Condensed Consolidated Income Statement

For the **year** ended 31 December	2008 $m	2007 $m
Revenue	31,601	29,559
Cost of sales	(6,598)	(6,419)
Gross profit	25,003	23,140
Distribution costs	(291)	(248)
Research and development	(5,179)	(5,162)
Selling, general and administrative costs	(10,913)	(10,364)
Other operating income and expense	524	728
Operating profit	9,144	8,094
Finance income	854	959
Finance expense	(1,317)	(1,070)
Profit before tax	8,681	7,983
Taxation	(2,551)	(2,356)
Profit for the period	6,130	5,627
Attributable to:		
Equity holders of the Company	6,101	5,595
Minority interests	29	32
	6,130	5,627
Basic earnings per $0.25 Ordinary Share	$4.20	$3.74
Diluted earnings per $0.25 Ordinary Share	$4.20	$3.73
Weighted average number of Ordinary Shares in issue (millions)	1,453	1,495
Diluted average number of Ordinary Shares in issue (millions)	1,453	1,498
Dividends for the period	2,971	2,740

Condensed Consolidated Income Statement

For the **quarter** ended 31 December	2008 $m	2007 $m
Revenue	8,193	8,170
Cost of sales	(2,112)	(1,821)
Gross profit	6,081	6,349
Distribution costs	(71)	(67)
Research and development	(1,355)	(1,432)
Selling, general and administrative costs	(2,856)	(3,055)
Other operating income and expense	93	134
Operating profit	1,892	1,929
Finance income	217	256
Finance expense	(293)	(348)
Profit before tax	1,816	1,837
Taxation	(557)	(562)
Profit for the period	1,259	1,275
Attributable to:		
Equity holders of the Company	1,248	1,266
Minority interests	11	9
	1,259	1,275
Basic earnings per $0.25 Ordinary Share	$0.86	$0.86
Diluted earnings per $0.25 Ordinary Share	$0.86	$0.86
Weighted average number of Ordinary Shares in issue (millions)	1,447	1,464
Diluted average number of Ordinary Shares in issue (millions)	1,447	1,466

Condensed Consolidated Balance Sheet

As at 31 December	2008 $m	2007 $m
ASSETS		
Non-current assets		
Property, plant and equipment	7,043	8,298
Goodwill	9,874	9,884
Intangible assets	12,323	11,467
Other investments	156	182
Deferred tax assets	1,236	1,044
	30,632	30,875
Current assets		
Inventories	1,636	2,119
Trade and other receivables	7,261	6,668
Other investments	388	177
Income tax receivable	2,581	2,251
Cash and cash equivalents	4,286	5,867
	16,152	17,082
Total assets	46,784	47,957
LIABILITIES		
Current liabilities		
Interest bearing loans and borrowings	(993)	(4,280)
Trade and other payables	(7,178)	(6,968)
Provisions	(600)	(387)
Income tax payable	(4,549)	(3,552)
	(13,320)	(15,187)
Non-current liabilities		
Interest bearing loans and borrowings	(10,855)	(10,876)
Deferred tax liabilities	(3,126)	(4,119)
Retirement benefit obligations	(2,732)	(1,998)
Provisions	(542)	(633)
Other payables	(149)	(229)
	(17,404)	(17,855)
Total liabilities	(30,724)	(33,042)
Net assets	16,060	14,915
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	362	364
Share premium account	2,046	1,888
Other reserves	1,932	1,902
Retained earnings	11,572	10,624
	15,912	14,778
Minority equity interests	148	137
Total equity	16,060	14,915

Condensed Consolidated Cash Flow Statement

For the **year** ended 31 December	2008 $m	2007 $m
Cash flows from operating activities		
Profit before taxation	8,681	7,983
Finance income and expense	463	111
Depreciation, amortisation and impairment	2,620	1,856
Increase in working capital	(210)	(443)
Other non-cash movements	87	901
Cash generated from operations	11,641	10,408
Interest paid	(690)	(335)
Tax paid	(2,209)	(2,563)
Net cash inflow from operating activities	8,742	7,510
Cash flows from investing activities		
Acquisition of business operations	-	(14,891)
Movement in short term investments and fixed deposits	1	894
Purchase of property, plant and equipment	(1,095)	(1,130)
Disposal of property, plant and equipment	38	54
Purchase of intangible assets	(2,944)	(549)
Purchase of non-current asset investments	(40)	(35)
Disposal of non-current asset investments	32	421
Interest received	149	358
Dividends paid by subsidiaries to minority interest	(37)	(9)
Net cash outflow from investing activities	(3,896)	(14,887)
Net cash inflow/(outflow) before financing activities	4,846	(7,377)
Cash flows from financing activities		
Proceeds from issue of share capital	159	218
Repurchase of shares	(610)	(4,170)
Dividends paid	(2,739)	(2,641)
Repayment of loans	-	(1,165)
Issue of loans	787	9,692
Movement in short term borrowings	(3,959)	4,117
Net cash (outflow)/inflow from financing activities	(6,362)	6,051
Net decrease in cash and cash equivalents in the period	(1,516)	(1,326)
Cash and cash equivalents at the beginning of the period	5,727	6,989
Exchange rate effects	(88)	64
Cash and cash equivalents at the end of the period	4,123	5,727
Cash and cash equivalents consists of:		
Cash and cash equivalents	4,286	5,867
Overdrafts	(163)	(140)
	4,123	5,727

Condensed Consolidated Statement of Recognised Income and Expense

For the **year** ended 31 December	2008 $m	2007 $m
Profit for the period	6,130	5,627
Foreign exchange and other adjustments on consolidation	(1,336)	492
Foreign exchange differences on borrowings forming net investment hedges	291	(40)
Cash flow hedge in anticipation of debt issue	1	(21)
Available for sale gains/(losses) taken to equity	2	(9)
Actuarial loss for the period	(1,232)	(113)
Tax on items taken directly to reserves	368	33
Income and expense recognised directly in equity	(1,906)	342
Total recognised income and expense for the period	4,224	5,969
Attributable to:		
Equity holders of the Company	4,176	5,934
Minority interests	48	35
	4,224	5,969

Notes to the Preliminary Announcement

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The preliminary announcement for the year ended 31 December 2008 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union and as issued by the International Accounting Standards Board. Details of the accounting policies applied are those set out in AstraZeneca PLC's Annual Report and Form 20-F Information 2007. The annual financial information presented in this preliminary announcement for the year ended 31 December 2008 is based on, and is consistent with, that in the Group's audited Financial Statements for the year ended 31 December 2008, and those Financial Statements will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The auditor's report on those Financial Statements is unqualified and does not contain any statement under section 237 of the Companies Act 1985.

