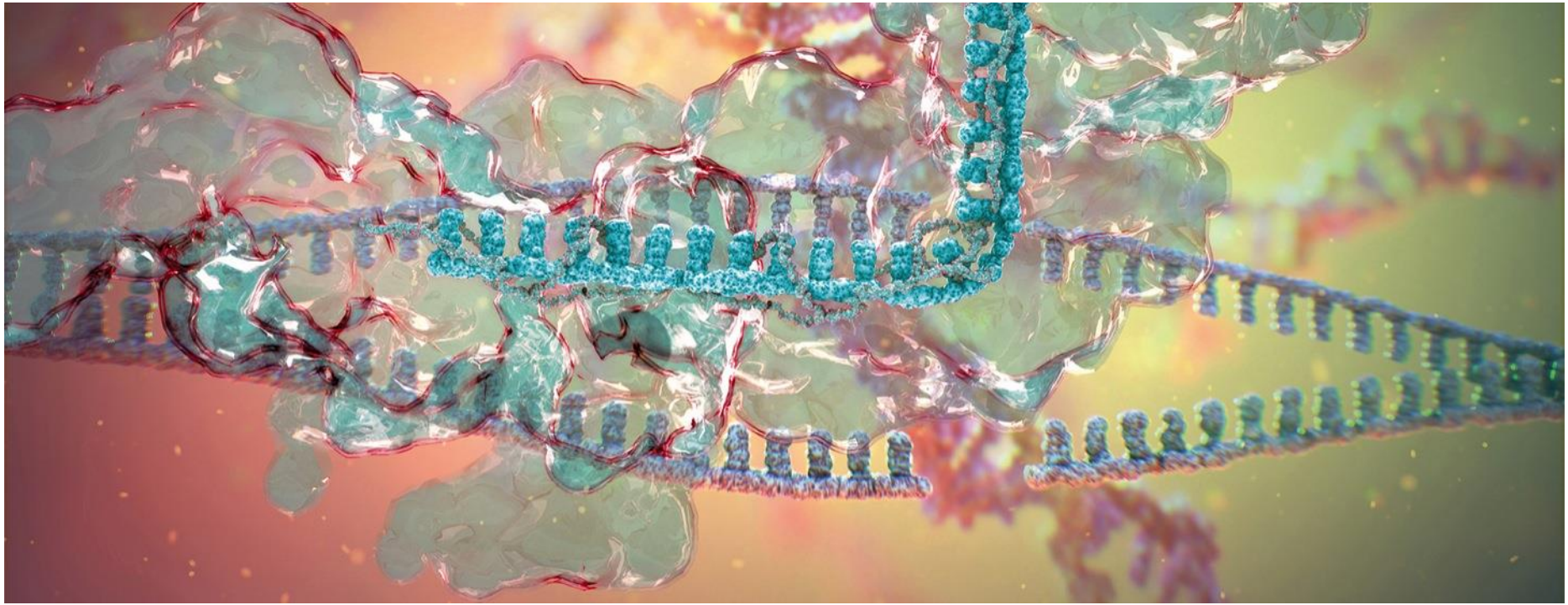
