AstraZeneca PLC

THIRD QUARTER AND NINE MONTHS RESULTS 2011

London, 27 October 2011

Revenue for the third quarter declined by 2 percent at constant exchange rates (CER) to $8,213 million.

-Strong revenue growth for *Crestor*, *Seroquel XR* and *Symbicort*.

-Revenue performance reflects the loss of more than $350 million of revenue from generic competition, as well as the impact of government price interventions.

-Emerging Markets revenue increased by 7 percent at CER in the third quarter; revenue was up 10 percent for the nine months.

Core operating profit in the third quarter was $3,177 million, down 2 percent at CER, in line with the decline in revenue.

-Core operating margin of 38.7 percent of revenue was down 0.3 percentage points at CER, as increased investment in Research and Development was largely offset by higher gross margin and lower SG&A expense as a percentage of revenue.

Core EPS in the third quarter was up 12 percent at CER to $1.71.

-Core EPS benefited from the lower number of shares outstanding resulting from net share repurchases and a lower tax rate compared with the third quarter last year.

Reported EPS in the third quarter was up 140 percent at CER to $2.56.

-Gain on the sale of Astra Tech, which was excluded from Core EPS, amounted to $1.08 in the third quarter 2011. Third quarter 2010 included legal provisions of $0.24, which also benefited the growth rate for Reported EPS in the third quarter 2011.

Net cash distributions to shareholders for the nine months increased by 64 percent to $7,642 million.

Core EPS target for the full year increased to the range of $7.20 to $7.40, largely on currency movements.

Financial Summary

Group	**3rd Quarter 2011 $m**	**3rd Quarter 2010 $m**	**Actual %**	**CER %**		**9 Months 2011 $m**	**9 Months 2010 $m**	**Actual %**	**CER %**
Revenue	8,213	7,898	+4	-2		24,935	24,652	+1	-3
Reported									
Operating Profit	4,262	2,406	+77	+78		10,628	9,083	+17	+16
Profit before Tax	4,169	2,258	+85	+86		10,315	8,694	+19	+18
Earnings per Share	$2.56	$1.08	+137	+140		$6.17	$4.45	+39	+38
Core*									
Operating Profit	3,177	3,231	-2	-2		10,177	10,738	-5	-6
Profit before Tax	3,084	3,083	-	-1		9,864	10,349	-5	-5
Earnings per Share	$1.71	$1.50	+14	+12		$5.67	$5.32	+7	+6

* *Core financial measures are supplemental non-GAAP measures which management believe enhance understanding of the Company's performance; it is upon these measures that financial guidance for 2011 is based. See pages 10 and 11 for a definition of Core financial measures and a reconciliation of Core to Reported financial measures.*

David Brennan, Chief Executive Officer, said: "We have delivered a third quarter revenue and Core earnings performance in line with our expectations, against the backdrop of anticipated generic competition and government price interventions. Our disciplined execution continues to generate strong cash returns, with dividends and net share repurchases well ahead of last year. We have also increased our Core EPS target for the full year."

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

Third Quarter

Revenue in the third quarter was down 2 percent at CER, but was up 4 percent on an actual basis as a result of the positive impact of exchange rate movements. Revenue performance was impacted by government price interventions and the loss of more than $350 million in revenue to generic competition. US revenue was unchanged compared to last year after absorbing approximately 3.5 percent of adverse impact from the implementation of US healthcare reform measures. Revenue in the Rest of World was down 3 percent. Revenue in Western Europe was down 15 percent, resulting from volume declines due to generic competition combined with a mid-single digit decline in realised prices. Revenue in Established Rest of World markets was up 7 percent. Revenue in Emerging Markets was up 7 percent in the quarter, reflecting the impact of the loss of exclusivity for *Crestor* and *Seroquel IR* in Brazil and some delays in government tender orders in the Middle East region, which are now expected to be shipped in the fourth quarter.

Core operating profit in the third quarter was $3,177 million, a 2 percent decline that is in line with the decline in revenue. Core gross margin was higher than last year, which included an intangible asset impairment related to lesogaberan. Expenditures in SG&A were down 2 percent, as efficiency gains more than offset investment in Emerging Markets and launch products and the excise tax related to US healthcare reform measures. Core R&D expense was up 10 percent on increased spending on late stage clinical trials and biologics partially offset by efficiency gains. Reported operating profit increased by 78 percent, which includes $1,483 million of other income from the sale of Astra Tech, which was excluded from Core earnings. Lower legal provisions compared with the third quarter last year also benefited the growth rate in reported operating profit in the quarter.

Core earnings per share in the third quarter were $1.71 compared with $1.50 in the third quarter 2010, a 12 percent increase. Core earnings per share benefited from the lower number of shares outstanding as a result of net share repurchases, a lower tax rate and lower net finance expense compared with last year. Reported earnings per share in the third quarter were $2.56, up 140 percent, as a result of the non-taxable profit on the sale of Astra Tech and lower legal provisions compared with the third quarter 2010.

Nine Months

Revenue for the nine months was down 3 percent at CER, but was up 1 percent on an actual basis as a result of the positive impact of exchange rate movements. Revenue in the US was down 5 percent. Revenue in the Rest of World was down 1 percent. Revenue in Western Europe was down 10 percent. In Established Rest of World markets, revenue increased by 5 percent. Revenue in Emerging Markets was up 10 percent for the nine months.

