

Year-To-Date and Q3 2017 Results

Conference call and webcast for investors and analysts

09 November 2017



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 or expectations; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; the risk of substantial product liability claims; the risk of failure to adhere to applicable laws, rules and regulations; the risk of failure to adhere to applicable laws, rules and regulations relating to anticompetitive 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 / webcast should be construed as a profit forecast.

Presenters



Pascal Soriot
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Executive Vice President,
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Affairs, Corporate Affairs



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Marc Dunoyer Executive Director and Chief Financial Officer



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Executive Vice President,
Global Medicines Development
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Agenda



Overview



Growth Platforms



Oncology



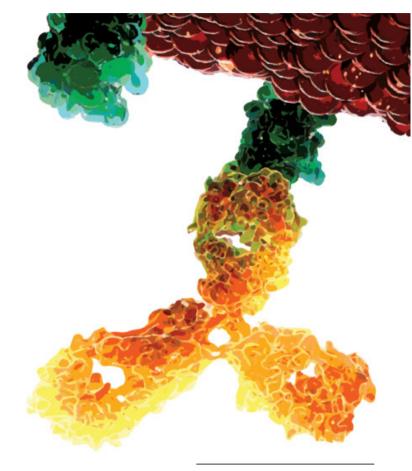
Finance



Pipeline and news flow



Closing and Q&A



Antibody that blocks inhibitory signals from the tumour to cells of the immune system, resulting in enhanced antitumour immunity



Highlights

YTD 2017: Performance in line with expectations

Business & financials

Total Revenue decreased by 3% with the decline in Product Sales decelerating (-2% Q3 vs -8% YTD)

Growth Platforms improved

- Emerging Markets: Up 7%; accelerating in Q3
 - China: Up 10%; five additional medicines reimbursed
- Respiratory: Quarterly improvement; continued impact from US Symbicort
- New CVMD¹: Brilinta (+31%); Farxiga (+24%)
- Japan: Up 5%; lapping price cuts and strong Tagrisso
- New Oncology²: Lynparza US Q3 growth; Tagrisso strength (\$651m)

EPS as expected and supporting updated 2017 guidance

Sustainable business

- Ranked in the Dow Jones Sustainability Index (DJSI) World and Europe
- One of only 25 companies worldwide to be awarded a position on CDP's annual 'A List' for climate and water



^{1.} New Cardiovascular & Metabolic Diseases comprises Brilinta and Diabetes

^{2.} New Oncology comprises *Lynparza*, *Tagrisso*, *Iressa* US, *Imfinzi* and *Calquence*.

Absolute values at actual exchange rates; change at Constant Exchange Rates (CER) and for YTD 2017, unless otherwise stated. Guidance at CER.

Highlights, continued

Q3 2017: Unprecedented pipeline news flow

Pipeline developments

Oncology	 Faslodex Lynparza Tagrisso Imfinzi Calquence moxetumomab 	breast cancer 1L ovarian cancer 2L, 4L/tablets breast cancer lung cancer 1L lung cancer Stage III unresect. mantle cell lymphoma 2L hairy cell leukaemia 3L	Approval (US) Approval (US) Regulatory submission, Priority Review (US, JP) Breakthrough Therapy Designation (US) Regulatory submission (US/Priority Review, EU, JP) Breakthrough Therapy Designation (US) Approval (US) Breakthrough Therapy Designation (US) Phase III trial met primary endpoint
Cardiovascular & Metabolic Diseases	 Brilinta Farxiga + Bydureon Bydureon BCise	Prior MI ¹ type-2 diabetes type-2 diabetes	Approval (CN) Approval (US, EU) Approval (US), regulatory submission acceptance (EU)
Respiratory	SymbicortDuaklirtralokinumab	COPD ² exacerbations COPD severe, uncontrolled asthma	Approval (US) Phase III trial met primary endpoint Phase III trials did not meet primary endpoints

