

Annual Review 2005

MAKING
MEDICINES
THE
PRIORITY

ASTRAZENECA IS ONE OF THE WORLD'S LEADING PHARMACEUTICAL COMPANIES, WITH A BROAD RANGE OF MEDICINES DESIGNED TO FIGHT DISEASE IN IMPORTANT AREAS OF HEALTHCARE. BACKED BY STRONG SCIENCE AND WIDE-RANGING COMMERCIAL SKILLS, WE ARE COMMITTED TO SUSTAINABLE DEVELOPMENT OF OUR BUSINESS AND THE DELIVERY OF A FLOW OF NEW MEDICINES THAT BRING BENEFIT FOR PATIENTS AND ADD VALUE FOR WIDER SOCIETY.

ASTRAZENECA IN BRIEF

- > WE DISCOVER, DEVELOP, MANUFACTURE AND MARKET PRESCRIPTION PHARMACEUTICALS FOR IMPORTANT AREAS OF MEDICAL NEED: CANCER, CARDIOVASCULAR, GASTROINTESTINAL, INFECTION, NEUROSCIENCE, AND RESPIRATORY AND INFLAMMATION
- > WE HAVE A BROAD PRODUCT RANGE, INCLUDING MANY WORLD LEADERS AND A RANGE OF HIGH POTENTIAL GROWTH PRODUCTS: *ARIMIDEX, CRESTOR, NEXIUM, SEROQUEL* AND *SYMBICORT*
- > WE ARE ACTIVE IN OVER 100 COUNTRIES; CORPORATE OFFICE IN LONDON, UK; R&D HQ IN SÖDERTÄLJE, SWEDEN; A MAJOR PRESENCE IN THE US AND A GROWING PRESENCE IN IMPORTANT EMERGING MARKETS
- > WE EMPLOY OVER 65,000 PEOPLE WORLDWIDE
- > 11,900 PEOPLE WORK AT OUR 11 R&D CENTRES IN 7 COUNTRIES (SWEDEN, THE UK, THE US, FRANCE, CANADA, JAPAN AND INDIA)
- > 14,000 PEOPLE WORK AT OUR 27 MANUFACTURING SITES IN 19 COUNTRIES
- > WE SPEND \$14 MILLION EACH WORKING DAY ON DISCOVERING AND DEVELOPING NEW MEDICINES

CONTENTS

Year in brief	1
Chairman's statement	2
Chief Executive's review	3
Financial highlights	5
Our business environment	8
Our strategy	9
Delivering our strategy	10
Measuring our performance	11
Research and development	14
Development pipeline	15
Key products	16
Sales and marketing	17
Supply	18
Commercialisation and portfolio management	19
Therapy area review	20
Board of Directors	24
Summary Directors' report	26
Summary Directors' remuneration report	29
Summary financial review	33
Summary financial statements	36
Auditors' statement	36
Consolidated income statement	37
Consolidated statement of recognised income and expense	37
Consolidated balance sheet	38
Consolidated cash flow statement	39
Dividends	40
Earnings per share	40
Subsequent events	40
Directors' emoluments	41
Group financial record	42
Shareholder information	43



OUR YEAR IN BRIEF

-
- > GROUP SALES UP 10% AT CONSTANT EXCHANGE RATES TO \$24 BILLION
-
- > OPERATING PROFIT UP 39% TO \$6.5 BILLION, REFLECTING STRONG SALES GROWTH AND ONGOING PRODUCTIVITY GAINS. OPERATING MARGIN FOR THE YEAR INCREASED TO 27.2%
-
- > EPS BEFORE EXCEPTIONAL ITEMS UP 41%
-
- > DIVIDEND INCREASED BY 38% TO \$1.30 FOR THE FULL YEAR
-
- > OUR PRODUCT PORTFOLIO NOW INCLUDES 10 MEDICINES EACH WITH ANNUAL SALES OF MORE THAN \$1 BILLION
-
- > STRONG PERFORMANCE OF KEY GROWTH PRODUCTS *ARIMIDEX*, *CRESTOR*, *NEXIUM*, *SEROQUEL* AND *SYMBICORT*, WITH COMBINED SALES OF \$10.8 BILLION, UP 27%
-
- > GOOD SALES GROWTH IN ALL REGIONS, WITH THE US UP 12%, EUROPE 8%, JAPAN 8% AND REST OF WORLD 15%
-
- > NEW PRODUCT PIPELINE STRENGTHENED: FOUR NEW CHEMICAL ENTITIES ENTERED PHASE 3 DEVELOPMENT
-
- > PIPELINE FURTHER ENHANCED BY THREE IN-LICENCES (ONE PHASE 3 AND TWO PHASE 2 COMPOUNDS) AND ACQUISITION OF KUDOS PHARMACEUTICALS ANNOUNCED IN DECEMBER
-
- > SIR TOM MCKILLOP RETIRED AS CHIEF EXECUTIVE AT THE END OF THE YEAR AND WAS SUCCEEDED BY DAVID BRENNAN
-