Core operating profit for the nine months was down 6 percent to $10,177 million, as increases in R&D and SG&A expenditures were partially offset by higher gross margin, which includes the benefit in the first quarter from the settlement of patent disputes with PDL Biopharma Inc. Reported operating profit was up 16 percent, including the Astra Tech gain.

Core earnings per share for the nine months were $5.67, an increase of 6 percent, which reflects the net adjustments to tax provisions previously disclosed, and the benefit from share repurchases. Reported earnings per share for the nine months were $6.17, a 38 percent increase.

Enhancing Productivity

Good progress continues on the previously announced business reshaping programmes. In the third quarter, $221 million in restructuring costs were charged, bringing the total for the nine months to $502 million. The programmes remain on track for costs incurred and benefits achieved.

Dividends and Share Repurchases

For the nine months, the Company has completed net share repurchases of $3,878 million, against its original target of $4 billion in net share repurchases in 2011. With the Astra Tech sale completed at the end of August, the Group is well placed to achieve its revised target of around $5 billion for the full year, with repurchases funded by any remaining balance of the Astra Tech gain to be completed in 2012.

The Group has repurchased 89.2 million shares for a total of $4,256 million in the first nine months, whilst 9.9 million shares were issued in consideration of share option exercises for a total of $378 million.

The total number of shares in issue at 30 September 2011 was 1,330 million.

Research and Development Update

A comprehensive update of the AstraZeneca R&D pipeline was presented in conjunction with the Half Year 2011 results announcement, and remains available on the Company's website, www.astrazeneca.com, under information for investors.

Significant pipeline developments since the half year update include:

Brilinta/Brilique

On 30 August 2011, AstraZeneca announced *Brilique* (ticagrelor) has been included in the revised "Guidelines for Management of Acute Coronary Syndromes (ACS) in patients presenting without persistent ST-segment elevation" issued by the European Society of Cardiology (ESC).

In these 2011 guidelines, ticagrelor is recommended for all non-ST elevation ACS patients at moderate-to-high risk of ischaemic events, regardless of initial treatment strategy and including those pre-treated with clopidogrel (which should be discontinued when ticagrelor is commenced).

On 4 October 2011, AstraZeneca announced that the German reimbursement body, the Federal Joint Committee (G-BA), has published the Institute for Quality and Efficiency in Healthcare (IQWiG) preliminary assessment report regarding the medical benefit of *Brilique*. AstraZeneca is pleased with this preliminary assessment, which included a benefit rating assessment of "important additional benefit" (rating of 2) in relation to the comparator (clopidogrel + aspirin) in the indication of NSTEMI/UA (Non ST-Elevation Myocardial Infarction/Unstable Angina). It is estimated that NSTEMI/UA represents 72 percent of the acute coronary syndromes (ACS) patient populations in Germany. An assessment of "no additional benefit proven" (rating of 5) was assigned for the STEMI/PCI (ST-Elevation Myocardial Infarction Percutaneous Coronary Intervention) patient sub-populations, where the comparator selected was prasugrel not clopidogrel. A rating of 5 was also assigned for the STEMI/Coronary Artery Bypass Graft and STEMI/Medically Managed populations.

AstraZeneca looks forward to the next step in the process and will respond to the G-BA regarding the assessment in the coming weeks. This will be followed by the final benefit assessment, which is anticipated at the beginning of 2012, after which AstraZeneca will begin pricing discussions with the GKV-SV, the Federal Association of Statutory Health Insurance Funds.

Following its meeting on 5 October 2011, the French Transparency Commission (FTC) has now provided its preliminary assessment to AstraZeneca regarding the medical benefit of *Brilique*, which included a Service Medical Rendu (SMR) level of 'important,' a designation that *Brilique* will be reimbursed, and an Amélioration du Service Médical Rendu (ASMR) rating of 5, a designation of 'no medical improvement' demonstrated compared with the existing patient management options, but was granted a recommendation to be listed. AstraZeneca will provide a response to the FTC shortly, and hopes an acceptable solution can be reached to ensure ACS patients have access to this innovative medicine in France.

On 26 October 2011, The National Institute for Health and Clinical Excellence (NICE) published final guidance to the NHS in England and Wales recommending ticagrelor in combination with aspirin and for up to 12 months, as an option to treat adults with ACS.

Brilique has received price approvals in 20 countries and reimbursement authorisations in nine. The product is approved in 47 countries, including in the European Union under the trade name *Brilique* and in the US, Brazil, Canada, and Australia, under the trade name *Brilinta*.

Dapagliflozin

On 26 October 2011, AstraZeneca and Bristol-Myers Squibb Company announced that the U.S. Food and Drug Administration (FDA) has extended the action date for dapagliflozin for the treatment of type 2 diabetes by three months. The new Prescription Drug User Fee Act (PDUFA) goal date is 28 January 2012.

In response to an FDA request for additional data on dapagliflozin, Bristol-Myers Squibb and AstraZeneca are submitting data from recently completed and ongoing Phase III clinical trials. This data submission constitutes a major amendment to the original new drug application (NDA) for dapagliflozin.