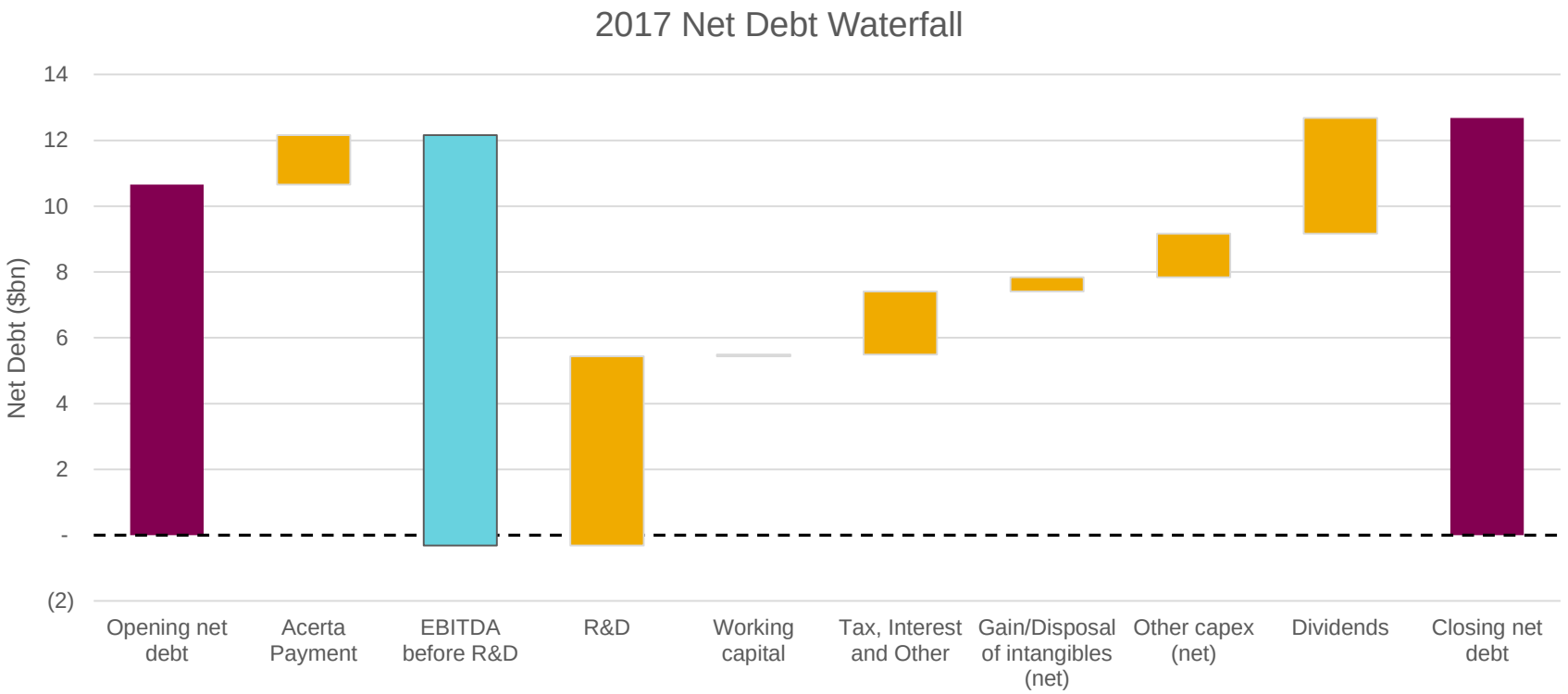
Treasury Update