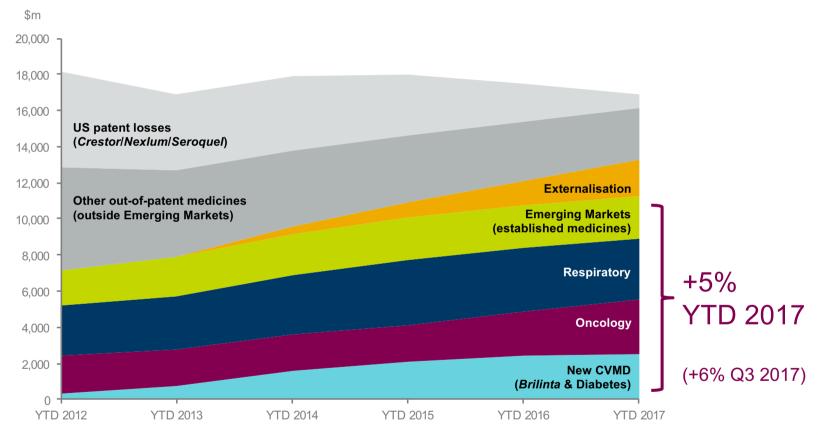
^{1.} Myocardial infarction.



^{2.} Chronic obstructive pulmonary disease. Status since 27 July 2017.

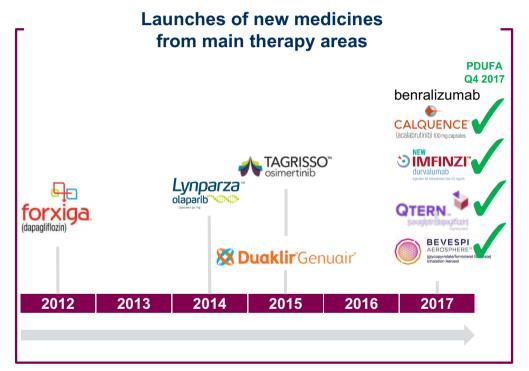
Product Sales: An inflection point approaching

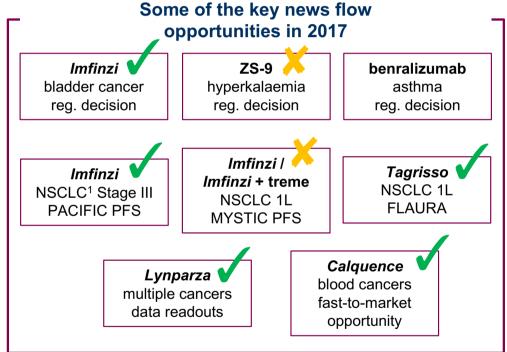
A new AstraZeneca is emerging from the patent losses





2017: Already a defining year







Agenda



Overview



Growth Platforms



Oncology



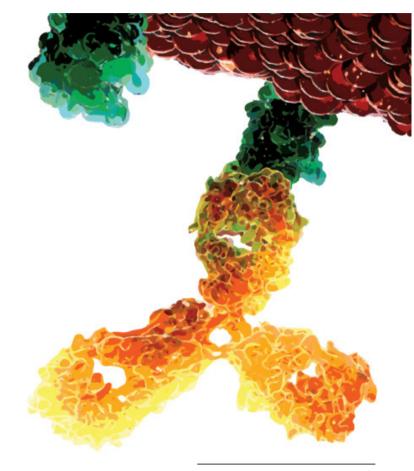
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Pipeline and news flow



Closing and Q&A



Antibody that blocks inhibitory signals from the tumour to cells of the immune system, resulting in enhanced antitumour immunity



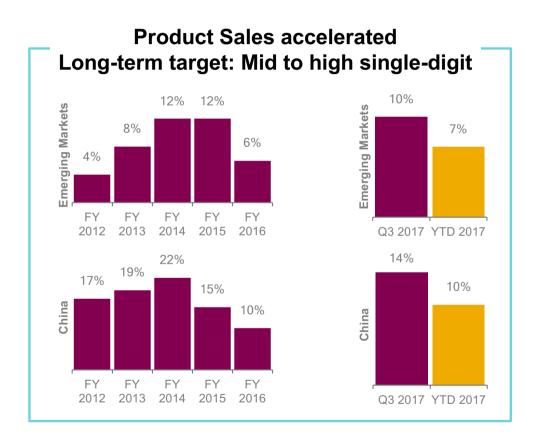
Growth Platforms: Solid Q3 with improving performance

		Q3 2017 \$m	% change	% Total Revenue	% Product Sales	YTD 2017 \$m	% change	% Total Revenue	% Product Sales
	Growth Platforms	3,760	6	60	77	11,055	4	66	75
VA	Emerging Markets	1,515	10	-	-	4,519	7	-	-
	Respiratory	1,092	(2)	-	-	3,372	(3)	-	-
	New CVMD	873	7	-	-	2,543	5	-	-
	Japan	578	4	-	-	1,645	5	-	-
8	New Oncology	339	73	-	-	876	97	-	-



