*---------------------------------------------------------------------------------------------- Astrazeneca 2003*

Chief Executive’s message

Our reputation is built on the trust and confidence of all our stakeholders and is one of AstraZeneca’s most valuable assets. Along with our commitment to competitiveness and performance, we will continue to be led by our core values to achieve sustainable success.

Stakeholder expectations are constantly evolving and we continuously monitor our internal and external environment for issues relating to our business that affect or concern society today. We use a formal risk assessment process to identify both the opportunities and the challenges that these issues present, and to plan the actions needed to ensure our response is appropriate and consistent. Our current Priority Action Plan is shown on page 4. Corporate responsibility (CR) is not an optional extra – it must be integral to all that we do. Our strategy to include considerations of corporate responsibility across all our activities is beginning to take effect. In particular, relevant aspects are being increasingly integrated into our risk assessments, scenario planning, training, purchasing practices and market access strategy. In 2003, we made some good progress, but recognise that there is more work to do to ensure that a sense of corporate responsibility is consistently embedded throughout the Group and actively interpreted and managed at a local level.

Because corporate responsibility spans a wide range of issues, they cannot all be covered in this brief introduction. However, I will highlight under each of our core values some areas of progress and some where further work is needed. More information is available in this Summary Report and on our website, astrazeneca.com.

Respect for the individual and diversity

We value the different backgrounds and skills that our global workforce brings to our business and are committed to ensuring that diversity is appropriately supported in the workplace – at all levels. At the end of 2003, we had around 28 diversity programmes in place within the Group and a number of awareness

raising initiatives took place during the year, mainly within R&D and our US business. Further work is needed to ensure that the benefits of diversity are fully recognised across the Group.

Openness, honesty, trust and support for each other

Our Code of Conduct has been revised and re-published during the year and a formal, confidential helpline procedure is now in place for employees wishing to raise concerns on integrity issues or

report inappropriate behaviour. We also concentrated on reviewing and refining our corporate governance controls and reporting procedures to ensure that we are meeting new laws and regulatory requirements. This includes the ability

to meet the appropriate executive certification requirements of the Sarbanes-Oxley legislation in the US and the changes introduced in 2003 by the revised Combined Code on Corporate Governance of the UK Financial Reporting Council.

Integrity and high ethical standards

During the year, we added sales and marketing practices to the Priority Action Plan to ensure they continue to get the appropriate high level of attention and that we develop ways of improving our global reporting in this area. The settlement of the *Zoladex* investigation

in the US (see page 13) strengthened our commitment to deliver high standards of ethical behaviour in the marketing of our medicines worldwide.

Leadership by example at all levels

Good corporate responsibility depends on the right level of commitment from

all employees, led by the AstraZeneca Board, who approve the strategic direction, and our Senior Executive Team and management, who are accountable for the development and implementation all employees, led by the AstraZeneca Board, who approve the strategic direction, and our Senior Executive Team and management, who are accountable for the development and implementation of appropriate programmes in their areas of responsibility. An important step in 2003 was the inclusion in our annual compliance report by senior management to the AstraZeneca Board (the ‘letter of assurance’) of a requirement to develop local CR implementation plans.

Our business is focused on the discovery and development of life-saving and

life-enhancing medicines. Historically, the markets for these therapies have been in developed countries but as the economies of developing countries grow, new markets for our prescription medicines emerge. Our strategy for expansion in these emerging markets is designed to ensure that through timely investment, we are well placed to meet the needs of patients in these countries. As part of this, we are committed to playing a role in targeting improved treatment of the highest priority diseases. In June 2003, we opened

our new state of the art laboratories in Bangalore, India. Work there is dedicated to finding the first new treatment in 40 years for tuberculosis, one of the world’s greatest causes of death from infectious disease. AstraZeneca will make any treatment invented in these laboratories available for clinical development and supply to the world’s poorest countries at low prices in partnership with governments, healthcare systems, international agencies and others – all of whom have a part to play in bringing essential medicines to the patients who need them.

Good corporate responsibility enhances the benefits of our medicines, the quality of our financial performance and the significance of our contributions to our local communities. I am committed to the high standards necessary for our continued business success and for maintaining the value of our contribution

to society.

**Sir Tom McKillop**

Chief Executive

*---------------------------------------------------------------------------------------------- Astrazeneca 2004*

Chief Executive’s message

At AstraZeneca, we consider the value of our products to patients and to society to

be at the core of our corporate responsibility (CR) effort. We make our unique contribution through successful research and development of new medicines. Innovation drives progress

in society and in the case of pharmaceuticals, innovative research not only brings benefits for patients, improving health and quality

of life, it also creates wealth and contributes to the economic development of the communities we serve.

We see our core values as central to achieving sustainable success through innovation.

We know that we must act appropriately and consistently, wherever we operate. Our reputation and continued success depend on it.

Adding value through innovation

The path to a new medicine is long, complex and costly. It may take over ten years of development and only one in ten projects entering development will make it to market. Typically, about $1 billion is invested in research and development before the first dollar of sales is realised. The pharmaceutical industry is responsible for the vast majority

of new medicines – no one else has the combination of skills, experience and resources to do all that is needed to deliver real pharmaceutical advances.

Each of AstraZeneca’s R&D projects has clear targets and must demonstrate benefit to patients, otherwise it is stopped. Sometimes the benefits are incremental

and sometimes they can be described as breakthroughs. Clearly, fundamental breakthroughs are exciting, but they are exceedingly rare. Incremental innovation is important too because the first product in a class is almost never the best. Refinement brings quality, reliability and additional benefits. Also, choice is good for patients, who respond differently to different medicines, and for competition,

helping to add value for healthcare systems. Very often, the full benefit of a medicine only becomes apparent after long usage and extensive clinical trials – for example our

own product, *Nolvadex*, launched to treat breast cancer is now used to help prevent the disease.

The inequality of access to healthcare remains one of the biggest challenges

the world faces today. The pharmaceutical industry has a significant role to play, but responsibility also rests with governments and other organisations to provide appropriate infrastructures that support good public

health and the reliable provision of medicines

and other aspects of healthcare to those

in need. AstraZeneca is committed to playing its part (and you can read more about this

on page 18), but I believe that real progress will depend on the acceptance of a shared responsibility and commitment.

Delivering our core values

In practice, “walking the talk” of our core values means ensuring that CR is consistently embedded throughout the organisation and actively interpreted and managed at a local level. For a company of AstraZeneca’s size, this is a significant task. We are making progress but there is still work to do. An important step forward has been the creation of National CR Committees in the US, the UK and Sweden, where more than 60% of our employees are located. National CR action plans, including local priorities and objectives, are now in place in these three cornerstones

of our global presence.

Another significant move was our decision in 2004 to formally integrate CR into the personal targets and performance reviews of all employees, including AstraZeneca’s Senior Executive Team and senior management. This will further support the integration of CR considerations into business strategy development and day-to-day decision-making, actions and behaviours.

We have also begun to integrate CR into our leadership development programmes and during the year, we launched an intranet site dedicated to providing managers with the tools and guidance they need to put CR into practice at a local level.

I was pleased to see that 80% of our people took time to respond to our third two-yearly global employee survey, which took place

in 2004 and the results of which helped

us to identify areas for further improvement. We are working to develop improvement plans that address the areas highlighted

for attention by the survey, which included organisational efficiency, strengthening leadership capabilities and clarity around performance expectations.

