# Condensed Consolidated Statement of Comprehensive Income

| For the **quarter** ended 31 March | 2010 $m | 2009 $m |
|---|---|---|
| **Revenue** | 8,576 | 7,701 |
| Cost of sales | (1,654) | (1,383) |
| **Gross profit** | 6,922 | 6,318 |
| Distribution costs | (78) | (64) |
| Research and development | (991) | (980) |
| Selling, general and administrative costs | (2,462) | (2,376) |
| Other operating income and expense | 252 | 265 |
| **Operating profit** | 3,643 | 3,163 |
| Finance income | 133 | 113 |
| Finance expense | (257) | (273) |
| **Profit before tax** | 3,519 | 3,003 |
| Taxation | (740) | (859) |
| **Profit for the period** | 2,779 | 2,144 |
| **Other comprehensive income:** | | |
| Foreign exchange arising on consolidation | (203) | (231) |
| Foreign exchange differences on borrowings forming net investment hedges | 104 | 129 |
| Net available for sale losses taken to equity | - | (11) |
| Actuarial loss for the period | (81) | (570) |
| Income tax relating to components of other comprehensive income | 6 | 125 |
| Other comprehensive income for the period, net of tax | (174) | (558) |
| **Total comprehensive income for the period** | 2,605 | 1,586 |
| | | |
| **Profit attributable to:** | | |
| Owners of the parent | 2,777 | 2,146 |
| Non-controlling interests | 2 | (2) |
| | 2,779 | 2,144 |
| | | |
| **Total comprehensive income attributable to:** | | |
| Owners of the parent | 2,604 | 1,588 |
| Non-controlling interests | 1 | (2) |
| | 2,605 | 1,586 |
| | | |
| Basic earnings per $0.25 Ordinary Share | $1.91 | $1.48 |
| Diluted earnings per $0.25 Ordinary Share | $1.90 | $1.48 |
| Weighted average number of Ordinary Shares in issue (millions) | 1,452 | 1,447 |
| Diluted average number of Ordinary Shares in issue (millions) | 1,458 | 1,448 |

# Condensed Consolidated Statement of Financial Position

| | As at 31 Mar 2010 $m | As at 31 Dec 2009 $m | As at 31 Mar 2009 $m |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 7,067 | 7,307 | 6,820 |
| Goodwill | 9,866 | 9,889 | 9,855 |
| Intangible assets | 13,040 | 12,226 | 12,040 |
| Derivative financial instruments | 287 | 262 | 416 |
| Other investments | 192 | 184 | 149 |
| Deferred tax assets | 1,276 | 1,292 | 1,383 |
| | 31,728 | 31,160 | 30,663 |
| **Current assets** | | | |
| Inventories | 1,780 | 1,750 | 1,702 |
| Trade and other receivables | 8,126 | 7,709 | 7,126 |
| Derivative financial instruments | - | 24 | - |
| Other investments | 2,030 | 1,484 | 49 |
| Income tax receivable | 3,045 | 2,875 | 2,534 |
| Cash and cash equivalents | 7,366 | 9,918 | 4,441 |
| | 22,347 | 23,760 | 15,852 |
| **Total assets** | 54,075 | 54,920 | 46,515 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Interest bearing loans and borrowings | (1,277) | (1,926) | (1,628) |
| Trade and other payables | (8,507) | (8,687) | (7,150) |
| Derivative financial instruments | (110) | (90) | (125) |
| Provisions | (1,066) | (1,209) | (479) |
| Income tax payable | (6,034) | (5,728) | (4,667) |
| | (16,994) | (17,640) | (14,049) |
| **Non-current liabilities** | | | |
| Interest bearing loans and borrowings | (9,055) | (9,137) | (10,006) |
| Deferred tax liabilities | (3,169) | (3,247) | (3,110) |
| Retirement benefit obligations | (3,293) | (3,354) | (3,174) |
| Provisions | (443) | (477) | (514) |
| Other payables | (233) | (244) | (133) |
| | (16,193) | (16,459) | (16,937) |
| **Total liabilities** | (33,187) | (34,099) | (30,986) |
| **Net assets** | 20,888 | 20,821 | 15,529 |
| **EQUITY** | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | |
| Share capital | 362 | 363 | 362 |
| Share premium account | 2,304 | 2,180 | 2,052 |
| Other reserves | 1,924 | 1,919 | 1,947 |
| Retained earnings | 16,137 | 16,198 | 11,022 |
| | 20,727 | 20,660 | 15,383 |
| **Non-controlling interests** | 161 | 161 | 146 |
| **Total equity** | 20,888 | 20,821 | 15,529 |

# Condensed Consolidated Statement of Cash Flows

| For the **quarter** ended 31 March | 2010 $m | 2009 $m |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before taxation | 3,519 | 3,003 |
| Finance income and expense | 124 | 160 |
| Depreciation, amortisation and impairment | 401 | 385 |
| Increase in working capital and short-term provisions | (1,221) | (63) |
| Other non-cash movements | 12 | (295) |
| Cash generated from operations | 2,835 | 3,190 |
| Interest paid | (290) | (287) |
| Tax paid | (806) | (676) |
| **Net cash inflow from operating activities** | 1,739 | 2,227 |
| **Cash flows from investing activities** | | |
| Movement in short term investments and fixed deposits | (704) | 68 |
| Purchase of property, plant and equipment | (145) | (190) |
| Disposal of property, plant and equipment | 17 | 15 |
| Purchase of intangible assets | (310) | (94) |
| Disposal of intangible assets | 210 | 269 |
| Purchase of non-current asset investments | (14) | (10) |
| Disposal of non-current asset investments | 2 | 1 |
| Acquisitions | (346) | - |
| Interest received | 37 | 24 |
| Payments made by subsidiaries to non-controlling interest | (10) | (9) |
| **Net cash (outflow)/inflow from investing activities** | (1,263) | 74 |
| **Net cash inflow before financing activities** | 476 | 2,301 |
| **Cash flows from financing activities** | | |
| Proceeds from issue of share capital | 124 | 6 |
| Repurchase of shares for cancellation | (214) | - |
| Repayment of loans | (717) | - |
| Dividends paid | (2,367) | (2,103) |
| Movement in short term borrowings | (8) | (157) |
| **Net cash outflow from financing activities** | (3,182) | (2,254) |
| **Net (decrease)/increase in cash and cash equivalents in the period** | (2,706) | 47 |
| Cash and cash equivalents at the beginning of the period | 9,828 | 4,123 |
| Exchange rate effects | 8 | (25) |
| **Cash and cash equivalents at the end of the period** | 7,130 | 4,145 |
| **Cash and cash equivalents consists of:** | | |
| Cash and cash equivalents | 7,366 | 4,441 |
| Overdrafts | (236) | (296) |
| | 7,130 | 4,145 |