Emerging Markets

Strong China growth



Solid Emerging Markets; China growth increased

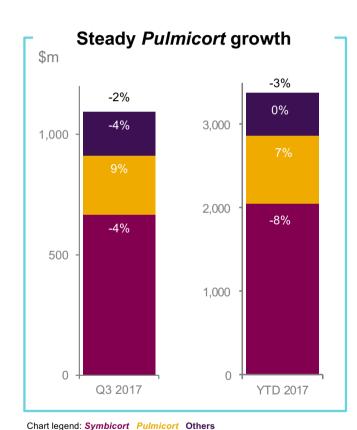
- Mid to high single-digit growth continued
 - Growth impacted by economic conditions in LatAm/MFA¹
 - Underlying growth ~5% higher when adjusting for partnerships/divestments
- Oncology +22%: Zoladex (+10%), Iressa (+8%), Faslodex (+23%) benefited from greater access; Tagrisso (\$85m) already making a real difference
- New CVMD +23%: Key growth medicines Brilinta (+32%) and Forxiga (+72%) continued to perform
- Respiratory +9%: Continued double-digit growth for Pulmicort (+19%; 59% of total); Symbicort (+8%)



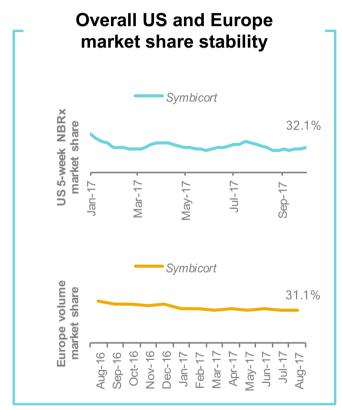
^{1.} Latin America and Middle-East & Africa. Change at CER.

Respiratory

Continued challenging market for Symbicort



Absolute values at actual exchange rates; change at CER.



NBRx = New-to-brand prescriptions. Source: QuintilesIMS.

Global focus: Emphasis on Symbicort's competitive profile

US -13%

- Symbicort pricing pressure continued as expected despite some relief in Q3
- Growth in new medicines
 - Daliresp (+23%); Bevespi continued to progress

Europe -6%

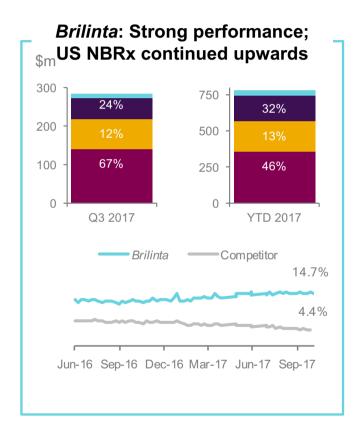
- Overall stable Symbicort volume
- Growth in new medicine
 - Duaklir (+25%)

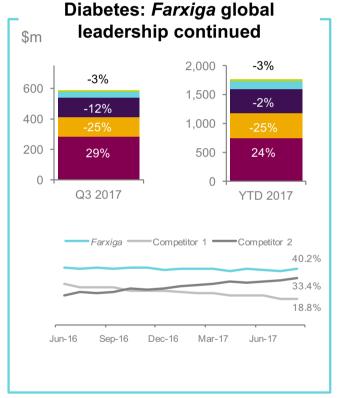
Emerging Markets +9%



New CVMD

Strong Brilinta and Farxiga performance





Commercial focus continued on the two differentiated medicines

Brilinta +31%

Continued solid growth across all geographies

Farxiga +24%

- US (+4%) back to growth due to reduced affordability programmes and supported by scientific rollout of CVD-REAL study
- Ex-US (54% of total)
 Continued growth, e.g. Europe (+27%), Emerging Markets (+72%)

Chart legend: US Europe Emerging Markets Established Rest of World

Absolute values at actual exchange rates; change at CER.

Chart legend: Farxiga Onglyza Bydureon Byetta Others

Source: QuintilesIMS. Farxiga: Includes fixed-dose combinations.