Dapagliflozin, an inhibitor of the SGLT2 target in the kidney, is under joint development by Bristol-Myers Squibb and AstraZeneca. Dapagliflozin, as an adjunct to diet and exercise, is being investigated to evaluate its safety and its effect on blood sugar levels (glycosylated hemoglobin levels, or HbA1c), in adults with type 2 diabetes, for use as a monotherapy and in combination with other anti-diabetic agents.

KOMBOGLYZE™

On 23 September 2011, AstraZeneca and Bristol-Myers Squibb Company announced that the Marketing Authorisation Application for KOMBOGLYZE™ (saxagliptin and metformin HCl immediate-release fixed dose combination) received a positive opinion from the Committee for Medicinal Products for Human Use (CHMP), as an adjunct to diet and exercise, for the treatment of type 2 diabetes in adults who are not adequately controlled on metformin or those already being treated with the combination of saxagliptin and metformin as separate tablets.

The positive opinion was reached after the CHMP reviewed data from a Phase III clinical programme that involved 4,326 patients with type 2 diabetes, including 2,158 individuals receiving saxagliptin plus metformin.

KOMBOGLYZE™ combines saxagliptin (also known as ONGLYZA™), a DPP-4 inhibitor, and metformin immediate-release (metformin IR), a biguanide, in one tablet for the treatment of type 2 diabetes.

The CHMP's positive opinion on KOMBOGLYZE™ will now be reviewed by the European Commission, which has the authority to approve medicines for the European Union.

Ceftazidime/avibactam (CAZ-AVI)

On 18 October 2011, AstraZeneca and Forest Laboratories, Inc. announced that ceftazidime/avibactam (CAZ-AVI) will enter Phase III trials to investigate efficacy in treating hospitalised patients with serious Gram-negative bacterial infections including Complicated Intra-Abdominal Infections (cIAI) and Complicated Urinary Tract Infections (cUTI). CAZ-AVI combines a broad-spectrum cephalosporin (ceftazidime) and a novel beta-lactamase inhibitor (avibactam, formerly NXL104) to overcome antibiotic-resistance and treat the increasing number of infections resistant to existing therapies.

This study programme is designed to support global regulatory filings planned for 2014, and will include five Phase III trials designed to demonstrate that CAZ-AVI is an effective and well tolerated treatment for patients with cIAI and cUTI including those patients with infections that may be resistant to currently available antibiotics.

As part of the collaboration, development costs of the treatment will be shared between AstraZeneca and Forest. Forest will have the rights to commercialise CAZ-AVI in North America while AstraZeneca will have rights to commercialise CAZ-AVI in the rest of the world.

Crestor

On 2 September 2011, AstraZeneca announced top-line results from SATURN (**S**tudy of Coronary **A**theroma by In**T**ravascular **U**ltrasound: Effect of **R**osuvastatin Versus Atorvastati**N**). SATURN was designed to measure the impact of *Crestor* (rosuvastatin) 40 mg and atorvastatin 80 mg on the progression of atherosclerosis in high risk patients.

The results for the primary efficacy measure, which was change from baseline in percent atheroma volume (PAV) in a ≥40 mm segment of the targeted coronary artery as assessed by intravascular ultrasound (IVUS), demonstrated a numerically greater reduction in favour of *Crestor* versus atorvastatin but did not reach statistical significance.

For the secondary IVUS measure, which was change from baseline in total atheroma volume (TAV) within the targeted coronary artery, *Crestor* demonstrated a statistically significant reduction compared with atorvastatin.

Tolerability and efficacy of *Crestor* seen in SATURN were in line with previous studies and approved product labelling.

Further data and analyses will be presented by the study's academic investigators at the American Heart Association Scientific Sessions on 15 November 2011.

Axanum

On 2 August 2011, AstraZeneca announced that *Axanum*, a fixed dose combination of 81 mg low-dose ASA (acetylsalicylic acid) and 20 mg esomeprazole, has received positive agreement for approval in 23 European Union member countries and in Norway. *Axanum* is indicated for prevention of cardiovascular (CV) events such as heart attack or stroke, in high-risk CV patients in need of daily low-dose ASA treatment and who are at risk of gastric ulcers.

Axanum is the only medicine that ensures every single pill of low-dose ASA comes with built-in protection against gastric ulcers. That means *Axanum* has the potential to provide continuous CV protection in this patient population.

The EU decision took place under the decentralised procedure, with Germany acting as reference member state. This process is now followed by national approvals and local pricing and reimbursement discussions.

MEDI-528

During the quarter, due to the lack of efficacy in a Phase IIb trial, the decision was made to discontinue the development programme for MEDI-528, a humanised IgG1 monoclonal antibody that inhibits the activity of IL-9, which was in development for inadequately controlled asthma.

As a result of this decision, $22 million was charged in the third quarter for the impairment of intangible assets related to the programme, which was excluded from Core earnings.

Future Prospects

Revenue performance in the first nine months was in line with our expectations, and the Company continues to anticipate that revenue for the full year could range from flat to a low single-digit decline compared with 2010 on a constant currency basis.

