--------------------------------------------------------------------------------------------------- AstraZeneca 2010

**At AstraZeneca, we are dedicated to the research, development and marketing of medicines that make a difference in healthcare. For us, this is at the core of our responsibility to our stakeholders and society. Successful pharmaceutical innovation, delivered responsibly, brings benefit for patients, creates value for shareholders and contributes to the economic development of the communities we serve.**

Today, new medicines are needed more than ever. People are living longer, populations are increasing and new markets such as China are fast emerging. And despite significant medical advances in recent decades, there are still many diseases which are not well treated or there is not yet an effective medicine. But while demand continues to grow, the coming years represent an unprecedented challenge for the pharmaceutical industry and for AstraZeneca. We face patent expiries on major medicines, ever higher hurdles for R&D productivity and increasing pressure on pricing as healthcare budgets around the world feel the strain. To succeed in this increasingly competitive environment, we need to get even better at what we do and build stronger relationships with our customers and other stakeholders.

In early 2010, AstraZeneca announced a refreshed business strategy. Our overall direction remains the same but we have accelerated our effort in some key areas to make sure we are well positioned to manage the challenges ahead. We are transforming our R&D to leverage the best of what we have and building the capabilities that we need for worldclass performance. We will grow our business by further increasing our footprint in emerging markets - strengthening our sales and marketing capability alongside capital investment in new facilities. We are boosting our efforts to source innovation from outside AstraZeneca’s walls and working in partnerships throughout the value chain that broaden the base for success. Across all these areas, we continue to drive efficiency and effectiveness, including increased outsourcing to a diverse range of strategic suppliers.

Our work to implement these changes is underpinned by our continued commitment to the sustainable development of our business which delivers value for our stakeholders and for us. To that end, our responsible business objectives must be closely aligned to, and support delivery of, our business strategy. In the light of our accelerated strategy, the insights gained from dialogue with our stakeholders (link to Stakeholder Engagement) and our internal risk assessment we reviewed and re-shaped our Corporate Responsibility priority action plan during the year. Our new Responsible Business Plan combines our CR and Compliance agendas and puts at the top those areas most impacted by our business changes and which are therefore key enablers of our business strategy.

Alongside effectively managing the particular responsible business challenges associated with the changes to our strategy, we will be maintaining focus on other aspects of our responsibility:

• Patient safety

• Environment

• Employee safety, health and wellbeing

• Community investment

During 2010, we continued to progress our CR agenda and this Responsibility section of our website provides further detailed information in each of our areas of focus. For a quick summary, please visit the our year in brief section.

**Looking ahead**

AstraZeneca’s continued success depends on us forging strong relationships with our stakeholders, understanding the challenges they face and working together towards a common goal: improved healthcare. The strongest relationships are built on trust and we will continue to drive our responsible business agenda to earn and maintain that trust. Our Responsible Business Plan maps that agenda and sets our direction for the next five years. And because this is a dynamic and rapidly evolving area, we will continue to engage with our stakeholders to stay in touch with the demands of a responsible business and work within the business to explore how we can further improve performance.

--------------------------------------------------------------------------------------------------- AstraZeneca 2011

Dear Shareholder

I write to you at the end of a year in which researchbased pharmaceutical companies faced a tough marketplace and operating environment. Against this challenging background, disciplined execution of our strategy delivered a good performance. Our strong cash flow supported a significant increase in cash distributions to shareholders and continued investment to drive future growth and value. These conditions also provided the backdrop to the annual review by your Board of our business strategy – which remains to be a focused, integrated, innovation-driven, global, prescriptionbased biopharmaceutical business.

I would like to take this opportunity to review AstraZeneca’s financial performance in 2011 and the decisions we took to ensure we continue to deliver sustainable value for you.