Bydureon BCise now approved in the US Will help compete in a dynamic diabetes market



New, easy-to-use, once-weekly medicine for type-2 diabetes



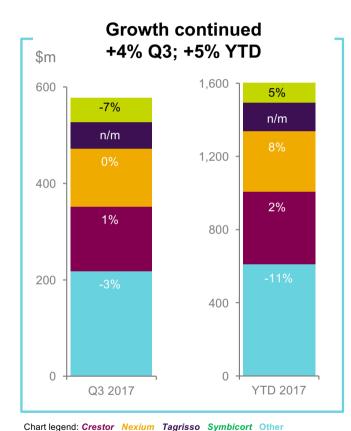
Unique, continuous-release microsphere delivery system

Up to 1.4%
HbA1c¹ reduction

Up to 3.11bs
Weight loss

Japan

Steady growth supported by *Tagrisso*



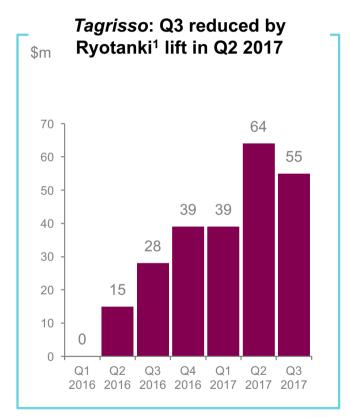
Key medicines grew well and continued to lead their markets

Symbicort Growth and market leadership; partner buying patterns

Tagrisso Continued strong growth; encouraging testing rate and penetration (~80%)

Nexium Growth slightly ahead of market; remained a leader in the class

Crestor Growth slowed ahead of increased competition



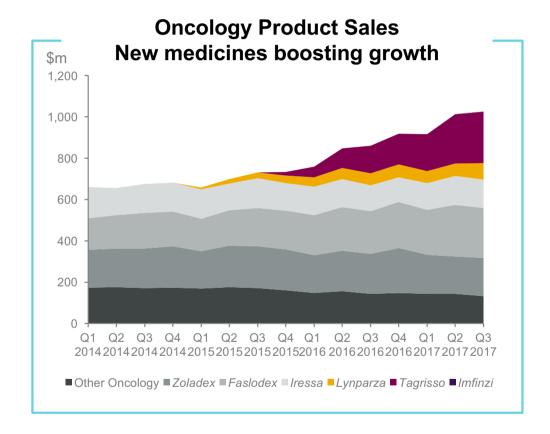
1. Ryotanki: Regulation in Japan that restricts prescriptions for medicines in their first year on the market to just two weeks.



Absolute values at actual exchange rates; change at CER.

Oncology

Quarterly sales now >\$1bn



- Total Oncology +19%
 - Already 20% of total Product Sales
- Six new medicines 2014-2020 with four delivered
 - Lynparza
 - Tagrisso
 - Imfinzi: Strategic US launch May 2017 in bladder cancer 2L enabling awareness, account openings and formulary access. Steady progress; mid-single digit share of new patients / shared 3rd market position
 - Calquence: Entry into blood cancers



Lynparza

Global leader in DNA damage response

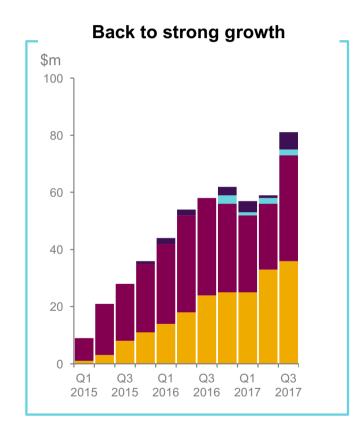


Chart legend: Europe US Established Rest of World Emerging Markets

Absolute values at actual exchange rates.

US returned to growth in Q3

Europe

Steady progress in 2L ovarian cancer, despite capsule label

US

Returned to growth in Q3; strong launch of tablets and new broad label in OC¹

Next commercial milestones

- Tablets in Europe (H1 2018)
- BC² launch in US (H1 2018)
- First launch in Japan; OC (H1
- 2018 followed by BC (H2 2018)

MRK collaboration status since H1 2017 Results announcement

- Joint Steering Committee and subteams created and agreed commercial and development plans
- Collaboration infrastructure set up and agreed
- MRK sales reps will start promoting Lynparza in early 2018





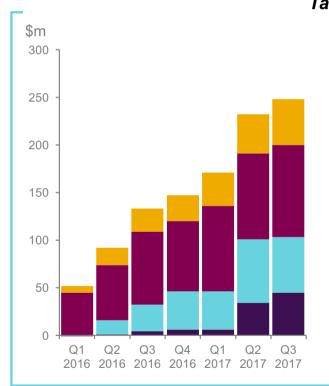
1. Ovarian cancer.