Our biggest employee safety issue is driving-related accidents – a particular problem with so many sales representatives driving extensively on business. Despite our increased focus in this area, we are currently showing little improvement in our driver safety record. I am committed to doing better. Alongside the other work being done in this area and to further promote best practice, during 2004 I gave a special Chief Executive’s award to AstraZeneca in the Czech Republic for the most effective driver safety initiative implemented in the previous year. Examples of best practice such as theirs continue to be shared within the Company to help stimulate further improvement in performance.

Following the devastating tsunami in December 2004, our first priority was to account for our employees working in the region and those visiting on holiday. I am sad to report that, to date, three of our employees are still missing. Our deepest sympathies and condolences

go to their families and friends and to all those affected by this tragic event. AstraZeneca responded immediately to the disaster with cash donations totalling $600,000 and medicines. For the longer term, we have established a fund of a further $1.5 million to provide ongoing support to help those stricken by the disaster rebuild their lives and their communities.

CR is an evolving landscape. We use stakeholder dialogue, external benchmarking and internal risk assessment to make sure we are staying in tune with the issues relating to our business that affect or concern society. During the year, we added clinical trials and pharmaceuticals in the environment to our Global CR Priority Action Plan, and we introduced new key performance indicators for marketing and sales practices and animal welfare, which provide the platform for further strengthening of our global monitoring systems in these areas.

We are committed to transparent, balanced reporting of our CR performance and this year, we have taken a further step with the introduction of a pilot scheme to provide independent assurance of this CR Summary Report and the processes that underpin it. You can read the results of this on page 20.

The pharmaceutical industry faces many challenges to its reputation – some justified, some less so. I am convinced that the effective implementation of corporate responsibility

and a wider appreciation of the health and economic benefits we bring to patients and society will enable AstraZeneca to promote and safeguard its reputation in an increasingly

critical climate of public opinion.

**Sir Tom McKillop**

Chief Executive

*----------------------------------------------------------------------------------- Supplementary Information*

‘We are committed to ensuring that our actions reflect our core values. Our reputation and our continued success depend on it.’

**AstraZeneca Core Values**

> Integrity and high ethical standards

> Respect for the individual and diversity

> Openness, honesty, trust and support

for each other

> Leadership by example at all levels

**AstraZeneca Group CR Policy**

Through the innovation of new medicines,

AstraZeneca improves human health and

enhances people’s lives. Our activities impact

not just on the patients we serve and our

investors, but also on our employees and

on society as a whole.

Our reputation and continued long term

success depend on our ability to integrate

successfully our financial obligations with

our social and environmental responsibilities.

In so doing, we will maintain the trust and

confidence of our stakeholders and continue

to be a company that is welcomed by society

and for which our employees are proud to work.

AstraZeneca aims to set, promote and maintain

high standards of corporate responsibility

worldwide, in line with our core values and

consistent with our publicly declared code

of conduct, which will ensure that:

> Patient benefit and safety continue to be

the core priority

> Safety, health and environmental issues

remain a fundamental company

consideration

> The individuality, diverse talent and creative

potential that every employee brings to the

business are fully valued and respected

> We maintain high ethical standards in our

research and development of new medicines

> We maintain high ethical standards of

marketing and sales practices in all countries

of operation

> We make a positive contribution to the

communities in which we operate

> As a minimum, we meet national and

international regulations

> Our CR commitments are expanded

by encouraging suppliers to embrace

standards similar to our own

> New and emerging issues relating to CR

are dealt with appropriately and effectively

We will be transparent in our communications

about the work we are doing to meet these

commitments and drive continuous

improvement in our CR performance.

Revised and approved by the AstraZeneca

Board in January 2005.

*---------------------------------------------------------------------------------------------- Astrazeneca 2005*

Making a difference in the lives of patients is

the glue that holds us together wherever we are located. And it is through the successful introduction of medicines which help in the fight against disease that we reward our shareholders, pension funds and other institutional investors as well as supporting the economic development

of the communities around us.

We believe that what we do is important. We also believe that how we do it is just as important. Only by working responsibly can we earn the trust and confidence that makes such a vital contribution to our corporate reputation and

our licence to do business from stakeholders and wider society.

AstraZeneca operates in an increasingly challenging business environment, and ours

is a high performance culture that requires all of us in the Company to make our best contribution to business success. We are determined that our corporate responsibility is consistently given appropriate consideration and that we continue to live up to our core values through thick

and thin. Key to this is ensuring that everyone understands what is expected of them and

that they are accountable for their own actions. We are making progress in building that understanding and driving the integration of

CR considerations into everyday thinking, at all levels. As part of this, all employees are now required to have, as a minimum, a performance objective that reflects the need to ensure compliance with relevant AstraZeneca

CR-related policies as part of their core role.

Each quarter we ask a random sample of employees for their views on a range of business practices including our approach to corporate responsibility. During 2005, the results of these pulse surveys, which are discussed at the regular meetings of our Global CR Committee, showed a consistently good understanding

of CR among employees and strong familiarity with the Company’s Code of Conduct. They also provided constructive suggestions for improving leadership roles in the continued delivery of our CR agenda.

Effective leadership is critical to delivery of our CR objectives and we continue to support our leaders with learning opportunities and tools for communicating with their teams to build awareness and understanding of what CR means in practice. During 2005, some 245 of our top managers were involved in leadership

development programmes that included CR.

We have national CR committees and

management frameworks in place in the US, the UK and Sweden, where more than 60% of our employees are located. Elsewhere in the world, CR continues to be integrated into leadership team agendas and interpreted at

a local level.

We have more work to do to improve how we gather information about our CR-related activities across the organisation and during the year, we began the process of developing

a common platform for formally capturing local information at a global level.

In today’s demanding world, it is important to me that we continue to provide a healthy, safe and energising work environment for our people and I am pleased to report that we are

widely recognised as a good employer with high standards of employment practice.

The Board, in its annual review of safety, health and environmental issues, specifically reviewed progress on targets set in previous years as well as agreeing challenging new targets for the next five years. Success in exceeding our health and wellbeing targets, and achieving most of our environmental targets set in 2002, was tempered by the disappointment of our failure to meet

our targeted reduction in the rate of accidents with serious injury. However, we did achieve

a substantial reduction of 26% and we are now building on our existing safety programmes to support future improvement in this area.

We know that establishing targets is in itself not sufficient to deliver sustained performance improvements. Only through the continued identification of appropriate actions and the clear allocation of management responsibilities for their delivery can such improvements

be achieved. This Report describes our performance against targets set in earlier years; introduces new targets and details

the key performance indicators against which we measure our progress.

Approximately one third of AstraZeneca’s employees worldwide are engaged in the promotion and detailing of information on our medicines to doctors and specialists. Their work is governed by our own Code of Sales and Marketing Practice as well as relevant external national and international codes.

We are committed to driving high standards

in these activities, and have introduced a new key performance indicator by which to measure our progress – namely, the number of confirmed cases where AstraZeneca has been ruled to have breached external regulations or codes of sales and marketing practice. Any breach is treated seriously and appropriate actions are taken by management to prevent repetition. By publishing

the number of confirmed breaches, we have made

public a global benchmark against which we can be judged over time on our commitment

to responsible sales and marketing practice.

