ABBVIE’S ACQUISITION OF PHARMACYCLICS

March 5, 2015
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Strategically Compelling Acquisition

<table>
<thead>
<tr>
<th>Well-positioned for leadership in the large and rapidly growing oncology market</th>
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<td>Companies well-aligned with complimentary strengths and assets</td>
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<tr>
<td>Significantly accelerates clinical and commercial presence in oncology</td>
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<td>Combines the promising novel mechanisms for treatment of hematologic cancers: BTK inhibition; PI3K inhibition and Bcl-2 inhibition</td>
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<tr>
<td>Strong clinical expertise to develop novel combinations and next-generation therapies</td>
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A strategically compelling and financially attractive combination to drive significant shareholder value
Strong Strategic Fit

**Complementary strategic capabilities:**

- **Pharmacyclics**
  - Strong expertise in kinase biology and oncology discovery
  - Organizational expertise/capabilities in oncology development
  - Established strong commercial channel in hematological oncology

- **AbbVie**
  - Strong pre-clinical discovery and development capabilities in oncology, both small molecules and biologics
  - Complementary assets in hematological malignancies – Venetoclax, Duvelisib
  - Several late-stage development programs in solid tumors
  - Strong and deep expertise in immunology discovery, development, regulatory and medical affairs
  - Market leading channel presence in immunology

Pharmacyclics to be established as a standalone center of excellence

*Combined wherewithal to rapidly develop the broad application of BTK across multiple hematological oncology indications, as well as immunology and solid tumors*
## Financially Compelling Opportunity

<table>
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<th>Provides financially attractive profile, with accretion beginning in 2017, accelerating to more than $0.60 per share in 2019, and ramping significantly thereafter</th>
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<tr>
<td>Exceeds our cost of capital hurdle rate by 2019, significantly exceeds it thereafter</td>
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<tr>
<td>Purchase price of $261.25 per share, funded with mix of debt and equity; issuance of equity preserves financial flexibility</td>
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<tr>
<td>AbbVie peak-year sales for IMBRUVICA estimated to exceed $7BN</td>
</tr>
<tr>
<td>Newly combined oncology franchise poised to drive peak-year sales well in excess of $20BN</td>
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Financial Details

• AbbVie to acquire Pharmacyclics for $261.25 per share in cash and stock
  — Represents 39% premium to the Pharmacyclics closing price on February 24, 2015
  — Implies transaction value of approximately $20.2BN net of cash acquired

• Pharmacyclics shareholders have option to elect 100% cash, 100% stock or a mix of cash and stock, subject to proration such that total consideration will be approximately 58% cash / 42% stock
  — Fixed value offer with equity component subject to a floating exchange ratio

• Promptly after close, intend to execute an accelerated share repurchase program to repurchase at least half of the equity issued for this transaction
  — Share repurchase authorization increased from $5BN to $10BN

• Committed debt financing to fund the cash purchase price and post-closing accelerated share repurchase program

• Approved by both companies’ Board of Directors

• Closing expected in Q215 subject to regulatory approvals and other customary closing conditions
Strong Strategic Fit Drives Significant Value

Key Benefits

- Accelerates AbbVie’s leadership position in oncology
- Provides access to large and rapidly growing on-market asset with potential to achieve >$7BN peak-year AbbVie sales
- Accretive to EPS growth beyond 2016; ramping to >$0.60 per share by 2019
- Complementary to existing oncology pipeline assets
- Further diversifies AbbVie’s revenue base
- Creates another strong growth platform
- Excellent strategic fit
- Organization with proven track record of success
Hematologic Oncology Represents Significant Opportunity

B-Cell Malignancies: ~126,000 new Cases
In the U.S. In 2014**

- NHL 70,800 (56%)
- MM 24,050 (19%)
- ALL 6,020 (5%)
- CLL 15,720 (13%)
- Hodgkin’s 9,190 (7%)

2014 Global malignant hematology market
~$24BN\(^1\)

- Chronic Lymphocytic Leukemia (CLL) $1.7B
- Multiple Myeloma (MM) $7.1B
- Acute Lymphocytic Leukemia (ALL) $1.0B
- Lymphoma $6.1B
- Chronic Myeloid Leukemia (CML) $5.9B
- Myelodysplastic Syndrome (MDS) $1.5B

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1. Including, but not limited to tumor types shown on this slide. Source: EvaluatePharma
*No approved branded therapies