2. Breast cancer.



Lung cancer: Tagrisso and Imfinzi

Quickly progressing with making medicines available to patients



Tagrisso

- US
 Higher testing rates underpinned growth
- Europe
 Positive reimbursement decision in Germany
- Japan
 Testing rates >90%, 2L T790M
 penetration ~80%
- Emerging Markets
 China launch progressing well



Chart legend: Emerging Markets Established Rest of World US Europe

Absolute values at actual exchange rates.



Calquence

For adult patients with previously-treated mantle cell lymphoma



40%

Complete response rate

80%

Objective response rate





Agenda



Overview



Growth Platforms



Oncology



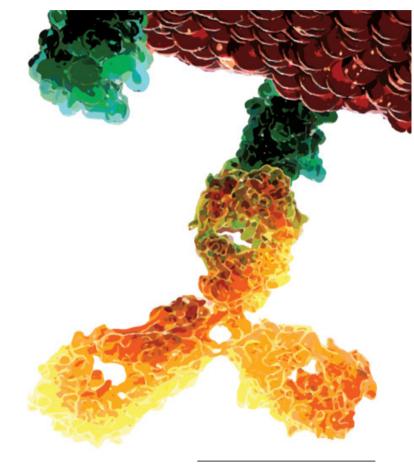
Finance



Pipeline and news flow



Closing and Q&A



Antibody that blocks inhibitory signals from the tumour to cells of the immune system, resulting in enhanced antitumour immunity



Reported Profit & Loss

	YTD 2017 \$m	% change	% Total Revenue	Q3 2017 \$m	% change	% Total Revenue
Total Revenue	16,688	(3)	100	6,232	10	100
- Product Sales	14,665	(8)	88	4,882	(2)	78
- Externalisation Revenue	2,023	50	12	1,350	n/m	22
Gross Margin	80.3%	(2) pp ¹	-	77.7%	(4) pp	-
R&D Expenses	4,206	(1)	25	1,404	1	23
SG&A Expenses	7,155	(9)	43	2,497	5	40
Other Operating Inc. & Exp.	982	86	6	143	29	2
Tax Rate	12%	-	-	13%	-	-
EPS	\$1.34	(4)		\$0.54	(33)	

^{1.} Percentage points.



Absolute values at actual exchange rates; change at CER.

Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

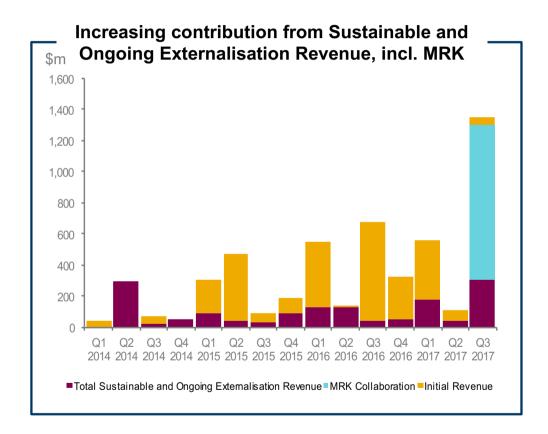
Core Profit & Loss

	YTD 2017 \$m	% change	% Total Revenue	Q3 2017 \$m	% change	% Total Revenue
Total Revenue	16,688	(3)	100	6,232	10	100
- Product Sales	14,665	(8)	88	4,882	(2)	78
- Externalisation Revenue	2,023	50	12	1,350	n/m	22
Gross Margin	81.8%	(1) pp	-	79.6%	(4) pp	-
R&D Expenses	3,956	(2)	24	1,339	-	21
SG&A Expenses	5,678	(5)	34	1,950	4	31
Other Operating Inc. & Exp.	1,101	94	7	143	32	2
Tax Rate	18%	-	-	17%	-	-
EPS	\$2.98	(7)		\$1.12	(17)	



