AstraZeneca PLC
SECOND QUARTER AND HALF YEAR RESULTS 2009

London, 30 July 2009

Second quarter sales increased by 9 percent at constant exchange rates (CER) to $7,958 million.

-*Crestor* sales increased by 33 percent at CER. Quarterly sales exceed $1 billion for the first time.

-US sales of *Toprol-XL*, benefiting from withdrawal of generic products, accounted for 3 percent of global sales growth at CER.

-Emerging Markets sales increased by 8 percent at CER; on track for double-digit growth for the full year.

Core operating profit in the second quarter increased by 37 percent at CER to $3,606 million on sales growth, higher other income and operational efficiencies.

Core EPS in the second quarter increased by 37 percent at CER to $1.64.

Reported EPS in the second quarter increased by 10 percent at CER to $1.18.

-Provisions totalling $430 million have been taken in the second quarter with respect to various federal and state investigations and civil litigation matters relating to drug marketing and pricing practices (see Note 4).

Strong cash flows have reduced net debt by $3 billion since 31 December 2008.

The Board has recommended a first interim dividend of $0.59, an increase of 7 percent.

Continued progress on the pipeline, including three regulatory submissions since the first quarter.

-Applications for regulatory approval submitted in the US for *Certriad* (lipid abnormalities) and *Vimovo* (pain relief for arthritis); *Zactima* (lung cancer) submitted in the US and the European Union.

-*Iressa* approved in Europe for lung cancer treatment.

-New diabetes treatment ONGLYZA™ recommended for approval by European CHMP.

Core EPS target for the full year increased to range of $5.70 to $6.00.

Financial Summary

Group	**2nd Quarter 2009 $m**	**2nd Quarter 2008 $m**	**Actual %**	**CER %**		**Half Year 2009 $m**	**Half Year 2008 $m**	**Actual %**	**CER %**
Sales	7,958	7,956	-	+9		15,659	15,633	-	+8
Reported									
Operating Profit	2,851	2,473	+15	+19		6,014	4,730	+27	+28
Profit before Tax	2,608	2,279	+14	+18		5,611	4,422	+27	+27
Earnings per Share	$1.18	$1.11	+6	+10		$2.66	$2.14	+24	+24
Core*									
Operating Profit	3,606	2,737	+32	+37		6,968	5,502	+27	+28
Profit before Tax	3,363	2,543	+32	+38		6,565	5,194	+26	+28
Earnings per Share	$1.64	$1.25	+31	+37		$3.22	$2.53	+27	+28

* *Core financial measures are supplemental non-GAAP measures which management believe enhances understanding of the Company's performance; it is upon these measures that financial guidance for 2009 is based. See page 10 for a definition of Core financial measures and pages 10 and 11 for a reconciliation of Core to Reported financial measures.*

David Brennan, Chief Executive Officer, said: "Our business performance, in the context of tough global economic conditions, has been better than we anticipated. Good operating execution as well as the *Toprol-XL* benefit has led to a strong first half performance, which is reflected in our increased Core EPS target for the full year. Continued progress on the pipeline is evidenced by significant regulatory submissions and approvals since our first quarter report."

Interim Management Report

Business Highlights *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated*

Second Quarter

Sales in the second quarter increased by 9 percent at CER, but were flat on an actual basis as a result of the negative impact of exchange rate movements. Sales benefited from strong growth of the *Toprol-XL* franchise in the US as a result of the market withdrawal by two generic competitors; adjusting for this, global sales increased by 6 percent. US sales were up 13 percent (6 percent excluding *Toprol-XL)*. Group sales in the Rest of World were also up 6 percent. Sales in Established Markets were up 5 percent. Emerging Markets sales growth was 8 percent, lower than recent quarters but broadly in line with the Company's expectations. Double-digit sales growth in Emerging Markets is anticipated for the full year.

Core operating profit in the second quarter was up 37 percent to $3,606 million. Approximately 60 percent of the Core operating profit increase was driven by higher sales; the balance from operational efficiencies and higher other income related to proceeds from the disposal of certain Nordic OTC products. Reported operating profit increased by 19 percent to $2,851 million; this growth rate was 18 percentage points lower than the growth in Core operating profit, reflecting provisions totalling $430 million with respect to various federal and state investigations and civil litigation matters relating to drug marketing and pricing practices taken in the second quarter 2009.

Core earnings per share in the second quarter were $1.64 compared with $1.25 in the second quarter 2008, a 37 percent increase at CER and in line with the growth in Core operating profit in the quarter. Reported earnings per share in the second quarter were up 10 percent to $1.18, after charging the legal provisions as well as higher restructuring and synergy costs.

First Half

Sales in the first half increased by 8 percent at CER, but were flat on an actual basis as a result of the negative impact of exchange rate movements. Sales in the US were up 10 percent (5 percent excluding the impact of *Toprol-XL*). Sales in the Rest of World were up 6 percent. Sales in Established Markets were up 4 percent. Sales in Emerging Markets increased by 11 percent.

