AstraZeneca PLC

SECOND QUARTER AND HALF YEAR RESULTS 2010

London, 29 July 2010

Revenue for the second quarter increased by 1 percent at constant exchange rates (CER) to $8,178 million.

-Revenue in markets outside the US increased by 5 percent at CER, largely due to the 16 percent increase in Emerging Markets.

-US revenue declined by 4 percent at CER, chiefly as a result of generic competition for *Toprol-XL*, *Pulmicort Respules* and *Casodex*.

-*Crestor* sales increased in the second quarter by 23 percent at CER.

Core operating profit in the second quarter was $3,650 million, unchanged at CER, as lower other operating income offset increased revenue and lower operating costs.

Core EPS in the second quarter increased by 9 percent at CER to $1.79.

-Core EPS benefited from lower net finance expense and a lower effective tax rate compared with last year.

Reported EPS in the second quarter increased by 22 percent at CER to $1.46.

-Higher restructuring costs this quarter were more than offset by legal provisions in the prior period.

***Crestor* patent upheld by US Court in a ruling announced on 29 June 2010.**

The Board has recommended a first interim dividend of $0.70. Target for net share repurchases is increased to $2 billion for 2010. (see page 3).

Core EPS target for the full year increased to the range of $6.35 to $6.65.

Financial Summary

Group	**2nd Quarter 2010 $m**	**2nd Quarter 2009 $m**	**Actual %**	**CER %**		**Half Year 2010 $m**	**Half Year 2009 $m**	**Actual %**	**CER %**
Revenue	8,178	7,958	+3	+1		16,754	15,659	+7	+4
Reported									
Operating Profit	3,034	2,851	+6	+5		6,677	6,014	+11	+8
Profit before Tax	2,917	2,608	+12	+10		6,436	5,611	+15	+11
Earnings per Share	$1.46	$1.18	+24	+22		$3.37	$2.66	+27	+23
Core*									
Operating Profit	3,650	3,606	+1	-		7,507	6,968	+8	+5
Profit before Tax	3,533	3,363	+5	+4		7,266	6,565	+11	+8
Earnings per Share	$1.79	$1.64	+9	+9		$3.82	$3.22	+19	+16

* *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 2010 is based. See page 11 for a definition of Core financial measures and a reconciliation of Core to Reported financial measures.*

David Brennan, Chief Executive Officer, said: "Our second quarter performance reflects continued strong growth in our Emerging Markets and good performance for key brands *Crestor*, *Seroquel* and *Symbicort*. While revenue and Core EPS comparisons become more challenging in the second half of the year, we have increased our full year financial targets."

Interim Management Report

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

Second Quarter

Revenue in the second quarter increased by 1 percent at CER, but was up 3 percent on an actual basis as a result of the positive impact of exchange rate movements. US revenue declined by 4 percent, reflecting the impact of generic competition for *Toprol-XL, Pulmicort Respules* and *Casodex.* Group revenue in the Rest of World was up 5 percent, largely the result of a 16 percent increase in Emerging Markets; Emerging Markets accounted for approximately 75 percent of the revenue growth outside the US. Revenue in Western Europe was up 1 percent. Revenue in Established Rest of World was up 4 percent, which was impacted by the biennial price cuts in Japan.

Core operating profit in the second quarter was $3,650 million, unchanged in constant currency terms. The beneficial effect of revenue growth and operating leverage in the quarter was offset by lower other operating income compared with the second quarter last year, which included the proceeds from the Nordic OTC product portfolio disposal. Reported operating profit increased by 5 percent, ahead of the growth in Core operating profit. Adjustments to Core operating profit were $139 million higher in the second quarter last year, as higher restructuring costs in the second quarter this year were more than offset by legal provisions in the prior year.

Core earnings per share in the second quarter were $1.79 compared with $1.64 in the second quarter 2009, a 9 percent increase at CER. Core earnings per share benefited from lower net finance expense and a lower effective tax rate compared with last year. Reported earnings per share in the second quarter were $1.46, up 22 percent compared with the second quarter 2009, reflecting the net impact of restructuring costs and legal provisions that benefited the reported operating profit growth rate.

First Half

Revenue in the first half increased by 4 percent at CER, but was up 7 percent on an actual basis as a result of the positive impact of exchange rate movements. Revenue in the US was down 1 percent, reflecting the generic competition that impacted the second quarter performance. Revenue in the Rest of World was up 8 percent. Revenue in Emerging Markets was up 18 percent in the first half, accounting for more than half of the revenue growth outside the US. Revenue in Western Europe increased by 4 percent. Revenue in Established Rest of World markets increased by 8 percent.

Core operating profit for the first half increased by 5 percent to $7,507 million, leveraging higher revenues against lower SG&A and R&D expenditures, which was partially offset by a lower gross margin as a percentage of sales and lower other income compared with last year. Reported operating profit was $6,677 million, an increase of 8 percent. As was cited in the second quarter performance noted above, the step-up compared to Core operating profit growth in the first half is the result of higher adjustments to Core operating profit last year, chiefly the legal provision.

Core earnings per share for the first half were $3.82, an increase of 16 percent, which reflects the benefit from the net adjustments to tax provisions ($0.13) in the first quarter of 2010, in addition to the lower net finance expense and the lower effective tax rate that featured in the second quarter performance. Reported earnings per share were up 23 percent to $3.37.