Externalisation Revenue

Sustainable income increased

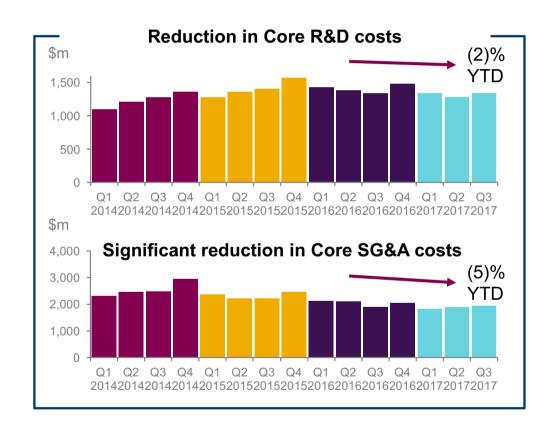


Key observations

- Sustainable and Ongoing Externalisation Revenue annualising at >\$500m in 2017
- MRK collaboration expected to provide further and increasing income in the years to come
 - \$1.6bn this year \$1bn in Externalisation Revenue
 - \$750m option payments in 2017-2019
 - Regular milestones; approval (~1/3) and salesrelated (~2/3); mono and combo therapy
 - First milestone anticipated in 2018



Continued progress and focus on cost discipline



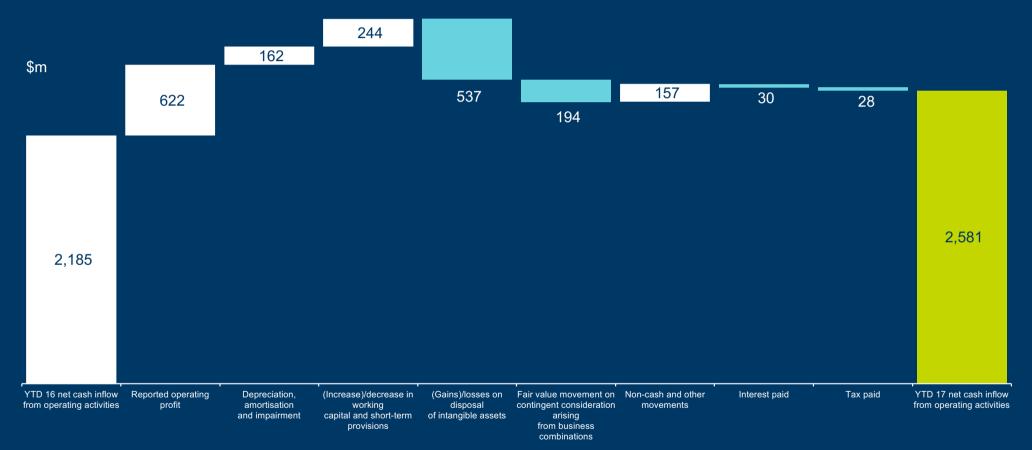
Continued reduction in Core costs

- Reduction in Core R&D costs
 - YTD 2017: Down by 2%
 - FY 2017: Core R&D costs are expected to be broadly in line with those in FY 2016
- Significant reduction in Core SG&A costs
 - YTD 2017: Down by 5%
 - Q3 2017: Continued cost discipline; increase of 4% reflects comparative period, early investment in upcoming launches and Emerging Markets/China



Focus: Cash flow

Detailed breakdown



FY 2017 guidance and capital-allocation priorities

Guidance

Total Revenue

Low to mid single-digit percentage decline

Core EPS

Towards the favourable end of a low to mid teens percentage decline

Capital-allocation priorities

Investment in the business

Progressive dividend policy

Strong, investment-grade credit rating

Immediately earnings-accretive, value-enhancing opportunities



Agenda



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Oncology



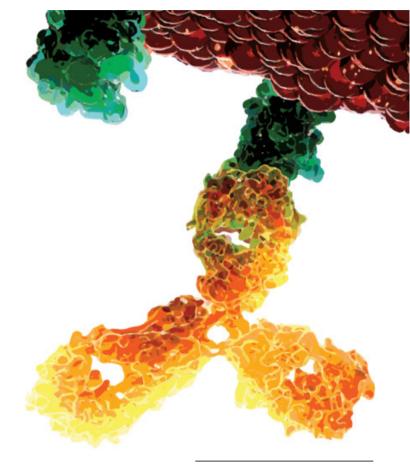
Finance



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Q3 2017 late-stage pipeline update

Oncology

- Faslodex breast cancer 1L: Approval (US)
- Lynparza
 - ovarian cancer 2L, 4L/tablets: Approval(US)
 - breast cancer: Regulatory submission, Priority Review (US, JP)
- Tagrisso lung cancer 1L (FLAURA):
 Breakthrough Therapy Designation (US)
- Imfinzi lung cancer Stage III (PACIFIC): RSA¹ (US / Priority Review, EU, JP) Breakthrough Therapy Designation (US)
- Calquence MCL² 2L: Approval (US), Breakthrough Therapy Designation (US)
- Moxetumomab pasudotox hairy cell leukaemia 3L: Phase III met primary endpoint