The Group has considerable financial resources available. The Group's revenues are largely derived from sales of products which are covered by patents and for which, historically at least, demand has been relatively unaffected by changes in the general economy. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook and as such, the Group's Financial Statements have been prepared on a Going Concern basis.

The information contained in Note 4 updates the disclosures concerning legal proceedings and contingent liabilities in the Company's Annual Report and Form 20-F Information 2007 and the Third Quarter and Nine Months Results 2008.

The preliminary announcement does not constitute statutory accounts of the Group within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2007 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

2 NET DEBT

The table below provides an analysis of net debt and a reconciliation of net cash flow to the movement in net debt.

	At 1 Jan 2008 $m	Cash flow $m	Non-cash movements $m	Exchange movements $m	At 31 Dec 2008 $m
Loans due after one year	(10,876)	(787)	436	372	(10,855)
Current instalments of loans	-	-	(650)	-	(650)
Total loans	(10,876)	(787)	(214)	372	(11,505)
Other investments - current	177	(1)	226	(14)	388
Cash and cash equivalents	5,867	(1,493)	-	(88)	4,286
Overdrafts	(140)	(23)	-	-	(163)
Short term borrowings	(4,140)	3,959	-	1	(180)
	1,764	2,442	226	(101)	4,331
Net debt	(9,112)	1,655	12	271	(7,174)

Non-cash movements in the period include fair value adjustments under IAS 39.

3 RESTRUCTURING AND SYNERGY COSTS

Profit before tax for the year ended 31 December 2008 is stated after charging restructuring and synergy costs of $881 million ($966 million in 2007). These have been charged to the income statement as follows:

	4th Quarter 2008 $m	4th Quarter 2007 $m	Full Year 2008 $m	Full Year 2007 $m
Cost of sales	277	95	405	415
Research and development	50	36	166	73
Selling, general and administrative costs	189	231	310	478
Total	516	362	881	966

4 LEGAL PROCEEDINGS AND CONTINGENT LIABILITIES

AstraZeneca is involved in various legal proceedings considered typical to its business, including litigation relating to product liability, commercial disputes, infringement of intellectual property rights, the validity of certain patents and anti-trust law. The matters discussed below constitute the more significant developments since the publication of the disclosures concerning legal proceedings in the Company's Annual Report and Form 20-F Information 2007 and Third Quarter and Nine Month results 2008.

Unless noted otherwise below or in the Annual Report and Form 20-F Information 2007, no provisions have been established in respect of the claims discussed below.

Abraxane® (paclitaxel protein-bound particles for injectable suspension) (albumin-bound)
As previously disclosed, AstraZeneca is party to an agreement with Abraxis BioScience, LLC, (Abraxis) to co-promote Abraxane®. In November 2008, AstraZeneca entered into an agreement with Abraxis under which Abraxis re-acquired exclusive rights to market Abraxane® in the United States. Under the agreement, the Board of Directors of Abraxis' parent ended the Co-Promotion Agreement. Upon termination, Abraxis will pay AstraZeneca a $268 million fee on 31 March 2009.

***Crestor* (rosuvastatin)**
Patent litigation - US
In January 2008, each of the previously disclosed seven abbreviated new drug application-filers sued by AstraZeneca in the District of Delaware for infringement of the Patent No. RE37,314 (the '314 patent), answered, counterclaimed, or otherwise responded to AstraZeneca's pleadings. AstraZeneca replied or responded as allowed. In response, some defendants submitted jurisdictional motions seeking dismissals of parties and claims. The District Court heard oral argument on the jurisdictional motions in July 2008. In November 2008, the court issued a magistrate's Report and Recommendation Regarding Motions to Dismiss deciding the defendants' various jurisdictional motions. In December 2008, Aurobindo filed objections to the Report. In January 2009, the Court adopted the magistrate's recommendations in respect of all parties except as to Aurobindo and its pending objections. Later in January 2009, AstraZeneca responded to Aurobindo's objections.

In October 2008, Teva Pharmaceuticals Industries Ltd. (Teva), filed a patent infringement lawsuit against AstraZeneca Pharmaceuticals LP, AstraZeneca PLC, AstraZeneca UK Limited and IPR Pharmaceuticals, Inc. (together AstraZeneca) in the Eastern District of Pennsylvania. The complaint alleges that the manufacture, use and sale of *Crestor* 5mg, 10mg, 20mg and 40mg tablets infringe a formulation patent owned by Teva. In January 2009, AstraZeneca responded to Teva's pleading.

Patent litigation - Canada
In November 2008, AstraZeneca Canada Inc. received a Notice of Allegation from Apotex Inc. (Apotex) in respect of Canadian Patent Nos. 2,072,945 (the '945 patent) and 2,313,783 (the '783 patent) listed on the Patent Register in Canada for *Crestor*. Apotex claims that the '945 patent is invalid and that the '783 patent would not be infringed and is invalid. AstraZeneca responded in December 2008 by commencing a court application under the Patented Medicines (Notice of Compliance) Regulations, seeking an order prohibiting the Minister of Health from issuing a Notice of Compliance (marketing approval) to Apotex until after expiry of the patents.

As a consequence of AstraZeneca Canada's legal actions seeking a Prohibition Order, Apotex cannot obtain a Notice of Compliance for its rosuvastatin calcium tablets until the earlier of the disposition of the court application in its favour or, unless a Prohibition Order is granted, 24 months after the date on which the court application is commenced (assuming its regulatory submission is approvable by that date).

AstraZeneca has full confidence in, and will vigorously defend and enforce, its intellectual property protecting *Crestor*.

***Losec/Prilosec* (omeprazole)**
Patent litigation - Canada
AstraZeneca continues to be involved in proceedings in Canada involving various patents relating to omeprazole capsules or omeprazole magnesium tablets. Apotex Corp. and Apotex, Inc. (together Apotex), launched a generic omeprazole capsule product in Canada in January 2004.