Enhancing Productivity

Good progress continues on the previously announced business reshaping programmes. In the second quarter, $470 million in restructuring costs were charged, with three-quarters of this related to the R&D restructuring activities announced in conjunction with the Full Year 2009 results. These R&D restructuring costs are largely related to the cash costs that will be incurred for the portion of the estimated reduction of positions identified to date. The closure of two major research sites has also been announced.

In aggregate, restructuring costs of $565 million have been incurred in the first half. The 2010 phasing of cost and benefits for the totality of the Company's restructuring initiatives are broadly in line with that communicated in the Full Year 2009 results announcement.

Dividends and Share Repurchases

In conjunction with the Full Year 2009 results announcement, the Company announced that the Board has adopted a progressive dividend policy, intending to maintain or grow the dividend each year. In making this announcement the Board recognised that some earnings fluctuations are to be expected as the Company's revenue base transitions through this period of exclusivity losses and new product launches. The Board's view is that the annual dividend will not just reflect the financial performance of a single year taken in isolation, but reflect its view of the earnings prospects for the Group over the entirety of the investment cycle. As a result, dividend cover may vary during the period, but with the target of an average dividend cover of 2 times (ie, a payout ratio of 50 percent), based on reported earnings (before restructuring costs).

The Board has recommended a first interim dividend of $0.70 (44.9 pence, 5.12 SEK). This reflects the Board's intent to rebalance over time the first and second interim dividends, with the aim of setting the first interim dividend at around a third of the prior year dividend, which last year was $2.30.

In setting the distribution policy and the overall financial strategy, the Board's aim is to continue to strike a balance between the interests of the business, our financial creditors and our shareholders. After providing for business investment, funding the progressive dividend policy and meeting our debt service obligations, the Board will keep under review the opportunity to return cash in excess of these requirements to shareholders through periodic share repurchases.

To date, the Company has completed net share repurchases of $516 million towards its initial target of $1 billion. The Group has re-purchased 16.1 million shares for a total of $709 million in the first half, whilst 4.8 million shares were issued in consideration of share option exercises for a total of $193 million. The total number of shares in issue at 30 June 2010 was 1,440 million.

The Board has now determined that a total of $2 billion in net share repurchases will be completed in 2010.

Research and Development Update

A comprehensive update of the AstraZeneca R&D pipeline is presented in conjunction with this Half Year 2010 results announcement, and is available on the Company's website, www.astrazeneca.com, under information for investors.

The AstraZeneca pipeline now includes 146 projects, including 97 projects in the clinical phase of development. There are 10 NME projects currently in late stage development, either in Phase III or under regulatory review. Across the portfolio, since the last update on 29 January, 15 projects have successfully progressed to their next phase (including 6 projects entering first human testing); 16 projects have been added from Discovery research; 18 projects have been withdrawn.

Significant pipeline developments since the first quarter update include:

Brilinta

The FDA held an Advisory Committee meeting to consider *Brilinta* (ticagrelor) on 28 July 2010. The Company will report on the outcome of the Committee in a separate communication today.

Vimovo

Vimovo, co-developed by POZEN Inc. and AstraZeneca, is a fixed-dose combination of delayed-release enteric-coated naproxen, a pain-relieving non-steroidal anti-inflammatory drug (NSAID), and immediate release esomeprazole, a proton pump inhibitor. On 30 April 2010, the Company announced that the US Food and Drug Administration (FDA) approved *Vimovo* delayed-release tablets for the relief of the signs and symptoms of osteoarthritis (OA), rheumatoid arthritis (RA) and ankylosing spondylitis (AS), and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAID-associated gastric ulcers. *Vimovo* is not recommended for initial treatment of acute pain because the absorption of naproxen is delayed compared to the absorption from other naproxen-containing products. Controlled studies do not extend beyond six months.

Since FDA approval, initial commercial efforts have been focused on building brand awareness and on developing formulary access and reimbursement, with detailing scheduled to begin late third quarter or early fourth quarter 2010.

Regulatory review continues for the Marketing Authorisation Application (MAA) filed for *Vimovo* on 15 October 2009 in the European Union via the decentralised procedure.

Motavizumab

On 2 June 2010, MedImmune announced that the US FDA Antiviral Drugs Advisory Committee voted 14 to 3 to recommend that motavizumab should not be licensed for marketing regarding the prevention of serious respiratory syncytial virus (RSV) disease in high-risk infants. The committee's recommendation will be considered by FDA reviewers in their evaluation of the Biologics License Application (BLA) for motavizumab.

The Company continues to believe motavizumab offers a meaningful clinical benefit to patients at high risk for a very common and serious illness, and will work with the FDA as it completes the review of the BLA, for which a completion date of 27 August 2010 has been set. The Group holds intangible assets of $445 million relating specifically to motavizumab, which may be subject to impairment following the Group's analysis of the FDA's decision. This was one of the significant intangible assets recognised on our acquisition of MedImmune in 2007.

Certriad

On 30 March 2010, AstraZeneca and Abbott announced that the US FDA issued a complete response letter (CRL) for the New Drug Application (NDA) for *Certriad* (rosuvastatin/fenofibric acid delayed release) Capsules.