**Financial performance**

Group sales in 2011 were down 2% at CER to $33,591 million (2010: $33,269 million) and reported operating profit was up 10% at $12,795 million (2010: $11,494 million), which included the gain on the sale of Astra Tech. Performance for the year reflected strong double digit sales growth for Crestor, Seroquel XR and Symbicort. It was also impacted by government pricing interventions and generic competition, which combined to reduce revenue by some $3 billion. Revenue in the US was down 2%, as was revenue in markets outside the US: revenue was down 11% in Western Europe, up 4% in Established ROW and up 10% in Emerging Markets.

Reported earnings per share for the full year were up 29% at $7.33 (2010: $5.60), which also included the non-taxable gain of $1.08 from the Astra Tech sale. Our effective tax rate also benefited from an adjustment in respect of prior periods following the announcement in March 2011 that HM Revenue & Customs in the UK and the US Internal Revenue Service had agreed the terms of an Advance Pricing Agreement regarding transfer pricing arrangements for AstraZeneca’s US business.

**A challenging marketplace**

The world pharmaceutical market grew by 4.5% in 2011 and the fundamentals of the industry remain strong. First, the world population continues to increase and age: it passed the seven billion mark in 2011, while the number of people over 65 in 2030 is estimated to be almost one billion, double the 2005 figure. Secondly, we are seeing the emergence of expanding numbers of patients in new markets who can access our medicines for the first time. Thirdly, there remains considerable unmet medical need. Chronic diseases are on the increase, not only in wealthy countries but also in middle income and, increasingly, lower income countries. For example, some 346 million people around the world have diabetes while 24 million are affected by Alzheimer’s Disease. Finally, advances in science and technology promise the continued delivery of new medicines that can make a real difference to patient health.

Yet, while the fundamentals remain strong, the challenges facing the industry have been unprecedented in recent years. Patents on some of the world’s most successful innovative medicines are starting to expire and we face increasing competition from generic alternatives. Additionally, the need to improve R&D productivity and the number of product launches remains a critical challenge for the whole sector.

Around the world, rising healthcare costs, coupled with the difficult economic climate and continued austerity measures being implemented by governments, have resulted in pressure on prices. This includes pricing interventions in many countries. The regulatory landscape is changing, becoming more global and more complex. It is no longer enough for new medicines to be safe and effective. Health authorities increasingly require additional information regarding a medicine’s comparative clinical and cost effectiveness.

**Our strategic response**

It was with these challenges in mind that your Board undertook its strategy review process in 2011. We are confident that long-term growth in demand for innovative biopharmaceuticals will remain strong. We believe there continue to be opportunities to create value for those who invest in pharmaceutical innovation, and that AstraZeneca has the skills and capabilities to take advantage of these opportunities and turn them into long-term value through the research, development and marketing of our medicines. We also recognise that the industry is going through a period of fundamental change as it seeks to overcome the serious challenges we face.

For us, that means a continued focus on ensuring we drive:

> world class productivity in R&D

> increased external collaboration

> a global orientation, reflecting the growth in Emerging Markets

> stronger customer orientation, particularly towards payers

> operational efficiency with a flexible cost base.

Our 2011 review highlighted the ongoing need for a substantial improvement in R&D productivity if we are to sustain acceptable returns to shareholders. We are therefore planning to accelerate our R&D strategy. We intend to take a new approach to Neuroscience, closing our existing research centres and creating a new virtual innovative medicines unit for our R&D in this challenging field. We also plan to reshape our other R&D global functions to better support a more focused portfolio and create a simpler organization with greater flexibility in all functional areas.

In his Chief Executive Officer’s Review on the following pages, David Brennan outlines the steps we took in 2011 to secure our future business success. David also emphasises that how we do business is as important as what we do. We need to continue to work with integrity and to high ethical standards if we are to deliver on our promise of bringing benefits to patients, creating sustainable value for shareholders and contributing to economic and social welfare. In this regard, the Board has an important role to play in setting high standards and monitoring performance.