# Condensed Consolidated Statement of Changes in Equity

| | Share capital $m | Share premium account $m | Other* reserves $m | Retained earnings $m | Total $m | Non-controlling interests $m | Total equity $m |
|---|---|---|---|---|---|---|---|
| **At 1 January 2009** | 362 | 2,046 | 1,932 | 11,572 | 15,912 | 148 | 16,060 |
| Profit for the period | - | - | - | 2,146 | 2,146 | (2) | 2,144 |
| Other comprehensive income | - | - | - | (558) | (558) | - | (558) |
| Transfer to other reserve | - | - | 15 | (15) | - | - | - |
| **Transactions with owners:** | | | | | | | |
| Dividends | - | - | - | (2,171) | (2,171) | - | (2,171) |
| Issue of Ordinary shares | - | 6 | - | - | 6 | - | 6 |
| Share-based payments | - | - | - | 48 | 48 | - | 48 |
| **At 31 March 2009** | 362 | 2,052 | 1,947 | 11,022 | 15,383 | 146 | 15,529 |

| | Share capital $m | Share premium account $m | Other* reserves $m | Retained earnings $m | Total $m | Non-controlling interests $m | Total equity $m |
|---|---|---|---|---|---|---|---|
| **At 1 January 2010** | 363 | 2,180 | 1,919 | 16,198 | 20,660 | 161 | 20,821 |
| Profit for the period | - | - | - | 2,777 | 2,777 | 2 | 2,779 |
| Other comprehensive income | - | - | - | (173) | (173) | (1) | (174) |
| Transfer to other reserve | - | - | 4 | (4) | - | - | - |
| **Transactions with owners:** | | | | | | | |
| Dividends | - | - | - | (2,484) | (2,484) | - | (2,484) |
| Issue of Ordinary shares | - | 124 | - | - | 124 | - | 124 |
| Re-purchase of Ordinary shares | (1) | - | 1 | (214) | (214) | - | (214) |
| Share-based payments | - | - | - | 37 | 37 | - | 37 |
| Transfer from non-controlling interests to payables | - | - | - | - | - | (1) | (1) |
| **At 31 March 2010** | 362 | 2,304 | 1,924 | 16,137 | 20,727 | 161 | 20,888 |

* Other reserves include the capital redemption reserve and the merger reserve.

# Notes to the Interim Financial Statements

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements ("interim financial statements") for the quarter ended 31 March 2010 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union and as issued by the International Accounting Standards Board. These interim financial statements have been prepared using the same accounting policies and methods of computation as followed in the most recent annual financial statements. Details of the accounting policies applied are those set out in AstraZeneca PLC's Annual Report and Form 20-F Information 2009.

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 interim 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 Group's Annual Report and Form 20-F Information 2009.

The comparative figures for the financial year ended 31 December 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

## 2 NET FUNDS/(DEBT)

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

| | At 1 Jan 2010 $m | Cash flow $m | Non-cash movements $m | Exchange movements $m | At 31 Mar 2010 $m |
|---|---|---|---|---|---|
| Loans due after one year | (9,137) | - | (21) | 103 | (9,055) |
| Current instalments of loans | (1,790) | 717 | - | 68 | (1,005) |
| Total loans | (10,927) | 717 | (21) | 171 | (10,060) |
| Other investments - current | 1,484 | 651 | (101) | (4) | 2,030 |
| Net derivative financial instruments | 196 | 53 | (72) | - | 177 |
| Cash and cash equivalents | 9,918 | (2,560) | - | 8 | 7,366 |
| Overdrafts | (90) | (146) | - | - | (236) |
| Short term borrowings | (46) | 8 | 2 | - | (36) |
| | 11,462 | (1,994) | (171) | 4 | 9,301 |
| Net funds/(debt) | 535 | (1,277) | (192) | 175 | (759) |

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

## 3 NOVEXEL ACQUISITION

On 3 March 2010, AstraZeneca completed the acquisition of Novexel SA. Novexel is a research company focussed on the infection therapy area and is based in France. AstraZeneca acquired 100 per cent of Novexel's shares for an upfront consideration of $427 million. Additional consideration of up to $75 million will become payable to Novexel shareholders on the completion of certain development milestones. At both the date of acquisition and at 31 March 2010, the fair value of this contingent consideration was $50 million. For both the period since acquisition and the first quarter, Novexel had no revenues and its loss was immaterial.

| | Book value $m | Fair value adjustment $m | Fair value $m |
|---|---|---|---|
| Non-current assets | 1 | 548 | 549 |
| Current assets | 89 | - | 89 |
| Current liabilities | (18) | - | (18) |
| Non-current liabilities | (85) | (58) | (143) |
| **Total assets acquired** | **(13)** | **490** | **477** |
| Goodwill | | | - |
| **Fair value of total consideration** | | | **477** |
| Less: fair value of contingent consideration | | | (50) |
| **Total upfront consideration** | | | **427** |

Subsequent to the completion of the acquisition of Novexel, AstraZeneca entered into a collaboration with Forest Laboratories on the future co-development and commercialization of two late-stage antibiotic development programmes acquired with Novexel: ceftazidime/NXL-104 (CAZ104) and ceftaroline/NXL-104 (CEF104). These antibiotic combinations utilise Novexel's novel investigational beta-lactamase inhibitor NXL-104 to overcome antibiotic-resistance and treat the increasing number of infections resistant to existing therapies. In addition, Forest acquired rights to CAZ104 in North America and bought down payment obligations to Novexel in relation to CEF104 from previous existing license arrangements. In consideration for these rights, Forest paid Novexel, then an AstraZeneca group company, a sum of $210 million on 3 March 2010 and will also pay additional sums equivalent to half of any future specified development milestone payments that become payable by AstraZeneca. This consideration is equivalent to the fair value attributed on acquisition to those assets and hence there is no profit impact from this divestment.

**Impact on Statement of Cash Flows**

| | $m |
|---|---|
| Total upfront consideration | 427 |
| Cash and cash equivalents included in Novexel | (79) |
| Net cash consideration | 348 |
| Amounts to be settled after 31 March 2010 | (2) |
| **Settled in the quarter ended 31 March 2010** | **346** |

## 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 antitrust law. The matters discussed below constitute the more significant developments since publication of the disclosures concerning legal proceedings in the Company's Annual Report and Form 20-F Information 2009. Unless noted otherwise below or in the Annual Report and Form 20-F Information 2009, no provisions have been established in respect of the claims discussed below.

***Accolate* (zafirlukast)**

*Patent litigation – US*

In January 2010, Dr. Reddy's Laboratories, Ltd and Dr. Reddy's Laboratories, Inc. filed a motion for summary judgment based on prosecution history estoppel. AstraZeneca has responded to the motion, and has simultaneously filed a cross-motion for partial summary judgment on the issue of estoppel.

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

***Atacand* (candesartan cilexetil)**

*Patent litigation – Canada*

As previously disclosed, in April 2009, AstraZeneca Canada Inc. (AstraZeneca Canada) received a Notice of Allegation from Sandoz Canada Inc. (Sandoz Canada) in respect of Canadian Patent Nos. 2,040,955 (the '955 patent) and 2,083,305 (the '305 patent) listed on the Canadian Patent Register for *Atacand*. Sandoz Canada indicated it would await the expiry of the '955 patent, but alleged that the '305 patent is not infringed and is not properly listed on the Canadian Patent Register.