Core operating profit increased by 28 percent to $6,968 million as a result of sales growth, operating efficiencies and higher other income compared with the first half of 2008. Reported operating profit was $6,014 million, an increase of 28 percent, the same as the growth in Core operating profit, as the negative impact of the legal provisions in the second quarter 2009 was somewhat offset by the *Ethyol* impairment that was charged in the first quarter 2008.

Core earnings per share for the first half were $3.22, an increase of 28 percent, in line with the growth in Core operating profit. Reported EPS increased by 24 percent to $2.66, reflecting the effects of the legal provisions and the *Ethyol* impairment noted above as well as higher restructuring and synergy costs.

Research and Development Update

A comprehensive update of the AstraZeneca R&D pipeline is presented in conjunction with this Half Year 2009 results announcement, and is available on the Company's website, www.astrazeneca.com, under information for investors.

The AstraZeneca pipeline now includes 142 projects, including 98 projects in the clinical phase of development. There are 10 NME projects currently in late stage development, either in Phase III or under regulatory review. Across the portfolio, since the last update on 29 January, 24 projects have successfully progressed to their next phase (including 11 molecules entering first human testing); 14 compounds have been added from Discovery research; 14 compounds have been withdrawn.

Continued progress has been made on the pipeline since the first quarter update, including three new regulatory submissions:

Certriad

On 4 June 2009, AstraZeneca and Abbott announced that the companies have submitted a New Drug Application (NDA) to the US Food and Drug Administration (FDA) for an investigational compound for the treatment of mixed dyslipidaemia, a combination of two or more lipid abnormalities including high LDL-cholesterol (the "bad" cholesterol), high triglycerides and low HDL-cholesterol (the "good" cholesterol). The NDA is for a fixed-dose combination product containing the active ingredients of *Crestor* (rosuvastatin calcium) and TRILIPIX™ (fenofibric acid). Pending approval of the NDA, the treatment will be marketed as *Certriad*.

Vimovo

On 30 June 2009, AstraZeneca announced that its development partner, Pozen, Inc., has submitted an NDA to the US FDA for *Vimovo* (PN400), a product under investigation for the treatment of the signs and symptoms of osteoarthritis (OA), rheumatoid arthritis (RA) and ankylosing spondylitis (AS) in patients who are at risk of developing NSAID-associated gastric ulcers. PN400 is a fixed-dose combination of enteric-coated naproxen and immediate release esomeprazole. The proposed trade name is *Vimovo*, pending regulatory approval.

Zactima

In June 2009, AstraZeneca submitted regulatory applications in the US and European Union for *Zactima*, seeking approval for use of a dose of 100mg daily in the second-line treatment of advanced non-small cell lung cancer (NSCLC) in combination with chemotherapy.

Results for the ZEPHYR study, a Phase III trial of 300mg of *Zactima* used as monotherapy in patients who have failed treatment with an EGFR inhibitor in advanced NSCLC, and the ZETA study (300mg *Zactima* monotherapy in advanced medullary thyroid cancer) will be presented in the first half of 2010.

Other significant pipeline developments include:

ONGLYZA™

AstraZeneca and Bristol-Myers Squibb Company have announced that their marketing authorisation application for ONGLYZA™ (saxagliptin) received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) for the treatment of type 2 diabetes in adults as add-on therapy with metformin, a thiazolidinedione or a sulphonylurea.

The CHMP's positive opinion on ONGLYZA™ will now be reviewed by the European Commission which has the authority to approve medicines for the European Union. AstraZeneca and Bristol-Myers Squibb expect the European Commission to issue its decision on a Marketing Authorisation for this type 2 diabetes investigational drug in the European Union in the coming months.

The Prescription Drug User Fee Act (PDUFA) date for the FDA review of the ONGLYZA™ NDA is 30 July 2009.

Iressa

On 1 July 2009, AstraZeneca announced that the European Commission has granted marketing authorisation for the oral anti-cancer drug *Iressa* for the treatment of adults with locally advanced or metastatic NSCLC with activating mutations of EGFR-TK (epidermal growth factor receptor-tyrosine kinase) across all lines of therapy. The authorisation is based on a submission package including two pivotal Phase III studies comparing *Iressa* with chemotherapy, IPASS and INTEREST.

Brilinta

On 11 May 2009, AstraZeneca announced top line results from the Phase III trial, PLATO (A Study of **Plat**elet Inhibition and Patient **O**utcomes), which demonstrate that *Brilinta* (ticagrelor), the investigational oral antiplatelet treatment for acute coronary syndromes (ACS), has achieved a statistically significant primary efficacy endpoint versus clopidogrel, in the prevention of cardiovascular (CV) events in patients with ACS. The primary efficacy measure was time to first occurrence of any event from the composite of myocardial infarction, stroke, and CV death.