Sales and marketing practice is one of the areas in which the pharmaceutical industry is increasingly under public scrutiny. Other

aspects of our business that affect or concern society today include the safety of medicines, access to healthcare and pre-clinical and

clinical research practices. In this year’s Report, we have set out to communicate more information about our approach in these areas, in line with our commitment to transparency and openness, and with a view to building a better understanding of what is required to get life changing medicines to patients that also add value for shareholders and wider society.

For the second year running, we have sought independent assurance of the information contained in the Report. This year, the process was extended to include visits to our operations in the US and India, to enable the external assurance team to assess the validity of

our corporate statements about a global commitment to CR. You can read their assurance statement on page 36.

AstraZeneca is once again listed in the 2006

Dow Jones Sustainability World Index and

we continue to receive widespread recognition in the communities in which we operate for our responsible approach to business. What perhaps is not so well recognised is the benefits that our medicines and our presence bring to patients and wider society. I am determined that they should be, so that the full value of AstraZeneca’s contribution is better understood by our

stakeholders and those who influence them •

**DAVID R BRENNAN**

Chief Executive Officer

February 2006

*----------------------------------------------------------------------------------- Supplementary Information*

“Only by working responsibly can we earn

the trust and confidence that makes such

a vital contribution to our corporate

reputation and our licence to do business

from stakeholders and wider society.”

OUR CORE VALUES:

>INTEGRITY AND HIGH ETHICAL STANDARDS

>RESPECT FOR THE INDIVIDUAL AND DIVERSITY

>OPENNESS,HONESTY,TRUST AND SUPPORT FOR EACH OTHER

>LEADERSHIP BY EXAMPLE AT ALL LEVELS

The 65,000 employees of

AstraZeneca are dedicated to

providing medicines that improve

health and quality of life worldwide.

OUR CORE

**GROUP CR POLICY**

Through the innovation of new medicines, AstraZeneca improves human health and enhances people’s lives. Our activities affect not just the patients we serve and our investors, but also our employees and society as a whole.

Our reputation and continued long term success depend on our ability to integrate successfully our financial obligations with our social and environmental responsibilities. In so doing, we will maintain the trust and confidence of our stakeholders and continue to be a company that is welcomed by society and for which our employees are proud to work.

AstraZeneca aims to set, promote and maintain high standards of corporate responsibility worldwide, in line with our

core values and consistent with our publicly declared codes of conduct, which will ensure that:

> Patient benefit and safety continue to be the core priority.

> Safety, health and environmental issues remain a fundamental Company consideration.

> The individuality, diverse talent and creative potential that every employee brings to the business are fully valued and respected.

> We maintain high ethical standards in our research and development of new medicines.

> We maintain high ethical standards of sales and marketing practices in all countries of operation.

> We make a positive contribution to the communities in which we operate.

> As a minimum, we meet national and international regulations.

> Our CR commitments are expanded

by encouraging our suppliers to embrace standards similar to our own.

> New and emerging issues relating to CR

are dealt with appropriately and effectively.

We will be transparent in our communications about the work we are doing to meet these commitments and drive continuous improvement in our CR performance.

*---------------------------------------------------------------------------------------------- Astrazeneca 2006*

**MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER**

AstraZeneca’s business strategy centres on building our capabilities in the new science and technologies that will help us develop better, safer medicines; on maximising the therapeutic and economic value of all our medicines to deliver their full benefit for patients and society, and on working closely with all our stakeholders to gain the insight

we need to continue to make a valued contribution to patients and healthcare. Throughout all of these activities, maintaining our fundamental commitment to corporate responsibility (CR) remains a top priority.

As Chief Executive Officer, I am accountable, together with senior leaders in the organisation, for leading the delivery of our business goals, and for maintaining the trust of our stakeholders and wider society that

is so vital to our continued success.

Our Business Performance Management (BPM) framework sets financial and non- financial targets, including CR, in line with our strategic objectives in four core areas:

Patients, Products, People and Performance. Progress in each of these four areas is reviewed quarterly by the AstraZeneca Board and Senior Executive Team (SET).

**TAKING OWNERSHIP**

We know that targets alone cannot deliver improved performance. Actions must be identified and accountability assigned to people who can ensure that these actions are implemented. Led by the SET, each AstraZeneca function and location is responsible for setting its own CR targets, based on the global framework but relevant to their local issues and priorities. And we continue to work to ensure that

all of our people are clear about our CR commitment; that they fully understand what it means for them and that they are empowered to integrate CR considerations

into their everyday business decision-making.

**GAINING INSIGHT**

Understanding the needs of our stakeholders is essential for effective leadership of our business. We have increased our emphasis on stakeholder dialogue and are making it a more permanent feature of how we operate

in AstraZeneca. Stakeholder engagement is also important in identifying our CR priorities and, during 2006, we published internally a new guideline on how to engage stakeholders

in CR-specific dialogues as an important step

in local CR priority action planning. You can read more about this on page 26.

**LISTENING TO OUR PEOPLE**

The views of our employees are very important to us and the results of this year’s global employee survey helped us track employee engagement and identify areas

of concern. Conducted every two years, this was our fourth such survey, and I was heartened to see that it achieved the highest response rate to date (86%), which reflects people’s continuing confidence in it as a trusted feedback mechanism. This year’s scores improved across all categories compared to the last survey, with positive feedback in areas such as health, safety, information sharing and communication.

The survey also highlighted areas for further improvement, including some aspects of leadership and performance management.

I take this feedback very seriously, and am determined to address these areas for improvement. Initiatives that have already begun include increased clarity on accountabilities being integrated into the BPM framework described above.

**BROADENING OUR BASE FOR INNOVATION** During the year, we continued to recognise the importance of accessing new science and technologies that will boost our own innovation and provide a broader base for researching the next generation of medicines that offer better results for patients. To that end, we completed a number of acquisitions designed to add strength to our pipeline

of new medicines. This strategy brings

with it a duty to ensure that our CR policies and principles are understood and applied consistently by the new members of the AstraZeneca family of companies. For that reason we have included this in our CR Priority Action Plan this year.

**IN THE DEVELOPING WORLD**

We continue to explore ways in which AstraZeneca can help more patients around the world to get the healthcare they need.

As part of this, we are piloting a project in Ethiopia which centres around building local capability in breast cancer care and management. We have also entered a new

partnership with Voluntary Service Overseas, in which our employees will be able to lend their skills and experience to help the charity

in its goal to improve key infrastructures

in developing countries. Our expanded support for the Red Cross and African Medical and Research Foundation in their community-focused efforts to combat TB continues to be consistent with our own research effort in Bangalore to find a new treatment for this devastating disease. You can read more about this on page 8.

**OUR CLIMATE CHANGE CHALLENGE**

In common with most businesses, our potential impact on climate change arises from the global warming emissions from energy use at our facilities, from other

in-house activities and from the various means of transport we use. However, we also face an additional challenge since

some of our asthma therapies use propellant gases in their delivery mechanisms,

which potentially contribute to global warming. As we grow our business and more patients benefit from such therapies, the associated increase in emissions means we will not be able to continue to reduce our emissions of global warming gases year-on-year. We are working hard,

however, to ensure that our emissions from all sources, including products, will in 2010 be no greater than they were in 2000.

You can read more about this on page 30.

**EVERY INTERACTION COUNTS**

We are making progress but in the ever- changing world in which we live, we will continue to face challenges as well as opportunities for our CR. We know that as we continue to drive our business forward, we must not lose sight of our fundamental responsibility to do business the right way. Our reputation with our stakeholders and wider society depends on it. Wherever people are located within the Company, and whatever their role, everyone has a

part to play. Every interaction counts towards ensuring that AstraZeneca continues to be welcomed as a valued and trusted member

of society.