AstraZeneca and Abbott have been evaluating the CRL and together will work with the FDA to determine the best path forward.

Recentin

On 28 May 2010, the Company announced the top-line results of HORIZON II, the Phase III study evaluating *Recentin* (cediranib) for the first-line treatment of metastatic colorectal cancer (mCRC). Cediranib met the co-primary endpoint of improving progression-free survival, but showed no improvement in overall survival. Based on the results of this trial, taken together with the results of the HORIZON III study announced in March, AstraZeneca announced that it does not intend to file regulatory submissions in first-line mCRC.

The Company has now reviewed topline results from the Phase III REGAL study, evaluating *Recentin* in recurrent glioblastoma, an aggressive type of malignant brain tumour. These results showed evidence of clinical activity for cediranib, but did not meet the primary endpoint of progression-free survival for either cediranib alone or in combination with lomustine chemotherapy, and there was no benefit in overall survival versus lomustine alone.

Data from the HORIZON and REGAL study programmes will be presented at future medical congresses.

The Company continues to examine whether *Recentin* may have applications in a number of other tumour types.

Axanum

On 30 April 2009, the Company submitted an application to the US FDA for *Axanum* (aspirin/esomeprazole magnesium), seeking approval for the risk reduction of low dose aspirin (ASA) associated gastric and/or duodenal ulcers in patients at risk. At that time the Company also submitted an sNDA for *Nexium* for the risk reduction of low-dose ASA-associated peptic ulcers.

On 2 June 2010, the Company announced it has received a CRL from the US FDA for both the *Axanum* NDA and the *Nexium* sNDA. AstraZeneca is currently evaluating the CRLs, and will continue discussions with the FDA to determine next steps with respect to both applications and will respond to the agency's request for additional information.

On 4 June 2010, the Company announced that it has submitted an MAA for *Axanum* in the European Union via the Decentralised Procedure, for the prevention of cardiovascular and cerebrovascular events in patients requiring continuous low-dose ASA treatment who are at risk of developing ASA-associated gastric and/or duodenal ulcers.

TC-5214

On 23 June 2010, AstraZeneca and Targacept, Inc., announced the enrolment of the first patient in the Phase III clinical development program for TC-5214, a nicotinic channel blocker. The Phase III program, referred to as the Renaissance Program, is designed to support the planned second half of 2012 filing of a new drug application with the US FDA for TC-5214 as an adjunct treatment for major depressive disorder (MDD) in patients with an inadequate response to first-line therapy with a selective serotonin reuptake inhibitor (SSRI) or serotonin/norephinephrine reuptake inhibitor (SNRI). A Marketing Authorisation Application in Europe is planned for 2014.

AstraZeneca and Targacept have designed the Renaissance Program to include two fixed dose Phase III studies and two flexible dose Phase III studies to evaluate the efficacy and tolerability of TC-5214 as an adjunct treatment in patients with an inadequate response to SSRI or SNRI therapy. The Renaissance Program also includes a double blind, placebo controlled long-term safety study in which patients would receive TC-5214 or placebo for up to one year. All studies in the Renaissance Program are on track to initiate this year.

Dapagliflozin

In June 2010, new Phase III data were presented for dapagliflozin at the 70th American Diabetes Association Annual Scientific Sessions. Results from a 24-week Phase III clinical study demonstrated that the addition of the investigational drug dapagliflozin achieved reductions in the primary endpoint, glycosylated hemoglobin level (HbA1c), in inadequately controlled type 2 diabetes patients who were treated with insulin (with or without oral anti-diabetes medications (OADs)), compared to placebo plus insulin (with or without OADs). The study also demonstrated that dapagliflozin achieved reductions in the secondary endpoints that evaluated the change in total body weight from baseline, change from baseline in mean daily insulin dose, and change from baseline in fasting plasma glucose (FPG). Generally, adverse events, serious adverse events and study discontinuations were similar across all treatment groups. Signs, symptoms and other reports suggestive of urinary tract and genital infections were more frequently noted in the dapagliflozin treatment arms compared to placebo and rarely led to discontinuation.

Olaparib

In July, results from two Phase II "proof of concept" trials were published in The Lancet. These trials, in previously treated advanced breast and ovarian cancer patients with the BRCA1 and BRCA2 gene mutation, demonstrated that olaparib has single-agent activity in these patients.

A Phase III protocol for a trial of olaparib in breast cancer patients with the BRCA1 and BRCA2 gene mutation is now being discussed with the US FDA. The target for starting this Phase III trial, for which an improved tablet formulation will be required, is now 2011, with the goal of first regulatory submissions in 2014.

Future Prospects

The effects on revenue from the generic competition for *Toprol-XL, Pulmicort Respules* and *Casodex* are evident in the second quarter results, particularly in the US. Taken together with the expected generic erosion for *Arimidex* and the absence of a contribution from H1N1 pandemic flu vaccine, as expected, the second half of the year will present a difficult year-on-year comparison for revenue and Core earnings per share.

Nevertheless, the first half performance has been strong and, combined with the outlook for the remainder of the year, this leads to an upward revision in our financial guidance for the full year. The Company now expects a low single-digit decline in revenue in 2010 in constant currency terms. Based on the January 2010 average exchange rates for our principal currencies, the new target for Core EPS is in the range of $6.35 to $6.65.