In February 2006, the Federal Court of Appeal upheld a lower court decision that prohibited Apotex from obtaining a Notice of Compliance for omeprazole magnesium tablets until the expiry of a relevant formulation patent in December 2008. In December 2008, the Federal Court of Appeal dismissed Apotex's appeal of an order dismissing a motion by Apotex to set aside a Prohibition Order.

European Commission investigation
The Oral Hearing in the above appeal to the Court of First Instance took place on 26 and 27 November 2008. The Court indicated its intention to hand down judgment in Spring 2009.

***Nexium* (esomeprazole magnesium)**
Sales and marketing practices
As previously disclosed, AstraZeneca entities have been sued in various state and federal courts in the US in purported representative class actions involving the marketing of *Nexium*. In June 2008, AstraZeneca filed oppositions to the class certification motions filed in the California and Massachusetts cases, and also filed motions for summary judgment in California. Oral argument on the California motions was held in December 2008 and a decision is expected by the second quarter of 2009.

Patent litigation
In December 2008, AstraZeneca received a Paragraph IV Certification notice-letter from Sandoz, Inc. (Sandoz) that Sandoz had submitted an abbreviated new drug application (ANDA) to the US Food and Drug Administration (FDA) for 20mg and 40mg esomeprazole magnesium delayed-release capsules. The ANDA alleged invalidity and/or non-infringement in respect of certain AstraZeneca US patents listed in the FDA Orange Book with reference to *Nexium*. In January 2009, AstraZeneca commenced patent infringement litigation in the US District Court for the District of New Jersey against Sandoz in response to Sandoz's Paragraph IV certifications regarding *Nexium*. No trial date has been set.

As previously disclosed, in May and June 2008, AstraZeneca received a complaint from IVAX Pharmaceuticals Inc. and IVAX Corporation (together IVAX) and a complaint from Dr. Reddy's Laboratories Inc. and Dr. Reddy's Laboratories Limited (together Dr. Reddy's) for declaratory judgments of non-infringement and/or invalidity for patents listed in the FDA Orange Book with reference to *Nexium* that were not previously at issue in the ongoing infringement litigations. In August 2008, the Court dismissed the IVAX and Dr. Reddy's declaratory judgment actions as to certain patents and stayed the declaratory judgment actions as to remaining patents at issue. In January 2009, the Court vacated the August 2008 Orders that had dismissed and stayed the declaratory judgment actions. As a result, the IVAX and Dr. Reddy's declaratory judgment actions are proceeding. No trial date has been set.

As previously disclosed, in January 2006 AstraZeneca received a Paragraph IV Certification notice-letter from IVAX that IVAX had submitted an ANDA to the FDA for 20mg and 40mg esomeprazole magnesium delayed-release capsules. The ANDA contained Paragraph IV certifications of invalidity and/or non-infringement in respect of certain AstraZeneca US patents listed in the FDA Orange Book with reference to *Nexium*. In March 2006, AstraZeneca commenced wilful patent infringement litigation in the US District Court for the District of New Jersey against IVAX, its parent Teva Pharmaceuticals, and their affiliates. In December 2008, the Court granted AstraZeneca's motion to add Cipla, Ltd. as a defendant in the litigation. No trial date has been set.

As previously disclosed, in March 2008 AstraZeneca received a Paragraph IV Certification notice-letter from Teva Parental Medicines (Teva) that Teva had submitted a new drug application (NDA) to the FDA regarding 20mg/vial and 40mg/vial esomeprazole for injection. The notice contains certifications of invalidity, unenforceability, and/or non-infringement in respect of US Patent No. 5,877,192, which is listed in the FDA Orange Book with reference to *Nexium* in intravenous form. In April 2008, AstraZeneca commenced patent infringement litigation against Teva in the United States District Court for the District of New Jersey. In October 2008, Teva informed AstraZeneca that Teva was withdrawing its NDA relating to esomeprazole for injection. As a result of Teva withdrawing its NDA, the Court has dismissed the litigation.

AstraZeneca has full confidence in, and will vigorously defend and enforce, its intellectual property protecting *Nexium*.

***Pulmicort Respules* (budesonide inhalation suspension)**
In November 2008, AstraZeneca entered into a settlement agreement in its *Pulmicort Respules* patent infringement litigation against Ivax Pharmaceuticals, Inc., a wholly owned subsidiary of Teva Pharmaceuticals USA (Teva).

The agreement settles the patent infringement litigation filed by AstraZeneca following Teva's submission to the US Food and Drug Administration of an abbreviated new drug application for a generic version of *Pulmicort Respules*. Under the settlement agreement, Teva concedes that the patents asserted by AstraZeneca in the patent litigation are valid and enforceable. Teva also concedes that its generic version of *Pulmicort Respules* infringes AstraZeneca's patents.

The settlement agreement will allow Teva to commence sales of budesonide inhalation suspension, a generic version of *Pulmicort Respules*, under an exclusive license from AstraZeneca, beginning in December 2009. AstraZeneca will receive a significant undisclosed royalty on sales of Teva's product, with a marked step-down in payments if additional at-risk generic products enter the market place. Teva also agrees to pay AstraZeneca an undisclosed sum in respect of damages resulting from the unauthorised launch of its generic budesonide inhalation suspension product in November 2008. Except as described, the terms of the settlement are confidential. The agreement releases Teva from all past US sales of its generic budesonide inhalation suspension and provides that any product already shipped by Teva will remain in the market to be further distributed and dispensed.

In March 2008, AstraZeneca filed a lawsuit in the US District Court for the District of New Jersey against Breath Ltd. (Breath) for patent infringement. The lawsuit is the result of an ANDA filed by Breath with the FDA concerning Breath's intent to market a generic version of AstraZeneca's *Pulmicort Respules* in the US prior to the expiration of AstraZeneca's patents. The basis for AstraZeneca's complaint is that the action by Breath of filing an ANDA infringes certain of AstraZeneca's patents directed to *Pulmicort Respules* and their use. In May 2008, Breath responded and filed counterclaims alleging non-infringement and invalidity. Discovery in the litigation is ongoing.

AstraZeneca has full confidence in, and will vigorously defend and enforce, its intellectual property protecting *Pulmicort Respules*.