**DAVID R BRENNAN**

**CHIEF EXECUTIVE OFFICER**

*----------------------------------------------------------------------------------- Supplementary Information*

“I WANT ASTRAZENECA TO

BE VALUED AS A SOURCE OF INNOVATIVE MEDICINES THAT HELP IN THE FIGHT AGAINST HUMAN DISEASE, AND TO BE TRUSTED FOR THE WAY IN WHICH WE DO THAT.”

*---------------------------------------------------------------------------------------------- Astrazeneca 2007*

Q.2007년부터는 제목이 ‘ANNUAL REPORT AND

FORM 20-F INFORMATION 2007’이런 식으로 나오는데, CSR 에모모호하게 포함하는 것 같아서, 확인 좀 부탁드려요.

**CHAIRMAN’S STATEMENT**

istent with the values of the Company.

During 2007, the Board has reviewed key aspects of the Company’s strategy and operations including its financial policies, human resources planning, and externalisation projects. In January 2008, the Board concluded its yearly review of its own processes to ensure that it is functioning well and properly representing the interests of shareholders.

At the end of July, I announced the resignation of Jon Symonds as Chief Financial Officer

to pursue his career outside AstraZeneca.

Group sales increased by 7% in 2007 to a total

of $29.6 billion. The inclusion of MedImmune for seven months of the year increased sales by 3%. Operating profit was $8.1 billion, reduced by restructuring and synergy costs of $966 million and by a $178 million loss from the inclusion of MedImmune. Excluding restructuring and synergy costs, operating profit for 2007 was up by 8% and R&D investment increased to over $5 billion for

the full year.

Reported earnings per share for the full year were $3.74, compared with $3.86 in 2006. Earnings per share excluding restructuring and synergy costs were $4.20, compared with our guidance of $3.98 to $4.13 on the same basis. The Board has recommended a

10% increase in the second interim dividend to $1.35 (67.7 pence, SEK 8.61) per Ordinary Share. This brings the dividend for the full year to $1.87 (93.0 pence, SEK

12.10), an increase of 9%. In 2007, cash distributions to shareholders, through a combination of dividends and share

re-purchases totalled $6.8 billion. Share

re-purchases for the full year amounted to

$4.2 billion. The Board expects to undertake share re-purchases in the region of $1 billion in 2008, subject to business needs.

With the debt that we issued following the acquisition of MedImmune, we have now established a balanced portfolio of short-term funding, which we intend to pay down over the next three or four years, as well as medium- to long-term funding, while still maintaining a strong credit rating.

Our drive to strengthen the pipeline has been led by the review conducted in 2006 to determine the areas of disease where we could derive the most value for patients and shareholders. This resulted in a strategy reflecting both our inherent strength in certain fields of research and the areas of greatest unmet medical need. As a result, we are focusing on six disease areas and ensuring that we have access to leading research in each area. Some of this research resides in our own laboratories and some has been sourced from third party researchers.

We have continued our investment in both areas and you can read a review of the progress made in this report.

The acquisition of MedImmune was a major decision, which the Board sees as transformational for the Company. The addition of MedImmune builds on the earlier investment in Cambridge Antibody Technology in the field of biologics and takes AstraZeneca into vaccine technology for the first time. MedImmune brings not only first class biologics and vaccines assets to the Group but also around 3,000 skilled professionals with expertise ranging from discovery through to commercialisation. In developing areas of medical science, these are skills that are scarce and valuable. I am confident that the combined strength of our existing small molecule expertise and the newly acquired expertise in large molecules and vaccines will generate benefits for the Company and its shareholders.

Our key products have continued to deliver benefits to millions of patients every day around the world. We have met our sales targets despite depressed pricing in our traditional heartlands of Europe and the US and challenges to our intellectual property. In the emerging markets, we have continued to build our businesses for the benefit of patients today as well as pursuing opportunities to broaden access to our medicines in the future.

2007 has not been an easy year for the pharmaceutical sector. With pressure on pricing and increased demand for investment, companies have been forced to drive efficiencies right across the business in order to maintain shareholder returns. The Board has been fully supportive of the programme that David Brennan has put in place to improve productivity in every area of the Company. There is no question that this sort of activity poses challenges for a management team and the Board believes that this high level of change has been handled responsibly and in a way that is consistent with the values of the Company.

During 2007, the Board has reviewed key aspects of the Company’s strategy and operations including its financial policies, human resources planning, and externalisation projects. In January 2008, the Board concluded its yearly review of its own processes to ensure that it is functioning well and properly representing the interests of shareholders.

At the end of July, I announced the resignation of Jon Symonds as Chief Financial Officer to pursue his career outside AstraZeneca. Jon had completed 10 years of distinguished

service in the Group and his experience

and management skills were greatly valued. I am delighted that Simon Lowth joined the Company in November as an Executive Director and the Chief Financial Officer. Simon brings with him a successful track

record of business transformation in previous strategic and financial roles at Scottish Power. He has proved to be a valuable addition to David Brennan’s leadership team.

There were a number of changes to the composition of the Board during the year.

At our AGM in April, we said a warm farewell and thank you to Peter Bonfield and Erna Möller when they stepped down as Non- Executive Directors following 12 years of service. Their individual contributions to the Company over those years were significant and both served on various Board committees. In addition, Peter ably took on the role of AstraZeneca’s senior, independent Non- Executive Director for many years. Also in April, Joe Jimenez resigned as a Non-Executive Director following his appointment to an executive position at Novartis and we wish him well.

I was pleased on behalf of the Board to be able to welcome Bo Angelin as a new Non- Executive Director in July. Bo is a distinguished medical scientist and I am sure that he will provide a valuable contribution to the Board’s work. It also gives me pleasure to report that Michele Hooper, who has been a member of the Board for over four years now, has agreed to become our new senior, independent Non-Executive Director, in succession to Peter Bonfield.

In 2008, our strategy remains unchanged: we shall continue to meet the needs of patients today, while investing for the benefit of patients of the future. By doing this successfully and responsibly, we will deliver the greatest rewards to shareholders and society as a whole. The business environment will continue to present challenges and the Board will work with

David Brennan and his leadership team to ensure that our business continues to adapt as needed, taking advantage of opportunities and investing for sustainable growth.

LOUIS SCHWEITZER

Chairman

**CHIEF EXECUTIVE OFFICER’S REVIEW**

2007 was a transformational year for

AstraZeneca and I am very proud of the way that my Senior Executive Team and all our employees are adapting to a challenging external environment and addressing the needs of our business.

Strengthening our pipeline continues to be our highest priority and we have made substantial progress over the past twelve months. We have also successfully delivered against our sales targets, whilst continuing to challenge all aspects of our cost base and drive productivity throughout the organisation.

The acquisition of MedImmune in June gave us a leading position in biologics technology and took us into vaccines for the first time. This was a very significant move for the Group. Increased investment in these approaches to fighting disease was key to our strategy of strengthening our ability to deliver the next generation of valued medicines. MedImmune is a leader in both biologics and vaccines and brings expertise and capabilities that span the pipeline from discovery through commercialisation. It is also a vertically- integrated company that has invested for future growth and gives us significant biologics and vaccines manufacturing capability and capacity. By combining our own biologics projects and those of Cambridge Antibody Technology under MedImmune’s leadership,

I believe we have created a powerful engine to drive future development.