CHAIRMAN'S STATEMENT



Louis Schweitzer
Chairman

AstraZeneca delivered an outstanding financial performance in 2005 with good growth in sales of recently introduced products and good market performance in all continents. Productivity improvements made an important contribution. We have made progress in meeting the challenge of rebuilding our late stage development pipeline. High levels of investment in research were maintained throughout 2005 with new facilities and projects in Sweden, the UK, the US, China and India.

AstraZeneca's share price performance was strong during 2005 with a 50% increase in absolute terms compared to a rise in the FTSE 100 index of 16.7%. On page 28, there are two graphs: one plots our five year Total Shareholder Return (TSR) against the FTSE 100 index. The other shows the Company's TSR compared to the TSR of a selected peer group of 12 other pharmaceutical companies.

The Board re-affirmed its policy to increase dividends in line with earnings while maintaining dividend cover in the 2-3 times range. Following a strong earnings performance in 2005, the Board has recommended a second interim dividend of \$0.92, £0.518, SEK7.02 per Ordinary Share bringing the total dividend for the year to \$1.30, £0.737, SEK10.01 per Ordinary Share, an increase in dollar terms of 38%.

Share buy-back programmes approved by shareholders at our AGM, under which we return cash to shareholders in excess of our anticipated requirements for future investment, amounted to \$3,001 million in 2005.

The Board conducted a regular strategy review during the year which confirmed the long term attractiveness of the pharmaceutical industry, with demand for improved healthcare continuing to be driven by an ageing population, undiagnosed and unmet medical needs, technological advances and increased affluence in many emerging markets.

The Board also concluded that the environment in which we operate remains difficult with challenges to the prices of medicines, increasingly high regulatory hurdles for products and greater demands on the accountability of the industry, all combining to impact the introduction and use of medicines. We remain focused on meeting the challenges and maximising the opportunities to deliver sustainable profit growth.

Changes to the composition of the Board were made in 2005. I became Chairman in January and John Patterson joined the Board at the same time as Executive Director responsible for Development.

In March, David Brennan was appointed an Executive Director and in July the Board appointed him as Chief Executive Officer with effect from 1 January 2006 on the retirement of Sir Tom McKillop.

David Brennan has more than 30 years' experience in the pharmaceutical industry with a strong record of management achievement in the leadership of our North American business. The Board is confident that he will lead the Company and our strong Senior Executive Team with distinction.

On behalf of the Board, I wish to thank Sir Tom McKillop for his outstanding achievement and dedication as AstraZeneca's first Chief Executive and throughout his whole career at the Company. Through his inspirational leadership, commitment and drive, AstraZeneca has become one of the world's leading pharmaceutical companies making an important contribution to better healthcare for patients worldwide.

Our Deputy Chairman, Håkan Mogren was appointed a Knight Commander of the British Empire during the year for services to the pharmaceutical industry and to UK-Sweden trade relations. I congratulate him most warmly for this honour.

In addition to our comprehensive review of the Company's strategy, the Board at its regular meetings conducted financial and functional reviews of the business, with particular attention being paid this year to corporate governance and compliance, safety, health, environment and risk assessment, as well as a review of all group policies and an examination of the performance of the Board itself.

Following an undertaking given to shareholders in 2000 to review the Company's Executive Remuneration policies after five years, proposals to establish the AstraZeneca Performance Share Plan were tabled and approved at the 2005 Annual General Meeting. The Plan introduces longer term incentive opportunities for Senior Executives of the Company accompanied by demanding measures of performance and is designed to support the Company's objective of delivering superior value to shareholders.