**Outlook**

We continue to plan on the basis that revenue will be in the range of $28-34 billion a year over the 2010-14 period, as revenue growth from key franchises that retain exclusivity and continued growth in Emerging Markets are pressured by the loss of market exclusivity on a number of products. However, based on the evolution of the base case assumptions since 2010, such as the downward pressure on revenue from government interventions, revenue for the remainder of the period is likely to be in the lower half of the range.

**Returns to shareholders**

In recognition of the Group’s strong balance sheet and sustainable significant cash flow, and the Board’s confidence in the strategic direction and long-term prospects for the business, we announced, in conjunction with the full year 2009 results, the adoption of a progressive dividend policy, intending to maintain or grow the dividend each year. After providing for business investment, funding the progressive dividend policy and meeting our debt service obligations, the Board will also keep under review the opportunity to return cash in excess of these requirements to shareholders through periodic share repurchases.

The Board has recommended a second interim dividend of $1.95, a 5% increase over the second interim dividend awarded in 2010. This brings the dividend for the full year to $2.80 (175.5 pence, SEK 18.54), an increase of 10% from 2010. In 2011, cash distributions to shareholders through dividends totalled $3,764 million and net share repurchases totalled $5,606 million.

**Appreciation**

In the face of intensified pressures we delivered a good performance in 2011 and took difficult decisions to ensure the future success of AstraZeneca. None of this would have been possible without the leadership of David Brennan and the other members of his executive team. My thanks, and those of the whole Board, go to them and all our employees for their effort in working to deliver on our promise.

---------------------------------------------------------------------------------------------- AstraZeneca PLC 2012

Dear Shareholder

I am glad I was able to meet a number of you in April 2012 when AstraZeneca held its Annual General Meeting in London. At that meeting you elected me as a Director and it is my privilege to have served as your Chairman since June.

**Louis Schweitzer and David Brennan**

The day of the AGM was, by any measure, an historic one for your Company. It was the day on which David Brennan announced his decision to retire from AstraZeneca as your Chief Executive Officer. It was also the day on which your previous Chairman, Louis Schweitzer, brought forward the date of his intended retirement to 1 June to coincide with that of David.

Louis had been a Director since 2004 and your Chairman for seven years. During that time he worked tirelessly to ensure that the Board was effective in its task of setting our strategy and overseeing its implementation. We are grateful to him for his efforts on your behalf.

As Chief Executive Officer, David led AstraZeneca with skill, integrity and courage during a period of enormous change for the industry and for the Company in particular. I would like to thank David for his selfless leadership during his six years at the helm.

**Non-Executive changes**

Part of the strength of any board comes from refreshing and renewing the mix of people sitting around the boardroom table. When I joined the Board, I was pleased that both Graham Chipchase and Geneviève Berger also became Non-Executive Directors. They bring, respectively, in-depth financial and scientific expertise, as well as significant international business experience to our discussions.

Also in April 2012, we said farewell to Michele Hooper who stood down from the Board. We are all grateful for her distinguished contribution to our work and her dedicated service as Chairman of the Audit Committee and senior independent Non-Executive Director. In her place, John Varley took over as senior independent Non-Executive Director and Rudy Markham became Chairman of the Audit Committee.

**A new Chief Executive Officer**

Upon my election to the Board I was also appointed Chairman of the Nomination Committee. This enabled me to lead the important process of selecting David Brennan’s successor. This was a process that included both internal and external candidates and culminated in the appointment of Pascal Soriot to the Board as the Company’s Chief Executive Officer on 1 October.

Pascal joined us from Roche where he had been serving as Chief Operating Officer of the company’s pharmaceuticals division. His was a key appointment at an important time for AstraZeneca. The Board is certain that Pascal’s leadership qualities, combined with his strategic thinking and extensive experience in the industry, make him the right person to drive AstraZeneca to success over the coming years. I am confident that Pascal’s approach and his track record of delivering results in innovation-driven businesses will be valued by shareholders and employees alike.