Our key strategic priorities are:

> Strengthening our pipeline of new medicines from our own research laboratories and by gaining access to scientific innovation outside AstraZeneca.

> Delivering the full potential of all our marketed medicines through rigorous life cycle management and excellent

customer support.

> Challenging our cost structure to make

room for further investment in R&D and externalisation, whilst increasing access to our medicines.

Promoting a culture of responsibility and accountability is a fourth priority that underpins the other three.

As the industry changes and our business evolves, it is important that we have a workforce and style of leadership that can leverage opportunities and adapt quickly to changing circumstances. I believe that a lean infrastructure, combined with an agile mindset and a responsible approach to business, will be a critical success factor in determining our future.

STRENGTHENING THE PIPELINE

I am pleased to report very significant progress during the year. The number of phase III projects in the pipeline has doubled to 10 from five and it was a record year for our phase I development pipeline with 24 new molecules entering first tests in man, compared with 12 in 2006. Importantly, we are also improving the quality of our early phase pipeline by researching the use of biomarkers, to give

us an indication early in the discovery process of any toxicity or other signals that might impede progression of a molecule at a

later stage.

It is just as important to gain access to leading science from outside AstraZeneca and our externalisation programme has delivered over 20 major deals in the

last two years, as well as the acquisitions of Cambridge Antibody Technology and MedImmune.

We also continue to partner with external organisations that share our commitment

to finding novel solutions for important areas of healthcare. During 2007 we formed

a number of important new collaborations, including one with Bristol-Myers Squibb Company to co-develop and co-commercialise saxagliptin and dapagliflozin, two products

in development for the treatment of

Type 2 diabetes.

VALUED MEDICINES

At AstraZeneca, we take great pride in our track record of pharmaceutical innovation which spans seven decades and includes the introduction of many world-leading medicines. The key products in our range continue to make a difference for millions

of patients around the world every day.

We remain focused on leveraging the full

potential of our range and delivered a growth in sales during 2007 despite pricing challenges in key markets in Europe and the US, where payers and healthcare providers have been wrestling with the dual challenge of a growing demand for healthcare as a result of the ageing population and continued public demand for the benefits that modern medicines provide.

Highlights in 2007 included:

> *Seroquel XR*, the sustained release form

of our schizophrenia therapy, was launched in the US. It was also approved for sale in Canada and The Netherlands and the EU mutual recognition process has been completed, paving the way for launches in other European markets in the coming months. Regulatory submissions for *Seroquel XR* for the treatment of major depressive disorder and generalised anxiety disorder are planned for 2008.

> The atherosclerosis label for our statin, *Crestor*, has been approved in the US, reflecting its efficacy in slowing the progression of atherosclerosis in adult patients with elevated cholesterol as an adjunct to diet.

> We launched our asthma therapy, *Symbicort*, in the US and our innovative *Symbicort* Maintenance and Reliever Therapy (*Symbicort SMART*) is proving popular with patients in many European countries because, by combining both maintenance and rapid relief therapies

in a single inhaler, it puts them more in control of their variable disease.

> *Nexium* continues to be the strongest performing branded proton pump inhibitor in the US, although the highly competitive market and the challenge of generic omeprazole are both significant. In the emerging markets, *Nexium* continues to show very strong growth.

> *Arimidex* remains the product of choice for post-menopausal breast cancer patients and its sales are firmly in line with market growth.

In the emerging markets of Asia, Eastern Europe and Russia, we have continued to build our business focusing on maximising our sales today whilst investing to broaden access to our medicines in future. During the year, we opened a new Process R&D facility in Bangalore, India, to add to the existing R&D facility and we are investing in a new centre for translational medicine in Shanghai, which will focus on researching medicines

especially designed to help patients in China.

In Japan, the world’s second largest pharmaceutical market, we are working with the authorities to increase the range of medicines available to Japanese patients. Mutual recognition of research data generated in other Asian countries means that we are able to progress more quickly with dedicated studies for these markets.

Inevitably, as a successful, research-based pharmaceutical company, this year we have received further challenges to some of our patents, the details of which are set out elsewhere in this report. We will maximise the value of our intellectual property and will vigorously defend our patents in order to protect the many years of research, and the considerable investment, which have delivered the medicines to which those patents relate.

BECOMING LEAN AND AGILE

In 2007, we accelerated our focus on productivity, recognising the pressure on

the industry to deliver more with less. In the first quarter we made the first significant announcement of role reductions associated with the implementation of our asset strategy review. As a result of this review, we have changed the manufacturing pattern across our operations and have addressed excess manufacturing capacity in some areas.

Our drive is to maximise the efficiency of our supply chain whilst maintaining the highest possible standards of quality and security of supply at every stage.

At the half-year, we announced further job reductions resulting from productivity improvements in other areas of the business. The full implementation of these reductions will take until 2009. However, they reflect important efficiency improvements including: the centralisation of clinical data

management to a single approach managed at two locations; re-shaping the sales force in several European countries to be able to better respond to changes in the respective national healthcare systems; the establishment of a single, global contract with IBM for information technology services and support; and the globalisation of functions such as Human Resources and

Regulatory Affairs.

Implementing changes that involve the loss

of loyal employees is one of the hardest tasks for a Chief Executive Officer and 2007 has been particularly challenging in this respect. Throughout, we have consulted fully with

staff representatives and acted in line with local labour laws. We have also provided appropriate support to help individuals to pursue their careers beyond AstraZeneca and have engaged with the communities around our affected sites to mitigate the local impact.

DOING BUSINESS THE RIGHT WAY

As we drive the business forward, maintaining our fundamental commitment to corporate responsibility (CR) remains a top priority.

We continuously work to ensure that our

high level values are translated into consistent actions and behaviours worldwide that are aligned with, and support the achievement

of our strategic business objectives.

In 2007, we further strengthened our CR leadership and governance to make sure that we have appropriate systems in place for identifying the risks and opportunities

associated with our CR, together with effective frameworks for managing them and driving compliance with all relevant policies and standards. As part of this, we reviewed and expanded our Code of Conduct to provide clear direction and guidance for all our staff on what is required of them. The new Code

is being translated into over 40 languages and will be distributed to all our employees in early 2008. In addition, since the acquisition in June, we are working closely with MedImmune, which has its own long-standing commitment to working responsibly, to make sure that our policies and standards are aligned.

CR targets and measures are included in our business performance management framework and related objectives are being included in personal targets at all levels to support the integration of CR management across the

full range of our business activities.

You can read about key aspects of our commitment to doing business the right way, and our performance, throughout this report and further details are provided on

our website, astrazeneca.com/responsibility. We are making progress, but in the ever- changing world in which we live, there will always be work to do to ensure that AstraZeneca is not only valued as a source of great medicines, but also trusted for the

way in which we do business worldwide.

SENIOR EXECUTIVE TEAM CHANGES

There were several important changes to my Senior Executive Team during 2007. Following the departure of Jon Symonds at the end of July after a decade of outstanding service, we welcomed Simon Lowth as our new

Chief Financial Officer at the beginning of November. During the year, Lynn Tetrault also joined the team as Executive Vice-President, Human Resources and Corporate Affairs, following the retirement of Tony Bloxham.