***Seroquel* (quetiapine fumarate)**
Product liability
As previously disclosed, AstraZeneca Pharmaceuticals LP, either alone or in conjunction with one or more affiliates, has been sued in numerous individual personal injury actions involving *Seroquel*. In most of these cases, the nature of the plaintiffs' alleged injuries is not clear from the complaint and, in most cases, little or no factual information regarding the alleged injury has been provided in the complaint. However, the plaintiffs generally contend that they developed diabetes and/or other related injuries as a result of taking *Seroquel* and/or other atypical anti-psychotic medications.

As of 5 January 2009, AstraZeneca was defending approximately 9,210 served or answered lawsuits involving approximately 15,461 plaintiff groups. To date, approximately 2,363 additional cases have been dismissed by order or agreement and approximately 1,500 of those cases have been dismissed with prejudice. Approximately 24% of the cases that were or are pending in the federal court Multi-District Litigation (MDL) have been dismissed. Approximately 60% of the plaintiffs' currently pending *Seroquel* claims are in state courts (primarily Delaware, New Jersey, New York and Missouri) with the other 40% pending in the federal court.

Plaintiffs' discovery of AstraZeneca has largely been completed, although additional discovery may take place. AstraZeneca's discovery of specific plaintiffs' cases is ongoing in most jurisdictions. Bellwether case systems have been implemented by the courts in Delaware, New Jersey and the federal MDL court due to the larger volume of consolidated cases in those jurisdictions.

On 28 January 2009, the federal judge presiding over the *Seroquel* MDL in the District Court for the Middle District of Florida orally informed the parties that she was granting AstraZeneca's motions for summary judgment in the first two *Seroquel* product liability cases set for trial. Therefore, the trial scheduled for 2 February 2009 in Florida has been cancelled.

AstraZeneca expects that an additional seven to nine trials may be scheduled to commence in 2009. AstraZeneca is also aware of approximately 59 additional cases that have been filed but not yet served and has not determined how many additional cases, if any, may have been filed. Some of the cases also include claims against other pharmaceutical manufacturers such as Eli Lilly & Co., Janssen Pharmaceutica, Inc. and/or Bristol-Myers Squibb Company. AstraZeneca intends to litigate these cases on their individual merits and will defend against the cases vigorously.

As of 31 December 2008, legal defence costs of approximately $512 million have been incurred (of which approximately $335 million was incurred during 2008). AstraZeneca has product liability insurance that is considered to respond to the vast majority of claims brought in these *Seroquel* cases, subject to a retention. This insurance provides coverage for legal defence costs and potential damage amounts in connection with the *Seroquel* product liability cases. AstraZeneca has recorded an insurance receivable of $426 million at 31 December 2008 (2007 $139 million). The Company's insurance coverage with respect to the *Seroquel* cases may not be adequate to cover its defence costs and potential damage amounts.

Patent litigation - Seroquel
In December 2008, Teva announced that the US Food and Drug Administration (FDA) had tentatively approved its generic quetiapine tablets. In July 2008, the US District Court, District of New Jersey had granted AstraZeneca's Motion for Summary Judgment of No Inequitable Conduct. Teva and Sandoz appealed to the Federal Circuit Court of Appeals. In December 2008, the parties completed briefing. Oral argument is scheduled for 6 March 2009.

Patent litigation - Seroquel XR
AstraZeneca lists two patents in the FDA's Orange Book referencing *Seroquel XR*: US Patent No. 4,879,288 (the '288 patent) covering quetiapine fumarate, the active ingredient, and US Patent No. 5,948,437 (the '437 patent) covering extended-release formulations, processes and methods in respect of quetiapine fumarate.

In October and November 2008, AstraZeneca received a third and fourth Paragraph IV Certification notice-letter from Handa Pharmaceuticals (Handa) advising that it had submitted an abbreviated new drug application (ANDA) seeking approval to market generic versions of 50mg and 150mg *Seroquel XR* tablets before expiration of AstraZeneca's patents covering the product. In October 2008, AstraZeneca filed a second lawsuit in US District Court, District of New Jersey against Handa alleging infringement of AstraZeneca's patents covering the active ingredient and formulation of *Seroquel XR* 50mg tablets; and in December 2008, AstraZeneca filed a third lawsuit against Handa alleging infringement of AstraZeneca's patents covering the active ingredient and formulation of *Seroquel XR* 150mg tablets. The filing of these additional lawsuits triggered 30-month stays of FDA final approval for Handa's 50mg and 150mg ANDA products.

For purposes of discovery, the three Handa actions and the previously disclosed Accord action have been consolidated under a common scheduling order. The consolidated matter proceeds.

In December 2008, AstraZeneca received a Paragraph IV Certification notice-letter from Biovail Laboratories International SRL (Biovail) stating that it had submitted an ANDA seeking approval to market generic versions of 200mg, 300mg and 400mg *Seroquel XR* tablets before the expiration of AstraZeneca's two listed patents covering *Seroquel XR*. Biovail's certification notice-letter alleged non-infringement and invalidity in respect of AstraZeneca's patents. In January 2009, AstraZeneca filed a lawsuit in US District Court, District of New Jersey, against Biovail and related entities alleging infringement of AstraZeneca's '288 and '437 patents covering *Seroquel XR* 200mg, 300mg and 400mg tablets. The filing of this lawsuit triggered a 30-month stay of FDA final approval for Biovail's ANDA products.

AstraZeneca has full confidence in, and will vigorously defend and enforce, its intellectual property protecting *Seroquel* and *Seroquel XR*.

Sales and marketing practices
In February 2007, the Commonwealth of Pennsylvania (Commonweatlh) filed a lawsuit against AstraZeneca, Eli Lilly & Co. (Lilly), and Janssen Pharmaceutica Inc. (Janssen) claiming damages incurred by the Commonwealth as a result of alleged off-label promotion of atypical anti-psychotic medications by the three manufacturers. The lawsuit is filed in state court in Philadelphia and seeks to recover the cost to the Pennsylvania Medicaid programme and other state-funded health insurance programmes for prescriptions written as a result of the alleged off-label promotion, and also seeks compensation for costs incurred by the State for the treatment of Medicaid and other public assistance beneficiaries who allegedly developed diabetes, hyperglycemia and other conditions as a result of using *Seroquel* without adequate

warning. In December 2007, the Court granted the defendants' motion to sever the claims against AstraZeneca and Janssen from those against Lilly and directed the Commonwealth to file separate complaints against the two severed defendants, which the Commonwealth did in January 2008. In December 2008, the Court granted AstraZeneca's motion to dismiss all but two counts of the complaint, including dismissal of the Commonwealth's claims alleging violations of the Pennsylvania Medicaid False Claims Act. Similar lawsuits were filed by the State of Montana in February 2008, the State of Arkansas in May 2008, and the State of South Carolina in January 2009. AstraZeneca believes these claims to be without merit and intends to vigorously defend against them. As of the date of this announcement, the Montana action has not been served.