In 2006, we will continue to focus on the top line sales growth of our key products; on delivering the pipeline; on reinforcing it with innovative products both from our own science and from outside the Company when appropriate; and on maintaining the momentum of our productivity improvements. I am confident that we will continue to deliver benefits for patients, rewards for shareholders and value for wider society •

LOUIS SCHWEITZER
Chairman

CHIEF EXECUTIVE'S REVIEW



Sir Tom McKillop
Chief Executive

In 2005 the Company delivered excellent results, substantially ahead of market expectations at the beginning of the year as strong sales growth was enhanced by productivity gains to yield very strong earnings growth. This was especially gratifying given the challenges and uncertainty we faced following some disappointments in 2004. AstraZeneca was put to the test in 2005 and these results show how well we responded. Such an experience will prove of great value in preparing the Company to face new challenges in the future.

AstraZeneca's strength derives from its outstanding portfolio of products, its global reach and, above all, the creativity and commitment of its employees.

Our marketed product range continues to develop in both strength and depth. AstraZeneca now has ten products each with global sales of over \$1 billion. Several of these, products such as *Nexium*, *Seroquel*, *Crestor*, *Arimidex* and *Symbicort*, are still enjoying very strong sales evolution and will continue to be the engines for growth in the medium term.

Nexium achieved sales of \$4.6 billion in 2005 benefiting from good clinical differentiation and strong branding. In this large and highly competitive market, it was no surprise when we were notified that a manufacturer of generic drugs, Ranbaxy Laboratories Limited, had submitted an Abbreviated New Drug Application (ANDA) for esomeprazole magnesium (the active ingredient in *Nexium*) in the US. We have full confidence in our intellectual property, which we will continue to defend vigorously and we have filed a lawsuit in the US District Court of New Jersey against Ranbaxy Laboratories for wilful patent infringement.

Seroquel, with \$2.8 billion sales in 2005, further strengthened its position as the most prescribed atypical anti-psychotic therapy in the US and continued to grow strongly in other markets. A second phase 3 clinical trial has confirmed earlier results and enabled a supplemental submission to the US Food and Drug Administration (FDA) in December seeking approval for the treatment of bipolar depression. Approval for use in this significant area of unmet medical need would provide a new opportunity for further sales growth. Late in the year *Seroquel* was also the subject of a patent challenge in the US, from Teva Pharmaceuticals USA. Once again we will vigorously defend and enforce our intellectual property rights and have filed suit in the US for wilful infringement of the substance patent protecting *Seroquel*.

Sales in Oncology grew by 12% to \$3.8 billion led by sales of *Arimidex* (\$1.2 billion), which became the new gold standard for adjuvant treatment of breast cancer in post-menopausal women. A recent analysis reported at the San Antonio Breast Cancer Symposium in December found *Arimidex* to be the first aromatase inhibitor to provide a disease-free survival benefit compared with tamoxifen, in the treatment of hormone-sensitive early breast cancer.

Crestor, a highly effective treatment for lowering lipids, achieved sales of \$1.3 billion in 2005, an increase of 38%, despite the residual effects of the earlier unfounded allegations in the US about the product's safety. Patient wellbeing is always our highest priority and we have continued to work with the clinical community and regulators throughout the world to monitor any potential risks associated with the product's use. In March 2005, after a thorough review, the FDA confirmed that the cholesterol-lowering benefits of *Crestor* are achieved with a safety profile in line with that of the other marketed members of the statin class. Market share growth has now resumed and in 2006 we look forward to the publication of some important new studies that we hope will help further establish *Crestor*'s rightful position in cardiovascular medicine.

Symbicort, an inhaled therapy for asthma and chronic obstructive pulmonary disease, continues to win market share reaching sales of \$1.0 billion in 2005 based on its efficacy and flexibility in use. The product passed a significant milestone in September when we submitted a New Drug Application (NDA) in the US, the world's largest market. Approval would provide an excellent opportunity for further sales growth.