In PLATO, the overall safety profile for *Brilinta* was in line with the safety data observed in the Phase II studies. Given the size of the PLATO trial, further analysis of the entire database, secondary variables, and subgroups is ongoing. The results of PLATO will be presented at the European Society of Cardiology annual meeting on 30 August 2009.

The submission of *Brilinta* to regulatory authorities remains on schedule for the fourth quarter of 2009.

Crestor

Regulatory applications to amend the *Crestor* label to reflect the significant reductions in cardiovascular events demonstrated in the landmark JUPITER clinical trial are now under review by regulatory authorities in the US and in Europe, as the April 2009 submission in the US was followed, as planned, by the submission in Europe during the second quarter 2009.

In July 2009, the US FDA granted an additional six-month period of market exclusivity to *Crestor* based on studies the Company conducted in paediatric patients. The allowed six-month paediatric exclusivity period, which takes effect upon expiration of the patent, will extend the exclusivity of *Crestor* to 8 July 2016.

Symbicort

Based on the Complete Response Letter (CRL) AstraZeneca received in April 2009 from the FDA regarding the *Symbicort* sNDA for use in paediatric asthma patients 6-11 years of age, additional clinical work will be needed to support the approval of *Symbicort* in this patient population.

This additional clinical work will result in a significant delay of an FDA approval. AstraZeneca is meeting with the FDA to discuss the necessary programme of additional work, and will be able to provide more details after that discussion.

Seroquel XR

In June 2009, the Company submitted a response to the CRL received from the US FDA in December 2008 regarding the sNDA for *Seroquel XR* for the treatment of Major Depressive Disorder (MDD) in adult patients. This submission should trigger a six-month review period by the FDA.

On 29 May 2009, AstraZeneca announced that the Company has referred its application for *Seroquel XR* for the treatment of recurrent depressive episodes in adult patients with Major Depressive Disorder (MDD) to the CHMP. This follows notification to AstraZeneca by the Netherlands Health Authority (MEB), acting as the Reference Member State for the Mutual Recognition Process (MRP), that the *Seroquel XR* application for MDD has been refused.

To date, *Seroquel XR* has been approved for use in MDD in Canada and Australia.

Novel Influenza A (H1N1) Vaccine

MedImmune's technology and capability is evidenced by the solid progress being made to deliver a live attenuated intranasal vaccine (LAIV) against the Novel Influenza A (H1N1) influenza virus. To date, MedImmune has successfully produced a master virus seed candidate, using a proprietary and unique process known as reverse genetics, which appears to be growing well.

On 24 July, during a presentation to the FDA's Vaccine and Related Biological Products Advisory Committee (VRBPAC), MedImmune reported that based on vaccine yields of the first manufactured lots, MedImmune estimates it may be able to produce a total of 200 million doses of bulk vaccine, of which approximately 40 million doses can be filled and finished into nasal sprayers by March 2010. The number of finished, filled doses is currently limited by the availability of sprayers, however, MedImmune is taking steps to increase the supply of sprayers, as well as working with the US government to define a path for an alternative delivery device.

A robust clinical trial programme will begin shortly for the Novel Influenza A (H1N1) vaccine, with patient enrollment expected to begin in mid-August. If public health authorities determine the need for emergency use of H1N1 vaccine prior to completion of these clinical studies, MedImmune's vaccine for the Novel Influenza A (H1N1) virus could be available as early as September.

AZD0837

The programme of work aimed at resolving the previously identified issue concerning the stability of tablets of the investigational oral anticoagulant AZD0837 intended for use in the Phase III clinical trial programme is largely complete, so the project is now deemed to be "Phase III ready". We have not, as yet, finalised the scope of the Phase III development programme, but the soonest we could commence Phase III work would be the second half of 2009. The Company is exploring a number of options, including the consideration of working with an external partner.

Enhancing Productivity

Good progress continues on the previously announced business reshaping programmes. In the second quarter, $190 million in restructuring costs were charged, bringing the total charges in the first half to $262 million.

All programmes remain on track to deliver the expected benefits of $2.1 billion per annum by 2010, with a further $0.4 billion by 2013.

Future Prospects

Business performance in the context of tough global economic conditions has been better than we anticipated. Good operating execution and some one-off benefits, such as the favourable *Toprol-XL* impact and delayed generic entry for *Casodex* in the US, has led to a strong first half performance. All of these factors, together with the outlook for the remainder of year (including some impact from the Novel Influenza A (H1N1) vaccine, up to the 40 million dose fill and finish capacity), are reflected in our increased financial guidance for the full year.

For the full year, the Company now estimates sales growth will be around mid-single digits at CER, with roughly half the benefit from one-off items. Core EPS is now anticipated to be in the range of $5.70 to $6.00. This increased Core EPS guidance is due solely to operational performance; there is no impact from currency.