In May 2007, the New Jersey Ironworkers Local Union No. 68 filed a class action lawsuit against AstraZeneca on behalf of all individuals and non-governmental entities that paid for *Seroquel* from January 2000 to date. The lawsuit was filed in the federal District Court in New Jersey and alleged that AstraZeneca promoted *Seroquel* for off-label uses and misled class members into believing that *Seroquel* was superior to other, lower-cost alternative medicines. Two similar class action lawsuits were filed in June and July 2007 in the New Jersey and Pennsylvania federal courts. In December 2007, the three lawsuits were transferred to the Middle District of Florida by the US Judicial Panel on MDL. In November 2008, the MDL Court granted AstraZeneca's motion and dismissed these cases in their entirety with prejudice. The plaintiffs filed a Notice of Appeal in December 2008. AstraZeneca intends to vigorously defend against the appeal, which it expects will be heard by the Eleventh Circuit Court of Appeals some time in 2009.

In September 2008, the Pennsylvania Employees Benefit Trust Fund (PEBTF) served AstraZeneca Pharmaceuticals LP with a complaint filed in the Pennsylvania Court of Common Pleas of Philadelphia County seeking economic damages stemming from allegedly improper marketing practices that caused the PEBTF to reimburse for allegedly overpriced *Seroquel* prescription and the medical care of Fund members allegedly injured from *Seroquel* use. In October 2008, AstraZeneca removed this lawsuit to federal court and immediately requested that it be transferred to the *Seroquel* MDL. The decision regarding transfer is pending. AstraZeneca intends to vigorously defend itself against this lawsuit.

***Symbicort* (budesonide/formoterol)**
As previously disclosed, following an appeal by the generic manufacturers Norton Healthcare (Norton) and Generics UK, the European Patent Office (EPO) Technical Board of Appeal revoked the European patent, EPB 1,014,993, covering the use of *Symbicort* for the treatment of chronic obstructive pulmonary disease (COPD). The stays granted in the revocation proceedings instituted by IVAX Pharmaceuticals (UK) Limited (IVAX) in the UK and Ireland with respect to the national parts of the *Symbicort* combination patent EPB 613,371 and EPB 1,014,993 will remain in place until IVAX applies to the Court to lift these stays in light of the EPO decisions.

In December 2008, following an opposition by Norton, the EPO Opposition Division revoked the European patent, EPB 1,210,943, covering the use of *Symbicort*, with a specific ratio of the active ingredients and a specific particle size, for the treatment of COPD.

In June 2008, the US Patent and Trademark Office issued a final determination that US Patent No. 5,674,860 was not eligible for patent term extension. AstraZeneca filed a request for reconsideration.

AstraZeneca will vigorously defend and enforce its remaining intellectual property portfolio protecting *Symbicort*, which has patent expiry dates up to 2019 in Europe.

Anti-trust
The European Commission (Commission) is conducting a sector-wide inquiry into the pharmaceutical industry. AstraZeneca and several other pharmaceutical companies were the subject of unannounced inspections in January 2008. The inquiry relates to the introduction of innovative and generic medicines and it will cover commercial practices, including the use of patents and generics. We understand that several companies have been similarly approached.

The Commission has stated that this inquiry is not aimed at investigating practices where there have been any indications of wrongdoing, although it could address any competition law breaches found by means of separate proceedings. The Commission has also stated that the final results of its inquiry will be available in Spring 2009. It is possible that companies, including AstraZeneca, may be the subject of investigation.

AstraZeneca is cooperating fully with the Commission in relation to its inquiry.

Average wholesale price class action litigation
As previously disclosed, AstraZeneca is a defendant along with many other pharmaceutical manufacturers in several sets of cases involving allegations that plaintiffs overpaid for prescription drugs as a result of defendants causing the publication of allegedly inflated wholesale list prices.

In December 2008, the US District Court in Boston, Massachusetts approved the proposed settlement resolving Class 1 claims on a nationwide basis. The settlement will involve payments of up to $24 million to reimburse individual class members submitting claims, plus attorneys' fees of $8.58 million. AstraZeneca has agreed that a portion of any unclaimed settlement amounts will be donated to charitable organisations funding cancer patient care and research. In January 2009, one of the class members filed a notice of appeal challenging the settlement.

In June 2007 and November 2007, the Multi District Litigation (MDL) Court issued decisions, after a bench trial, on liability and damages on Classes 2 and 3. The Court found AstraZeneca liable under the Massachusetts consumer protection statute for engaging in unfair and deceptive conduct in connection with the pricing of *Zoladex* during the period 1998 to 2003. In November 2008, the Court of Appeals heard oral argument on AstraZeneca’s appeal of that decision.

In September 2008, the MDL Court granted, in part, the plaintiffs' motion for certification of multi-state class actions relating to *Zoladex*. In January 2009, the Court granted AstraZeneca's motion to stay the entry of the order pending AstraZeneca's appeal of the Court's award relating to Massachusetts-only claims.

In December 2008, AstraZeneca filed its opening brief supporting its appeal of the judgment rendered by the Alabama court, after a jury trial, in favour of the State of Alabama. The appeal seeks to have the entire judgment reversed or, in the alternative, a new trial.

As previously disclosed, MedImmune is also involved in various lawsuits brought by various states and counties in the US alleging manipulation of average wholesale prices by several defendants. In December 2008, the State of Kansas filed a suit against a number of defendants, including MedImmune, in the District Court of Wyandotte County, Kansas.

The allegations made in respect of the average wholesale price lawsuits described in this section are denied and will be vigorously defended.