The responsibilities of Tony Zook, President and Chief Executive Officer, North America were extended to include Global Marketing following the departure of Martin Nicklasson to pursue his career outside AstraZeneca. David Mott, President and Chief Executive Officer of MedImmune, also joined the team following the completion of the acquisition of MedImmune in June.

LOOKING AHEAD

We will continue our drive to broaden access to our existing medicines, improving adherence by refining the dosage and delivery mechanisms and providing support to physicians and carers. While building our business in mature markets, we will also develop the promising foundations we have in emerging markets. Driving productivity and cost reduction will continue to be a priority whilst still maintaining the levels of

strategic investment in R&D needed to push the boundaries of medical science for the benefit of patients around the world.

Whilst we cannot predict with precision what the next decade will look like for our business, we do know that the environment in which we operate will continue to present new challenges and opportunities. I am confident that AstraZeneca has the strategy, skills and resources that will enable us to anticipate, and adapt quickly and effectively to the changes that our business faces. Above all, our single-minded determination to succeed will ensure that we will continue to stay focused on our mission to deliver great medicines and a business performance that creates enduring value for our shareholders.

DAVID R BRENNAN

Chief Executive Officer

---------------------------------------------------------------------------------------------- Astrazeneca 2008

**CHAIRMAN’s STATEMENT**

During 2008, AstraZeneca maintained its strong focus on delivering benefit to patients and value to shareholders and society through industry-leading R&D productivity, commercial excellence and operational efficiency.

Group sales increased by 3% in 2008 to a total of $31.6 billion. Operating profit was

$9.1 billion, up 4%. Reported earnings per share for the full year were $4.20 ($3.74 in

2007). The Board has recommended an 11% increase in the second interim dividend to

$1.50 (104.8 pence, SEK 12.02) per Ordinary Share. This brings the dividend for the full year to $2.05 (132.6 pence, SEK 15.36), an increase of 10%. In 2008, cash distributions to shareholders, through a combination of dividends and share re-purchases totaled $3,349 million. Share re-purchases for the full year amounted to $610 million. Shareholders also benefited in 2008 from an improvement in the Company share price. The London- listed share price increased by 30% during the course of 2008, as compared to a decline of 31% for the FTSE 100 index.

During the year, we continued to invest in enhancing our R&D capabilities alongside accessing high quality opportunities externally. This investment is guided by our disease

area strategy, which reflects both our inherent strengths and the areas of greatest unmet medical need. We now have a strong development portfolio of small molecule and biological products targeted at bringing new therapeutic approaches to important areas of healthcare as quickly and safely as possible.

In particular, the improvements we have made to our cycle times mean that we should

deliver new medicines to patients even faster.

We continued to drive sales growth despite

continuing pricing and intellectual property challenges in our Established Markets. Managing the impact of challenges from generic manufacturers is now a key feature of our business. The Board was pleased to support the Senior Executive Team strategy of settling legal challenges concerning *Nexium* and *Pulmicort Respules*, rather than

managing the continued cost and uncertainty associated with a sustained legal defence. Protecting our intellectual property ensures that we can re-invest in the discovery and development of the medicines of the future and we must manage this important asset actively and effectively over the long term.

We continued our investment in fast-growing economies to strengthen our platform

for growth in key Emerging Markets, and, alongside the rest of the pharmaceutical industry, we continued to drive efficiencies across our organisation to support sustained shareholder returns.

In conjunction with the Senior Executive Team, during 2008 the Board reviewed the Group’s strategy. This review reinforced our commitment to delivering differentiated medicines that make a meaningful difference to patients’ lives and to doing so in an efficient, focused, cost-effective and responsible manner. More information about the work and operation of the Board and its Committees is set out in the Business Organisation and Corporate Governance section of this Report.

In February and September 2008 we announced the appointments of Jean-Philippe Courtois and Rudy Markham respectively. Jean-Philippe’s considerable experience with Microsoft in global sales and marketing, including Emerging Markets, will be of great benefit to the work of the Board. Rudy’s considerable experience of over 35 years at Unilever, latterly in finance, will also be invaluable to the work of the Board and to the Audit Committee.

In November 2008, we announced the retirement of John Patterson who will leave the Company after 34 years of service and will retire from the Board on 31 March 2009.

John has made an important and highly valued contribution to the business over the course of his career with AstraZeneca and over the last five years as a member of the Board.

At the end of 2008, Graeme Musker stepped

down from his position as Group Secretary and Solicitor, and will retire in early 2009. The Board appointed Adrian Kemp to the position of Company Secretary with effect

from 1 January 2009. On behalf of the Board, I would like to thank Graeme for his 30 years’ of invaluable service, advice and guidance to the Board and the Company.

The Board continues to be confident in the strong leadership of David Brennan and his Senior Executive Team and would like to thank them and all AstraZeneca’s employees for their hard work and dedication, which underpins the Company’s success.

The fundamentals of the world pharmaceutical market remain robust. Although industry growth is slowing, mainly due to ever-greater pressure on costs and increased generic competition, the continued demand for healthcare that underpins the industry’s future growth prospects remains strong.

The pharmaceutical industry is also arguably less exposed than other sectors to the current global economic downturn, although some impact may result from increased constraints on payers, suppliers and distributors.

Nevertheless, our rapidly changing business environment will continue to be a challenging one. The companies that will be most successful will be those that are able to manage the risks and maximise the opportunities effectively, through timely and efficient investment, appropriate use of intellectual property and constructive stakeholder engagement. I am confident that AstraZeneca is such a company and that, with our clear strategy, strong leadership and intense focus on execution, we will continue to deliver sustainable success, to the benefit of

patients, shareholders and society.

Louis SCHWEITZER

Chairman

**CHIEF EXECUTIVE OFFICER’s REVIEW**

We are committed to delivering on our strategy and to changing the way we work so we are prepared for the future. 2008 was a year of both opportunity and challenge for the Company. I am proud to report that we delivered some significant successes against a tough background of slowing growth rates

in Established Markets, ever-greater pressure on costs and increasing challenge from generic manufacturers.

Our strategy is clear. At its simplest, it is to create enduring value for shareholders by delivering medicines that make a meaningful difference to patient health.

Our vision is to be an innovation-driven, research-based pharmaceutical company focused on human health and capable of delivering a consistent flow of innovative and differentiated products to patients in markets around the world. To achieve this we will make sustained investment in an industry-leading, externally networked R&D organisation with expertise in both small molecule and large molecule technologies. We will commercialise our products rapidly and globally at affordable prices through a world class sales and marketing organisation operating in both primary and specialty care markets.

Underpinning our research and commercial operations will be a supply chain and

operating infrastructure, through which we are aiming to achieve industry-leading efficiency.

Above all, we will seek to apply an investment discipline to all of our activities that attaches equal weight to delivering patient health and creating shareholder wealth. We will only invest shareholders’ funds where we see attractive returns and the opportunity to

create enduring shareholder value.

To help the organisation maintain our focus

on execution, our strategy targets four main priorities:

STRENGTHENING ouR pIpElINE

We are discovering and developing effective medicines faster than ever before and the considerable progress we have made in reducing development cycle times and costs has been achieved without compromising on safety and quality.