This target takes no account of the likelihood that average exchange rates for the remainder of 2010 may differ materially from the January 2010 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 2009 results announcement, and can be found on the AstraZeneca web site.

It is not anticipated that the nature of the principal risks and uncertainties that affect the business, and which are set out on pages 80 to 86 of the Annual Report and Form 20-F Information 2009, will change in respect of the second six months of the financial year.

In summary, the principal risks and uncertainties listed in the Annual Report and 20-F Information 2009 are:

Product pipeline risks

Failure to meet development targets, difficulties of obtaining and maintaining regulatory approvals for new products, failure to obtain patent protection, delay to new product launches and strategic alliances formed as part of our externalisations strategy may be unsuccessful.

Commercialisation and business execution risks

Challenges to achieving commercial success of new products, performance of new products, product counterfeiting, developing our business in Emerging Markets, expiry of intellectual property rights, patent litigation and early loss of intellectual property rights, expiry or earlier loss of patents covering competing products, competition, price controls and price reductions, expected gains from productivity initiatives are uncertain, acquisitions may be unsuccessful, failure to manage a crisis, failure of information technology and failure of outsourcing.

Supply chain and delivery risks

Manufacturing biologics and reliance on third parties for goods and services.

Legal, regulatory and compliance risks

Adverse outcome of litigation and/or governmental investigations, legal proceedings regarding business practices, substantial product liability claims, failure to adhere to applicable laws, rules and regulations and environmental/occupational health and safety liabilities.

Economic and financial risks

Adverse impact of a sustained economic downturn, impact of fluctuations in exchange rates, credit and return on substantial investments, limited third party insurance coverage, taxation and pensions.

Revenue

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

Gastrointestinal

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Nexium	1,257	1,246	-	2,496	2,438	-
Losec/Prilosec	261	245	+3	510	456	+7
Total	1,556	1,514	+1	3,076	2,941	+2

- In the US, *Nexium* sales in the second quarter were $695 million, down 4 percent compared with the second quarter last year. Dispensed retail tablet volume declined by 5 percent, although *Nexium* market share of dispensed units is down only 6 basis points in June 2010 compared with December 2009. Average realised selling prices for *Nexium* were flat compared with the second quarter last year.

- *Nexium* sales in the US in the first half were down 6 percent to $1,348 million.

- *Nexium* sales in other markets in the second quarter were up 5 percent to $562 million. Sales in Emerging Markets increased by 18 percent, including 35 percent growth in China. Sales in Established Rest of World were up 2 percent, on growth in Canada. Sales in Western Europe were unchanged.

- *Nexium* sales in other markets were up 7 percent in the first half to $1,148 million.

- *Prilosec* sales in the US were down 8 percent in the second quarter and were down 6 percent in the first half. First half sales in the US were $30 million.

- Sales of *Losec* in the Rest of World were up 3 percent in the second quarter to $249 million, on the back of a 34 percent increase in China. *Losec* sales in the Rest of World were up 8 percent in the first half to $480 million.

Cardiovascular

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Crestor	1,430	1,129	+23	2,730	2,098	+25
Seloken /Toprol-XL	317	417	-25	684	705	-5
Atacand	376	356	+3	749	679	+5
Plendil	63	60	+3	129	121	+4
Zestril	40	47	-15	82	94	-15
ONGLYZA™*	14	-	n/m	18	-	n/m
Total	2,380	2,148	+8	4,667	3,958	+14

* *ONGLYZA™ is recorded as "Alliance Revenue." This does not represent ex-factory sales, but rather AstraZeneca's share of the gross profit from its collaboration with Bristol-Myers Squibb on this product.*

- In the US, *Crestor* sales in the second quarter were up 24 percent to $679 million. *Crestor* total prescriptions increased by 12 percent, four times the statin market growth. *Crestor* share of total prescriptions continued to increase, reaching 11.8 percent in June 2010. *Crestor* dynamic share (new and switch patients) is now more than 16 percent, second only to generic simvastatin.

- US sales for *Crestor* for the first half increased by 23 percent to $1,262 million.

- *Crestor* sales in the Rest of World were up 22 percent to $751 million in the second quarter. *Crestor* volume growth in recent months is three times higher than the statin market growth in markets outside the US. Sales in Western Europe were up 22 percent. Sales in Established ROW were up 20 percent on strong growth in Canada, Japan and Australia. Sales in Emerging Markets were up 28 percent.

- *Crestor* sales in the Rest of World were up 27 percent to $1,468 million in the first half.

- US sales of the *Toprol-XL* product range, which includes sales of the authorised generic, declined by 38 percent in the second quarter to $186 million. Total prescriptions for the franchise were down 21 percent, reflecting the additional competition from the launch of the 100mg and 200mg dosage forms by Watson in early May. Ex-factory volume was also lower compared with the second quarter last year, which included pipeline filling for the authorised generic that followed a return to full supply. It remains difficult to ascertain when additional generic entrants may be approved in the US market.

- *Toprol-XL* franchise sales in the US in the first half were down 11 percent to $422 million.

- Sales of *Seloken* in other markets were up 6 percent in the second quarter and increased 7 percent in the first half. Sales in Emerging Markets increased by 18 percent in both the second quarter and the first half.