Improving operating cash flow more than offset by continued investment in the pipeline and dividend payments



Net debt composition

	31-Dec-17 $m	31-Dec-16 $m
Gross debt	(17,807)	(16,808)
Cash & cash equivalents	3,324	5,018
Other investments	1,300	898
Net derivative financial instruments	504	235
Net debt	(12,679)	(10,657)

Liquidity, debt and rating summary

- Strong liquidity at 31 December 2017
  - Group cash and short term investments of $4.6 billion
  - Undrawn $3 billion committed bank facilities (mature in 2022)

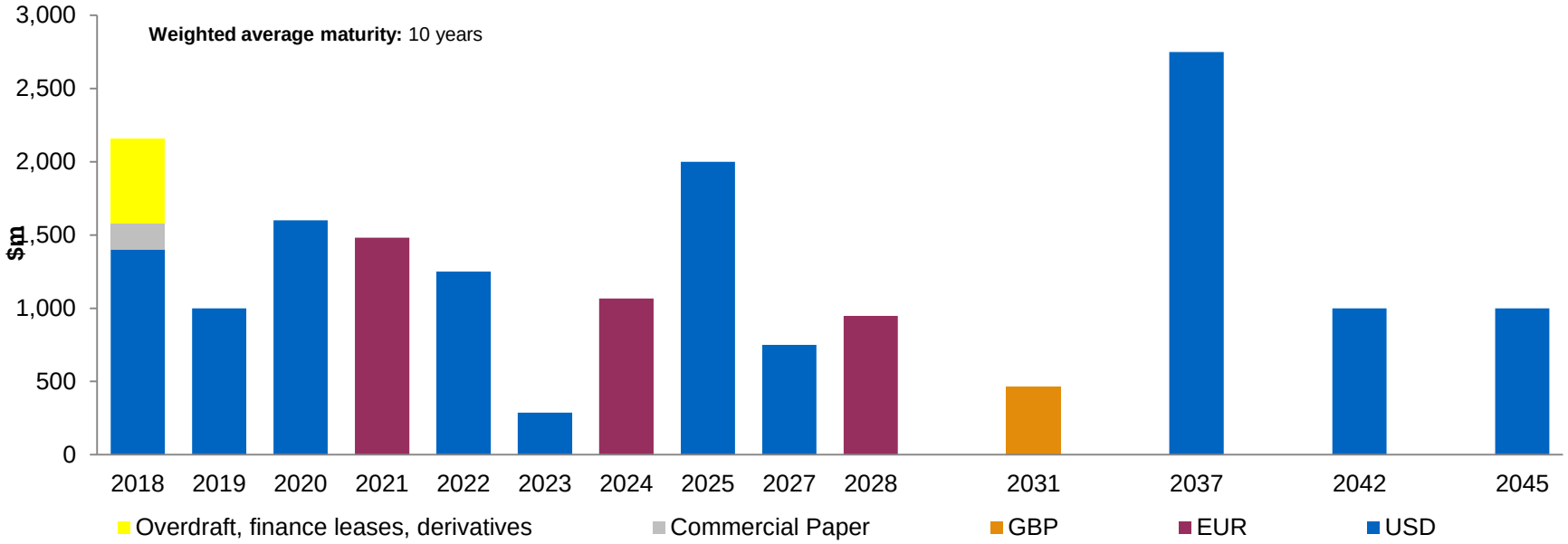
- Access to diverse sources of funding through US and European debt programme, USCP programme

Programme	Valid to	Limit	Utilisation as at 31/12/2017
SEC registered Shelf Programme	Nov-19	Unlimited	USD 12.8bn
Euro Medium Term Note Programme	Aug-18	USD 5bn	USD 3.9bn
US Commercial Paper	N/A	USD 15bn	USD 0.2bn

- The Board continues to target a strong, investment-grade credit rating.
- The Company is currently rated as:
  - Moody's: A3 Negative outlook / P2
  - Standard & Poor's: BBB+ Stable outlook / A2

Smooth debt maturity profile with 10 year average life

Debt Maturity Profile at 31 December 2017[1]



[1] FX converted at December 2017 spot rates (USD/EUR 0.8439; USD/GBP 0.7517)

Key Messages

- A New Phase of Growth - past the patent cliff
- An Attractive Pipeline - a busy period of launches and commercial execution
- Growth Platforms - underpinned by Emerging Markets and Oncology
- Financial Performance - supporting enhanced cash generation