Currency movements benefited Core EPS in the third quarter by a further 3 cents compared with the January 2011 average exchange rates upon which our financial guidance is based, which, rounded to the nearest five cents, forms the basis for increasing our target for full year Core EPS. The new target range, which has also been narrowed, is between $7.20 and $7.40 per share.

This target takes no account of the likelihood that average exchange rates for the remainder of 2011 may differ materially from the January 2011 average rates upon which our earnings guidance is based. An estimate of the sales and earnings sensitivity to movements of our major currencies versus the US dollar was provided in conjunction with the Full Year 2010 results announcement, and can be found on the AstraZeneca web site.

Revenue

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

Gastrointestinal

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Nexium	1,089	1,242	-16	3,362	3,738	-12
Losec/Prilosec	224	233	-13	698	743	-13
Total	1,350	1,512	-15	4,172	4,588	-12

- In the US, *Nexium* sales in the third quarter were $570 million, down 16 percent compared with the third quarter last year. Dispensed retail tablet volume declined by around 8 percent. Average realised selling prices for *Nexium* were around 10 percent lower than the third quarter last year, reflecting the impact of US healthcare reform and an adverse mix effect in the quarter arising from the timing of a large order at below average prices.

- *Nexium* sales in the US for the nine months were down 12 percent to $1,783 million.

- *Nexium* sales in other markets in the third quarter were down 14 percent to $519 million. Sales in Western Europe were down 50 percent, largely the result of generic launches. Sales in Established Rest of World were up 35 percent, as launch sales in Japan more than offset the decline in Canada. Sales in Emerging Markets increased by 12 percent, including 24 percent growth in China.

- *Nexium* sales in other markets were down 12 percent for the nine months to $1,579 million.

- *Prilosec* sales in the US were down 24 percent for the nine months to $30 million.

- Sales of *Losec* in the Rest of World were down 14 percent in the third quarter to $215 million. For the nine months, sales in the Rest of World were down 13 percent to $668 million.

Cardiovascular

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Crestor	1,659	1,374	+14	4,851	4,104	+14
Atacand	364	359	-8	1,104	1,108	-5
Seloken /Toprol-XL	273	273	-4	750	957	-24
Plendil	66	63	-	196	192	-2
Zestril	37	35	-3	109	117	-11
ONGLYZA™	59	19	+211	140	37	+278
Brilinta/Brilique	13	-	n/m	16	-	n/m
Total	2,600	2,249	+9	7,558	6,916	+5

- In the US, *Crestor* sales in the third quarter were up 20 percent to $753 million. *Crestor* total prescriptions increased by 3 percent compared to 0.5 percent growth for the overall statin market in the US, with market share of total prescriptions up 40 basis points since June, to 12.4 percent, fuelled by the label changes to simvastatin. *Crestor* dynamic share (new and switch patients) is now around 15 percent.

- US sales for *Crestor* for the nine months increased by 18 percent to $2,231 million.

- *Crestor* sales in Rest of World were up 9 percent to $906 million in the third quarter. Sales in Established ROW were up 17 percent as double digit growth continued in Japan, Canada and Australia. Sales in Emerging Markets were up 7 percent, reflecting generic competition in Brazil. Sales in Western Europe were up 2 percent.

- *Crestor* sales in the Rest of World were up 10 percent to $2,620 million for the nine months.

- US sales of the *Toprol-XL* product range, which includes sales of the authorised generic, declined by 17 percent in the third quarter to $123 million. Total prescriptions for the franchise were down 23 percent compared with the third quarter last year: there was some price erosion due to the launch of a third generic product in August. Reported revenue was also favourably impacted by some adjustments to provisions for returns and rebates.

- *Toprol-XL* franchise sales in the US for the nine months were down 45 percent to $315 million.

- Sales of *Seloken* in other markets were up 12 percent in the third quarter and increased 7 percent for the nine months. Sales in Emerging Markets increased by 20 percent in the third quarter, and were up 14 percent for the nine months.

- US sales for *Atacand* were down 15 percent in the third quarter to $44 million, and were down 16 percent for the nine months to $139 million.

- *Atacand* sales in Rest of World were down 6 percent in the third quarter to $320 million. For the year to date, those sales were down 4 percent, although sales in Emerging Markets were up 4 percent.

- Alliance revenue from the ONGLYZA™ collaboration with Bristol-Myers Squibb totalled $59 million in the third quarter and $140 million for the nine months. Alliance revenue in the US was $44 million in the third quarter and $103 million for the nine months. ONGLYZA™ share of total prescriptions in the US DPP-4 market reached 15.5 percent in September 2011 (including 3.7 percent share for KOMBIGLYZE XR™). ONGLYZA™ franchise share of patients newly starting DPP-4 treatment was 25.5 percent in the week ending 14 October.

- *Brilinta/Brilique* sales in the third quarter were $13 million, reflecting $11 million in launch stocking in the US.