- US sales for *Atacand* were down 12 percent in the second quarter to $58 million, and were down 10 percent in the first half.

- *Atacand* sales in Rest of World were up 7 percent in the second quarter to $318 million. For the year to date, those sales increased by 8 percent, chiefly on growth in Emerging Markets, where sales were up 17 percent in the first half.

- Alliance revenue from the ONGLYZA™ collaboration with Bristol-Myers Squibb totalled $14 million in the second quarter and $18 million in the first half. Alliance revenue in the US was $10 million in the second quarter. ONGLYZA™ share of total prescriptions in the US DPP4 market reached 6.9 percent in the week ending 16 July. ONGLYZA™ share of patients newly starting DPP4 treatment was 24.7 percent.

Respiratory and Inflammation

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Symbicort	664	551	+20	1,365	1,066	+24
Pulmicort	216	311	-32	459	603	-26
Rhinocort	65	72	-11	120	136	-15
Oxis	16	16	-	33	28	+11
Accolate	16	16	-6	33	32	-
Total	1,009	997	-	2,077	1,932	+4

- *Symbicort* sales in the US were $181 million in the second quarter, a 63 percent increase over last year. *Symbicort* share of new prescriptions for fixed combination products increased to 18.8 percent in June 2010, up another 40 basis points in the quarter. Market share of patients new to combination therapy is now 27 percent.

- US sales of *Symbicort* in the first half were $354 million, an increase of 69 percent.

- *Symbicort* sales in other markets in the second quarter were $483 million, 9 percent ahead of the second quarter last year. Sales in Established ROW increased by 38 percent, reflecting the launch in Japan. Sales in Emerging Markets were up 18 percent. Sales in Western Europe were up 3 percent.

- *Symbicort* sales in the Rest of World in the first half were up 13 percent to $1,011 million.

- US sales for *Pulmicort* in the second quarter were down 57 percent to $84 million, as a result of the launch of the Teva generic budesonide inhaled suspension (BIS) product in December 2009. *Pulmicort Respules* share of dispensed BIS prescriptions declined to 18 percent in the second quarter. AstraZeneca's royalty income from sales of the Teva generic are included in other operating income.

- US sales of *Pulmicort* in the first half were down 52 percent to $176 million.

- Sales of *Pulmicort* in the Rest of World in the first half were up 15 percent to $283 million on a 42 percent increase in Emerging Markets.

Oncology

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Arimidex	439	483	-10	950	946	-2
Casodex	151	245	-40	294	481	-41
Zoladex	280	272	-1	545	504	+2
Iressa	93	75	+19	176	143	+19
Faslodex	79	64	+23	150	123	+20
Nolvadex	22	22	-5	43	42	-2
Total	1,067	1,167	-11	2,164	2,250	-7

- In the US, sales of *Arimidex* were down 17 percent in the second quarter to $185 million. A number of generic competitors received US FDA approval at the end of June 2010; therefore ex-factory sales in the second quarter include a provision against pipeline inventory in the marketplace. Total prescriptions for *Arimidex* were down 5 percent compared with the 2 percent decline in the market for hormonal treatments for breast cancer.

- US sales for *Arimidex* in the first half were down 3 percent to $429 million.

- *Arimidex* sales in other markets were down 3 percent in the second quarter to $254 million. Under the terms of the European Union Paediatric Regulation, AstraZeneca has filed applications for Supplementary Protection Certificate (SPC) Extensions in 12 applicable EU Member States, which, if granted, would extend market exclusivity from August 2010 until February 2011. To date, extensions have been granted in 10 member states, including France, Italy and the UK. ROW sales in the first half were $521 million, unchanged in constant currency terms.

- *Casodex* sales in the US in the second quarter were down 87 percent to $8 million, as a result of generic competition that began in the third quarter last year. *Casodex* sales in the US in the first half were down 91 percent to $11 million.

- *Casodex* sales in the Rest of World in the second quarter were down 25 percent to $143 million, chiefly on generic erosion in Western Europe and Japan. Sales in the first half in Rest of World were down 25 percent to $283 million.

- *Iressa* sales increased by 19 percent to $176 million in the first half, including $15 million of sales in Western Europe. Sales in Japan were up 8 percent. Sales in Emerging Markets were up 9 percent, including a 6 percent increase in China.

- *Faslodex* sales in the first half increased by 18 percent in the US to $65 million and grew by 21 percent in the Rest of World to $85 million.

Neuroscience

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Seroquel	1,352	1,249	+8	2,659	2,374	+10
Seroquel IR	1,049	1,092	-5	2,100	2,091	-1
Seroquel XR	303	157	+92	559	283	+94
Zomig	109	107	+1	215	208	-
Total	1,707	1,591	+6	3,354	3,023	+9

- In the US, *Seroquel* franchise sales were up 8 percent to $965 million in the second quarter. Total prescriptions for the *Seroquel* franchise increased by 0.7 percent in the second quarter, behind the 1.2 percent growth in the atypical antipsychotic market. Total prescriptions for *Seroquel XR* more than doubled, and now account for 15 percent of prescriptions for the franchise in the US. Market share for the *Seroquel* franchise was a market-leading 31 percent in June 2010 (down 36 basis points from March 2010).