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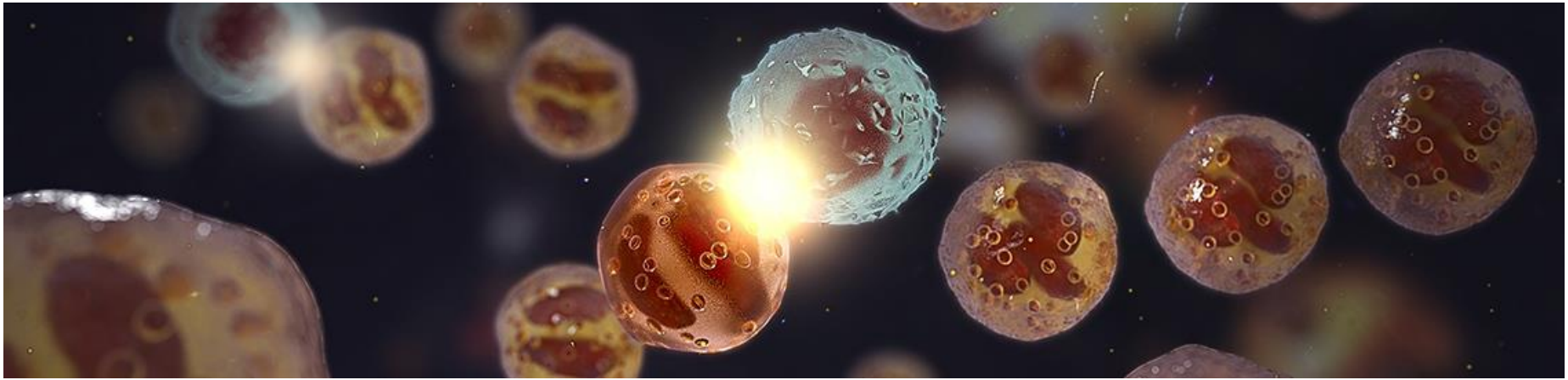
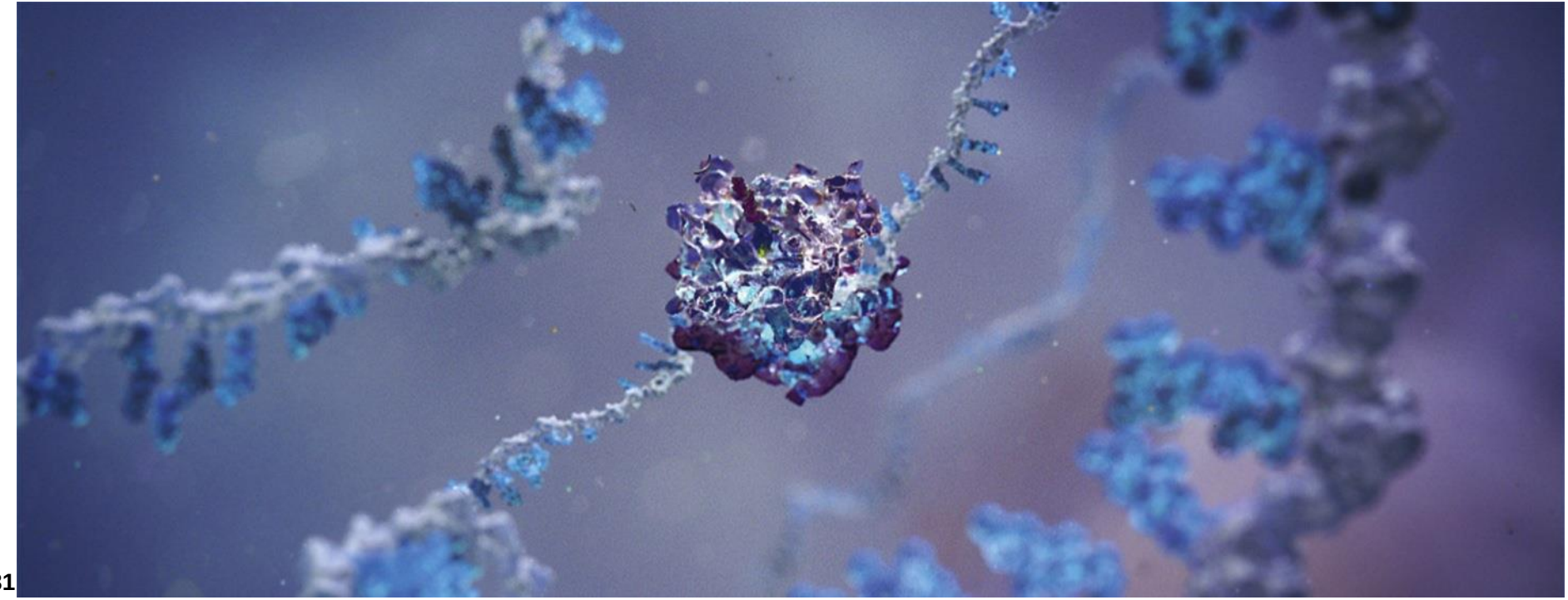
March 2018