This target takes no account of the likelihood that average exchange rates for the remainder of 2009 may differ materially from the January 2009 average rates upon which our earnings guidance is based. An estimate of the sales and earnings sensitivity to movements of our major currencies versus the US dollar was provided in conjunction with the Full Year 2008 results announcement, and can be found on the AstraZeneca web site.

It is not anticipated that the nature of the principal risks and uncertainties that affect the business, and which are set out on pages 76-82 of the Annual Report and Form 20-F Information 2008, will change in respect of the second six months of the financial year.

In summary, the principal risks and uncertainties listed in the Annual Report and 20-F Information 2008 are:

Industry/Economic Risks

Expiration of patents or marketing exclusivity, patent litigation and early loss of patents, marketing exclusivity or trademarks, expiration or earlier loss of patents covering competing products, failure to obtain patent protection, impact of fluctuations in exchange rates, debt-funding arrangements, bad debts, adverse impact of a sustained economic downturn, owning and operating a biologics and vaccines business, competition, price controls and price reductions, taxation, substantial product liability claims, performance of new products, environmental/occupational/health and safety liabilities, developing our business in Emerging Markets and product counterfeiting.

Legal/Compliance/Regulatory Risks

Adverse outcome of litigation and/or government investigations and insufficient insurance coverage, difficulties of obtaining and maintaining regulatory approvals for new products and failure to observe continuing regulatory oversight.

Business Execution Risks

Challenges to achieving commercial success of new products, acquisitions and strategic alliances formed as part of our externalisation strategy may be unsuccessful, reliance on third parties for supplies of materials and services, failure to manage a crisis, delay to new product launches, failure of information technology and outsourcing and productivity initiatives.

Sales

All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated

Gastrointestinal

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Nexium	1,246	1,323	+1	2,438	2,561	+2
Losec/Prilosec	245	290	-10	456	542	-12
Total	1,514	1,634	-	2,941	3,144	-

- In the US, *Nexium* sales in the second quarter were $724 million, down 4 percent compared with the second quarter last year. Dispensed retail tablet volume increased by 0.5 percent. *Nexium* was the only major PPI brand to grow volume in the quarter. Average realised selling prices for *Nexium* were around 3 percent lower.

- *Nexium* sales in the US in the first half were down 4 percent to $1,429 million.

- *Nexium* sales in other markets in the second quarter were up 8 percent to $522 million. Sales in Western Europe were up 6 percent. There was double-digit sales growth in Canada and in Australia. Sales in Emerging Markets were up 8 percent, including 31 percent growth in China.

- *Nexium* sales in other markets were up 10 percent in the first half to $1,009 million.

- *Prilosec* sales in the US were down 75 percent in the second quarter and were down 69 percent in the first half, as a result of the entry of generic competition to the 40mg dosage form in the second half of 2008.

- Sales of *Losec* in the Rest of World were up 5 percent in the second quarter, on double-digit growth in Japan and China. *Losec* sales in the Rest of World were up 1 percent in the first half.

Cardiovascular

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Crestor	1,129	916	+33	2,098	1,688	+34
Seloken /Toprol-XL	417	206	+112	705	396	+87
Atacand	356	388	+6	679	734	+6
Plendil	60	70	-7	121	136	-6
Zestril	47	65	-17	94	124	-15
Total	2,148	1,807	+30	3,958	3,378	+27

- In the US, *Crestor* sales in the second quarter were up 32 percent to $547 million. *Crestor* total prescriptions increased by 25 percent, nearly 4 times the statin market growth and keeping pace with the 26 percent growth for generic simvastatin. *Crestor* share of total prescriptions continued to increase, reaching 10.8 percent in June 2009. *Crestor* dynamic share (new and switch patients) is now more than 15 percent, second only to simvastatin.

- US sales for *Crestor* for the first half increased by 33 percent to $1,025 million.

- *Crestor* sales in the Rest of World were up 35 percent to $582 million in the second quarter. *Crestor* volume growth in recent months is 3 to 4 times higher than the statin market growth in both Established and Emerging Markets. There was strong growth in Western Europe (up 23 percent), Canada (up 32 percent), Japan (up 68 percent) and Australia (up 76 percent). Sales in Emerging Markets were up 33 percent.

- *Crestor* sales in the Rest of World were up 34 percent to $1,073 million in the first half.

- US sales of the *Toprol-XL* product range, which includes sales of the authorised generic, increased by 320 percent in the second quarter to $298 million. Total prescriptions for the franchise more than doubled. Pipeline filling of the authorised generic product following a return to full supply and price changes accounted for the balance of the sales growth. The two generic competitor products remain off the US market, and it remains difficult to ascertain when or if these products will return to the market or when potential new entrants may be approved.

- *Toprol-XL* franchise sales in the US in the first half were up 251 percent to $474 million.

