

Transaction Overview: AstraZeneca acquisition of BMS share of global diabetes alliance

AstraZeneca will acquire the entirety of Bristol-Myers Squibb's interests in the companies' diabetes alliance. Upon completion of the transaction, AstraZeneca will own intellectual property and global rights for the development, manufacture and commercialisation of the diabetes business, which includes Onglyza® (saxagliptin), Kombiglyze™ XR (saxagliptin and metformin HCl extended release), Komboglyze™ (saxagliptin and metformin HCl), dapagliflozin (marketed as Forxiga® outside the US), Byetta® (exenatide), Bydureon® (exenatide extended-release for injectable suspension), metreleptin and Symlin® (pramlintide acetate).

Subject to local consultation and legislation, approximately 4,100 Bristol-Myers Squibb employees dedicated to the diabetes business, including those at Amylin, will eventually transition to AstraZeneca

The agreement, which is subject to customary regulatory clearances, is expected to close in January 2014.

Financial Terms:

Initial payment: \$2.7 billion upon closing

Approval/Launch Milestones: up to \$800 million

- Dapagliflozin US approval: \$600 million
- Forxiga Japan approval: \$100 million
- Ex-US Saxa/Dapa FDC launch \$100 million

Sales Performance Milestones: up to \$600 million (cumulative 2015-2019), payable in 2020

- \$150M if cumulative US sales reach \$8.5 billion
- \$150M if cumulative US sales reach \$10.5 billion
- \$150M if cumulative ex-US sales reach \$6.0 billion
- \$150M if cumulative ex-US sales reach \$8.0 billion

Additionally, AZ will make a payment of up to \$225 million if and when certain assets are subsequently transferred.

R&D Funding:

- BMS will continue to deliver specified clinical trials in line with the ongoing clinical trial plan.

Royalties on Net Sales:

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Post 2025</u>
Non-Amylin WW Net Sales up to \$500 million	44%	35%	27%	12%	20%	22%	25%	20%	19%	15%	15%	14%	0%
Non-Amylin WW Net Sales over \$500 million	3%	7%	9%	12%	20%	22%	25%	20%	19%	15%	15%	14%	0%
Amylin US Net Sales	0%	2%	2%	5%	10%	12%	12%	10%	9%	9%	6%	5%	0%

Notes:

- 1) Amylin includes *Byetta, Bydureon, Metreleptin and Symlin*
- 2) No royalties due on Amylin Ex-US Sales
- 3) Proceeds at closing will be subject to an additional adjustment, based on working capital at the closing date
- 4) The information included herein is as of December 19, 2013