**Source: Cancer Facts and Figures, American Cancer Society (2014)
B-Cell Malignancies – Background

- B-cell malignancies are a broad and complex group of cancers
  - Arise from various developmental stages of the B lymphocyte, the cell type responsible for humoral (antibody-mediated) immunity

- Occur in several forms
  - Leukemia: Primarily affecting the bone marrow and blood
  - Lymphoma: Arising in the lymph node and other lymphoid organs
  - Multiple Myeloma: Tumor of plasma cells (antibody secreting cells) associated with protein overproduction and multiple lesions in bone
• IMBRUVICA is a novel and differentiated BTK-inhibitor

• Bruton’s tyrosine kinase (BTK) is an essential element of the B-cell receptor (BCR) signaling pathway

• BCR signaling is required for tumor expansion and proliferation

• Inhibition of BTK blocks BCR signaling, removing growth and activation signals and inducing apoptosis
IMBRUVICA Overview – Current Indications

- IMBRUVICA (ibrutinib) - potential backbone therapy in B-Cell Malignancies
  - First-in-class with demonstrated progression free survival and overall survival advantages over Rituxan
  - Targeting a $10BN+ market with significant growth potential

- Four FDA/EMA approvals:
  - Mantle Cell Lymphoma (MCL) (2nd line) in 2013
  - Chronic Lymphocytic Leukemia (CLL) (2nd line) in 2014
  - CLL sub-type with 17 p deletion (all lines) in 2014
  - Waldenstrom’s macroglobulinemia (all lines) in 2015

- Only drug with three FDA Breakthrough Therapy Designations

- Approved in more than 40 countries

- More than 15,000 patients have already been treated with IMBRUVICA

- IMBRUVICA is marketed in collaboration with Janssen
IMBRUVICA Overview – Potential Expansion of Indications

• Extensive ongoing clinical program
  – 58 clinical studies ongoing with 13 in Phase III
  – 5,100 patients have been enrolled in IMBRUVICA (ibrutinib) clinical trials
  – 800 investigators in 35 countries

• Targeting one-to-two new indications per year 3-5 years including:
  – 1st line CLL/MCL (2015/2016)
  – Diffuse Large B-cell Lymphoma (~2016 for R/R; ~2020 first line)
  – Follicular Lymphoma (~2016 for R/R)
  – Multiple Myeloma (Phase I/II data readout in combo with Kyprolis 2H15)

• Also in early stage testing in solid tumors (in combination with other therapies) and autoimmune diseases

Source: Pharmacyclics Corporate Presentation, January 14, 2014
# Combined Hematologic Oncology Portfolio Overview

## IMBRUVICA

### Mechanism of Action
- **BTK Inhibition**: Approved for use in refractory CLL, WM, second-line Mantle Cell Lymphoma
- **PI3K Inhibition**: Being explored for use in refractory, indolent NHL and refractory CLL as monotherapy
- **BCL-2 Inhibition**: Being explored for use in CLL and NHL as monotherapy treatment

### Indications
- **Approved for use in refractory CLL, WM, second-line Mantle Cell Lymphoma**
- **Being investigated in multiple myeloma, follicular lymphoma, and diffuse large B-cell lymphoma**
- **Being tested for Rituximab-based regimens and other anti-CD20 agents**
- **Being studied in combination with Rituximab and with other agents in multiple myeloma and a variety of lymphomas, including CLL, NHL, DLBCL, AML**

### Potential Combinations
- **Potential for use in combination with new immunotherapies such as PD-1s, other checkpoint inhibitors and novel mechanisms developed by Abbvie and Pharmacyclics Oncology**
- **Potential for combination with IMBRUVICA**
- **Potential for combination with venetoclax**