During 2008, we made eight significant regulatory submissions across several jurisdictions to broaden the use of our marketed products *Seroquel*, *Symbicort*, *Iressa* and *FluMist*, as well as two new product submissions for motavizumab, an improved anti-respiratory syncytial virus monoclonal antibody, and Onglyza™, for treating Type 2 diabetes. We have strengthened our mid-stage pipeline and now have 10 projects in Phase

III development. 32 projects entered the pipeline during the year and 44 projects were progressed to their next phase of development. We now have a total of 144 projects within

a balanced pipeline of small molecule and biological products. This compares with 137 projects in 2007.

We also continue to pursue high quality external opportunities to enhance further our in-house capabilities and have completed over 40 major deals in the last two years. These deals have increased the quality and size of our pipeline and improved the prospects

of consistently launching more new medicines each year as the pipeline matures.

GROWING THE BUSINESS

Backed by our 70 year track record of innovation, we have a range of medicines on the market that continue to make a difference in important areas of healthcare – and our commitment to delivering the full benefit of these medicines to patients and maximising their commercial potential remains undiminished.

Highlights of the year included the conclusion of a major study of our statin, *Crestor*, in the primary prevention area, which demonstrated significant reduction in major cardiovascular events – 44% compared to placebo in men and women with elevated hsCRP and other risk factors but low/normal cholesterol levels, a level of cardiovascular risk reduction not previously seen in a large placebo controlled statin outcome trial.

*Seroquel XR* has had approvals for acute bipolar depression, acute bipolar mania and as an adjunct therapy to lithium or divalproex for bipolar maintenance treatment in a number of major jurisdictions. These approvals for new indications put *Seroquel XR* on track to deliver its full therapeutic potential.

In addition, our expertise in regulatory, sales and marketing is also helping to bring to markets outside the US the biological products that MedImmune brought to our range, specifically motavizumab and *FluMist*.

Despite the challenging market conditions, we have continued to drive high performance and market share gains in our Established Markets and increased sales across North America, Europe and Japan. I believe our sales forces are among the best and we continue

to evolve our commercial model to ensure that we stay at the forefront of best practice in meeting the needs of our customers.

We continue to deliver strong, profitable growth in our Emerging Markets, while continuing

our strategic investment in these markets aimed at ensuring that we are appropriately resourced to deliver the full potential of the business opportunities in these developing economies. One in seven dollars of our sales now comes from Emerging Markets and as our presence in these countries matures, and as their economies strengthen, I am confident that we will be able to increase further business efficiency and deliver improved profitability in the future.

We received further challenges to some of our patents during the year, the details of which are set out elsewhere in this Report. We will continue to vigorously defend our patents

to protect the many years of research and the considerable investment which have delivered the medicines to which those patents relate.

BECOMING LEAN AND AGIL

We have to be relentless in our pursuit of opportunities to drive further efficiencies across the value chain. As well as the progress delivered in R&D, we have reshaped our manufacturing and packing activities to improve productivity whilst maintaining high standards of quality and security; we have established agreements with third parties who offer specialist outsourced expertise in areas ranging from data management to catering; and put even greater focus on leveraging efficiencies within our global procurement activity.

Our continuing drive to improve efficiency and effectiveness resulted in further planned reductions of our workforce in some areas of our business during 2008 and our work on these initiatives continues. My management teams and I, take these changes very seriously and remain

committed to ensuring that we manage these changes in line with our core values. Throughout, we have consulted with staff representatives and acted in line with local labour laws. We have also provided appropriate support to help individuals pursue their careers beyond AstraZeneca and have engaged with communities around the affected sites to mitigate the local impact.

DOIN BUSINSS THE RIGHT WAY

I want AstraZeneca to be valued as a source of great medicines, but also to be trusted for the way in which we do business. Therefore, our strategic focus includes a fourth priority, which underpins and supports achievement of the first three. We must continue to nurture a culture of responsibility and accountability across all aspects of our business activity to ensure that AstraZeneca continues to be welcomed as a trusted member of society.

Our core values are the cornerstone of this culture and in 2007, we reviewed and expanded our Code of Conduct to provide clear direction as to how these high level values are to be translated into consistent actions across all areas of our business.

The new Code went into effect in 2008, and it was followed by mandatory training during the year for everyone in the Company.

During the year, 86% of our employees participated in our global employee opinion survey. Results showed that employee engagement scores – defined as the extent to which people are committed to the future success of the Company – were very strong, and we continue to outperform other pharmaceutical companies in this area.

The results also indicated that people were seeing increased levels of co-operation between senior leaders, leading to more effective global and cross-functional working. The survey also identified some key areas

that continue to require attention, including change management, personal development and leadership communication. I take this feedback very seriously and new targets that address these issues have been included in the Senior Executive Team’s performance

goals for 2009.

SENIOR EXECUTIV TEAM (SET) CHANGES

I am delighted that we have further strengthened the SET through the appointments of Anders Ekblom and Jeff Pott. Anders was appointed to the role of Executive Vice-President, Development with effect from 1 January 2009. Jeff has already taken up his new role as the Group’s General Counsel, having spent a number of years as legal counsel within AstraZeneca’s US business, most recently with responsibility

for managing intellectual property litigation within the US.

During 2008 we announced that, after a long and distinguished career within the Company, John Patterson, Executive Director, Development, will retire at the end of March

2009. John has made an important and lasting contribution to the business over the course of his career with AstraZeneca. Under his leadership, the productivity and efficiency of our product development has improved significantly, and we now have the largest pipeline in our history. Also in 2008, David Mott, formerly President of MedImmune left the Company to pursue other opportunities. The role of President of MedImmune has been taken on by Tony Zook, who has also retained his responsibilities as Chief Executive Officer, North America and Executive Vice-President, Global Marketing.

LOOKING AHEAD

Despite the very significant and economic challenges being experienced around the world, I am confident the progress that we continue to make in our four priority areas means AstraZeneca is well placed to manage the challenges and opportunities of a rapidly changing business environment. I believe that we have the strategy, the engines for growth and the levels of commitment it takes to continue making a meaningful difference in patient health through great medicines, and creating enduring value for our shareholders and society.

DAVID R BRENNAN

Chief Executive Officer

**----------------------------------------------------------------------------------------------** Astrazeneca 2009

**Chairman’s Statement**

Group sales increased by 7% in 2009 to a total of $32,804 million. Reported operating profit was $11,543 million, up 24%. Reported earnings per share for the full year were

$5.19 (2008: $4.20). The Board has recommended a second interim dividend of $1.71, a 14% increase over the second interim dividend awarded in 2008. This brings the dividend for the full year to $2.30 (141.4 pence, SEK 16.84), an increase of 12% from 2008. In 2009, cash distributions to shareholders through dividends totalled $2,977 million.

Meeting patient need lies at the heart of what we do. In 2009, immediate need was met when our people and technology enabled us to develop and be the first to market an H1N1 influenza (swine flu) vaccine in the US. Equally, when generic producers proved unable to supply the market for *Toprol-XL*, we successfully rebuilt our supply chain to fill the void.

2009 was also a year in which AstraZeneca science was at the forefront of the industry, ensuring that we are able to meet patient need in the longer term. Two of the biggest landmark clinical trials to report in recent years, the *Crestor* JUPITER and the *Brilinta* PLATO trials, engaged academic and clinical communities across the globe. We have made regulatory submissions based on the results of these trials.

Our strategic focus is on innovation-driven medicines that are valued by patients and payers alike. We continue to invest in new medicines and we work to protect our investments by rigorously defending our patent rights and thereby optimising our intellectual property. To this end, AstraZeneca will vigorously defend the challenge to the *Crestor* US substance patent brought by a number of generic drug manufacturers when the case goes to trial in February 2010.