Appendix



Highlights continued

News flow continued at high speed in the period

Pipeline developments

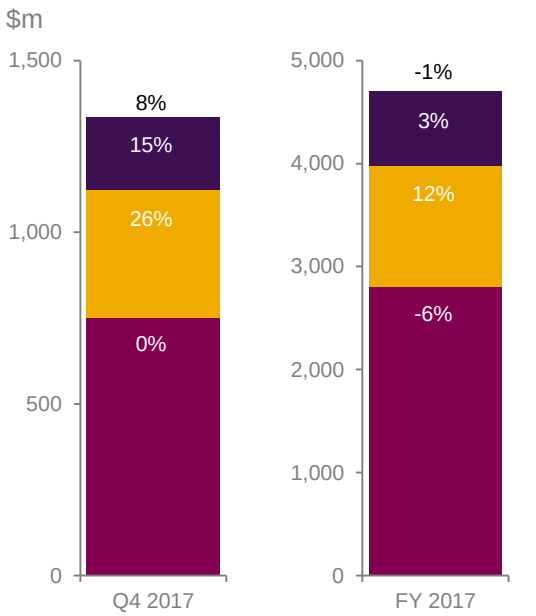
Oncology	• *Faslodex*	breast cancer (combinations)	Approval (US, EU)
	• *Lynparza*	ovarian cancer 2L breast cancer	Approval (JP), Priority review (CN) Approval (US)
	• *Tagrisso*	lung cancer 1L (FLAURA)	Regulatory submission acceptance (US - Priority Review, EU, JP)
Cardiovascular and Metabolic Diseases	• *Bydureon* + insulin	type-2 diabetes	Approval (EU)
	• ZS-9	hyperkalaemia	Regulatory submission (US) CHMP positive opinion reiterated (EU)
	• roxadustat	anaemia	Priority review (CN)[1]
Respiratory	• *Fasenra* (benralizumab)	severe, uncontrolled asthma	Approval (US, EU, JP)
	• PT010	COPD[2]	Phase III KRONOS trial - most primary endpoints met[3]
	• tezepelumab	severe, uncontrolled asthma	Phase III programme initiated

1. By partner Fibrogen.
2. Chronic obstructive pulmonary disease.
3. Eight of the nine primary endpoints in the KRONOS trial were met, including two non-inferiority endpoints to qualify PT009, one of the comparators. Status since the previous results announcement on 9 November 2017.

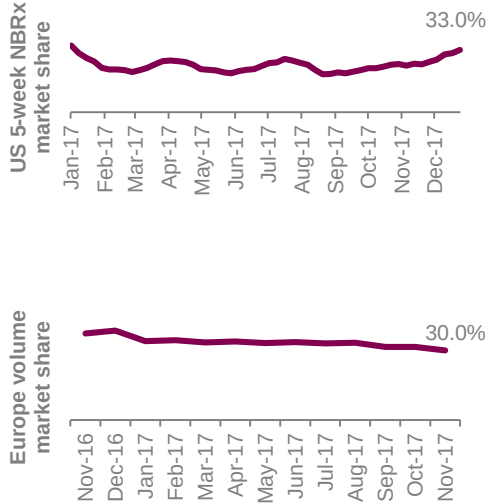
Respiratory

Symbicort sustained in a competitive market

Steady *Pulmicort* growth



Symbicort US and Europe market share stable



Global focus: Emphasis on *Symbicort*'s competitive profile

US -8%

- *Symbicort* access maintained, but pricing pressure remained despite some improvement in H2 2017
- Growth in new medicines
  - *Daliresp* (+25%); *Bevespi* progressed

Europe -5%

- Overall stable *Symbicort* volume

Emerging Markets +13%

Chart legend: ***Symbicort*** ***Pulmicort*** **Others**
Absolute values at actual exchange rates; change at CER.

NBRx = New-to-brand prescriptions.
Source: IQVIA, formally Quintiles IMS Holdings, Inc..

Fasenra: Our first respiratory biologic

Now approved in the US, the EU and Japan

28-51%[1]

reduction in the annual asthma exacerbation rate versus placebo

116-159mL[1]

significant improvement in lung function as measured by forced expiratory volume in one second (FEV_1) versus placebo

75%[1]

reduction in median OCS[2] dose from baseline (vs 25% for placebo) and discontinuation of OCS use in 52% of eligible patients