Respiratory and Inflammation

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Symbicort	755	640	+9	2,309	2,005	+10
Pulmicort	185	180	-3	669	639	+1
Rhinocort	52	55	-13	162	175	-11
Oxis	14	15	-13	42	48	-19
Accolate	5	17	-76	17	50	-68
Total	1,044	936	+4	3,302	3,013	+5

- *Symbicort* sales in the US were $201 million in the third quarter, a 15 percent increase over last year. Total prescriptions for *Symbicort* were up 9 percent over the third quarter last year, compared with a 2.5 percent decline for the fixed combination product class. As a result, *Symbicort* share of total prescriptions increased to 19.7 percent in September 2011, up 2.1 percentage points compared with September 2010, despite the launch of a new entrant to the market. Market share of patients new to combination therapy is 26.6 percent.

- US sales of *Symbicort* for the nine months were $604 million, an increase of 14 percent.

- *Symbicort* sales in other markets in the third quarter were $554 million, 7 percent ahead of the third quarter last year. Sales in Established Rest of World were up 23 percent, reflecting continued strong growth in Japan as well as double-digit growth in Canada and Australia. Sales in Emerging Markets increased by 9 percent, largely on growth in Emerging Europe. Sales in Western Europe were up 3 percent.

- US sales for *Pulmicort* in the third quarter were down 15 percent to $52 million. Sales for the nine months were down 8 percent to $218 million.

- Sales of *Pulmicort* in the Rest of World in the third quarter were up 3 percent to $133 million, as a 28 percent increase in Emerging Markets more than offset declines in other regions. Sales in Rest of World for the nine months were up 6 percent to $451 million.

Oncology

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Arimidex	176	284	-44	590	1,234	-55
Zoladex	304	268	+8	881	813	+4
Casodex	137	137	-9	408	431	-13
Iressa	145	102	+29	405	278	+35
Faslodex	139	84	+57	397	234	+65
Nolvadex	25	21	+10	72	64	+5
Caprelsa	2	-	n/m	4	-	n/m
Total	930	899	-4	2,766	3,063	-14

- In the US, sales of *Arimidex* were down 81 percent in the third quarter to $8 million as a result of generic competition which commenced in June 2010. Generics now account for 96 percent of total prescriptions for anastrozole.

- US sales for *Arimidex* for the nine months were down 92 percent to $37 million.

- *Arimidex* sales in other markets were down 37 percent in the third quarter to $168 million, reflecting a 65 percent decline in Western Europe following the loss of exclusivity in February 2011. Sales in Established ROW were down 1 percent. Sales in Emerging ROW were down 5 percent.

- *Arimidex* sales for the nine months in Rest of World were $553 million, down 32 percent.

- Sales for *Casodex* in the third quarter were down 9 percent to $137 million. There were no sales in the US, where generics now account for 98 percent of the prescriptions for bicalutamide.

- *Casodex* sales in the Rest of World in the third quarter were down 7 percent to $137 million, largely due to the 42 percent decline in Western Europe as a result of generic competition. Sales in Japan, which account for more than 60 percent of product sales worldwide, were down 5 percent. Sales for the nine months in Rest of World were down 10 percent to $409 million.

- *Iressa* sales increased by 29 percent to $145 million in the third quarter, including $34 million of sales in Western Europe, which accounted for just over half of the increase in the quarter. Sales in Emerging Markets were up 30 percent, including a 30 percent increase in China. Sales in Japan were unchanged.

- *Iressa* sales for the nine months reached $405 million, a 35 percent increase.

- Increased usage of the 500mg dose *of Faslodex* resulted in strong growth in the third quarter. Sales increased by 97 percent in the US to $65 million and grew by 31 percent in the Rest of World to $74 million.

- *Faslodex* sales for the nine months in the US were up 96 percent to $192 million. Sales in the Rest of World reached $205 million, an increase of 43 percent.

Neuroscience

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Seroquel	1,400	1,303	+4	4,282	3,962	+6
Seroquel IR	1,034	1,024	-2	3,190	3,124	-
Seroquel XR	366	279	+24	1,092	838	+26
Zomig	108	103	-3	312	318	-6
Vimovo	10	5	+80	20	5	+280
Total	1,745	1,644	+2	5,321	4,998	+4

- In the US, *Seroquel* franchise sales were up 4 percent to $975 million in the third quarter. Total prescriptions for the *Seroquel* franchise were down 2 percent in the third quarter. Total prescriptions for *Seroquel XR* increased by 12 percent, accounting for 17.3 percent of prescriptions for the franchise in the US and 19 percent of franchise revenue. Market share for the *Seroquel* franchise was a market-leading 29.7 percent in September 2011 (down 20 basis points from June 2011).

- US sales for *Seroquel* for the nine months were $2,999 million, 7 percent ahead of last year. US sales for *Seroquel XR* were up 18 percent to $565 million.

- *Seroquel* franchise sales in the Rest of World were $425 million in the third quarter, a 4 percent increase. Sales of *Seroquel XR* increased by 33 percent, and now account for 43 percent of franchise sales outside the US. Franchise sales were up 6 percent in Western Europe on a 25 percent increase for *Seroquel XR.* *Seroquel* franchise sales were up 1 percent in Established ROW. *Seroquel* franchise sales were down 1 percent in Emerging Markets, where strong growth for *Seroquel XR* was offset by declines for *Seroquel IR* in Brazil following loss of exclusivity.