As previously disclosed, in May 2009, AstraZeneca Canada filed a Notice of Application in federal court seeking an order prohibiting the Minister of Health from issuing a Notice of Compliance (NOC) to Sandoz Canada for its 4, 8 and 16mg candesartan cilexetil tablets until the expiration of the '305 patent. In December 2009, AstraZeneca Canada discontinued the proceeding. Sandoz Canada may not receive a NOC until the expiry of the '955 patent.

On 9 March 2010, AstraZeneca Canada received a Notice of Allegation from Cobalt Pharmaceuticals Inc. (Cobalt) in respect of Canadian patents nos. 2,040,955 ('955) and 2,083,305 ('305) listed on the Canadian Patent Register for *Atacand*. Cobalt has confirmed it will await the expiry of the '955 substance patent. For the '305 patent, Cobalt alleges that the patent is not infringed, invalid, irrelevant and not properly listed. AstraZeneca is reviewing the Notice. AstraZeneca will not commence an application in response. Cobalt may not receive a NOC until the expiry of the '955 patent.

***Atacand Plus* (candesartan cilexetil/hydrochlorothiazide)**

*Patent litigation - Canada*

As previously reported, in January 2010, AstraZeneca Canada received a Notice of Allegation from Mylan Pharmaceuticals ULC (Mylan) in respect of Canadian patent nos. 2,040,955; 2,083,305 and 2,125,251 listed on the Canadian Patent Register for *Atacand Plus*. AstraZeneca commenced a proceeding in response on 25 February 2010.

On 21 January 2010, the Court scheduled a hearing in the previously disclosed Sandoz matter for 4 days beginning on 9 May 2011.

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

***Crestor* (rosuvastatin)**

*Patent litigation – US*

Between 22 February and 3 March 2010, Judge Joseph Farnan, US District Court, District of Delaware conducted a bench trial involving parent and subsidiary entities of the eight defendant generic drug companies accused of infringing the '314 patent covering *Crestor's* active ingredient. Having adopted Magistrate Stark's report and recommendations on pre-trial matters, including the transfer of one of the Apotex co-defendants to Florida, and having received the parties' pre-trial briefing, the Court heard testimony and received evidence directed to alleged obviousness, inequitable conduct, wrongful reissue, jurisdiction, standing, and non-infringement. The Court reserved judgment and set a 30 April 2010 deadline for post-trial briefing. The parties have filed their respective opening and responsive post-trial papers. Reply briefing is due 30 April 2010.

On 26 April 2010, AstraZeneca Pharmaceuticals LP, IPR Pharmaceuticals, Inc., and AstraZeneca AB (collectively, "AstraZeneca") commenced second, new patent infringement actions involving *Crestor* in US District Court, District of Delaware, based on US Patents 6,858,618 ('618 patent) and 7,030,152 ('152 patent). In these nine new infringement actions, AstraZeneca alleges that the defendants' original filings or amendments of Abbreviated New Drug Applications seeking approvals to market generic rosuvastatin calcium tablets prior to expiration of listed patents, infringe the '152 and '618 patents under 35 USC §271(e). The '152 and '618 patents, which AstraZeneca lists in the FDA's Orange Book referencing *Crestor* as of March 2010, relate respectively to uses of rosuvastatin calcium for primary prevention of cardiovascular disease and paediatric treatment of heterozygous familial hypercholesterolemia ("HeFH"). AstraZeneca obtained FDA approvals for uses of *Crestor* rosuvastatin calcium tablets for primary prevention of cardiovascular disease in February 2010 and paediatric treatment of HeFH in October 2009. The new infringement actions are brought against (a) Aurobindo Pharma Ltd,, Aurobindo Pharma USA Inc. (collectively, "Aurobindo"); (b) Apotex Corp.; (c) Cobalt Pharmaceuticals Inc., Cobalt Laboratories, Inc. (collectively, "Cobalt"); (d) Par Pharmaceuticals, (e) Sandoz Inc., (f) Mylan Pharmaceuticals, (g) Sun Pharmaceutical Industries Ltd., Sun Pharmaceutical Industries Inc., Caraco Pharmaceutical Laboratories Ltd. (collectively, "Sun"); and (h) Teva Pharmaceuticals Inc. USA. In addition, AstraZeneca commenced a first patent infringement action against Glenmark Generics Inc. USA.

On 23 March 2010, AstraZeneca, Shionogi, and the Aurobindo defendants submitted a stipulation and proposed Order regarding Aurobindo Pharma Ltd.'s consent to jurisdiction and venue and Plaintiffs' dismissal of action against Aurobindo Pharma USA Inc. Judge Joseph J. Farnan, Jr. signed the Order on 26 March 2010.

Based on the US Food and Drug Administration's (FDA) February 2010 approval of a preventive use indication for *Crestor*, AstraZeneca updated its Orange Book listing for *Crestor.* On 8 March 2010 AstraZeneca amended its Orange Book listing for *Crestor* by adding an additional patent – US Patent 7,030,152 (the '152 patent), which AstraZeneca licensed from Brigham & Women's Hospital in 2002.

In October 2008, Teva Pharmaceuticals Industries Ltd. (Teva Pharma) filed a patent infringement lawsuit against AstraZeneca in the Eastern District of Pennsylvania, alleging that *Crestor* infringed one of its formulation patents – US Patent No. RE 39,502 (the '502 patent). As previously reported, in September 2009, AstraZeneca filed a motion for summary judgment based on priority of invention. In October 2009, Teva Pharma filed a motion to stay the litigation in its entirety during the pendency of its reissue prosecution in the US Patent and Trademark Office. AstraZeneca opposed Teva Pharma's motion, arguing that the summary judgment motion should be fully briefed and decided prior to any stay of the litigation. In January 2010, the Court denied Teva Pharma's motion for a stay and ordered it to respond to AstraZeneca's summary judgment motion. Briefing on the motion has been completed and a decision is pending.

*Patent litigation – Canada*
As previously reported, in September and November 2008, AstraZeneca Canada received Notices of Allegation from Novopharm Limited (now Teva) and Apotex Inc. (Apotex) respectively regarding Canadian patents nos. 2,072,945 ('945) and 2,313,783 ('783) listed on the Canadian Patent Register for *Crestor*. AstraZeneca commenced proceedings in response. The Canadian Federal Court conducted consecutive hearings on the matters beginning respectively on 22 March 2010 and 29 March 2010. A decision in each matter is pending.

In April 2009, AstraZeneca Canada received a Notice of Allegation from Cobalt Pharmaceuticals, Inc (Cobalt) in respect of the '783 patent and the '945 patent. Cobalt claims that the '945 patent is not infringed and invalid; and that the '783 patent is not infringed and invalid. On 30 March 2010, the Court scheduled a hearing in the previously disclosed Cobalt matter for 29 November 2010.