Cardiovascular & Metabolic Diseases

- Brilinta prior MI: Approval (CN)
- Farxiga + Bydureon type-2 diabetes: Approval (US, EU)
- Bydureon BCise (autoinjector) type-2 diabetes: Approval (US), regulatory submission acceptance (EU)
- roxadustat anaemia: Completion of rolling regulatory submission (CN)³



Respiratory

- Symbicort COPD exacerbations: Approval (US)
- **Duaklir** COPD: Phase III trial met primary endpoint
- tralokinumab severe, uncontrolled asthma: Phase III STRATOS 2 trial did not meet primary endpoint



^{1.} Regulatory submission acceptance.

^{2.} Mantle cell lymphoma.

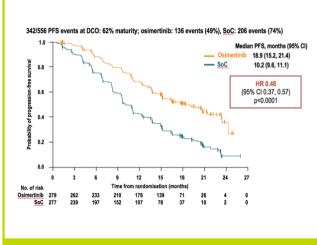
^{3.} By partner Fibrogen.

Status since 27 July 2017.

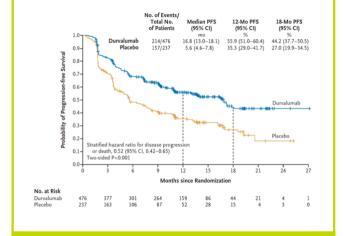
Oncology Highlights from ESMO

European Society for Medical Oncology (ESMO) Potential new standards of care in lung cancer

 Tagrisso - EGFRm 1L NSCLC (FLAURA)



FLAURA regulatory submission acceptances Q4 2017 Imfinzi - locally-advanced (Stage III), unresectable NSCLC



PACIFIC regulatory submissions accepted

Randomisation in the PACIFIC trial occurred up to 6 weeks after concurrent chemoradiation therapy (cCRT) and cCRT typically lasted at least 6 weeks. If the PFS had been measured prior to cCRT, it would add aborroximately 3 months or longer to the PFS value for each arm.

Regulatory progress

Tagrisso FLAURA

 Regulatory submission acceptances anticipated during Q4 2017

Imfinzi PACIFIC

- Regulatory submissions and/or acceptances in US (Priority Review), EU, Japan, Switzerland, Canada, Australia, Brazil
- Anticipate first regulatory decisions H1 2018



Sources: ESMO 2017 and Antonia S. J. et al., Durvalumab after Chemoradiotherapy in Stage III Non–Small-Cell Lung Cancer, NEJM 2017.

Cardiovascular & Metabolic Diseases

Highlights from ESC and EASD

European Society of Cardiology (ESC)

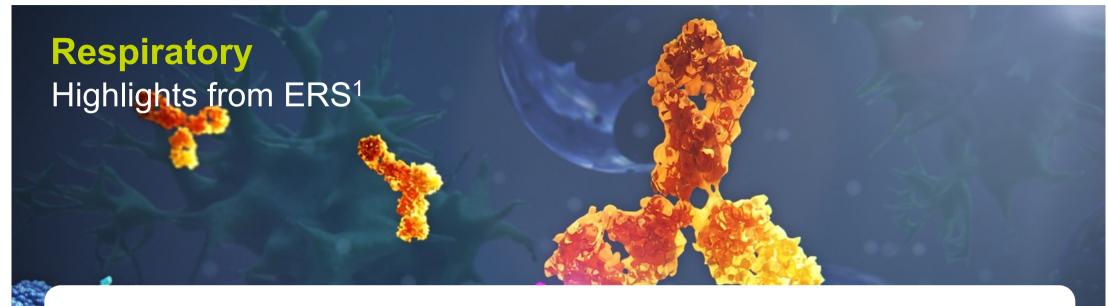
Sub-analysis of Phase III
 PEGASUS trial showed that 60mg
 Brilinta twice daily reduced the
 risk of cardiovascular death by
 29% vs. placebo in combination
 with aspirin



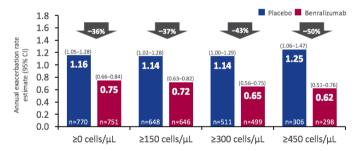
European Association for the Study of Diabetes (EASD)