- For the nine months, *Seroquel* sales in the Rest of World increased by 4 percent to $1,283 million. Sales of *Seroquel XR* were up 37 percent to $527 million.

- *Vimovo* sales in the US were $14 million for the nine months; sales in Rest of World were $6 million.

Infection and Other

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
Synagis	108	139	-22	564	641	-12
Merrem	139	204	-37	469	634	-29
FluMist	124	120	+3	127	123	+3
Non seasonal flu vaccine	-	-	-	7	39	-82
Total	400	493	-21	1,261	1,520	-18

- Sales of *Synagis* in the third quarter, which is prior to the RSV season in the US, reflect a 22 percent decline in sales in Rest of World, on timing of shipments to Abbott, our international distributor.

- Sales of *FluMist* were $124 million, a 3 percent increase over the third quarter last year.

- Sales of *Merrem* were down 37 percent in the third quarter as a result of generic competition in the US and Western Europe.

Geographic Sales

	Third Quarter		CER %	Nine Months		CER %
	2011 $m	2010 $m		2011 $m	2010 $m	
US	3,187	3,179	-	9,783	10,273	-5
Western Europe	2,067	2,150	-15	6,496	6,821	-10
Established ROW*	1,504	1,262	+7	4,301	3,701	+5
Emerging ROW	1,455	1,307	+7	4,355	3,857	+10

** Established ROW comprises Canada, Japan, Australia and New Zealand.*

- In the US, revenue was unchanged in the third quarter. The pricing impact from US healthcare reform measures lowered revenue by around 3.5 percent. The steep declines in sales for *Arimidex* have begun to attenuate now that generics have been on the market for over one year. Good growth for *Crestor*, *Seroquel XR*, ONGLYZA™ and *Symbicort* more than offset declines for *Nexium*, *Merrem* and *Toprol-XL*.

- Revenue in Western Europe was down 15 percent in the third quarter, despite growth for *Seroquel XR*, *Iressa*, *Faslodex* and *Crestor*. Volume declines for three products recently subject to generic competition—*Nexium, Arimidex* and *Merrem*—accounted for more than two-thirds of the revenue decline in the quarter. Realised selling prices continued to experience declines in the mid-single-digit range in the region.

- Revenue in Established Rest of World was up 7 percent in the third quarter, largely on growth in Japan, where launch stocking for *Nexium* and continued strong growth for *Crestor* and *Symbicort* led to a 10 percent increase in revenue. Revenue in Canada was down 1 percent, as growth for *Crestor* was more than offset by the impact of generic competition for *Nexium* and *Atacand*. Revenue in Other Established ROW was up 11 percent, with *Crestor* growth accounting for nearly half the increase.

- Revenue in Emerging Markets was up 7 percent in the third quarter. This slower growth compared with recent quarters is, in large part, due to slower growth in Other Emerging ROW, which was affected by generic competition for *Crestor* and *Seroquel IR* in Brazil and delays in some government tender offers in the Middle East, which are now expected to be shipped in the fourth quarter. Revenue in China was up 13 percent.

Operating and Financial Review

All narrative in this section refers to growth rates at constant exchange rates (CER) and on a Core basis unless otherwise indicated. These measures, which are presented in addition to our Reported financial information, are non-GAAP measures which management believe useful to enhance understanding of the Group's underlying financial performance of our ongoing businesses and the key business drivers thereto. Core financial measures are adjusted to exclude certain items, such as charges and provisions related to our global restructuring programmes, amortisation and impairment of the significant intangibles relating to our acquisition of MedImmune Inc. in 2007, our current and future exit arrangements with Merck in the US, and other specified items. More detail on the nature of these measures is given on page 80 of our Annual Report and Form 20-F Information 2010.

Third Quarter

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

	Reported 2011	Restructuring	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions/ Other**	Core 2011	Core 2010	Actual %	CER %
Revenue	**8,213**	**-**	**-**	**-**	**-**	**8,213**	**7,898**	**4**	**(2)**
Cost of Sales	(1,593)	(14)	-	-	-	(1,607)	(1,505)		
Gross Profit	**6,620**	**(14)**	**-**	**-**	**-**	**6,606**	**6,393**	**3**	**-**
% sales	*80.6%*					*80.4%*	*80.9%*	*-0.5*	*+1.2*
Distribution	(93)	-	-	-	-	(93)	(82)	13	5
% sales	*1.1%*					*1.1%*	*1.0%*	*-0.1*	*-0.1*
R&D	(1,296)	124	-	22	-	*(1,150)*	(986)	17	10
% sales	*15.8%*					14.0%	*12.5%*	*-1.5*	*-1.5*
SG&A	(2,644)	111	117	-	21	*(2,395)*	(2,316)	3	(2)
% sales	*32.2%*					29.1%	*29.3%*	*+0.2*	*+0.2*
Other Income	1,675	-	17	-	(1,483)**	209	222	(6)	(5)
% sales	*20.4%*					*2.5%*	*2.8%*	*-0.3*	*-0.1*
Operating Profit	**4,262**	**221**	**134***	**22**	**(1,462)**	**3,177**	**3,231**	**(2)**	**(2)**
% sales	*51.9%*					*38.7%*	*40.9%*	*-2.2*	*-0.3*
Net Finance Expense	(93)	-	-	-	-	(93)	(148)		
Profit before Tax	**4,169**	**221**	**134**	**22**	**(1,462)**	**3,084**	**3,083**	**-**	**(1)**
Taxation	(684)	(58)	(23)*	(6)	(6)**	(777)	(922)		
Profit after Tax	**3,485**	**163**	**111**	**16**	**(1,468)**	**2,307**	**2,161**	**7**	**6**
Non-controlling Interests	(8)	-	-	-	-	(8)	(6)		
Net Profit	**3,477**	**163**	**111**	**16**	**(1,468)**	**2,299**	**2,155**	**7**	**6**
Weighted Average Shares	1,354	1,354	1,354	1,354	1,354	1,354	1,437		
Earnings per Share	**2.56**	**0.12**	**0.08**	**0.01**	**(1.06)****	**1.71**	**1.50**	**14**	**12**