On 19 February 2010, AstraZeneca Canada received a Notice of Allegation from Pharmascience Inc. (Pharmascience) in respect of the '945 and '783 patents. Pharmascience alleges that the '945 and '783 patents are not infringed and are invalid. AstraZeneca commenced a proceeding in response on 7 April 2010.

In addition to the previously disclosed Notice of Compliance proceedings currently pending against Novopharm and Apotex, separate, parallel patent infringement actions were filed in September 2009 against Novopharm and Apotex in the Federal Court of Canada with respect to the '945 patent. On 24 November 2009, the federal court struck out the Statement of Claim against Novopharm as premature, without prejudice to re-file. AstraZeneca appealed. On 22 April 2010, the Federal Court of Appeal dismissed AstraZeneca's appeal.

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

***Faslodex* (fulvestrant)**
*Patent litigation – US*
AstraZeneca received a Paragraph IV certification notice-letter from Teva Parenteral Medicines, Inc. (Teva Parenteral) dated 25 November 2009, informing AstraZeneca that it has filed an Abbreviated New Drug Application seeking the Food and Drug Administration's approval to market a generic form of *Faslodex* before the expiration of the Orange Book listed patents covering *Faslodex*. On 7 January 2010, AstraZeneca filed a patent infringement lawsuit against Teva Parenteral, Teva Pharmaceuticals USA, Inc. and Teva Pharmaceutical Industries Ltd in the US District Court, District of Delaware.

***Nexium* (esomeprazole)**
*Patent litigation - US*
As previously reported, in September 2009, AstraZeneca received a Paragraph IV Certification notice-letter from Lupin Limited (Lupin) stating that Lupin had submitted an Abbreviated New Drug Application for approval to market 20 and 40mg esomeprazole magnesium delayed-release capsules relating to patents listed in the US Food and Drug Administration's Orange Book with reference to *Nexium*. In October 2009, AstraZeneca commenced patent infringement litigation against Lupin in the US District Court for the District of New Jersey. In March 2010, the Court stayed the Lupin patent infringement litigation until after trial in the Dr. Reddy's *Nexium* patent infringement litigation. No trial date has been set in either the Dr. Reddy's or Lupin patent litigation.

*Patent litigation – Canada*
As previously reported, in December 2009, AstraZeneca Canada received a Notice of Allegation from Mylan Pharmaceuticals ULC (Mylan) relating to all patents listed on the Canadian Patent Register for *Nexium*. AstraZeneca commenced a proceeding in response on 29 January 2010.

*Patent Litigation – EU*
10-year countries: Regulatory data protection for *Nexium* in so-called 10-year European countries (France, Italy, the UK, the Netherlands, Sweden, Germany, Belgium and Luxembourg) expired on 10 March 2010.

6-year countries: A large number of generic companies have been granted marketing approvals in these countries, e.g. companies owned by Sandoz, Krka and Mepha. Applications have been filed also by other generics, such as Ratiopharm, Stada and Mylan. Generic products from Sandoz-companies are on the market in Hungary, Slovenia, Austria, Bulgaria and Romania, but have been withdrawn from the market in Denmark. Generic products from Krka are on the market in Denmark and Slovenia.

In Denmark, Sandoz A/S launched its generic product in June 2009. AstraZeneca filed a request for a preliminary injunction in June 2009. In January 2010 the Court granted AstraZeneca a preliminary injunction preventing Sandoz A/S from continuing to sell the products based on infringement of a *Nexium* optical purity patent (EP 1020461). Sandoz A/S has appealed this decision. On 8 March 2010, the Court granted a preliminary injunction based on infringement of a *Nexium* process patent (EP 0773940).

In Portugal, AstraZeneca was granted a preliminary injunction in October 2009 against Sandoz Farmacêutica Limitada suspending the marketing approval for its product. This decision has been appealed. In February 2010, AstraZeneca filed a similar request for a preliminary injunction regarding the marketing approval for Mepha Farmacêutica Limitada.

In Austria, Hexal Pharma GmbH and 1A Pharma GmbH (both in the Sandoz group) launched generic products in October 2009. Request for preliminary injunctions were filed in December 2009. Preliminary injunctions have been granted by the Vienna Commerical Court against Hexal Pharma GmbH on 10 March 2010 and against 1A Pharma GmbH on 11 March 2010. The decisions have been appealed.

In Norway, Sandoz (Hexal AG, Sandoz AS and Sandoz A/S) initiated a validity case regarding two esomeprazole related patents. In December 2009 the Court invalidated a formulation patent while it upheld a substance patent related to esomeprazole. Both parties have appealed and the case is scheduled to be heard in January 2011.

In 2008, AstraZeneca initiated a declaratory action in Finland requesting the court to confirm that Sandoz A/S and Sandoz Oy would infringe a patent relating to esomeprazole if they were to commercialise their generic esomeprazole product in Finland. Hexal AG, Sandoz Oy Ab and Sandoz A/S initiated a validity case requesting the court to invalidate the same patent. Main action hearing is scheduled to start in September 2010.

AstraZeneca initiated declaratory actions in Finland against Ranbaxy (UK) Limited in December 2009 and against Mylan AB in March 2010 requesting the court to confirm that Ranbaxy and Mylan respectively would infringe a patent relating to esomeprazole if they were to commercialize their respective generic esomeprazole products in Finland.

During 2009, Lek Farmacevtska Druzba d.d.(a company within the Sandoz group) initiated an invalidity case regarding two esomeprazole related patents in Slovenia. AstraZeneca filed a request for an interlocutory injunction on 8 January 2010 against Lek Farmacevtska Druzba d.d. to restrain this company from selling products containing esomeprazole magnesium in Slovenia.

In Spain, AstraZeneca has filed a request for a preliminary injunction in April 2010 against Sandoz Farmacéutica S.A., Bexal Farmacéutica S.A., and Acost Comercial Genericpharma, S.L. (all in the Sandoz group) to restrain the companies from selling their generic esomeprazole magnesium products in Spain.

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

*Patent proceedings*
As previously disclosed, in July 2009, the European Patent Office (EPO) published the grant of two patents that relate to *Nexium* (EP 1020461) and *Nexium IV* (EP 1020460).

The period for filing notices of opposition to the grant of these patents expired on 22 April 2010. As of 28 April 2010, AstraZeneca was aware of thirteen oppositions having been filed in relation to EP 1020461 and five oppositions in relation to EP 1020460.

***Nexium IV* Para. IV Certification**
*Patent litigation – US*
In January 2010, AstraZeneca received a Paragraph IV notice letter from Sun Pharma Global FZE and affiliates (collectively Sun) notifying of Sun's Abbreviated New Drug Application and challenging patents listed in the Food and Drug Administration's Orange Book with reference to *Nexium IV*. AstraZeneca filed suit against Sun in the US District Court for New Jersey on 26 February 2010. No trial date has been set.