- Sales of *Seloken* in other markets were up 2 percent in both the second quarter and the first half.

- US sales for *Atacand* were down 4 percent in the second quarter and 3 percent in the first half. *Atacand* sales in Rest of World were up 9 percent in the second quarter and 8 percent for the year to date.

Respiratory and Inflammation

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Symbicort	551	518	+24	1,066	989	+24
Pulmicort	311	383	-14	603	794	-20
Rhinocort	72	92	-15	136	172	-15
Oxis	16	21	-5	28	38	-8
Accolate	16	19	-16	32	37	-11
Total	997	1,078	+4	1,932	2,118	+2

- *Symbicort* sales in the US were $111 million in the second quarter, a 95 percent increase over last year. Growth is being fuelled by continued penetration of the asthma market as well as the contribution from the launch of the COPD indication. *Symbicort* share of new prescriptions for fixed combination products increased to 13.9 percent in June 2009, up more than a full percentage point in the quarter; market share of patients new to combination therapy is now 22.9 percent.

- US sales of *Symbicort* in the first half were $210 million, an increase of 108 percent.

- *Symbicort* sales in other markets in the second quarter were $440 million, 15 percent ahead of the second quarter last year, with sales growth being fuelled by *Symbicort SMART*, which has now been approved in 96 markets. Sales in Western Europe were up 15 percent. Emerging Markets sales were up 19 percent in the quarter.

- *Symbicort* sales in the Rest of World in the first half were up 14 percent to $856 million.

- US sales for *Pulmicort* in the second quarter were down 23 percent to $194 million. The generic budesonide for inhalation suspension (BIS) product shipped by Teva at the end of 2008 continues to be drawn down in the market. *Pulmicort Respules* share of dispensed BIS prescriptions increased to 62 percent in the second quarter, up from 48 percent in quarter one. We anticipate that the remaining stock of the Teva generic should be depleted from dispensing outlets during the third quarter 2009.

- US sales of *Pulmicort* in the first half were down 30 percent to $367 million.

- Sales of *Pulmicort* in the Rest of World in the first half were unchanged at $236 million.

Oncology

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Arimidex	483	490	+7	946	920	+10
Casodex	245	358	-29	481	674	-28
Zoladex	272	310	-1	504	565	-1
Iressa	75	67	+10	143	125	+10
Faslodex	64	65	+9	123	121	+12
Nolvadex	22	24	-4	42	42	-
Ethyol	5	6	-17	9	20	-55
Total	1,167	1,338	-6	2,250	2,503	-5

- In the US, sales of *Arimidex* were up 11 percent in the second quarter to $224 million. Total prescriptions for *Arimidex* were down 4 percent, slightly greater than the 2 percent decline in the market for hormonal treatments for breast cancer.

- US sales for *Arimidex* in the first half were up 15 percent to $443 million.

- *Arimidex* sales in other markets were up 3 percent in the second quarter and 7 percent in the first half.

- *Casodex* sales in the US in the second quarter were down 21 percent to $62 million. Total prescriptions declined by 6 percent and there was some destocking in anticipation of generic launches following loss of exclusivity in April. On 7 July 2009, the FDA approved 8 generic bicalutamide products. *Casodex* sales in the US in the first half were down 19 percent to $116 million.

- *Casodex* sales in the Rest of World in the second quarter were down 31 percent to $183 million as a result of generic competition in Western Europe, where sales were down 60 percent. Sales in the first half in Rest of World were down 30 percent to $365 million.

- *Iressa* sales increased by 10 percent to $143 million in the first half, with the sales performance in Japan (up 14 percent) and China (up 36 percent) accounting for the increase.

- *Faslodex* sales in the first half increased by 6 percent in the US and grew by 16 percent in the Rest of World.

Neuroscience

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Seroquel	1,249	1,112	+18	2,374	2,162	+15
Zomig	107	114	+3	208	221	+2
Total	1,591	1,488	+14	3,023	2,866	+12

- In the US, *Seroquel* sales were up 22 percent to $893 million in the second quarter. Total prescriptions for the *Seroquel* franchise increased by 3.5 percent in the second quarter, with all of the growth attributable to the *Seroquel XR* formulation. Market share for the *Seroquel* franchise was a market-leading 31.2 percent in June 2009 (down 30 basis points in the quarter), of which 2.3 percentage points were for *Seroquel XR*, which was up 80 basis points.

- US sales for *Seroquel* in the first half were $1,693 million, 18 percent ahead of last year.

- *Seroquel* sales in the Rest of World were $356 million in the second quarter, an 11 percent increase despite the 70 percent decline in Canada due to generic competition. Sales in Western Europe were up 22 percent. Sales in Emerging Markets were up 28 percent.

- For the first half, *Seroquel* sales in the Rest of World increased by 9 percent to $681 million.