* *Of the $134 million amortisation adjustment, $93 million is related to MedImmune, with a corresponding tax adjustment of $23 million; Merck related amortisation was $41 million, which carries no tax adjustment.*

** *Gain on the sale of Astra Tech was $1,483 million, and carries no tax adjustment.*

Revenue declined by 2 percent to $8,213 million.

Core gross margin of 80.4 percent was 1.2 percentage points higher than last year, largely due to the intangible impairment of lesogaberan (AZD3355) in the third quarter 2010 (1.6 percentage points), which was partially offset by adverse variances from mix and cost phasing compared with last year.

Core SG&A costs of $2,395 million were 2 percent lower than last year. The impact of the US healthcare reform excise tax was more than offset by operational efficiencies.

Core other income of $209 million was 5 percent lower than last year, largely due to the loss of *Entocort* royalties following generic entry in the US.

Core Pre-R&D Operating Margin was 52.7 percent, up 1.2 percentage points, predominantly driven by the gross margin improvement noted above.

Core R&D expenditure was $1,150 million, 10 percent higher than last year, due to an increase in late stage development spend, investment in biologics and slightly higher intangible asset impairments.

Core operating profit was $3,177 million, down 2 percent in CER terms.

Core earnings per share in the third quarter were $1.71, up 12 percent, with the decline in core operating profit more than offset by a lower tax rate, a lower number of shares in issue and lower net finance expense.

Reported operating profit was $4,262 million up 78 percent, reflecting the profit from the sale of Astra Tech in the quarter (which was excluded from Core operating profit) and lower legal provisions compared with the third quarter last year.

Reported earnings per share were $2.56 up 140 percent, largely the result of the non-taxable profit on the sale of Astra Tech, the lower number of shares in issue and lower legal provisions.

Nine Months

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

	Reported 2011	Restructuring	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions/ Other**	Core 2011	Core 2010	Actual %	CER %
Revenue	**24,935**	**-**	**-**	**-**	**-**	**24,935**	**24,652**	**1**	**(3)**
Cost of Sales	(4,414)	18	-	-	-	(4,396)	(4,520)		
Gross Profit	**20,521**	**18**	**-**	**-**	**-**	**20,539**	**20,132**	**2**	**(1)**
% sales	*82.3%*					*82.4%*	*81.7%*	*+0.7*	*+1.4*
Distribution	(261)	-	-	-	-	(261)	(248)	5	(1)
% sales	*1.0%*					*1.0%*	*1.0%*	*-*	*-*
R&D	(3,656)	293	-	22	-	(3,341)	(2,925)	14	8
% sales	*14.7%*					*13.4%*	*11.9%*	*-1.5*	*-1.3*
SG&A	(8,020)	191	352	-	105	(7,372)	(6,899)	7	3
% sales	*32.2%*					*29.6%*	*28.0%*	*-1.6*	*-1.5*
Other Income	2,044	-	51	-	(1,483)**	612	678	(10)	(11)
% sales	*8.2%*					*2.4%*	*2.8%*	*-0.4*	*-0.2*
Operating Profit	**10,628**	**502**	**403***	**22**	**(1,378)**	**10,177**	**10,738**	**(5)**	**(6)**
% sales	*42.6%*					*40.8%*	*43.6%*	*-2.8*	*-1.6*
Net Finance Expense	(313)	-	-	-	-	(313)	(389)		
Profit before Tax	**10,315**	**502**	**403**	**22**	**(1,378)**	**9,864**	**10,349**	**(5)**	**(5)**
Taxation	(1,792)	(132)	(73)	(6)	(28)	(2,031)	(2,647)		
Profit after Tax	**8,523**	**370**	**330**	**16**	**(1,406)**	**7,833**	**7,702**	**2**	**1**
Non-controlling Interests	(26)	-	-	-	-	(26)	(17)		
Net Profit	**8,497**	**370**	**330**	**16**	**(1,406)**	**7,807**	**7,685**	**2**	**1**
Weighted Average Shares	1,377	1,377	1,377	1,377	1,377	1,377	1,445		
Earnings per Share	**6.17**	**0.27**	**0.24**	**0.01**	**(1.02)**	**5.67**	**5.32**	**7**	**6**

* *Of the $403 million amortisation adjustment, $280 million is related to MedImmune, with a corresponding tax adjustment of $73 million; Merck related amortisation was $123 million, which carries no tax adjustment.*

** *Gain on the sale of Astra Tech was $1,483 million, and carries no tax adjustment.*

Revenue declined by 3 percent to $24,935 million.