***Prilosec OTC* (omeprazole magnesium)**
*Patent litigation – US*
As previously disclosed, in June 2007 Dr. Reddy's Laboratories Inc. and Dr. Reddy's Laboratories Limited (together Dr. Reddy's) notified AstraZeneca that Dr. Reddy's had submitted an Abbreviated New Drug Application seeking the Food and Drug Administration's approval to market a 20mg delayed release omeprazole magnesium product for the OTC market. In July 2007, AstraZeneca commenced patent infringement litigation against Dr. Reddy's in the Southern District of New York. In July 2009, AstraZeneca appealed this ruling to the Federal Circuit Court of Appeals and in December 2009, the Court affirmed the District Court's summary judgment of non-infringement.

***Pulmicort Respules* (budesonide inhalation suspension)**

*Patent litigation – US*

As previously reported, in May 2009, the United States District Court for the District of New Jersey issued a Preliminary Injunction barring Apotex Group from launching a generic version of *Pulmicort Respules* until further order of the Court. Apotex Group appealed the issuance of the Preliminary Injunction to the Court of Appeals for the Federal Circuit. Oral argument on the appeal was heard on 5 February 2010. A decision is pending.

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

***Seroquel* (quetiapine fumarate)**

*Sales and marketing practices*

As previously disclosed, the Commonwealth of Pennsylvania and the states of Arkansas, Montana, New Mexico and South Carolina have sued AstraZeneca in connection with *Seroquel*. Mississippi also filed suit against AstraZeneca on 12 March 2010. The nature of the claims varies from jurisdiction to jurisdiction and several states have filed amended complaints largely focusing on the pricing of *Seroquel*, although some states continue to seek reimbursement of payments made by the state Medicaid programmes for prescriptions that relate to so-called non-medically accepted indications of *Seroquel* and/or compensation for costs incurred by the state for the treatment of Medicaid and other public assistance beneficiaries who allegedly developed diabetes, hyperglycaemia and other conditions as a result of using *Seroquel* without adequate warning. In addition, these lawsuits further seek various fines and penalties.

AstraZeneca believes these claims to be without merit and intends to vigorously defend against them.

As previously disclosed, the US Attorney's Office in Philadelphia, working with a number of states as part of the National Medicaid Fraud Control Unit, has been directing an investigation relating to *Seroquel* involving a review of sales and marketing practices, including allegations that AstraZeneca promoted *Seroquel* for non-indicated (off-label) uses. These allegations were included in two sealed qui tam (whistleblower) lawsuits filed by two individuals. In September 2009, AstraZeneca reached an agreement in principle to resolve the investigation, subject to the negotiation and finalisation of appropriate implementing agreements. We have now finalised the appropriate implementing agreements, including a Settlement Agreement with the United States, a template Agreement with the National Association of Medicaid Fraud Control Units for states that choose to participate in the settlement, and a Corporate Integrity Agreement. The relevant implementing agreements include settlements with the two qui tam relators.

Pursuant to the agreement in principle, AstraZeneca included a provision for $520 million plus certain accrued interest in 2009. Under the implementing agreements, approximately $302 million plus accrued interest will be paid to the United States and approximately $218 million plus accrued interest will be placed in an account for payment of the claims of any state and the District of Columbia that chooses to participate in the settlement. If any individual state or the District of Columbia chooses not to participate, AstraZeneca will retain that state's respective share of the total state settlement amount.

*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*.

As previously disclosed, four putative class actions have been filed in Canada, in the provinces of British Columbia, Alberta, Ontario and Quebec. The Motion for Authorization (certification hearing) in the Quebec action was heard in December 2009, and that Court issued a decision in February 2010 dismissing the Motion and awarding AstraZeneca costs. In March 2010, the Petitioner (Plaintiff) in the Quebec action served an inscription in Appeal (Notice of Appeal). A date has not yet been scheduled for the appeal.

As of 31 March 2010, AstraZeneca was defending 10,456 served or answered lawsuits in the US involving 22,513 plaintiff groups. To date, approximately 2,760 additional cases have been dismissed by order or agreement and approximately 1,723 of those cases have been dismissed with prejudice. Approximately 70% of the plaintiffs' currently pending *Seroquel* claims are in state courts (primarily Delaware, New Jersey, New York, and Alabama) with the other 30% pending in the federal court, where most of the cases have been consolidated for pre-trial purposes into a Multi-District Litigation (MDL).

AstraZeneca is also aware of approximately 199 additional cases (approximately 3,479 plaintiffs) 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 & Company, Janssen Pharmaceutica, Inc. and/or Bristol-Myers Squibb Company.

The first *Seroquel* product liability trial was conducted by a New Jersey state court in February and March 2010. On 18 March 2010, after a four-week trial, the jury returned a verdict in favour of AstraZeneca in which it found that AstraZeneca adequately warned plaintiff's physicians of the risks of diabetes from treatment with *Seroquel*. The trial followed the dismissal by summary judgment of one of the three bellwether cases prepared by the parties.

As previously disclosed, in January 2010, the Delaware court granted AstraZeneca's motions for summary judgment in two trials scheduled to begin in mid-January 2010 and dismissed those cases. In April 2010, the Plaintiff in one of those cases filed a notice of appeal of this decision to the Delaware Supreme Court.

As previously disclosed, in January and February 2009, the federal judge presiding over the *Seroquel* MDL in the District Court for the Middle District of Florida granted AstraZeneca's motions for summary judgment in the first two *Seroquel* product liability cases set for trial and dismissed those cases. The plaintiff in one of these cases filed a notice of appeal to the United States Court of Appeals for the Eleventh Circuit. On 6 April 2010, the Court of Appeals for the Eleventh Circuit entered its opinion affirming the Florida District Court's dismissal of that case.

AstraZeneca intends to litigate these cases on their individual merits and will defend against the cases vigorously.

As of 31 March 2010, legal defence costs of approximately $688 million have been incurred in connection with *Seroquel*-related product liability claims. The first $39 million is not covered by insurance.

AstraZeneca has product liability insurance dating from 2003 that is considered to respond to the vast majority of the *Seroquel*-related product liability claims. This insurance provides cover for legal defence costs and potential damages amounts. The insurers that issued the applicable policies for 2003 have disputed coverage for *Seroquel*-related product liability claims on various grounds. In April 2010, AstraZeneca settled its claims against several of its insurers for legal costs incurred defending the *Seroquel*-related product liability claims immediately in excess of AstraZeneca's self-insured retention for an amount approximately equal to the receivable that had been recorded and as a result there will be no further impact on the Group profit and loss account arising from this insurance settlement.

AstraZeneca currently believes that there are likely to be disputes with the remainder of its insurers about the availability of coverage under additional insurance policies. As of 31 March 2010, legal defence costs of approximately $73 million have been incurred in connection with *Seroquel*-related product liability claims which AstraZeneca believes to be covered by these additional insurance policies.

AstraZeneca believes that it is more likely than not that further insurance recoveries will be secured under the additional policies, but there can be no assurance of this or the amount of any potential future recovery.