Infection and Other

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
Synagis	54	81	-33	599	600	-
Merrem	213	226	+9	415	439	+8
FluMist	-	-	-	2	-	n/m
Total	302	365	-7	1,094	1,152	+1

- In the US, sales of *Synagis* in the first half were up 3 percent to $502 million, the majority of which were recorded during the RSV season in the first quarter. Outside the US, *Synagis* sales were down 13 percent to $97 million.

- In line with the usual seasonality, there were no sales of *FluMist* recorded in the second quarter.

- The US government has placed 2 orders totalling $151 million for MedImmune's LAIV against Novel Influenza A (H1N1) which are scheduled for shipment beginning in the second half of 2009. This project has been funded in whole or in part with Federal funds from HHS/ASPR/BARDA, under Contract No. HHS01002009000021.

Geographic Sales

	Second Quarter		CER %	Half Year		CER %
	2009 $m	2008 $m		2009 $m	2008 $m	
North America	3,843	3,463	+13	7,734	7,186	+9
US	3,548	3,126	+13	7,172	6,527	+10
Established ROW*	3,051	3,340	+5	5,885	6,313	+4
Emerging ROW	1,064	1,153	+8	2,040	2,134	+11

* *Established ROW comprises Western Europe (including France, UK, Germany, Italy, Sweden, and others), Japan, Australia and New Zealand.*

- In the US, sales were up 13 percent in the second quarter. Excluding *Toprol-XL*, sales increased by 6 percent. *Seroquel*, *Crestor* and *Symbicort* were the key drivers of sales growth in the quarter, more than offsetting the declines in *Prilosec*, *Nexium* and *Pulmicort Respules*.

- Sales in the Established Rest of World segment were up 5 percent in the second quarter. Sales in Western Europe were up 2 percent, as growth for *Crestor*, *Symbicort* and *Seroquel* more than offset generic erosion on *Casodex*. Sales in Japan were up 11 percent, chiefly on sales growth for *Crestor*, the Oncology franchise and *Losec*. *Crestor* accounted for more than two-thirds of the 17 percent sales increase in Australia.

- Sales in Emerging Markets were up 8 percent in the second quarter. This is lower than the trend in recent quarters but is broadly in line with our expectations, although sales in Mexico were impacted by H1N1 influenza as well as a change in local distribution. Sales in China were up 25 percent in the quarter. The Company anticipates double-digit sales growth in Emerging Markets for the full year.

Operating and Financial Review

All narrative in this section refers to growth rates at constant exchange rates (CER) and on a Core basis unless otherwise indicated. These measures, which are presented in addition to our Reported financial information, are non-GAAP measures which management believe useful to enhance understanding of the Group's underlying financial performance of our ongoing businesses and the key business drivers thereto. The Core financial measure is adjusted to exclude certain items, such as charges and provisions related to restructuring and synergy programmes, amortisation and the impairment of the significant intangibles arising from corporate acquisitions and those related to our current and future exit arrangements with Merck in the US, and other specified items. More detail on the nature of each of these adjustments is given in our Annual Report and Form 20-F Information 2008. During the second quarter, the Group enhanced its methodology for calculating growth rates in constant currency terms. The constant exchange growth rates (CER) disclosed for the second quarter and the first half have been calculated using the updated methodology.

Second Quarter

All financial figures, except earnings per share, are in $ millions. Weighted average shares in millions.

	Reported 2009	Restructuring and Synergy Costs	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions	Core 2009	Core 2008	Actual %	CER %
Sales	**7,958**	**-**	**-**	**-**	**-**	**7,958**	**7,956**	**-**	**9**
Cost of Sales	(1,464)	84	-	-	-	(1,380)	(1,431)		
Gross Profit	**6,494**	**84**	**-**	**-**	**-**	**6,578**	**6,525**	**1**	**10**
% sales	*81.6%*					*82.7%*	*82.0%*	*+0.7*	*+0.7*
Distribution	(70)	-	-	-	-	(70)	(75)	(8)	11
% sales	*0.9%*					*0.9%*	*0.9%*	*-*	*-0.1*
R&D	(1,059)	24	-	-	-	(1,035)	(1,265)	(18)	(3)
% sales	*13.3%*					*13.0%*	*15.9%*	*+2.9*	*+1.8*
SG&A	(2,828)	82	100	-	430	(2,216)	(2,656)	(17)	(8)
% sales	*35.5%*					*27.9%*	*33.4%*	*+5.5*	*+5.0*
Other Income	314	-	35	-	-	349	208	68	70
% sales	*3.9%*					*4.4%*	*2.6%*	*+1.8*	*+1.5*
Operating Profit	**2,851**	**190**	**135**	**-**	**430**	**3,606**	**2,737**	**32**	**37**
% sales	*35.8%*					*45.3%*	*34.4%*	*+10.9*	*+8.9*
Net Finance Expense	(243)	-	-	-	-	(243)	(194)		
Profit before Tax	**2,608**	**190**	**135**	**-**	**430**	**3,363**	**2,543**	**32**	**38**
Taxation	(891)	(61)	(37)	-	-	(989)	(719)		
Profit after Tax	**1,717**	**129**	**98**	**-**	**430**	**2,374**	**1,824**	**30**	**36**
Minority Interests	(10)	-	-	-	-	(10)	(8)		
Net Profit	**1,707**	**129**	**98**	**-**	**430**	**2,364**	**1,816**	**30**	**36**
Weighted Average Shares	1,448	1,448	1,448	1,448	1,448	1,448	1,456		
Earnings per Share	**1.18**	**0.10**	**0.06**	**-**	**0.30**	**1.64**	**1.25**	**31**	**37**