Following David’s departure, Simon Lowth acted as Interim Chief Executive Officer. The Board and I would like to record our appreciation for his impressive leadership in this period. Supported by a highly capable and committed executive team, Simon maintained the organisation’s focus on key business priorities during a period of significant change.

**Sound governance**

All the changes I have outlined took place at the same time as AstraZeneca completed a record number of business development deals. We also undertook our annual strategic review, in which Pascal has been fully involved, as well as our regular programme of meetings and business activity. That we have been able to do all this is a tribute both to the sound corporate governance processes we have in place and to the dedication and hard work of my fellow Directors. I am grateful to all of them for the contribution they made in 2012.

**Challenging times**

We will need to harness all our skills, capabilities and experience if we are to successfully navigate the current harsh climate for the pharmaceutical sector. The world pharmaceutical market is still growing and underlying demographic trends remain favourable to long-term industry growth. However, many of the drivers of demand and supply in the industry are under pressure.

On the demand side, we face increased competition from generic medicines as some of the world’s most successful drugs come off patent. In addition, securing recognition (through reimbursement approval) and reward (through favourable pricing and sales) for innovation is becoming more difficult in the face of intensifying pricing pressures, particularly in Established Markets facing rising healthcare costs. On the supply side, the industry faces an ongoing R&D productivity challenge. R&D costs have risen significantly over the past decade, while industry-wide probability of success continues to decline.

**Strategic focus**

It is for the reasons outlined above that the outcome of our current strategic review is so important. Our strategy is rooted in our heritage as a company focused on innovative science to deliver great medicines to patients. I firmly believe that it is the path we need to take if we are to remain competitive and return to growth. That path must also include a commitment to the responsible and sustainable development of our business. That is why I was so pleased that we were once again listed in the Dow Jones Sustainability World Index in 2012 and retained our listing on the European Index for the fifth year running.

**Financial performance**

We cannot hope to secure our long-term success if we do not meet our financial targets and deliver acceptable levels of return to our owners. Group sales in 2012 were down 15% to $27,973 million (2011: $33,591 million) and Reported operating profit was down 34% at $8,148 million (2011: $12,795 million). Revenue in the US was down 21% while revenue outside the US was down 11%.

More than 13 percentage points of the revenue decline, approximately $4.5 billion, was related to loss of exclusivity on several brands in the portfolio. Seroquel IR alone declined by more than $3 billion, while regional losses of exclusivity for Atacand, Nexium and Crestor accounted for more than $1 billion. Additionally, the disposals of Astra Tech and Aptium accounted for around 1.7 percentage points of the decline. On the other hand, taken together, Symbicort, Faslodex, Onglyza, Iressa, Brilinta/Brilique and Seroquel XR accounted for more than $600 million of revenue growth. Additionally, our diabetes alliance with BMS is strengthened by the inclusion of the Amylin portfolio and the approval of Forxiga in Europe.

Reported earnings per share were down 29% to $4.99. The decline reflects the $1.08 per share benefit in 2011 from the sale of Astra Tech and higher restructuring costs in 2012.

**Returns to shareholders**

Consistent with our progressive dividend policy, the Board has recommended a second interim dividend of $1.90. This brings the dividend for the full year to $2.80 (178.6 pence, SEK 18.34). In 2012, cash distributions to shareholders through dividends totalled $3,665 million and net share repurchases totalled $2,206 million. In October, we announced the suspension of our share repurchase programme for 2012 and the Board has decided that no share repurchases will take place in 2013 in order to maintain the flexibility to invest in the business.

**Outlook**

We believe challenging market conditions will persist in 2013, including continued government interventions in price. The revenue impact from the loss of exclusivity will also continue to affect our performance. In the context of the ongoing update to our strategy, we have withdrawn the planning assumptions for revenue and margin evolution for the period 2010 to 2014 we outlined in January 2010. We plan to hold a Capital Markets Day in March 2013 to provide a more detailed exposition of our strategic priorities.