- Forxiga type-1 diabetes (Phase III DEPICT 1 trial): Significant and clinically-relevant reductions from baseline in HbA1c, weight and lowered daily insulin dose at 24 weeks vs. placebo
- Bydureon type-2 diabetes
 (Phase III EXSCEL cardiovascular
 outcomes trial):
 Met primary safety objective; did
 not meet primary efficacy
 objective. Subgroup analyses
 ongoing



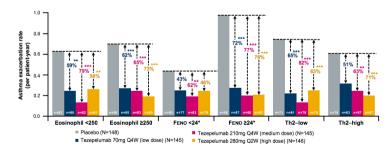


Benralizumab Q8W annual asthma exacerbation rate reduction by eosinophil ranges (full analysis set, pooled)



- Severe, uncontrolled asthma
- Pooled analysis characterising predictors of enhanced response
- Regulatory decision: Q4 2017 (US); and H1 2018 (EU, JP)

Tezepelumab annual asthma exacerbation rate vs. placebo at week 52 irrespective of baseline biomarker status



- Severe, uncontrolled asthma
- Positive Phase IIb PATHWAY trial
- Potential to help a broad group of patients; irrespective of biomarkers as it works on an upstream mechanism in the inflammatory cascade



1. European Respiratory Society.

Late-stage pipeline news flow in 2017 and 2018

Unlocking and realising the potential of new medicines

	Q4 2017	H1 2018	H2 2018		
Regulatory decision	benralizumab - severe, uncontrolled asthma (US)	Lynparza	Lynparza - breast cancer (JP)		
		ovarian cancer 2L (EU, JP)breast cancer (US)	Imfinzi - lung cancer (PACIFIC) (EU, JP)		
		Imfinzi - lung cancer (PACIFIC) (US)	Bydureon BCise - type-2 diabetes (EU)		
		benralizumab - severe, uncontrolled asthma (EU, JP)	Bevespi - COPD (EU)		
Regulatory submission	Tagrisso - lung cancer 1L	Lynparza - breast cancer (EU)	Lynparza - ovarian cancer 1L		
		Imfinzi +/- treme - lung cancer 3L (ARCTIC)	Imfinzi + treme - lung cancer 1L (NEPTUNE) Imfinzi +/- treme		
		moxetumomab pasudotox - hairy cell leukaemia 3L selumetinib - thyroid cancer	- lung cancer 1L (MYSTIC) - head & neck cancer 1L, 2L (KESTREL, EAGLE)		
		Bevespi - COPD (JP) Duaklir - COPD (US)	roxadustat - anaemia (US)		
		, ,	benralizumab - COPD PT010 - COPD (JP)		
Key Phase III data	-	Lynparza - ovarian cancer 1L	Imfinzi + treme - lung cancer 1L (NEPTUNE)		
readouts		Imfinzi +/- treme	Farxiga - type-2 diabetes (DECLARE)		
		- lung cancer 3L (ARCTIC) - lung cancer 1L (MYSTIC) (final OS)	benralizumab - COPD		
		- head & neck cancer 1L, 2L (KESTREL, EAGLE) selumetinib - thyroid cancer	anifrolumab - lupus		
		PT010 - COPD			



Agenda



Overview



Growth Platforms



Oncology



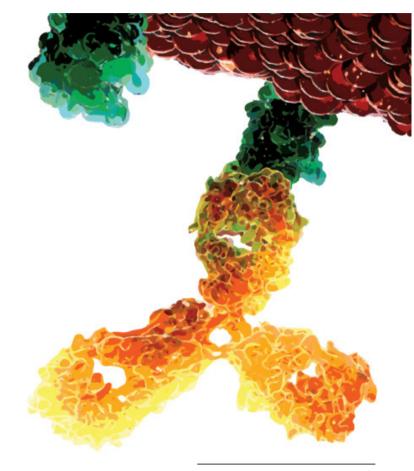
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Pipeline and news flow



Closing and Q&A



Antibody that blocks inhibitory signals from the tumour to cells of the immune system, resulting in enhanced antitumour immunity



Pipeline-driven transformation gathers pace

A new AstraZeneca is steadily emerging from 2017

- YTD and Q3 2017 in line with expectations
 - Financials on track
 - Guidance reiterated/updated
 - Unprecedented pipeline news flow
- Business execution
 - Lynparza back to US growth, Tagrisso excels, Imfinzi PACIFIC regulatory submissions, Calquence entry into blood cancers
 - Emerging Markets, Brilinta and Farxiga continued solidly
- 11 new potential medicines in Phase III/under registration ahead of busy news flow







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