

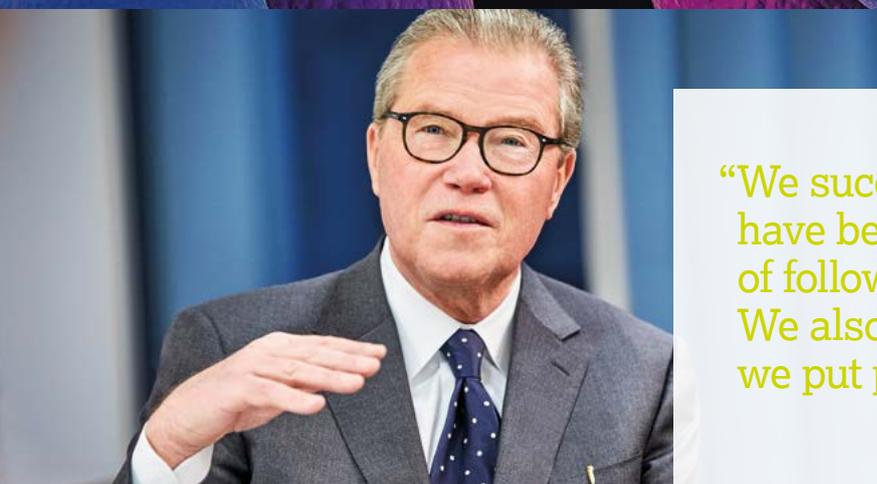
# What science can do

**AstraZeneca** Annual Report and Form 20-F Information 2018



## Chairman's Statement

In 2013, your Board chose a very clear strategic route to follow. It was a strategy rooted in our heritage as a company focused on innovative science to deliver great medicines.



**“We succeeded because we have been true to our Value of following the science. We also succeeded because we put patients first.”**

In 2018, under the leadership of Pascal Soriot, and together with the entire talented AstraZeneca team, we delivered on our promise and returned a reinvigorated AstraZeneca to Product Sales growth.

### Delivering for patients

We succeeded because we have been true to our Value of following the science. We also succeeded because we put patients first. This will become increasingly important as more people take an active role in managing their health and new technologies empower them to make their own health choices. In visits around the world, I have seen how digital technology is transforming the way we work and has the potential to help us develop better medicines, faster and with clearer benefits for patients and value for society.

### A changing world

We also need to show leadership in responding to other ways in which our world is changing: the increasing burden of non-communicable diseases, especially in poorer parts of the world; growing and ageing populations; and, notably, society's growing expectations of business. At the same time, we face more immediate challenges: the uncertainties surrounding the UK's impending departure from the EU, the trade dispute between the US and China, and other countries where we see a rise in disruptive politics.

### Sustainable health

I believe that being a sustainable business is fundamental to overcoming these challenges, as well as our ability to deliver innovative medicines to patients and ensure people have access to them. We are committed to our role in delivering sustainable health and maximising the benefit of what we do for patients, broader society and the planet. I'm pleased that, once again, our efforts have been recognised by, for example, the Dow Jones Sustainability and World Indices and Access to Medicine Index.

### Returns to shareholders and outlook

While we returned to Product Sales growth in 2018, that has yet to be reflected in our profitability, with Reported earnings per share (EPS) of \$1.70 representing a decline of 28% (29% at CER) compared with 2017. This reflected a decline in Total Revenue and the Reported Gross Margin. Core EPS declined by 19% to \$3.46, also driven by the investments we made in launching our new medicines. Core EPS for the final quarter rose, however, by 22% compared with the prior year quarter, reflecting Product Sales growth, higher ongoing Externalisation Revenue and a favourable adjustment to deferred taxes arising from recently announced reductions in Dutch and Swedish corporate income tax rates. Our guidance for 2019 is for an increase in Core EPS at CER to \$3.50-3.70 as we anticipate a high single-digit percentage increase in Product Sales to underpin improved profitability.

In light of this, the Board reaffirmed its commitment to the progressive dividend policy, with a second interim dividend for 2018 of \$1.90 per share, taking the unchanged full-year dividend per share to \$2.80.

### Appreciation

I would like to thank Pascal and everyone at AstraZeneca for all they have done to bring us to this point in our strategic journey. I am looking forward to the coming years when, by continuing to push the boundaries of science, we can bring more medicines to more patients and make a difference to more lives.

A handwritten signature in black ink, appearing to read 'Leif Johansson'.

**Leif Johansson**  
Chairman