### Launch Year
- **Approved November 2013**
- **2017**
- **2016**

## duvelisib

### Mechanism of Action
- **Anti-Apoptotic**

### Indications

## venetoclax

### Mechanism of Action
- **Anti-Apoptotic**

### Indications
- **Anti-Apoptotic**
Robust Pipeline Spans Attractive Specialty Categories

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<tr>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Registration</th>
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| **ABT-399:** Solid Tumors  
**ABT-165:** Solid Tumors  
**RTA-ABT 408:** Solid Tumors  
**ABT-199:** SLE  
**ABT-257:** RA  
**ABBV-084:** SLE  
**ABBV-672:** Alzheimer's Disease  
**ABT-957:** Alzheimer's Disease  
**BTK Inhibitor:** Autoimmune  
**Imbruvica:** Graft V Host Disease | **Veliparib:** Ovarian Cancer  
**ABT-199:** AML  
**ABT-199:** iNHL  
**Duvelisib:** iNHL  
**ABT-414:** Glioblastoma Multiforme  
**ABT-122:** RA  
**ABT-122:** PsA  
**ABT-494:** RA  
**GLPG 0634:** RA  
**GLPG-0634:** Crohn's Disease  
**ALV-003:** Celiac Disease  
**ABT-981:** Osteoarthritis  
**BT061:** RA  
**ALX-0061:** RA  
**ABT-436:** Alcohol Use Disorder  
**2nd gen pangenotypic:** HCV  
**Elagolix:** Uterine Fibroids  
**RTA-ABT 408:** Ocular Inflammation  
**Imbruvica:** Multiple Myeloma  
**Imbruvica:** AML  
**Imbruvica:** ALL | **ABT-199:** CLL (Relapsed/Refractory)  
**ABT-199:** CLL (Front-line; unfit)  
**Veliparib:** NSCLC (Squamous)  
**Veliparib:** NSCLC (Non-squamous)  
**Veliparib:** Breast Cancer (Neoadjuvant)  
**Veliparib:** Breast Cancer (BRCA)  
**Elotuzumab:** Multiple Myeloma  
**Duvelisib:** CLL  
**Daclizumab:** Multiple Sclerosis  
**Elagolix:** Endometriosis  
**Humira:** Uveitis  
**Atrasentan:** Diabetic Nephropathy  
**Imbruvica:** DLBCL  
**Imbruvica:** Follicular Lymphoma  
**Imbruvica:** Marginal Zone Lymphoma | **Humira:** Hidradenitis Suppurativa  
**2-DAA Japan:** HCV (GT1b)  
**2-DAA US:** HCV (GT4) |

Select Pipeline Assets

-phase I

-Phase II

-Phase III

Registration

**Oncology**  
**Immunology**  
**Neuroscience**  
**HCV/Liver disease**  
**Women’s Health**  
**Ophthalmology**  
**Renal**  
**Pharmacyclics**
## AbbVie Mid-to Late-Stage Program Highlights: Other Oncology

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| **Veliparib**    | • PARP-inhibitor, enhances the effectiveness of common DNA damaging cancer therapies  
• Four Phase III studies currently underway  
• Planning to begin Phase III development for ovarian cancer in 2015 |
| *Solid Tumors*   |                                                                                                                                            |
| **Elotuzumab**   | • Currently in Phase III development in combination with standard of care for multiple myeloma (refractory and first-line patients)  
• Phase II results demonstrated high response rates  
• Phase III refractory data available 1H15; potential for regulatory submission in 2015 |
| *Multiple Myeloma* |                                                                                                                                          |
| **ABT-414**      | • Anti-EGFR monoclonal antibody drug conjugate being evaluated in GBM  
• Early data promising; recently granted orphan drug designation  
• Recently initiated large, active controlled Phase II study |
| *Glioblastoma Multiforme* |                                                                                                                                   |
## AbbVie Mid-to Late-Stage Program Highlights: Immunology