---------------------------------------------------------------------------------------------- AstraZeneca PLC 2013

**Dear shareholder**

One of the key responsibilities of a board of directors is to set a company’s strategy. As the CEO outlines in his Review on the following pages, and as we seek to demonstrate throughout this Annual Report, your Board has chosen a very clear strategic route to follow. It is rooted in our heritage as a company focused on innovative science to deliver great medicines and sets out our ambition to lead in science and return to growth.

**Good governance**

As your Directors review our strategy and carry out their other duties, it is my role as Chairman to lead the Board effectively. To my mind, good governance is at the heart of that. So that you can easily see how we are governed, we have provided a corporate governance overview on page 26 of this Annual Report. We also briefly describe how our governance structure supports the delivery of our business strategy. You can find more detail in my full Corporate Governance Report from page 88. On page 24, we have also provided an overview of the risks that might prevent us from achieving the full potential of our strategy.

**Transparent reporting**

Hand in hand with good governance goes transparent reporting and this year we have made a number of other changes in the Annual Report intended to promote this. Some have been caused by changes in UK reporting regulations, others by changes to the Corporate Governance Code and some by ever-evolving reporting best practice. Significant changes include the introduction of a Strategic Report, which starts by explaining our business model and goes on to describe how each element helps deliver our strategic goals. The Strategic Report is introduced in more detail on page 1.

This year, the Annual Report also includes a revised Directors’ Remuneration Report from page 102, which is introduced by the Chairman of the Remuneration Committee, John Varley. A separate Audit Committee Report is introduced by the Chairman of the Audit Committee, Rudy Markham.

All the changes we have made are also intended to reflect our greater than ever efforts to make this Annual Report fair, balanced and understandable.

**Challenging environment**

Any balanced review of AstraZeneca needs to reflect the environment in which we operate. The challenging conditions which I touched on last year continue. The world pharmaceutical market is still growing and underlying demographic trends remain favourable to long-term industry growth. However, many of the drivers of demand and supply in the industry are under pressure.

On the demand side, we face increased competition from generic drugs as some of the world’s most successful medicines come off patent. In addition, securing recognition (through reimbursement approval) and reward for innovation (through favourable pricing and sales) is becoming more difficult in the face of intense pricing pressures, particularly in Established Markets facing rising healthcare costs. On the supply side, the industry faces an ongoing R&D productivity challenge. R&D costs have risen significantly over the past decade, while industry-wide probability of success of new medicines, though showing some recent signs of improvement, has not kept pace.

**Loss of exclusivity**

Loss of exclusivity has had, and continues to have, a significant impact on AstraZeneca. In 2013, loss of exclusivity on brands such as Arimidex, Atacand, Crestor, Nexium and Seroquel IR in a number of markets accounted for a revenue decline of some $2.2 billion. Over the coming years, this trend will continue as medicines such as Crestor, Nexium and Seroquel XR continue to lose exclusivity in markets such as the US and Europe.

Of course, loss of exclusivity is a normal part of an innovative medicine’s life-cycle. It comes at the end of the period when a new medicine is safeguarded from being copied so that we can generate returns on the investment we have made, both to reinvest in the business and provide an appropriate return to you, our owners. A well-functioning intellectual property system of this type, which rewards innovation, is the principal economic safeguard in our industry. It underpins our business model, which we explore in more detail in the Business model section from page 10.

**Our performance in 2013**

As expected, our financial performance in 2013 reflected the ongoing impact of the loss of exclusivity for several key brands, with revenue down 6% to $25,711 million (2012: $27,973 million). Core operating profit fell by 22% to $8,390 million (2012: $11,159 million). The decline in revenue was, in part, offset by our key growth platforms: Brilinta, our diabetes franchise, respiratory, Emerging Markets and Japan, which delivered an incremental $1.2 billion of revenue in 2013.