Sales were unchanged on an actual basis but grew by 9 percent at constant currency.

Core gross margin of 82.7 percent in the second quarter was 0.7 percentage points higher than last year. Lower payments to Merck (0.4 percentage points) and continued efficiency gains and mix factors (1.4 percentage points) were partially offset by higher royalty payments (1.1 percentage points).

Core R&D expenditure was $1,035 million in the second quarter, 3 percent lower than last year, as increased investment in biologics and the MAP intangible write off of $44 million were more than offset by continued R&D productivity initiatives and lower costs associated with *Crestor* JUPITER and *Brilinta* PLATO trials compared with last year.

Core SG&A costs of $2,216 million were 8 percent lower than the second quarter of 2008, as continued investment in Emerging Markets was more than offset by the operational efficiencies across the US and Established Markets and a reduction in certain legal expenses from last year.

Core other income of $349 million was $141 million higher than the second quarter of 2008, chiefly as a result of the Nordic over-the-counter (OTC) product portfolio disposal.

Core operating profit was $3,606 million, an increase of 37 percent at CER, up 32 percent on an actual basis. In comparison with last year against the dollar, the euro was 13 percent weaker (reducing sales and costs), the Swedish krona was 24 percent weaker (reducing costs) and sterling was 22 percent weaker (reducing costs). Core operating margin increased by 8.9 percent to 45.3 percent of sales, as a result of sales growth, efficiencies in gross margin, SG&A and R&D as well as the Nordic OTC disposal within other income.

Core earnings per share in the second quarter were $1.64, up 37 percent, as the increase in Core operating profit was partially offset by a higher tax rate and higher net finance expense. Core earnings per share on an actual basis, including an adverse currency impact of 6 percent, increased by 31 percent.

Reported operating profit was up 19 percent to $2,851 million. Reported earnings per share were $1.18.

First Half

All financial figures in table, except earnings per share, are in $ millions. Weighted average shares in millions.

	Reported 2009	Restructuring and Synergy Costs	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions	Core 2009	Core 2008	Actual %	CER %
Sales	**15,659**	**-**	**-**	**-**	**-**	**15,659**	**15,633**	**-**	**8**
Cost of Sales	(2,847)	115	-	-	-	(2,732)	(2,901)		
Gross Profit	**12,812**	**115**	**-**	**-**	**-**	**12,927**	**12,732**	**2**	**9**
% sales	*81.8%*					*82.6%*	*81.5%*	*+1.1*	*+0.8*
Distribution	(134)	-	-	-	-	(134)	(141)	(5)	13
% sales	*0.9%*					*0.9%*	*0.9%*	*-*	*-0.1*
R&D	(2,039)	24	-	-	-	(2,015)	(2,447)	(18)	(2)
% sales	*13.0%*					*12.9%*	*15.7%*	*+2.8*	*+1.4*
SG&A	(5,204)	123	199	-	430	(4,452)	(5,001)	(11)	(2)
% sales	*33.2%*					*28.4%*	*32.0%*	*+3.6*	*+2.9*
Other Income	579	-	63	-	-	642	359	79	87
% sales	*3.7%*					*4.1%*	*2.3%*	*+1.8*	*+1.7*
Operating Profit	**6,014**	**262**	**262**	**-**	**430**	**6,968**	**5,502**	**27**	**28**
% sales	*38.4%*					*44.5%*	*35.2%*	*+9.3*	*+6.7*
Net Finance Expense	(403)	-	-	-	-	(403)	(308)		
Profit before Tax	**5,611**	**262**	**262**	**-**	**430**	**6,565**	**5,194**	**26**	**28**
Taxation	(1,750)	(82)	(67)	-	-	(1,899)	(1,501)		
Profit after Tax	**3,861**	**180**	**195**	**-**	**430**	**4,666**	**3,693**	**26**	**28**
Minority Interests	(8)	-	-	-	-	(8)	(10)		
Net Profit	**3,853**	**180**	**195**	**-**	**430**	**4,658**	**3,683**	**26**	**28**
Weighted Average Shares	1,447	1,447	1,447	1,447	1,447	1,447	1,456		
Earnings per Share	**2.66**	**0.13**	**0.13**	**-**	**0.30**	**3.22**	**2.53**	**27**	**28**

Sales were unchanged on a reported basis but grew by 8 percent at constant currency.