Pain pump litigation

As previously disclosed, starting in February 2008, AstraZeneca LP, AstraZeneca Pharmaceuticals LP, Zeneca Holdings Inc., and/or AstraZeneca PLC have been named as defendants and served in approximately 41 lawsuits, involving approximately 48 plaintiffs, filed in various US jurisdictions, alleging injuries caused by third-party pain pumps. The complaints in these cases generally allege that the use of *Marcaine*, *Sensorcaine, Xylocaine* and/or *Naropin*, with or without epinephrine, in pain pumps that were implanted into patients in connection with arthroscopic surgery, caused chrondrolysis. Other named defendants in these cases are other manufacturers and distributors of bupivacaine and lidocaine and other pain medications, pain pump manufacturers, and in some cases the surgeons. To date, 25 plaintiffs have dismissed their cases against the AstraZeneca defendants while the case was in preliminary stages, and the AstraZeneca defendants have filed pending motions to dismiss several other cases. In addition, three plaintiffs have voluntarily dismissed AstraZeneca PLC but have maintained their suits against other AstraZeneca defendants.

Rights to market *Sensorcaine, Xylocaine* and *Naropin* in the US were sold to Abraxis Bioscience Inc. (Abraxis) in June 2006 but many of these lawsuits may be a retained liability under the terms of the Asset Purchase Agreement with Abraxis. To date, AstraZeneca has tendered six of the active claims to Abraxis.

It was previously reported that plaintiffs moved to consolidate the federal pain pump cases under the Multi-District Litigation (MDL) process. The Judicial Panel on MDL denied that motion in August 2008. Accordingly, the cases will continue as individual lawsuits.

AstraZeneca intends to vigorously defend these cases.

Tax

AstraZeneca faces a number of transfer pricing audits in jurisdictions around the world and, in some cases, is in dispute with the tax authorities. These disputes usually result in taxable profits being increased in one territory and correspondingly decreased in another. Our balance sheet positions for these matters reflect appropriate corresponding relief in the territories affected. The total net accrual included in the Financial Statements to cover the worldwide exposure to transfer pricing audits is $1,628 million, an increase of $306 million due to a number of new audits, revisions of estimates relating to existing audits, offset by a number of negotiated settlements and exchange rate effects.

Included in the total net accrual are amounts in respect of the following transfer pricing arrangements:

- AstraZeneca and Her Majesty's Revenue & Customs (HMRC) have made a joint referral to the UK Court in respect of transfer pricing between our UK and one of our overseas operations for the years 1996 to date as there continues to be a material difference between the Group's and HMRC's positions. An additional referral in respect of controlled foreign company aspects of the same case was made during 2008. Absent a negotiated settlement, litigation is set to commence in 2010.
- AstraZeneca has applied for two advance pricing agreements (APA's) in relation to intra-group transactions between the UK and the US and the UK and Japan. Both APA's are being progressed through competent authority proceedings under the relevant double tax treaties.

Management continues to believe that AstraZeneca's positions on all its transfer pricing audits and disputes are robust and that AstraZeneca is adequately provided.

5 ACCOUNTING IMPACT FROM MERCK ARRANGEMENTS

Introduction

In 1982, Astra AB set up a joint venture with Merck & Co., Inc. for the purposes of selling, marketing and distributing certain Astra products in the US. In 1998, this joint venture was restructured (the "Restructuring"). Under the agreements relating to the Restructuring (the "Agreements"), a US limited partnership was formed, in which Merck is the limited partner and AstraZeneca is the general partner, and AstraZeneca obtained control of the joint venture's business subject to certain limited partner and other rights held by Merck and its affiliates. These rights provide Merck with safeguards over the activities of the partnership and place limitations on AstraZeneca's commercial freedom to operate. The Agreements provide for:

- Annual contingent payments.
- A payment to Merck in the event of a business combination between Astra and a third party in order for Merck to relinquish certain claims to that third party's products.
- Termination arrangements which, if and when triggered, cause Merck to relinquish its interests in AstraZeneca's products and activities.

Further details are set out in the 2007 Annual Report and Form 20-F Information.

Payment made on 17 March 2008

On 17 March, under the termination arrangements included in the Agreements, AstraZeneca made a net cash payment to Merck of approximately $2.63 billion. This payment resulted in AstraZeneca acquiring Merck's interests in certain AstraZeneca products including *Pulmicort*, *Rhinocort*, *Symbicort* and *Toprol-XL*. Consequently AstraZeneca no longer has to pay contingent payments on these products to Merck and has obtained the ability to fully exploit these products and to fully exploit other opportunities in the Respiratory therapy area that AstraZeneca was previously prevented from doing by Merck's interests in these products. Intangible assets aggregating to $994 million have been recognised in respect of these acquired product rights and these are being amortised over various periods giving rise to an annual expense of approximately $55 million per annum. Approximately $45 million of this amortisation relates to relief from contingent payments, and will be charged to Cost of Goods Sold (COGS), with the balance related to the Respiratory therapy area, which will be charged to SG&A. For the purposes of calculating Core financial measures, the Company will exclude only the amortisation expense related to therapy area intangibles (i.e. that charged to SG&A) from the Core financial measures calculations.

The balance of the net payment made on 17 March represents payments on account for the product rights that will be acquired in the event that the First Option and the Second Option (see below) are exercised by AstraZeneca. Intangible assets aggregating to $1,656 million have been recognised. These balances are not subject to amortisation until each of the options is exercised and the related product rights are acquired. Should it become probable that the First Option will not be exercised, all the payments on account will be expensed immediately. If after the First Option has been exercised it becomes probable that the Second Option will not be exercised, the payments on account for the product rights to be acquired under the Second Option will be expensed immediately.

Further optional payments

AstraZeneca has the right in 2010 to acquire Merck's interests in all the products still covered by the Agreements other than *Prilosec* and *Nexium* for $647 million ("the First Option"). These products comprise marketed products (*Entocort*, *Atacand*, *Plendil*, *Lexxel*) and products still in development (including AZD6140, AZD3355 and AZD2327). If the First Option is exercised, AstraZeneca will no longer have to pay contingent payments on these products to Merck and will obtain the ability to fully exploit these products and to fully exploit other opportunities in the Cardiovascular and Neuroscience therapy areas that AstraZeneca was previously prevented from doing by Merck's interests in these products. If the First Option is exercised, this will give rise to an additional amortisation expense in the range of $15 to $50 million per annum charged to COGS, the precise amount dependent upon the launch status of the covered pipeline compounds, and an additional charge to SG&A of around $60 million.