- US sales for *Seroquel* in the first half were $1,878 million, 11 percent ahead of last year.

- *Seroquel* franchise sales in the Rest of World were $387 million in the second quarter, a 6 percent increase. Sales of *Seroquel XR* increased by 51 percent, and now account for 32 percent of franchise sales outside the US. *Seroquel* franchise sales were up 27 percent in Established ROW, reflecting a 24 percent increase in Japan, and some growth in Canada now that generic erosion on the immediate release formulation has stabilised following loss of exclusivity last year. *Seroquel* franchise sales were up 17 percent in Emerging Markets. Franchise sales were down 2 percent in Western Europe.

- For the first half, *Seroquel* sales in the Rest of World increased by 9 percent to $781 million.

Infection and Other

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
Synagis	43	54	-20	502	599	-16
Merrem	197	213	-10	430	415	-1
FluMist	1	-	n/m	3	2	+50
Non seasonal flu vaccine	-	-	n/m	39	-	n/m
Total	266	302	-14	1,027	1,094	-8

- In the US, sales of *Synagis* in the first half were down 28 percent to $359 million, the majority of which were recorded during the RSV season in the first quarter, which was negatively impacted by the new guidelines published by the COID. Outside the US, *Synagis* sales were up 47 percent to $143 million, reflecting timing differences in shipments to Abbott, our international distributor, rather than underlying sales trends.

- In line with the usual seasonality, there were negligible sales of *FluMist* recorded in the first half.

- There was no revenue recorded in the second quarter for US government orders for Live Attenuated Influenza Vaccine (LAIV) against Novel Influenza A (H1N1).

  This project has been funded in whole or in part with Federal funds from HHS/ASPR/BARDA, under Contract No. HHS01002009000021.

Geographic Sales

	Second Quarter		CER %	Half Year		CER %
	2010 $m	2009 $m		2010 $m	2009 $m	
US	3,396	3,548	-4	7,094	7,172	-1
Western Europe	2,213	2,241	+1	4,672	4,410	+4
Established ROW*	1,277	1,105	+4	2,439	2,037	+8
Emerging ROW	1,292	1,064	+16	2,549	2,040	+18

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

- In the US, revenue was down 4 percent in the second quarter, as good growth for *Crestor*, *Symbicort* and *Seroquel* was more than offset by generic competition for *Toprol-XL*, *Pulmicort Respules* and *Casodex*.

- Revenue in Western Europe was up 1 percent in the second quarter, as volume growth exceeded price declines chiefly related to government interventions. Volume growth was led by *Crestor*, *Seroquel XR*, *Nexium* and *Symbicort*. The effects of lower prices were seen broadly across the portfolio, with *Nexium* the single largest price decline in dollar terms.

- Revenue in Established Rest of World was up 4 percent in the second quarter, largely on good growth in Canada and in Australia. *Crestor*, *Seroquel* and *Symbicort* were the key growth drivers. Sales in Japan were down 1 percent in the quarter, following the imposition of the biennial price cuts.

- Revenue in Emerging Rest of World was up 16 percent in the second quarter. Strong high-teens volume growth in Emerging Europe was reduced to 6 percent revenue growth as a result of price reductions, largely in Turkey. Revenue in China was up 27 percent, with the PPI products and the mature cardiovascular portfolio accounting for more than half of the growth. Revenue in Other Emerging ROW was up 24 percent, driven by *Crestor*, *Nexium*, *Atacand* and *Seroquel*.

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 and synergy programmes, amortisation and impairment of the significant intangibles relating to our acquisition of MedImmune Inc. in 2007 and 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 37 of our Annual Report and Form 20-F Information 2009.

Second Quarter

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

	Reported 2010	Restructuring	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions	Core 2010	Core 2009	Actual %	CER %
Revenue	**8,178**	**-**	**-**	**-**	**-**	**8,178**	**7,958**	**3**	**1**
Cost of Sales	(1,452)	63	-	-	-	(1,389)	(1,380)		
Gross Profit	**6,726**	**63**	**-**	**-**	**-**	**6,789**	**6,578**	**3**	**2**
% sales	*82.3%*					*83.0%*	*82.7%*	*+0.3*	*+0.8*
Distribution	(88)	-	-	-	-	(88)	(70)	26	26
% sales	*1.1%*					*1.1%*	*0.9%*	*-0.2*	*-0.2*
R&D	(1,320)	354	-	-	-	(966)	(1,035)	(7)	(9)
% sales	*16.1%*					*11.8%*	*13.0%*	*+1.2*	*+1.2*
SG&A	(2,450)	53	111	-	15	(2,271)	(2,216)	2	1
% sales	*30.0%*					*27.8%*	*27.9%*	*+0.1*	-
Other Income	166	-	20	-	-	186	349	(47)	(47)
% sales	*2.0%*					*2.3%*	*4.4%*	*-2.1*	*-2.1*
Operating Profit	**3,034**	**470**	**131**	**-**	**15**	**3,650**	**3,606**	**1**	**-**
% sales	*37.1%*					*44.6%*	*45.3%*	*-0.7*	*-0.3*
Net Finance Expense	(117)	-	-	-	-	(117)	(243)		
Profit before Tax	**2,917**	**470**	**131**	**-**	**15**	**3,533**	**3,363**	**5**	**4**
Taxation	(801)	(115)	(26)	-	(3)	(945)	(989)		
Profit after Tax	**2,116**	**355**	**105**	**-**	**12**	**2,588**	**2,374**	**9**	**8**
Non-controlling Interests	(9)	-	-	-	-	(9)	(10)		
Net Profit	**2,107**	**355**	**105**	**-**	**12**	**2,579**	**2,364**	**9**	**8**
Weighted Average Shares	1,445	1,445	1,445	1,445	1,445	1,445	1,448		
Earnings per Share	**1.46**	**0.25**	**0.07**	**-**	**0.01**	**1.79**	**1.64**	**9**	**9**

Revenue grew by 1 percent to $8,178 million.