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<td><strong>GLPG0634</strong> &lt;br&gt;Rheumatoid Arthritis &lt;br&gt;Crohn’s Disease</td>
<td>• Selective JAK-1 inhibitor being evaluated as potential treatment for RA and Crohn’s disease  &lt;br&gt;• Phase IIB RA studies on track to read out this year</td>
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<td><strong>ABT-494</strong> &lt;br&gt;Rheumatoid Arthritis</td>
<td>• Internally developed selective JAK-1 inhibitor in development for immune-mediated diseases  &lt;br&gt;• Mid-stage program underway, expect read out in 2015</td>
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<tr>
<td><strong>Humira – New Indications</strong> &lt;br&gt;Hidradenitis Suppurativa &lt;br&gt;Uveitis</td>
<td>• HS: Chronic inflammatory skin disease with no approved treatments; currently under review  &lt;br&gt;• Uveitis: Sight threatening inflammatory eye disease in Phase III development</td>
</tr>
<tr>
<td><strong>ALX-0061</strong> &lt;br&gt;Rheumatoid Arthritis</td>
<td>• Anti-IL-6 nanobody: binds with high affinity and may have faster and more effective tissue penetration due to its relatively small size vs. other monoclonal antibodies &lt;br&gt;• Phase IIB program underway</td>
</tr>
<tr>
<td><strong>ABT-122</strong> &lt;br&gt;Rheumatoid Arthritis  &lt;br&gt;Psoriatic Arthritis</td>
<td>• DVD-Ig platform pairs two established mechanisms, anti-TNF and anti-IL-17  &lt;br&gt;• Phase II program underway</td>
</tr>
<tr>
<td><strong>ABT-981</strong> &lt;br&gt;Osteoarthritis</td>
<td>• DVD-Ig (anti-IL-1 α/β) in Phase II development for osteoarthritis</td>
</tr>
<tr>
<td><strong>ALV-003</strong> &lt;br&gt;Celiac Disease</td>
<td>• Mixture of two recombinant gluten-specific proteases; Phase IIB underway  &lt;br&gt;• Potential to be first therapy to treat celiac disease</td>
</tr>
<tr>
<td><strong>Tregalizumab</strong> &lt;br&gt;Rheumatoid Arthritis</td>
<td>• Novel anti-CD4 humanized monoclonal antibody that activates T-regulatory cells</td>
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| Zinbryta (daclizumab)    | • Humanized antibody specific for IL2 receptor in development for relapsing remitting MS  
• Strong pivotal trial results showed patients treated with Zinbryta had a statistically significant 45% reduction in annualized relapse rate versus Avonex  
• U.S. regulatory application and EMA regulatory application to be submitted 1H15                                                                                                                                                                                                 |
| Multiple Sclerosis       |                                                                                                                                                                                                                                                                                                                                                                                                    |
| Elagolix                 | • Goal with Elagolix in endometriosis is to bring to market an oral, short-acting therapy that provides a high level of efficacy with minimal menopausal side effects, while preserving bone health  
• Positive top-line endometriosis data announced in January; Phase IIB fibroids data in 2015                                                                                                                                                                                                                                           |
| Endometriosis            |                                                                                                                                                                                                                                                                                                                                                                                                    |
| Uterine Fibroids         |                                                                                                                                                                                                                                                                                                                                                                                                    |
| Atrasentan               | • Selective endothelin-A receptor antagonist  
• Findings from the two 12-week Phase IIB studies showed patients treated with atrasentan achieved sustained reductions in albuminuria (primary end-point)  
• Global Phase 3 registrational study (SONAR) underway; event driven study, which we expect to complete in 2018                                                                                                                                                                                                                      |
| Diabetic Kidney Disease  |                                                                                                                                                                                                                                                                                                                                                                                                    |
| Next Generation HCV Combination | • Goal to bring to market a ribavirin-free, once-daily pan-genotypic combination  
• Evaluating a potent protease inhibitor (ABT-493) and new NS5A inhibitor (ABT-530)  
• Phase IIB studies well underway, with SVR data expected later this year; expect to transition to Phase III in 2015, with anticipated commercialization in 2017                                                                                             |
| Pangenotypic HCV         |                                                                                                                                                                                                                                                                                                                                                                                                    |
2015: Significant Late-Stage Pipeline Activity

Key Data Readouts

- ABT-199: Data from R/R CLL 17p del study
- Elotuzumab: Phase III data in R/R multiple myeloma
- GLPG0634: Phase IIB data in RA
- ABT-494: Phase IIB data in RA
- Elagolix: Phase IIB data in uterine fibroids
- Elagolix: Phase III top-line data in endometriosis

Regulatory Submissions

- Zinbryta: RRMS regulatory submissions
- ABT-199: Relapsed/refractory CLL (17p del) regulatory submissions
- Elotuzumab: Relapsed/refractory multiple myeloma regulatory submissions
- Humira: Uveitis regulatory submissions
- HCV: 2-DAA Japan (GT1B - 1Q15; GT2 - 2H15)

Regulatory Approvals

- VIEKIRAX + EXVIERA
- U.S. Duopa
- HCV: 2-DAA Japan (GT1B)
- Humira: Hidradenitis suppurativa

Key Phase Transitions and Clinical Trial Starts

- ABT-199: Phase III start (first line CLL/fit; combo w/ Gazyva)
- Next-gen HCV: Phase III start (genotypes 1-6)
- ABT-888: Phase III start (ovarian cancer)
- ABT-122: Phase II start (psoriatic arthritis)
- ABT-414: Phase II start (glioblastoma multiforme)
- ABT-494: Phase II start (Crohn's disease)
- ALX-0061: Phase IIB start (RA)
Strong Return of Cash to Shareholders

Significant and growing cash flow

Recently increased quarterly dividend by 4%; following ~17% increase in late 2014
Since AbbVie inception in 2013, dividend has been increased nearly 28%

Share buyback program in place; to be executed over next several years

Strong commitment to growing our dividend and returning cash to shareholders