Core EPS for 2013 were $5.05, down 23% on 2012. This decline was greater than the decline in revenue primarily due to our investment in our key growth platforms and strengthened pipeline. Reported EPS for the year was down 55% to $2.04. The impairment of Bydureon in the fourth quarter reduced Reported EPS by $1.10, resulting in a Reported loss per share for the quarter of $0.42.

**A responsible company**

I firmly believe that our commitment to good financial performance needs to be matched by a continued focus on being a responsible company, by working with integrity and delivering sustainable business development. I therefore fully support the decision we have made to focus our responsible business activities on access to healthcare, diversity and reducing our environmental impact. It is where I believe we are able to implement standards that will accelerate our business strategy and deliver wider benefits to society.

It is also gratifying to see our current efforts recognised by again being listed in the Dow Jones Sustainability World Index in 2013, with a record-equalling score, and retaining our listing on the European Index for the sixth year running.

**Return to shareholders**

Consistent with our progressive dividend policy to maintain or grow the dividend each year, the Board has recommended a second interim dividend of $1.90. This brings the dividend for the full year to $2.80 (176.0 pence, SEK 18.33).

The Board regularly reviews our distribution policy and overall financial strategy to continue to strike a balance between the interests of the business, our financial creditors and our shareholders. Having regard for business investment, funding the progressive dividend policy and meeting our debt service obligations, we currently believe it is appropriate to continue the suspension of the share repurchase programme which was announced in October 2012. We continue to target a strong, investment grade credit rating.

**Outlook**

As we look to the future, we expect a low-to-mid single digit percentage decline in revenue at CER for 2014. In percentage terms, Core EPS for 2014 is expected to decline in the teens at CER. Following the acquisition of BMS’s 50% interest in our joint diabetes business, and as the diabetes business’s pipeline of new products is progressively launched, we expect 2017 revenues will be broadly in line with 2013 revenues. This expectation involves a number of assumptions, including, among other things, Nexium US generic launch in May 2014.

**Appreciation**

Before closing, and on behalf of the Board, I want to thank the employees of AstraZeneca whose efforts helped us achieve so much in 2013 as we lay the foundations for leading in science and returning to growth. In particular, I want to express my appreciation to Pascal and all the members of the SET for the leadership they have shown and the inspiration they have provided to the organisation.

Finally, I would like to thank all my fellow Directors for the contribution they have made to our discussions throughout a busy 2013. We look forward to welcoming as many of you as possible to our Annual General Meeting in April.

---------------------------------------------------------------------------------------------- AstraZeneca PLC 2014

**Dear shareholder**

As 2014 finished, it brought to a close an exceptional year for AstraZeneca. We ended it fully focused on the delivery of our strategy as an independent company. This means turning our attractive growth prospects and a rapidly progressing pipeline into life-changing medicines and value for shareholders.

In his Review on the following pages, your Chief Executive Officer outlines the progress we made during the year in delivering our strategic priorities. I would like to concentrate on the context in which that progress was made and the implications for you, our owners.

**Clear decisions, responsibly made**

When Pfizer approached AstraZeneca during 2014, our responsibilities as Directors were clear: to act in a way that promoted the success of the Company for the benefit of its shareholders. In addition to assessing the value and deliverability of Pfizer’s proposals, we had to have regard to the long-term consequences of our decisions, the interests of employees, relationships with customers, our impact on the wider community, including patients, and the reputation of the Company. At each stage of the process, it was my duty as Chairman to ensure we carried out our deliberations responsibly, with those duties in mind. After extensive review and discussions, your Board rejected Pfizer’s various proposals. We did so because

> the proposals fell short of AstraZeneca’s value as an independent, science-led company

> AstraZeneca had excellent momentum in the delivery of our clearly defined strategy, underpinning the Board’s confidence in our long-term revenue targets and profitability

> Pfizer’s proposals brought uncertainty and risks for AstraZeneca shareholders.

In the wake of that decision, I believe we have taken full advantage of the opportunity to galvanise employees and build on our demonstrable progress as an independent company.