Provided that the First Option is exercised, AstraZeneca may exercise a further option ("the Second Option") two years later (or in 2017, or if combined annual sales of the two products fall below a minimum amount) which will end the contingent payments in respect of *Nexium* and *Prilosec* and effectively end AstraZeneca's relationship with and obligations to Merck (other than some residual manufacturing arrangements). The exercise price for the Second Option is the net present value of the future annual contingent payments on *Prilosec* and *Nexium* as determined at the time of exercise. If the Second Option is exercised then amortisation related to the ability to exploit opportunities in the Gastrointestinal therapy area will commence, in the amount of $15 million per annum (charged to SG&A), as well as an as yet indeterminable amount of amortisation related to relief from contingent payments.

The intangible assets relating to purchased product rights and the intangible assets relating to payments on account will be subject to impairment testing and would be partially or wholly impaired if a product is withdrawn or if activity in any of the affected therapy areas is significantly curtailed.

6 FULL YEAR TERRITORIAL SALES ANALYSIS

	Full Year 2008 $m	Full Year 2007 $m	% Growth Actual	% Growth Constant Currency
US	13,510	13,366	1	1
Canada	1,275	1,145	11	8
North America	14,785	14,511	2	2
Western Europe**	9,743	9,115	7	1
Japan	1,957	1,661	18	4
Other Established ROW	843	715	18	15
Established ROW*	12,543	11,491	9	2
Emerging Europe	1,215	1,028	18	10
China	627	437	43	31
Emerging Asia Pacific	802	749	7	10
Other Emerging ROW	1,629	1,343	21	18
Emerging ROW	4,273	3,557	20	16
Total Sales	31,601	29,559	7	3

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

** *For the full year, Western Europe sales growth excluding Synagis would be 5 percent on an actual basis and -1 percent on a constant currency basis.*

7 FOURTH QUARTER TERRITORIAL SALES ANALYSIS

	4th Quarter 2008 $m	4th Quarter 2007 $m	% Growth Actual	% Growth Constant Currency
US	3,784	3,665	3	3
Canada	296	331	(11)	6
North America	4,080	3,996	2	3
Western Europe**	2,298	2,453	(6)	2
Japan	602	532	13	-
Other Established ROW	190	209	(9)	13
Established ROW*	3,090	3,194	(3)	3
Emerging Europe	291	293	(1)	10
China	171	124	38	27
Emerging Asia Pacific	184	204	(10)	4
Other Emerging ROW	377	359	5	17
Emerging ROW	1,023	980	4	13
Total Sales	8,193	8,170	-	4

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

** *For the fourth quarter, Western Europe sales growth excluding Synagis would be -8 percent on an actual basis and 1 percent on a constant currency basis.*

8 FULL YEAR PRODUCT SALES ANALYSIS

	World				US	
	Full Year 2008 $m	Full Year 2007 $m	Actual Growth %	Constant Currency Growth %	Full Year 2008 $m	Actual Growth %
Gastrointestinal:						
Nexium	5,200	5,216	-	(2)	3,101	(8)
Losec/Prilosec	1,055	1,143	(8)	(14)	171	(25)
Others	89	84	6	2	33	10
Total Gastrointestinal	6,344	6,443	(2)	(4)	3,305	(9)
Cardiovascular:						
Crestor	3,597	2,796	29	26	1,678	18
Seloken/Toprol-XL	807	1,438	(44)	(46)	295	(70)
Atacand	1,471	1,287	14	10	262	1
Tenormin	313	308	2	(6)	18	(5)
Zestril	236	295	(20)	(24)	20	11
Plendil	268	271	(1)	(7)	25	(29)
Others	271	291	(7)	(12)	1	(50)
Total Cardiovascular	6,963	6,686	4	-	2,299	(16)
Respiratory:						
Symbicort	2,004	1,575	27	22	255	410
Pulmicort	1,495	1,454	3	-	982	2
Rhinocort	322	354	(9)	(12)	182	(21)
Oxis	71	86	(17)	(24)	-	-
Accolate	73	76	(4)	(5)	53	(4)
Others	163	166	(2)	(5)	-	-
Total Respiratory	4,128	3,711	11	7	1,472	13
Oncology:						
Arimidex	1,857	1,730	7	4	754	9
Casodex	1,258	1,335	(6)	(12)	292	(2)
Zoladex	1,138	1,104	3	(3)	72	(22)
Iressa	265	238	11	3	7	(22)
Ethyol	28	43	n/m	n/m	28	n/m
Others	408	369	11	6	173	4
Total Oncology	4,954	4,819	3	(2)	1,326	2
Neuroscience:						
Seroquel	4,452	4,027	11	9	3,015	5
Local anaesthetics	605	557	9	2	34	(24)
Zomig	448	434	3	(1)	187	6
Diprivan	278	263	6	(1)	39	(3)
Others	54	59	(8)	(12)	9	(40)
Total Neuroscience	5,837	5,340	9	6	3,284	5
Infection and Other:						
Synagis	1,230	618	n/m	n/m	923	n/m
Merrem	897	773	16	13	207	39
FluMist	104	53	96	96	104	96
Other Products	220	270	(19)	(20)	115	(22)
Total Infection and Other	2,451	1,714	n/m	n/m	1,349	n/m
Aptium Oncology	395	402	(2)	(2)	395	(2)
Astra Tech	529	444	19	14	80	33
Total	31,601	29,559	7	3	13,510	1