1. Source: Summary of product characteristics, AstraZeneca data on file.
2. Oral corticosteroids

New CVMD

Brilinta and *Farxiga* each reached >$1bn milestone

Brilinta: Blockbuster US NBRx continued to grow

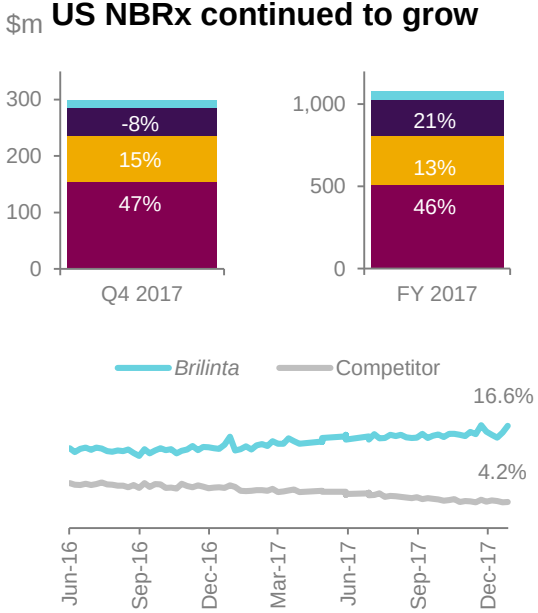


Chart legend: **US** **Europe** **Emerging Markets** **Established Rest of World**
Absolute values at actual exchange rates; change at CER.
Source: IQVIA, formally Quintiles IMS Holdings, Inc.,

Diabetes: *Farxiga* blockbuster Global leadership ongoing

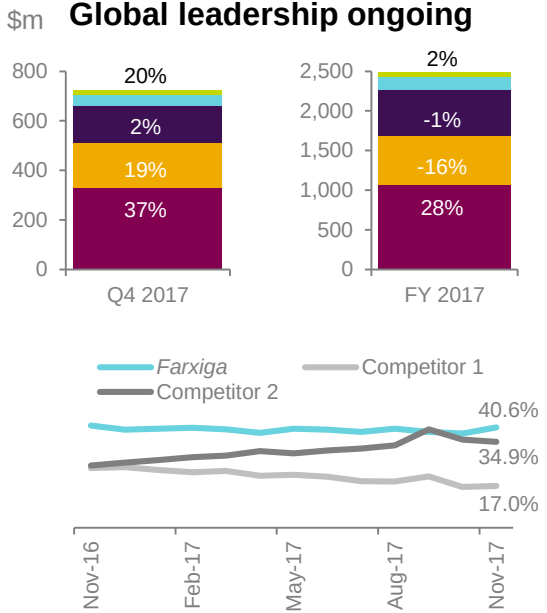


Chart legend: ***Farxiga*** ***Onglyza*** ***Bydureon*** ***Byetta*** **Others**
Source: IQVIA, formally Quintiles IMS Holdings, Inc., *Farxiga*: Includes fixed-dose combinations.

Commercial focus maintained on the two largest medicines

***Brilinta* +29%**

- Sustained solid growth in all regions

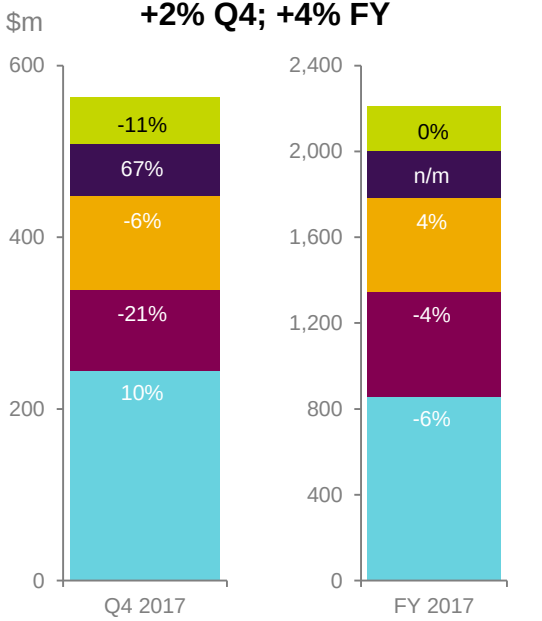
***Farxiga* +28%**

- US (+7%) continued growth; stable share in a growing market
- Ex-US (54% of total) Continuous strong growth, e.g. Emerging Markets (+73%), Europe (+28%)

Japan

Tagrisso supported the sustained growth; *Crestor* offset

Growth ongoing +2% Q4; +4% FY



Key medicines remained volume-share leaders

- ***Symbicort***
  In-market growth; sales reduced by tough comparison and partner buying
- ***Tagrisso***
  Continued strong growth; sequential maturation due to 90%+ testing and prescription rate
- ***Nexium***
  Tough comparison; remained market leader in the class
- ***Crestor***
  Decline as a result of 20+ generic competitors
- New approvals: ***Lynparza*** and ***Fasenra***