**A responsible business**

Of course, acting responsibly is not restricted to the AstraZeneca boardroom. It applies to all our activities. External recognition is particularly helpful in providing independent validation of our performance. I was therefore pleased that we were once again listed in the Dow Jones Sustainability World Index in 2014. We also retained our listing on the European Index for the seventh year running.

In the biennial Access to Medicines Index, we were disappointed to find ourselves in 15th position. We remain determined to find new ways to improve access to healthcare. I am confident that our Healthy Heart Africa programme, which aims to improve the lives of hypertensive patients across Africa through increased education, screening, diagnosis and treatment, will make an important contribution.

Improved access matters because our innovative medicines can make a global contribution to better health. They help increase survival rates and improve quality of life for patients in important areas of medical need.

**Financial performance in 2014**

Revenue was up 3% to $26,095 million, which was in line with our upgraded guidance. On an actual basis, revenue was up 1% as a result of the negative impact of exchange rate movements. Core operating profit in 2014 was down 13% to $6,937 million while Core EPS were $4.28, down 8%.

Our performance reflected the delayed launch of generic Nexium (esomeprazole) in the US as well as the accelerating performance of our growth platforms, which now contribute over half of our revenues. Taken together, they more than offset the impact of loss of exclusivity. Our strong performance in Emerging Markets was a particular highlight, with China becoming our second largest market.

**Loss of exclusivity**

The loss of exclusivity referred to above, and its timing, has had, and continues to have, an impact on AstraZeneca. Over the coming years, this trend will continue as medicines such as Nexium and Crestor continue to lose exclusivity in key markets, including the US and Europe.

Of course, loss of exclusivity is a normal part of an innovative medicine’s life-cycle. It comes at the end of the period when a new medicine is safeguarded from being copied so that we can generate returns on the investment we have made. A well-functioning intellectual property system of this type, which rewards innovation, is the principal economic safeguard in our industry. It is why we commit significant resources to establishing and defending our patent protections.

**The challenging environment continues**

More generally, we continue to face challenging market conditions. While the world pharmaceutical market is growing and underlying demographic trends remain favourable to long-term growth, many of the drivers of demand and supply in the sector are under pressure.

On the demand side, we face increased competition from generic drugs as some of the world’s most successful medicines come off patent. In addition, securing an appropriate level of reward for our medicines is becoming more difficult in the face of intense pricing pressures, particularly in Established Markets facing rising healthcare costs. On the supply side, the industry faces an ongoing R&D productivity challenge. Costs have risen significantly and, while in 2014 the FDA approved the highest number of new medicines for 18 years, there is still some way to go in improving the probability of success of our projects.

**Return to shareholders**

Consistent with our progressive dividend policy to maintain or grow the dividend each year, the Board has recommended a second interim dividend of $1.90 per Ordinary Share. This brings the dividend for the full year to $2.80 per Ordinary Share.

The Board regularly reviews its distribution policy and its overall financial strategy to strike a balance between the interests of the business, financial creditors and shareholders. We continue to target a strong, investment grade credit rating.

**Outlook**

As we look to the future, we expect sales revenue to decline by mid single-digit percent at CER in 2015. Consistent with our business model, we will continue to seek externalisation revenue from collaborations and licensing select products and technologies. Core EPS is expected to increase by low single-digit percent at CER. This expectation involves a number of assumptions, including the imminent launch of a Nexium generic in the US market.

**Appreciation**

Before closing, and on behalf of the Board, I want to thank the employees of AstraZeneca. Their outstanding efforts helped us achieve so much in 2014 towards leading in science and returning to growth. In particular, I want to express my appreciation to Pascal and all the members of the Senior Executive Team for showing such inspirational leadership throughout a challenging year.

Finally, I would like to thank all my fellow Directors for the quality of their contributions and conscientiousness they brought to our discussions throughout an exceptionally busy 2014.