In addition, given the status of the litigation currently, legal defence costs for the *Seroquel* claims, before damages, if any, are likely to exceed the total stated upper limits of the applicable insurance policies.

***Seroquel XR***
*Patent litigation – US*
As previously reported, 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 March 2010, AstraZeneca received a Paragraph IV Certification notice-letter from Anchen Pharmaceuticals, Inc. (Anchen) seeking approval to market generic versions of 150, 200, 300 and 400mg *Seroquel XR* tablets before the expiration of the '437 patent. In its certification notice-letter, Anchen claims that certain of the claims of the '437 patent will not be infringed by its proposed ANDA products and that the '437 patent is invalid. In April 2010, AstraZeneca filed a lawsuit in US District Court, District of New Jersey against Anchen and Anchen, Inc. alleging infringement of the '437 patent.

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

***Synagis* (palivizumab)**
In December 2008, MedImmune initiated patent litigation against PDL BioPharma, Inc. (PDL) in the US District Court for the Northern District of California. MedImmune seeks a declaratory judgment that the Queen patents (owned by PDL) are invalid and/or not infringed by either *Synagis* and/or motavizumab, and that no further royalties are owed under a patent license MedImmune and PDL signed in 1997 (1997 Agreement). MedImmune has paid royalties on *Synagis* since 1998 under the 1997 Agreement. In February 2009, MedImmune amended its complaint to add a separate claim asserting that MedImmune is entitled under the 1997 Agreement's 'most favoured licensee' provision to more favourable royalty terms that PDL has granted to other Queen patent licensees. PDL has taken the position in the case that both *Synagis* and motavizumab infringe a single claim of the Queen patents, and on that basis that MedImmune owes royalties for both products. With respect to the 'most favoured licensee' dispute, PDL contends that MedImmune's rights under that provision have not been triggered by PDL's licensing activities with third parties. In December 2009, PDL purported to cancel the 1997 Agreement, an action PDL later explained was based on an allegation that MedImmune had underpaid royalties on ex-US sales of *Synagis* by Abbott Laboratories, Inc., and that MedImmune failed to cooperate in a royalty audit. After the purported termination, PDL amended its answer to add counterclaims for breach of contract and patent infringement. PDL's claims seek actual and exemplary damages and an injunction. MedImmune responded to the new claims by adding its own claims for damages and recoupment of past royalties. MedImmune expects the case to be set for trial by jury in late 2010 or early 2011.

***Zestril* (lisinopril)**
As previously reported, in 1996, two of AstraZeneca's predecessor companies, Zeneca Limited and Zeneca Pharma Inc. (as licensees), Merck & Co., Inc. and Merck Frosst Canada Inc. (together Merck Group) commenced a patent infringement action in the Federal Court of Canada against Apotex, alleging infringement of Merck Group's lisinopril patent. AstraZeneca and the Merck Group were ultimately successful. On 22 March 2010, AstraZeneca and the Merck Group filed Statements of Issues to commence the reference to quantify the damages related to Apotex's infringement.

**Bildman v. Astra USA**
In March, 2010, Bildman filed a petition for a writ of certiorari with the US Supreme Court, seeking appeal of the Massachusetts Supreme Judicial Court's dismissal of his defamation claim against the Company (AstraZeneca PLC).

**Average Wholesale Price Litigation**
As previously disclosed, AstraZeneca is a defendant, along with many other pharmaceutical manufacturers, in several sets of cases involving allegations that, by causing the publication of allegedly inflated wholesale list prices, defendants caused entities to overpay for prescription drugs.

As previously disclosed, in October 2009, a Kentucky jury found AstraZeneca liable under the Commonwealth of Kentucky's Consumer Protection statute and Medicaid Fraud statute, and awarded $14.72 million in compensatory damages and $100 in punitive damages for drugs reimbursed by the Commonwealth of Kentucky Medicaid Agency. On 26 January 2010, the trial court rendered a decision awarding statutory penalties of $5.4 million. The court also awarded pre-judgment interest of 8% beginning 15 October 2009 until the judgment date, and awarded post-judgment interest of 9% beginning on the date of judgment. Interest would accrue only on the compensatory damages amount. AstraZeneca believes the Court made several material and reversible errors during the course of the trial and in awarding penalties. In February 2010, AstraZeneca filed a motion for a new trial and a motion for judgment notwithstanding the verdict. A hearing on AstraZeneca's motions is scheduled for May 2010. AstraZeneca will consider filing an appeal if necessary.

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

***Toprol-XL* (metoprolol succinate)**
As previously disclosed, groups of direct and indirect purchasers of *Toprol-XL* filed suit in 2006 against various AstraZeneca entities alleging that AstraZeneca violated antitrust laws in connection with enforcing *Toprol-XL* patents in the United States. The plaintiffs are seeking to pursue the cases as class actions. In 2006, AstraZeneca filed motions to dismiss those complaints. On 15 March 2010, the court ordered the parties to begin discovery and on 13 April 2010 issued an order denying AstraZeneca's motions to dismiss. A trial date is likely to be scheduled for 2012.

**Pain Pump Litigation**
As previously disclosed, since February 2008, AstraZeneca LP, AstraZeneca Pharmaceuticals LP, Zeneca Holdings Inc., and/or AstraZeneca PLC have been named among other defendants with approximately 293 lawsuits, involving approximately 482 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 chondrolysis. Other named defendants in these cases include other manufacturers and distributors of pain medications, pain pump manufacturers, and in some cases, the surgeons. As of 14 April 2010, approximately 229 cases involving 238 plaintiffs have been voluntarily dismissed, or are in the process of being dismissed, against the AstraZeneca defendants. In addition, sixteen cases, involving 160 plaintiffs were dismissed by the courts on AstraZeneca motions, although some such claims may be refiled. AstraZeneca has likewise filed motions to dismiss or for summary judgment in numerous cases that are currently pending.

It was previously reported that, in November 2009, plaintiffs filed a renewed motion to consolidate the federal pain pump cases under the MDL process. That motion was denied on 14 April 2010, and these cases will accordingly continue as individual lawsuits. Likewise, in April 2010, the New Jersey Supreme Court denied plaintiffs' petition for centralised case management of the pain pump cases pending in the New Jersey state courts. Plaintiffs in California state court have filed a similar petition to consolidate the pain pump cases pending in that jurisdictions pursuant to a common case management plan, which AstraZeneca opposes. The California petition is still pending.

**Tax**
On 23 February 2010, AstraZeneca announced that the company had entered into an agreement with HM Revenue & Customs (HMRC) in the UK to settle a long running transfer pricing issue. As a consequence of the settlement AstraZeneca and HMRC have withdrawn the joint referral of this issue to the UK Tax Court. The agreement will result in AstraZeneca paying £505 million to HMRC to resolve all claims made by HMRC in relation to this issue for the 15-year period from 1996 to the end of 2010. The £505 million settlement is payable in two instalments of which the first instalment of £350 million ($562 million) was paid in February 2010. A second final instalment of £155 million is due to be paid in March 2011. Management continues to believe that AstraZeneca's positions on all its transfer pricing audits and disputes are robust and that AstraZeneca is appropriately provided.