9 FOURTH QUARTER PRODUCT SALES ANALYSIS

	World				US	
	4th Quarter 2008 $m	4th Quarter 2007 $m	Actual Growth %	Constant Currency Growth %	4th Quarter 2008 $m	Actual Growth %
Gastrointestinal:						
Nexium	1,324	1,303	2	6	832	2
Losec/Prilosec	264	298	(11)	(11)	33	(43)
Others	23	24	(4)	4	10	11
Total Gastrointestinal	1,611	1,625	(1)	3	875	(1)
Cardiovascular:						
Crestor	987	799	24	30	490	27
Seloken/Toprol-XL	207	209	(1)	2	88	2
Atacand	351	353	(1)	9	64	(3)
Tenormin	77	84	(8)	(8)	4	(20)
Zestril	52	67	(22)	(16)	5	150
Plendil	67	66	2	3	10	43
Others	62	78	(21)	(14)	-	-
Total Cardiovascular	1,803	1,656	9	15	661	20
Respiratory:						
Symbicort	514	436	18	29	90	463
Pulmicort	397	447	(11)	(10)	260	(15)
Rhinocort	78	87	(10)	(8)	43	(22)
Oxis	15	22	(32)	(27)	-	-
Accolate	18	19	(5)	(5)	14	-
Others	37	45	(18)	(7)	-	-
Total Respiratory	1,059	1,056	-	6	407	4
Oncology:						
Arimidex	451	474	(5)	(1)	177	(5)
Casodex	284	370	(23)	(24)	77	(1)
Zoladex	278	307	(9)	(6)	17	(29)
Iressa	73	70	4	(1)	2	-
Ethyol	5	16	(69)	(69)	5	(69)
Others	104	102	2	4	46	5
Total Oncology	1,195	1,339	(11)	(9)	324	(8)
Neuroscience:						
Seroquel	1,160	1,086	7	10	831	8
Local anaesthetics	147	159	(8)	(1)	8	(38)
Zomig	112	114	(2)	3	49	11
Diprivan	65	74	(12)	(11)	10	(9)
Others	11	16	(31)	(25)	2	(50)
Total Neuroscience	1,495	1,449	3	7	900	7
Infection and Other:						
Synagis	506	480	5	5	380	(3)
Merrem	217	215	1	10	56	33
FluMist	33	53	(38)	(38)	33	(38)
Other Products	49	68	(28)	(21)	27	(31)
Total Infection and Other	805	816	(1)	2	496	(6)
Aptium Oncology	101	102	(1)	(1)	101	(1)
Astra Tech	124	127	(2)	6	20	5
Total	8,193	8,170	-	4	3,784	3

Convenience Translation of Key Financial Information

For the **quarter ended** 31 December	**2008 $m**	**2007 $m**	**2008 £m**	**2007 £m**	**2008 SEKm**	**2007 SEKm**
Total Sales	8,193	8,170	5,675	4,099	63,692	52,330
Operating profit	1,892	1,929	1,310	968	14,708	12,355
Profit before tax	1,816	1,837	1,258	922	14,118	11,766
Net profit for the period	1,259	1,275	872	640	9,787	8,167
Earnings per Ordinary Share	$0.86	$0.86	£0.60	£0.43	SEK6.69	SEK5.51

For the **year ended** 31 December	**2008 $m**	**2007 $m**	**2008 £m**	**2007 £m**	**2008 SEKm**	**2007 SEKm**
Total Sales	31,601	29,559	21,888	14,830	245,666	189,328
Operating profit	9,144	8,094	6,334	4,061	71,085	51,843
Profit before tax	8,681	7,983	6,013	4,005	67,486	51,132
Net profit for the year	6,130	5,627	4,246	2,823	47,655	36,041
Earnings per Ordinary Share	$4.20	$3.74	£2.91	£1.88	SEK32.65	SEK23.96
Dividend per Ordinary Share	$2.05	$1.87	£1.33	£0.93	SEK15.36	SEK12.10
Net cash inflow from operating activities	8,742	7,510	6,055	3,768	67,960	48,102
Decrease in cash & cash equivalents	(1,516)	(1,326)	(1,050)	(665)	(11,785)	(8,493)
Capital and Reserves Attributable to Equity Holders	15,912	14,778	11,021	7,414	123,700	94,655

All Sterling (£) and Swedish krona (SEK) equivalents are shown for convenience and have been calculated using the current period end rates of $1= £0.692641 and $1= SEK7.774000 respectively. Dividend per Ordinary Share is shown as the actual amount payable using the rates at the date of declaration of the dividend.

Shareholder Information

ANNOUNCEMENTS AND MEETINGS

Announcement of first quarter 2009 results	30 April 2009
Annual General Meeting	30 April 2009
Announcement of second quarter and half year 2009 results	30 July 2009
Announcement of third quarter and nine months 2009 results	29 October 2009

DIVIDENDS

The record date for the first interim dividend payable on 15 September 2008 (in the UK, Sweden and the US) was 8 August 2008. Ordinary shares traded ex-dividend on the London and Stockholm Stock Exchanges from 6 August 2008. ADRs traded ex-dividend on the New York Stock Exchange from the same date.

The record date for the second interim dividend for 2008 payable on 16 March 2009 (in the UK, Sweden and the US) will be 6 February 2009. Ordinary shares will trade ex-dividend on the London and Stockholm Stock Exchanges from 4 February 2009. ADRs will trade ex-dividend on the New York Stock Exchange from the same date.

Future dividends will normally be paid as follows:

First interim	Announced in July and paid in September
Second interim	Announced in January and paid in March

TRADEMARKS

Trademarks of the AstraZeneca group of companies appear throughout this document in italics. AstraZeneca, the AstraZeneca logotype and the AstraZeneca symbol are all trademarks of the AstraZeneca group of companies. Trademarks of companies other than AstraZeneca appear with a ® or ™ sign and include: Abraxane®, a registered trademark of Abraxis BioScience, LLC. and ONGLYZA™, a trademark of Bristol-Myers Squibb Company.

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CAUTIONARY STATEMENT REGARDING 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 preliminary announcement contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. 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 at the date of preparation of this preliminary announcement 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. These forward-looking statements are subject to numerous risks and uncertainties. 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 risk of expiration or early loss of patents (including patents covering competing products), marketing exclusivity or trademarks; the risk of patent litigation; failure to obtain patent protection; the impact of fluctuations in exchange rates; our debt-funding arrangements; risks relating to owning and operating a biologics and vaccines business; competition; price controls and price reductions; taxation; the risk of substantial product liability claims; the performance of new products; environmental/occupational health and safety liabilities; the development of our business in emerging markets; product counterfeiting; the risk of adverse outcome of litigation and/or government investigations and risk of insufficient insurance coverage; the difficulties of obtaining and maintaining regulatory approvals for new products; the risk of failure to observe continuing regulatory oversight; the risk that R&D will not yield new products that achieve commercial success; the risk that acquisitions and strategic alliances formed as part of our externalisation strategy may be unsuccessful; the risk of reliance on third parties for supplies of materials and services; the risk of failure to manage a crisis; the risk of delay to new product launches; information technology and outsourcing; risks relating to productivity initiatives and reputation.