Tagrisso: Back to growth after Ryotanki[1] lift in Q2

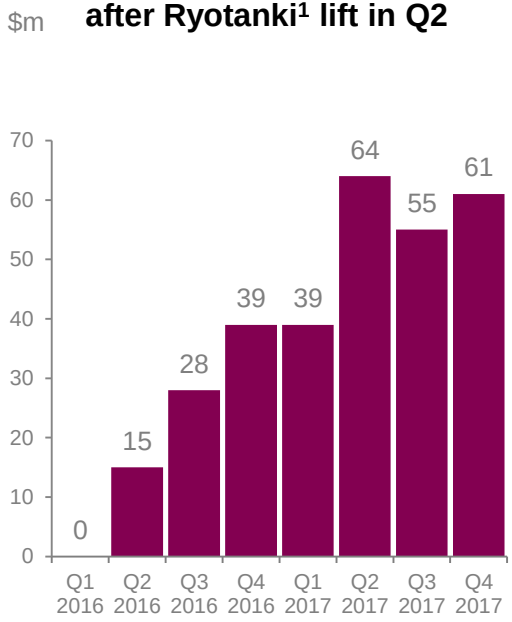
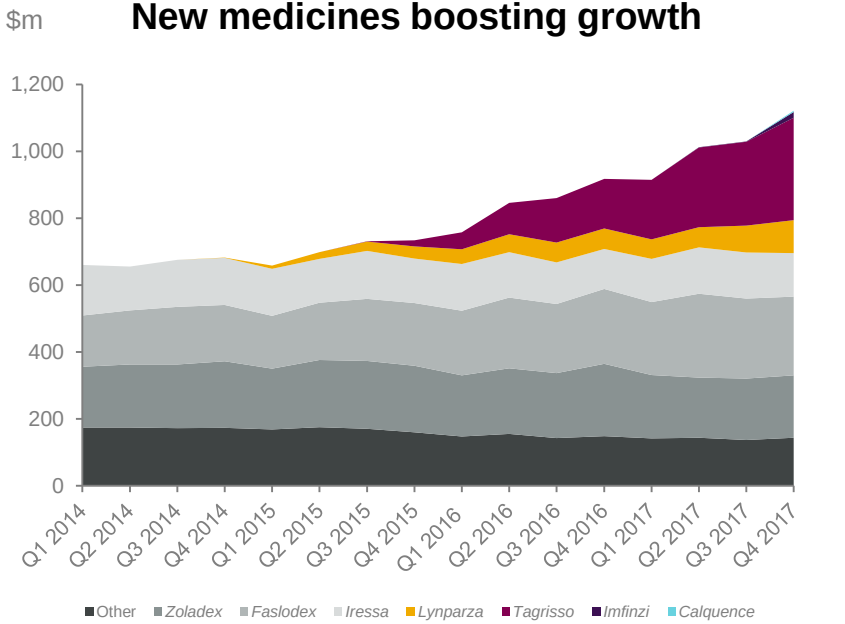


Chart legend: Other ***Crestor*** ***Nexium*** ***Tagrisso*** ***Symbicort***
Absolute values at actual exchange rates; change at CER.

1. Ryotanki: Regulation in Japan that restricts prescriptions for medicines in their first year on the market to just two weeks.

Oncology

Growth being delivered



- **Total Oncology +19%**
  - 20% of total Product Sales
  - *Faslodex* approaching $1bn
- **Six new medicines 2014-2020, with four delivered**
  - ***Lynparza***: Growth accelerating
  - ***Tagrisso***: Success in 2L; preparing for 1L
  - ***Imfinzi***: Q4 inflection point
  - ***Calquence***: Encouraging early uptake

Absolute values at CER.