**Other Actual and Potential Government Investigations**
As previously disclosed, from time to time AstraZeneca receives enquiries and requests for information from governmental bodies, the nature and scope of which is not always known to AstraZeneca. In that context, we understand that additional qui tam lawsuits under the False Claims Act have been filed. We have not seen these sealed filings, but we understand they involve allegations relating to certain promotional practices. AstraZeneca PLC has also received an inquiry from the US Department of Justice in connection with an investigation into Foreign Corrupt Practices Act issues in the pharmaceutical industry. We are not in a position at this time to assess whether these matters will result in any liability to the Company.

## 5 ACCOUNTING IMPACT FROM MERCK ARRANGEMENTS

In 1982, Astra AB set up a joint venture with Merck & Co., Inc. (now Merck Sharp & Dohme Corp., a subsidiary of the new Merck & Co., Inc that resulted from the merger with Schering Plough) ("Merck") 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, in part, for:

- Annual contingent payments; and
- Termination arrangements which cause Merck to relinquish its interests in AstraZeneca's products and activities, some of which are mandatory and others optional.

Further details are set out in the Annual Report and Form 20-F Information 2009.

*Partial Retirement*
As previously disclosed, on 17 March 2008 AstraZeneca made a net cash payment to Merck of approximately $2.6 billion. This payment resulted in AstraZeneca acquiring Merck's interests in certain AstraZeneca products (including *Pulmicort*, *Rhinocort*, *Symbicort* and *Toprol-XL)*, AstraZeneca ceasing contingent payments on these products and AstraZeneca obtaining the ability to exploit these products and other opportunities in the Respiratory therapy area. Intangible assets of $994 million were recognised at the time with the balance of the net payment ($1,656 million) representing payments on account for product rights to be acquired in the event that the First Option and the Second Option (see below) are exercised by AstraZeneca. These 'non-refundable deposits' are classified as intangible assets on the statement of financial position. In the event that the First and Second Options are exercised, the rights acquired in respect of relief from contingent payments and therapy area freedoms will be valued at the time of exercise and transferred from non-refundable deposits at that time.

*First Option*
On 26 February 2010, AstraZeneca gave Merck an irrevocable notice of its intention to exercise the First Option. Payment of $647 million to Merck is expected to take place on 30 April 2010. This payment will result in AstraZeneca acquiring Merck's interests in other AstraZeneca products including *Entocort*, *Atacand, Plendil* and the authorised generic version of felodipine, and certain products still in development (principally *Brilinta* and AZD3355). On 30 April 2010, contingent payments on these products will cease with respect to periods after closing of the First Option (except for contingent payments on the authorised generic version of felodipine, which will continue until June 2011) and AstraZeneca will obtain the ability to exploit these products and other opportunities in the Cardiovascular and Neuroscience therapy areas. These rights are valued at $1,829 million and have been recognised as intangible assets from 26 February 2010 ($1,182 million having been transferred from non-refundable deposits to supplement the payment of $647 million to Merck). The non-refundable deposits of $474 million relate to benefits that would be secured upon AstraZeneca exercising the Second Option, effectively ending AstraZeneca's arrangements with Merck (see below). The intangible assets recognised on exercise of the First Option give rise to an additional amortisation expense in the range of $10 to $45 million per annum charged to cost of sales in respect of contingent payment relief, the precise amount dependent upon the launch status of the covered pipeline compounds, and an additional charge to SG&A of around $60 million per annum. Amortisation on these intangible assets will not begin until the payment is made on 30 April 2010. The Company only excludes the amortisation expense charged to SG&A from the Core financial measures calculation.

*Second Option*
AstraZeneca may exercise the Second Option in 2012 or in 2017 or if combined annual sales of *Nexium* and *Prilosec* fall below a minimum amount which will end the contingent payments in respect of those two products 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 *Nexium* and *Prilosec* 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 around $25 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 non-refundable deposits are 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. If it becomes probable that the Second Option will not be exercised, the non-refundable deposits for the product rights to be acquired under the Second Option will be expensed immediately.

## 6 FIRST QUARTER TERRITORIAL REVENUE ANALYSIS

| | 1st Quarter 2010 $m | 1st Quarter 2009 $m | % Growth | |
|---|---|---|---|---|
| | | | Actual | Constant Currency |
| US | 3,698 | 3,624 | 2 | 2 |
| Western Europe[1] | 2,465 | 2,176 | 13 | 7 |
| Canada | 352 | 267 | 32 | 12 |
| Japan | 572 | 497 | 15 | 14 |
| Other Established ROW | 232 | 161 | 44 | 7 |
| Established ROW[2] | 1,156 | 925 | 25 | 12 |
| Emerging Europe | 310 | 264 | 17 | 8 |
| China | 259 | 190 | 36 | 36 |
| Emerging Asia Pacific | 219 | 184 | 19 | 10 |
| Other Emerging ROW | 469 | 338 | 39 | 23 |
| Emerging ROW[3] | 1,257 | 976 | 29 | 19 |
| Total Revenue | 8,576 | 7,701 | 11 | 7 |

[1] Western Europe comprises France, Germany, Italy, Sweden, UK and others.
[2] Established ROW comprises Australia, Canada, Japan and New Zealand.
[3] Emerging ROW comprises Brazil, China, India, Mexico, Russia, Turkey and all other ROW countries.