Worldwide, pharmaceutical industry revenue growth, while positive, is slowing. This is due to pressure on healthcare costs, exacerbated by the current economic downturn, as well

as increased competition from generic medicines. We believe pressures on costs are likely to continue, especially in the US.

Nevertheless, the demand for healthcare that will drive the industry’s future growth remains strong, especially from economic and demographic growth in Emerging Markets and the growing number of patients there who can afford our medicines. In response to these developments we have continued to drive change in the business. We are reshaping our presence in Established Markets to

ensure we remain competitive and investing in Emerging Markets around the world so that we can benefit from their growth.

We used our assessment of the future for the pharmaceutical sector as the basis for the annual strategy review with David Brennan and his executive team.

We confirmed our commitment to being an integrated, global and innovation-driven prescription-based biopharmaceutical business. While there has already been much change in the business, the review also highlighted the need to redouble our efforts

if we are to stay at the forefront of the sector. Our plans for the business are outlined in more detail in David’s Review and the Strategy and Performance section.

In recognition of the Group’s strong balance sheet, sustainable significant cash flow and the Board’s confidence in the strategic direction and long-term prospects for the business, we have adopted a progressive dividend policy, intending to maintain or grow the dividend each year. In order to ensure that long-term management incentives and shareholder interests remain aligned, we are tabling proposals for a new share-based long-term incentive plan for shareholder approval. This has been developed as part of an overall review of executive remuneration. Further information about this plan and the review can be found in the Directors’ Remuneration Report from page 101 and in the Notice of AGM.

During 2009, Håkan Mogren retired from the Board, having been a Director of the Company since its formation in 1999. Before then, he had served as Chief Executive Officer and a Director of Astra AB for more than 10 years. He brought a wealth of experience and sound judgement to the work of the Board which we valued highly. As announced last year, John Patterson

also retired in 2009. On behalf of their fellow Directors, I would like to reiterate my thanks to both of them for their service to the Company.

Once again, the Board would like to place on record its appreciation of the leadership shown by David Brennan and his team.

On behalf of the Board I would also like to thank AstraZeneca employees around the world for their contribution to what has been a very successful year. Their contribution, which has been the foundation of our past success, is also needed more than ever as we address the challenges to come. I am confident that AstraZeneca has the skills

and capabilities to continue that success by harnessing both its own efforts and the efforts of those with whom we work.

**Louis Schweitzer**

Chairman

----------------------------------------------------------------------------------- Supplementary Information

**Despite the difficult world economic** **conditions, 2009 was a successful year for AstraZeneca. Our strong performance and considerable achievement in making a real difference to patient health around** **the world meant that our shareholders** **were also able to benefit.**

**CEO’s Review**

Operational highlights of the year include four significant regulatory filings for new medicines and two product launches. We agreed four late-stage project collaborations and have 89 projects in clinical development. In addition, sales of *Toprol-XL* and H1N1 influenza

(swine flu) vaccine in the US accounted for three percentage points of the global revenue growth at CER, while growth in Emerging Markets was up 12%, accounting for 13% of total revenue. 2009 was also the year in which we reached an agreement in principle with the US Attorney’s Office to settle claims relating to *Seroquel* sales and marketing practices and to make a payment of $524 million (including interest).

If we are to bring benefits to patients and create value for shareholders, we need

a constant flow of new and innovative medicines. Of the four regulatory filings made in 2009, *Brilinta* is a treatment for acute coronary syndromes, *Certriad* is for the treatment of lipid abnormalities and *Vimovo* is for arthritic pain. The fourth submission was for a fixed-dose combination of Onglyza™ and metformin for treating diabetes. 2009 saw Onglyza™ launched in the US and in the EU for the treatment of Type 2 diabetes. *Iressa*, our anti-cancer medicine, was launched in the EU. Of course, in the process of developing new medicines, we experience setbacks as well as successes. The decision we made during the year to withdraw the regulatory submissions we had made for our anti-cancer medicine, *Zactima*, came as a disappointment.

As projects leave the development pipeline, we replenish it with new projects that will yield regulatory submissions in future years. We now have 11 projects in Phase III development. Twenty-nine projects entered the pipeline during the year and 53 projects were progressed to their next phase of development. We seek to provide each

of these projects with a business case underpinned by a clear scientific rationale and sound financial case.

In strengthening our pipeline we look beyond our own laboratories to access the best science and external sources of innovation. As a result, a significant number of our projects come from our programme of collaboration. These include two of our regulatory filings: *Certriad* was submitted with Abbott and *Vimovo* was submitted by our partner Pozen Inc. In addition, Onglyza™ was the first product of our diabetes collaboration with BMS.

Other collaborations agreed in 2009 included the in-licence from Forest of ceftaroline, a ‘next generation’ anti-infective. We enhanced the value of this programme in December with

an agreement to acquire Novexel, a private infection research company. We also agreed in-licensing deals with Nektar and Targacept.

A further focus in 2009 was the continued reshaping of the business to give us the organisational flexibility we need to take advantage of opportunities. Initiatives include outsourcing some of our R&D activities, other business processes and support services, such as HR. To meet evolving customer needs we are adapting our methods of sales and marketing and altering our supply chains.

Our drive to improve efficiency and effectiveness across AstraZeneca has resulted in further reductions in our workforce. The executive team and I remain committed to ensuring that we manage these changes in the right way. This means that, in meeting the needs of the business, we deal responsibly and sympathetically with affected individuals and the communities in which they live.

We continue to integrate responsible business considerations into everyday decision-making across all our activities, reinforcing personal accountability for compliance with our Code of Conduct through training and monitoring of business practices. We were pleased to have our efforts recognised externally with improved scores in the 2009 Dow Jones Index. Looking ahead, we have identified areas for improvement and will take action

to strengthen further our governance and management processes, building on our progress to date and driving continuous improvement throughout the business.

2009 also saw some changes to the executive team. Jan Lundberg, Executive Vice-President, Discovery Research left AstraZeneca in November. We thank him for his significant contribution to the business. Christer Köhler has taken over the role on an interim basis. Bruno Angelici, Executive Vice-President, International Sales and Marketing Organisation, will be leaving AstraZeneca later in 2010. He has made an enormous contribution and we thank him for his sound judgement and strong leadership.

Finally, the achievements of the year would not have been possible without the dedication and hard work of all our employees, to whom I offer my thanks. For many of our employees 2009 was a year of change. The pace of change is not going to let up in 2010. Indeed, it is going to accelerate. I am confident that our staff will respond with the commitment they have shown in the past.

The Strategy and Performance section from page 14 outlines our plans and priorities for 2010 and beyond, which we need to implement to ensure we prosper in the years ahead. In doing so, we will improve the health of patients around the world and thereby create value for our shareholders.

David R Brennan

Chief Executive Officer

----------------------------------------------------------------------------------- Supplementary Information

**2009 was a year of considerable** **achievement in which I believe we laid firm foundations for the future success of the business. Underpinning all this is excellent execution of our plans, improved organisational flexibility and a committed workforce.**

--------------------------------------------------------------------------------------------- Astrazeneca 2010

Q. 2010 보고서에는 정확하게 CEO나 Chairman message가 없네요… 확인 부탁드려요.

--------------------------------------------------------------------------------------------- Astrazeneca 2011

Q. 2011보고서도 같은 형태입니다.