Lynparza

The leading PARP inhibitor with revitalised US growth

Continued strong growth
+58% Q4; +35% FY

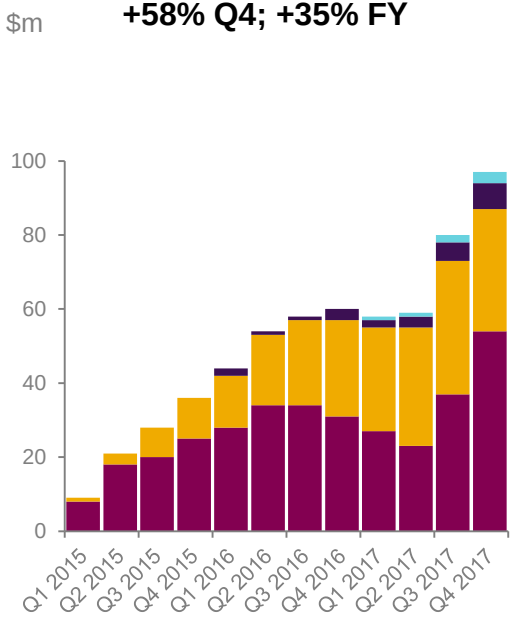


Chart legend: **US** **Europe** **Emerging Markets** **Established Rest of World**
Absolute values at actual exchange rates.

Strong US sales momentum
Europe awaiting new tablet

- **US +11%, but +74% in Q4**
  Continued strong growth; launch of tablets and the broad label in OC[1]
- **Europe +58%**
  Steady progress in 2L OC; awaiting tablet label
- **Next commercial milestones**
  - BC[2] launch in US (ongoing)
  - First launch in Japan; OC (ongoing) followed by BC (H2)
  - Tablets in Europe (H1)

MRK collaboration update

- Continued integration of both development and commercial efforts
- Joint US field force being deployed. Other countries to follow

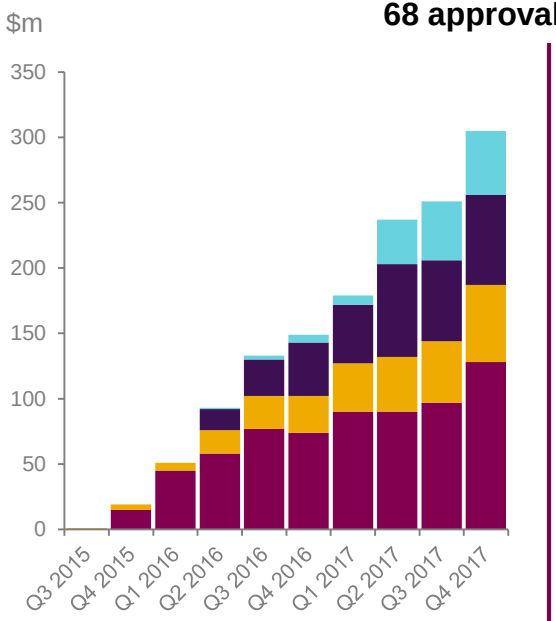
AstraZeneca

MERCK
INVENTING FOR LIFE

1. Ovarian cancer.
2. Breast cancer.

Tagrisso and *Imfinzi*
Q4: Accelerating growth

Tagrisso
68 approvals; 16 awaited



- **US +59%**
  Higher testing rates of ~70% underpinned continued growth; preparing for 1st-line launch
- **Europe +142%**
  Testing rates generally below US; France leading, momentum from launches in Italy and Germany
- **Japan**
  Back to sequential growth
- **Emerging Markets**
  China, other launches

Imfinzi

- **Product sales $19m; $18m in Q4**
- **Current approvals**
  2nd-line bladder cancer: US (3rd in the market), Brazil, Canada, and Israel
- **Next steps**
  Launch in Stage III unresectable lung cancer*

Chart legend: **US** **Europe** **Emerging Markets** **Established Rest of World**
Absolute values at actual exchange rates.

* *Imfinzi* is not yet approved in lung cancer.

Prudent Treasury Risk Management Policies

The Company operates with a centralised Treasury structure so that key Treasury risks are managed at a Group level.

Investment policy
- Security and liquidity
- Financial counterparty limits

Foreign Exchange Policy
- Foreign Exchange exposures managed centrally
- Transactional currency exposures substantially hedged

Interest Rate Policy
- Level of floating rate debt matched to cash
- Significant portion of financial liabilities at fixed interest rates

Credit Risk
- Cash managed centrally
- Derivatives positions fully collateralised

Liquidity Policy
- Prudent level of available cash and unutilised credit facilities
- Group funding centrally managed

Use of AstraZeneca webcast, conference call and presentation slides