Core gross margin of 83.0% was 0.8 percentage points higher than last year. Lower Merck payments (0.3 percentage points), favourable mix and operating efficiencies (0.7 percentage points) were partially offset by higher royalty payments (0.2 percentage points).

Core SG&A costs of $2,271 million were 1 percent higher than last year. Investment in Emerging Markets and higher legal costs were largely offset by operational efficiencies across Established Markets.

Core other income of $186 million was $163 million lower than last year chiefly as a result of the 2009 Nordic over-the-counter (OTC) disposal gain only being partially offset by royalties received from sales of Teva's generic version of *Pulmicort Respules*.

Core Pre-R&D Operating Margin was 56.4 percent, down 1.5 percentage points, with the higher gross margin more than offset by the impact of the prior year Nordic OTC disposal within other income.

Core R&D expenditure was $966 million, 9 percent lower than last year, due to increased investment in biologics being more than offset by reduced activity across the small molecule portfolio and lower intangible impairments, reflecting the impact of the prior year MAP write off ($44 million).

Core operating profit was $3,650 million, flat at CER or up 1 percent on an actual basis. In comparison with last year against the dollar, the euro was 7 percent weaker (reducing sales and costs), the Swedish krona was 4 percent stronger (increasing costs) and sterling was 4 percent weaker (reducing costs). Core operating margin decreased by 0.3 percentage points to 44.6 percent as a result of lower other income only being partially offset by the higher gross margin and lower R&D expenditure.

Core earnings per share in the second quarter were $1.79, up 9 percent, chiefly driven by lower net finance expense and a lower effective tax rate.

Reported operating profit was up 5 percent to $3,034 million. Reported earnings per share were $1.46 up 22 percent as a result of the factors affecting Core earnings per share and lower legal provisions only being partially offset by higher restructuring costs.

First Half

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

	Reported 2010	Restructuring	Merck & MedImmune Amortisation	Intangible Impairments	Legal Provisions	Core 2010	Core 2009	Actual %	CER %
Revenue	**16,754**	**-**	**-**	**-**	**-**	**16,754**	**15,659**	**7**	**4**
Cost of Sales	(3,106)	91	-	-	-	(3,015)	(2,732)		
Gross Profit	**13,648**	**91**	**-**	**-**	**-**	**13,739**	**12,927**	**6**	**3**
% sales	*81.5%*					*82.0%*	*82.6%*	*-0.6*	*-0.5*
Distribution	(166)	-	-	-	-	(166)	(134)	24	18
% sales	*1.0%*					*1.0%*	*0.9%*	*-0.1*	*-0.1*
R&D	(2,311)	372	-	-	-	(1,939)	(2,015)	(4)	(7)
% sales	*13.8%*					*11.6%*	*12.9%*	*+1.3*	*+1.4*
SG&A	(4,912)	102	212	-	15	(4,583)	(4,452)	3	-
% sales	*29.3%*					*27.3%*	*28.4%*	*+1.1*	*+1.0*
Other Income	418	-	38	-	-	456	642	(29)	(30)
% sales	*2.5%*					*2.7%*	*4.1%*	*-1.4*	*-1.3*
Operating Profit	**6,677**	**565**	**250**	**-**	**15**	**7,507**	**6,968**	**8**	**5**
% sales	*39.9%*					*44.8%*	*44.5%*	*+0.3*	*+0.5*
Net Finance Expense	(241)	-	-	-	-	(241)	(403)		
Profit before Tax	**6,436**	**565**	**250**	**-**	**15**	**7,266**	**6,565**	**11**	**8**
Taxation	(1,541)	(135)	(46)	-	(3)	(1,725)	(1,899)		
Profit after Tax	**4,895**	**430**	**204**	**-**	**12**	**5,541**	**4,666**	**19**	**16**
Non-controlling Interests	(11)	-	-	-	-	(11)	(8)		
Net Profit	**4,884**	**430**	**204**	**-**	**12**	**5,530**	**4,658**	**19**	**16**
Weighted Average Shares	1,448	1,448	1,448	1,448	1,448	1,448	1,447		
Earnings per Share	**3.37**	**0.30**	**0.14**	**-**	**0.01**	**3.82**	**3.22**	**19**	**16**

Revenue grew by 4 percent to $16,754 million.

Core gross margin of 82.0 percent was 0.5 percentage points lower than last year. Higher royalty payments (0.1 percentage points) combined with regional and product mix factors (0.7 percentage points) were only partially offset by lower payments to Merck (0.3 percentage points).