## 7 FIRST QUARTER PRODUCT REVENUE ANALYSIS

| | World | | | US | | Western Europe | | | Established ROW | | | Emerging ROW | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 2010 $m | Actual Growth % | Constant Currency Growth % | Q1 2010 $m | Actual Growth % | Q1 2010 $m | Actual Growth % | Constant Currency Growth % | Q1 2010 $m | Actual Growth % | Constant Currency Growth % | Q1 2010 $m | Actual Growth % | Constant Currency Growth % |
| Gastrointestinal: | | | | | | | | | | | | | | |
| *Nexium* | 1,239 | 4 | - | 653 | (7) | 331 | 14 | 8 | 108 | 29 | 4 | 147 | 30 | 21 |
| *Losec/Prilosec* | 249 | 18 | 12 | 18 | (6) | 67 | 12 | 3 | 99 | 16 | 11 | 65 | 35 | 33 |
| Other | 32 | 33 | 29 | 18 | 50 | 11 | 10 | - | 1 | - | - | 2 | 100 | 100 |
| **Total Gastrointestinal** | **1,520** | **7** | **2** | **689** | **(6)** | **409** | **14** | **7** | **208** | **22** | **7** | **214** | **32** | **25** |
| Cardiovascular: | | | | | | | | | | | | | | |
| *Crestor* | 1,300 | 34 | 27 | 583 | 22 | 281 | 38 | 30 | 291 | 57 | 37 | 145 | 42 | 29 |
| *Seloken/Toprol-XL* | 367 | 27 | 24 | 236 | 34 | 24 | (4) | (12) | 9 | - | (11) | 98 | 26 | 18 |
| *Atacand* | 373 | 15 | 7 | 56 | (8) | 195 | 16 | 10 | 53 | 36 | 10 | 69 | 25 | 13 |
| *Tenormin* | 67 | 2 | (3) | 3 | (25) | 16 | - | (6) | 29 | (3) | (3) | 19 | 19 | 6 |
| *Zestril* | 42 | (11) | (15) | 4 | - | 22 | (27) | (30) | 5 | 25 | 25 | 11 | 22 | 11 |
| *Plendil* | 66 | 8 | 5 | 4 | 33 | 8 | (33) | (33) | 3 | - | (33) | 51 | 19 | 16 |
| Onglyza™ | 4 | n/m | n/m | 4 | n/m | - | - | - | - | - | - | - | - | - |
| Others | 68 | 21 | 14 | 9 | - | 30 | (3) | (10) | 6 | - | - | 23 | 21 | 11 |
| **Total Cardiovascular** | **2,287** | **26** | **20** | **899** | **24** | **576** | **19** | **12** | **396** | **43** | **25** | **416** | **29** | **19** |
| Respiratory: | | | | | | | | | | | | | | |
| *Symbicort* | 701 | 36 | 29 | 173 | 75 | 375 | 19 | 11 | 62 | 82 | 59 | 91 | 36 | 27 |
| *Pulmicort* | 243 | (17) | (20) | 92 | (47) | 64 | 8 | 2 | 24 | 9 | 5 | 63 | 66 | 55 |
| *Rhinocort* | 55 | (14) | (19) | 24 | (35) | 11 | - | (9) | 3 | 50 | - | 17 | 21 | 14 |
| Others | 69 | 8 | 2 | 13 | 8 | 31 | 7 | - | 6 | 50 | 50 | 19 | - | (11) |
| **Total Respiratory** | **1,068** | **14** | **8** | **302** | **(6)** | **481** | **16** | **9** | **95** | **53** | **37** | **190** | **38** | **28** |
| Oncology: | | | | | | | | | | | | | | |
| *Arimidex* | 511 | 10 | 7 | 244 | 11 | 163 | 11 | 4 | 65 | 14 | 7 | 39 | (3) | (8) |
| *Casodex* | 143 | (39) | (42) | 3 | (94) | 31 | (44) | (47) | 81 | (18) | (18) | 28 | - | (11) |
| *Zoladex* | 265 | 14 | 6 | 9 | (18) | 77 | - | (8) | 103 | 16 | 9 | 76 | 38 | 25 |
| *Iressa* | 83 | 22 | 19 | 1 | - | 6 | - | - | 37 | 9 | 9 | 39 | 18 | 12 |
| Others | 95 | 13 | 8 | 33 | 10 | 30 | 11 | 7 | 13 | 8 | 8 | 19 | 27 | 7 |
| **Total Oncology** | **1,097** | **1** | **(3)** | **290** | **(8)** | **307** | **-** | **(6)** | **299** | **3** | **(1)** | **201** | **18** | **8** |
| Neuroscience: | | | | | | | | | | | | | | |
| *Seroquel* | 1,307 | 16 | 13 | 913 | 14 | 236 | 12 | 5 | 71 | 45 | 31 | 87 | 34 | 18 |
| Local Anaesthetics | 149 | 13 | 5 | 8 | - | 72 | 9 | 3 | 39 | 15 | 3 | 30 | 25 | 13 |
| *Zomig* | 106 | 5 | - | 42 | (2) | 46 | 10 | 2 | 15 | 15 | 8 | 3 | - | (33) |
| *Diprivan* | 75 | 17 | 13 | 12 | 20 | 15 | (12) | (18) | 13 | - | - | 35 | 46 | 38 |
| Others | 10 | - | (10) | - | (100) | 7 | - | (14) | - | (100) | (100) | 3 | 200 | 200 |
| **Total Neuroscience** | **1,647** | **15** | **11** | **975** | **13** | **376** | **10** | **3** | **138** | **25** | **15** | **158** | **35** | **21** |
| Infection & Other: | | | | | | | | | | | | | | |
| *Synagis* | 459 | (16) | (16) | 351 | (25) | 108 | 46 | 46 | - | - | - | - | - | - |
| Non Seasonal Flu | 39 | n/m | n/m | 39 | n/m | - | - | - | - | - | - | - | - | - |
| *Merrem* | 233 | 15 | 8 | 45 | (2) | 101 | 22 | 14 | 12 | 20 | - | 75 | 19 | 8 |
| *FluMist* | 2 | - | - | 2 | - | - | - | - | - | - | - | - | - | - |
| Others | 28 | (35) | (40) | 17 | (19) | 3 | (80) | (80) | 5 | 25 | (100) | 3 | - | 100 |
| **Total Infection & Other** | **761** | **(4)** | **(6)** | **454** | **(16)** | **212** | **23** | **20** | **17** | **21** | **(29)** | **78** | **18** | **12** |
| Aptium Oncology | 64 | (39) | (39) | 64 | (39) | - | - | - | - | - | - | - | - | - |
| Astra Tech | 132 | 13 | 6 | 25 | 25 | 104 | 9 | 2 | 3 | 50 | - | - | - | - |
| Total | **8,576** | **11** | **7** | **3,698** | **2** | **2,465** | **13** | **7** | **1,156** | **25** | **12** | **1,257** | **29** | **19** |

# Shareholder Information

## ANNOUNCEMENTS AND MEETINGS

| | |
|---|---|
| Annual General Meeting | 29 April 2010 |
| Announcement of second quarter and half year 2010 results | 29 July 2010 |
| Announcement of third quarter and nine months 2010 results | 28 October 2010 |

## DIVIDENDS

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.

## ADDRESSES FOR CORRESPONDENCE

**Registrar and Transfer Office**
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
UK
Tel (freephone in UK):
0800 389 1580
Tel (outside UK):
+44 (0)121 415 7033

**US Depositary**
JP Morgan Chase & Co
PO Box 64504
St Paul
MN 55164-0504
US
Tel (toll free in US):
800 990 1135
Tel (outside US):
+1 (651) 453 2128

**Registered Office**
15 Stanhope Gate
London
W1K 1LN
UK
Tel: +44 (0)20 7304 5000

**Swedish Central Securities Depository**
Euroclear Sweden AB
PO Box 7822
SE-103 97 Stockholm
Sweden
Tel: +46 (0)8 402 9000

### 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: These interim financial statements contain 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 available at the date of preparation of this presentation 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. 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 loss or expiration of patents, marketing exclusivity or trade marks; the risk of substantial adverse litigation/government investigation claims and insufficient insurance coverage; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the risk that strategic alliances will be unsuccessful; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of failure to manage a crisis; the risk of delay to new product launches; the difficulties of obtaining and maintaining regulatory approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; the risk of environmental liabilities; the risks associated with conducting business in emerging markets; the risk of reputational damage; and the risk of product counterfeiting.