Core gross margin of 82.4 percent was 1.4 percentage points higher than last year due to the benefit in the first quarter from the settlement with PDL Biopharma Inc., and the impact of intangible impairments in the prior year.

Core SG&A costs of $7,372 million were 3 percent higher than last year with continued investment in Emerging Markets and the impact of the US healthcare reform excise tax being only partially offset by efficiency gains.

Core other income of $612 million was 11 percent lower than last year as a result of a number of factors, including provision movements and a higher level of disposal gains in the third quarter last year.

Core Pre-R&D operating margin was 54.2 percent, down 0.3 percentage points, with higher gross margin more than offset by higher SG&A costs and lower other income.

Core R&D expense was $3,341 million, 8 percent higher than last year, driven by late stage project spend and intangible asset write downs.

Core operating profit was $10,177 million, a decrease of 6 percent. Core operating margin declined by 1.6 percentage points to 40.8 percent as a result of higher R&D and SG&A spend combined with lower other operating income.

Core earnings per share in the nine months were $5.67, up 6 percent, with the operating profit decline more than offset by a lower tax rate, lower number of shares in issue and lower net finance expense.

Reported operating profit was up 16 percent to $10,628 million. Reported earnings per share were up 38 percent to $6.17.

Finance Income and Expense

Net finance expense was $313 million for the nine months, compared with $389 million in 2010 ($93 million for the quarter versus $148 million in 2010). There is reduced interest payable on lower debt balances and reduced net finance cost on the Company's pension schemes. Fair value gains on the long-term bonds are $6 million higher for the nine months (gains of $18 million in the quarter versus losses of $3 million in 2010).

Taxation

The effective tax rate for the third quarter is 16.4 percent (2010 31.2 percent) and 17.4 percent for the first nine months (2010 25.8 percent). The gain on the disposal of Astra Tech reported in the third quarter is non-taxable and the effective tax rate for the third quarter excluding this item is 25.5 percent.

As previously disclosed, the effective tax rate has also benefited from an adjustment in respect of prior periods following the announcement in March that HM Revenue & Customs in the UK and the US Internal Revenue Service agreed the terms of an Advance Pricing Agreement regarding transfer pricing arrangements for AstraZeneca's US business for the period from 2002 to the end of 2014 and a related valuation matter. Excluding this benefit and the benefit of the non-taxable Astra Tech disposal gain, the effective tax rate for the nine months was 26.1 percent on a reported basis. This 26.1 percent tax rate is applied to the taxable Core adjustments to operating profit, resulting in a Core effective tax rate for the nine months of 20.6 percent.

For the full year, the Company anticipates the reported tax rate to be around 19 percent. The Core effective tax rate is expected to be higher at between 21 and 22 percent.

Cash Flow

Cash generated from operating activities was $4,752 million in the nine months to 30 September 2011, compared with $7,120 million in the same period of 2010. The decrease of $2,368 million is primarily driven by higher tax payments made this year, including a net amount of $1.1 billion in relation to the Advance Pricing Agreement between the UK and US governments' tax authorities and the settlement of a related valuation matter, and an increase in working capital.

Net cash inflows from investing activities were $1,558 million in the nine months compared with an outflow of $1,774 million in 2010. The increase of $3,332 million is due primarily to the net cash received on the sale of Astra Tech of $1,772 million, the movement in short-term investments and fixed deposits of $622 million, and $915 million lower purchases of intangible assets.

Cash distributions to shareholders were $7,642 million through net share repurchases of $3,878 million and $3,764 million through the payment of the second interim dividend from 2010, and the first interim dividend from 2011.

Debt and Capital Structure

As at 30 September 2011, outstanding gross debt (including loans, short-term borrowings and overdrafts) was $9,449 million (31 December 2010 $9,222 million). Of the gross debt outstanding at 30 September 2011 $2,055 million is due within one year (31 December 2010: $125 million). Net funds of $1,719 million have decreased by $1,934 million during the year as a result of the net cash outflow during the nine months to September 2011 as described above.

Calendar

2 February 2012	Announcement of fourth quarter and full year 2011 results
26 April 2012	Announcement of first quarter 2012 results
26 April 2012	Annual General Meeting
26 July 2012	Announcement of second quarter and half year 2012 results
25 October 2012	Announcement of third quarter and nine months 2012 results

David Brennan
Chief Executive Officer

Media Enquiries:	Esra Erkal-Paler (London)	+44 20 7604 8030
	Abigail Baron (London)	+44 20 7604 8034
	Tony Jewell (Wilmington)	+1 302 885 4594
	Ann-Leena Mikiver (Södertälje)	+46 8 553 260 20/+46 707 428836
Analyst/Investor Enquiries:	Karl Hård (London)	+44 20 7604 8123
	Nicklas Westerholm (London)	+44 20 7604 8124
	Ed Seage/Jörgen Winroth (US)	+1 302 886 4065/+1 212 579 0506