Core gross margin of 82.6 percent in the first half was 0.8 percentage points higher than last year. Lower payments to Merck (0.6 percentage points) and continued efficiency gains and mix factors (1.2 percentage points) were partially offset by higher royalty payments (1.0 percentage points).

Core R&D expenditure was $2,015 million in the first half, 2 percent lower than last year due to similar drivers as described in the second quarter.

Core SG&A costs of $4,452 million were 2 percent lower than the first half of 2008, where continued investment in Emerging Markets was more than offset by the operational efficiencies across the US and Established Markets.

Core other income of $642 million was $283 million higher than the first half of 2008, chiefly as a result of the Abraxane® and Nordic OTC disposals.

Core operating profit was $6,968 million, an increase of 28 percent at CER, up 27 percent on an actual basis. Core operating margin increased by 6.7 percent to 44.5 percent of sales, as a result of sales growth, efficiencies in gross margin, SG&A and R&D as well as the disposals within other income.

Core earnings per share in the first half were $3.22, up 28 percent, as the increase in Core operating profit and a lower number of shares in issue were partially offset by higher net finance expense. Core earnings per share on an actual basis, including an adverse currency impact of 1 percent, increased by 27 percent.

Reported operating profit was up 28 percent to $6,014 million. Reported earnings per share were $2.66.

Finance Income and Expense

Net finance expense was $403 million for the first half ($243 million for the quarter), versus $308 million ($194 million for the quarter) in 2008. The key drivers were the continued reversal of the fair value gain as described below, reduced interest received due to lower interest rates, a higher net interest expense on pension obligations, partially offset by reduced interest payable on lower debt balances.

Net finance expense included a net fair value loss of $79 million for the quarter ($36 million loss in Q2 2008) and $100 million for the first half ($8 million gain in H1 2008) as credit spreads have reduced since the year end. As outlined in the full year 2008 results, a net fair value gain of $130 million was recorded in 2008 mainly relating to two long-term bonds. These bonds are swapped to floating interest rates and accounted for using the fair value option under IFRS. Under this accounting treatment both the bonds and the related interest rate swaps are measured at fair value, with changes in fair value reported in the income statement. The fair value of each instrument reflects changes in market interest rates, which broadly offset, but the fair value of these bonds also reflects changes in credit spreads. If credit spreads continue to reduce, the 2008 gain will reverse further in 2009.

Taxation

The effective tax rate for the second quarter is 34.2 percent (2008 28.6 percent) and 31.2 percent for the first half (2008 29.1 percent). Excluding the impact of the $430 million legal provisions in the second quarter, the effective tax rate for the second quarter would be 29.3 percent, and 29.0 percent for the first half. For the full year, the tax rate, excluding the impact of the $430 million legal provisions, is currently anticipated to be around 29.5 percent.

Cash Flow

Cash generated from operating activities was $5,334 million in the six months to 30 June 2009, compared with $4,292 million in the corresponding six month period in 2008. The improvement of $1,042 million is primarily driven by the increase in cash generated from operations of $1,224 million, reflecting the strong underlying performance and improved working capital management, partially offset by higher tax payments of $186 million.

Net cash outflows from investing activities were $162 million in the six months compared with $3,199 million in the corresponding period in 2008. The movement of $3,037 million is due primarily to the payment of $2,630 million to Merck in 2008 as part of the partial retirement, and the proceeds from the disposal of the Abraxane® co-promotion rights of $269 million received in H1 2009.

Cash distributions to shareholders were $2,103 million through payment of the second interim dividend from 2008.

Debt and Capital Structure

As at 30 June 2009, outstanding gross debt (including loans, short-term borrowings and overdrafts) was $11,661 million (31 December 2008: $11,848 million). Of this debt, $1,498 million is due within one year (31 December 2008: $993 million), which we currently anticipate repaying from current cash balances of $7,195 million, without the need to refinance. Strong business cash flows have reduced net debt by $3,008 million since 31 December 2008 to $4,166 million.

Dividends and Share Repurchases

The Board has recommended a first interim dividend for 2009 of $0.59 per share (36.0 pence, 4.41 SEK), an increase of 7 percent, to be paid on 14 September 2009.

As announced in 2008, the Group's share repurchase programme has been suspended. As a result, during the first six months, no shares were re-purchased. In the half year, 0.6 million shares were issued in consideration of share option exercises for a total of $19 million.

The total number of shares in issue at 30 June 2009 was 1,448 million.

Related Party Transactions

There have been no significant related party transactions in the period.

Calendar

29 October 2009	Announcement of third quarter and nine months 2009 results
28 January 2010	Announcement of fourth quarter and full year 2009 results

David Brennan
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