Core SG&A costs of $4,583 million were flat at CER compared with last year. Investment in Emerging Markets and recently launched brands plus higher legal costs were mostly offset by operational efficiencies across the US and Western Europe.

Core other income of $456 million was $186 million lower than last year chiefly as a result of the prior year Nordic OTC and Abraxane® disposal gains only being partially offset by royalties received from sales of Teva's generic version of *Pulmicort Respules*.

Core Pre-R&D Operating Margin was 56.4 percent, down 0.9 percentage points, with the lower gross margin and disposals within other income only partially offset by the leverage from revenue growth and efficiencies within SG&A.

Core R&D expenditure was $1,939 million, 7 percent lower than last year, as the increased investment in biologics was more than offset by lower intangible impairments and project costs. The lower project costs reflect several late stage projects completing their trials. Spend is expected to increase in the second half of the year driven by Phase III trials for the recently in-licensed fostamatinib disodium and TC-5214.

Core operating profit was $7,507 million, an increase of 5 percent. Core operating margin increased by 0.5 percentage points to 44.8 percent as a result of lower R&D expenditure and the leverage from revenue growth, partially offset by lower other income.

Core earnings per share in the first half were $3.82, up 16 percent, with the strong operating performance supported by lower net finance expense and a lower effective tax rate largely due to the first quarter net adjustments to tax provisions ($0.13).

Reported operating profit was up 8 percent to $6,677 million. Reported earnings per share were $3.37 up 23% as a result of the factors affecting Core earnings per share and lower legal provisions only being partially offset by higher restructuring costs.

Finance Income and Expense

Net finance expense was $241 million for the first half, versus $403 million in 2009 ($117 million for the quarter, versus $243 million for the second quarter of 2009). Fair value gains of $8 million were recorded on the long-term bonds in the first half, versus fair value losses of $100 million in the first half of 2009 ($3 million gain for the quarter versus $79 million loss for quarter two 2009). In addition to this, there is reduced interest payable on lower debt balances, and slightly increased returns from higher cash and cash equivalent balances.

Taxation

The effective tax rate for the second quarter is 27.5 percent (2009 34.2 percent, 29.3 percent excluding the impact of legal provisions) and 23.9 percent for the first half (2009 31.2 percent, 29.0 percent excluding the impact of legal provisions). As previously disclosed, the effective tax rate has benefited from an adjustment in respect of prior periods following the announcement in February that AstraZeneca had settled a long-running transfer pricing issue and certain other outstanding UK tax matters with the UK Tax Authorities. The effect of this settlement and developments in other transfer pricing matters resulted in a net benefit to earnings of $194 million which was reported in the first quarter. The effective tax rate for the second quarter of 2010 (27.5 percent) was lower than that in the second quarter of 2009 (29.3 percent excluding the impact of legal provisions) largely due to the relative impact of adjustments to prior periods and ongoing effect of the settlement described above. The Company continues to anticipate the tax rate for the full year to be around 27 percent.

The UK government has announced proposed changes to the UK corporation tax system in the June 2010 Budget Statement. Finance (No.2) Act 2010 will reduce the main rate of UK corporation tax from 28 percent to 27 percent effective from 1 April 2011. Proposals to make further reductions to the main rate of corporation tax were also announced and, if enacted, would result in a phased reduction in the UK main rate to 24 percent by 1 April 2014. The initial 1 percent reduction in the main corporation tax rate was still subject to parliamentary approval at the balance sheet date of 30 June 2010 and is not reflected in the half year financial results. The Company is currently assessing the impact of the changes.

Cash Flow

Cash generated from operating activities was $4,767 million in the six months to 30 June 2010, compared with $5,334 million in the first half of 2009. The drop of $567 million is primarily driven by strong underlying performance being more than offset by the first instalment payment of $562 million (£350 million) in respect of the UK tax settlement (for which the final instalment of £155 million is due in March 2011) and the payment of $302 million in the US for *Seroquel* sales and marketing practices (for which an additional $218 million has been segregated to cover the remaining individual state settlements).

Net cash outflows from investing activities were $2,188 million in the six months compared with $162 million in 2009. The increase of $2,026 million is due primarily to the movement in short-term investments and fixed deposits of $707 million and higher payments for intangible assets of $1,032 million (including the Merck First Option payment of $647 million and increased externalisation activity).

Net cash distributions to shareholders increased to $2,883 million (from $2,084 million in 2009) through payment of the second interim dividend from 2009 of $2,367 million and net share repurchases of $516 million.

Debt and Capital Structure

As at 30 June 2010, outstanding gross debt (including loans, short-term borrowings and overdrafts) was $10,318 million (31 December 2009: $11,063 million). The reduction in gross debt of $745 million during the first half of the year was principally due to the repayment on maturity of the Euro 500 million 18-month bond issued in July 2008. Of the gross debt outstanding at 30 June 2010, $1,275 million is due within one year (31 December 2009: $1,926 million). Net funds of $903 million have increased by $368 million since 31 December 2009 as a result of the net cash inflow during the six months to 30 June 2010 as described above.

Related Party Transactions

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

Calendar

28 October 2010	Announcement of third quarter and nine months 2010 results
27 January 2011	Announcement of fourth quarter and full year 2010 results

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