Continued success with these five products should provide the platform for future growth, so it is good to be able to report such excellent progress. The longer term future of a research-based company like AstraZeneca, however, has to be built on the quality of its pipeline of development products.

The results of the SAINT I trial with NXY-059, a drug being studied for its ability to limit the disability associated with ischaemic stroke, were complex but encouraging. Stroke is a significant area of unmet medical need and these results were very heartening, as many drugs have failed to show clinical benefit in previous trials. Following discussions with regulators we have approximately doubled the size and made some other changes to the second pivotal study (SAINT II) to ensure the best chance of confirming the efficacy of NXY-059, but this will delay completion until 2007.

Galida, our new diabetes therapy, is approaching the end of a large phase 3 clinical programme. As the results from these studies become available during 2006, we will be better able to judge its potential.

In the second half of 2005, two new, targeted cancer therapies (*Zactima* and AZD2171) moved into late stage development after achieving good results in early clinical studies. In addition, encouraging results from a substantial phase 2 development programme with AZD6140, an anti-platelet agent for cardiovascular disease, led to this compound also moving into late stage development. We believe that AZD6140 has the potential to offer significant benefits over current therapy in this area.

As well as making good progress with the late stage development projects, we have also enjoyed one of our best years in terms of numbers of new projects entering development. This progress with our own projects is being complemented by a very active programme of in-licensing and research collaborations initiated earlier in 2005. This included important agreements entered into at the end of 2005 with Targacept Inc., AtheroGenics, Inc., and Protherics PLC and for the acquisition of KuDOS Pharmaceuticals Limited. These transactions represent the fruits of a long period of relationship-building with partners.

New products are our life-blood but growth can also be achieved through expanding our market presence geographically. The pharmaceutical market place is evolving in response to the changing shape of the world economy. The developing economies of the world are driving growth in healthcare provision as GDP rises, creating exciting new opportunities for the pharmaceutical industry. AstraZeneca is committed to meeting the needs of the

CHIEF EXECUTIVE'S REVIEW CONTINUED

populations in these emerging markets, and we made significant progress during 2005. For instance, we have become the number one, multi-national, prescription drug company in China and we have grown our business there by over 200% over the past five years. Strong growth is also being achieved in other Asian countries, in Latin America and in Eastern Europe.

In my introduction I mentioned AstraZeneca's three great sources of strength – our products, our global reach and our people. Every part of the business is being affected by changes that are more profound and are occurring faster than anything I have experienced previously in my career. The companies that win in this environment will be those who anticipate and deliver what will be needed for success and have the courage and ability to move ahead of their competitors. Throughout AstraZeneca we are blessed with outstanding people whose creativity, hard work, determination and teamwork have overcome significant obstacles and shaped the company we have today.

It has been a huge privilege to lead these colleagues and, as I retire from AstraZeneca, I offer all of them my sincere thanks for their magnificent contribution. I also offer my best wishes to the Board, my successor, David Brennan, and his executive team who, I am sure, will guide the Company to even greater success •



SIR TOM MCKILLOP
Chief Executive*

* Retired from the Board on 31 December 2005



David Brennan
Chief Executive Officer

The strength of our current product range which now has ten medicines each with annual sales of over \$1 billion is not only an indication of the importance of our products to patients worldwide but is a fitting tribute to the performance of AstraZeneca employees under the passionate leadership of my predecessor, Sir Tom McKillop.

It is now my privilege to lead AstraZeneca and to build upon this record for the future. We are clear where our future lies. AstraZeneca's chosen path is to discover, develop and effectively commercialise differentiated prescription medicines that make a real contribution to human health and that create sustainable value for our stakeholders and society at large.

We recognise that if we are to succeed in our mission of providing medicines that improve the quality and length of life of people around the world, we must access the innovation potential not only of our own employees but also that from outside the Company. We routinely seek to strengthen our early stage discovery through alliances with external partners. Throughout 2005, strengthening the pipeline has been our number one priority, and more recent licence and business development activities reflect a greater focus on strengthening our later stage pipeline. I am determined that we should continue to utilise our strong financial position to further strengthen our portfolio of medicines with projects that are not only exciting clinical treatments but are commercially viable and offer the opportunity to create sustainable value for our shareholders •



DAVID R BRENNAN
Chief Executive Officer*

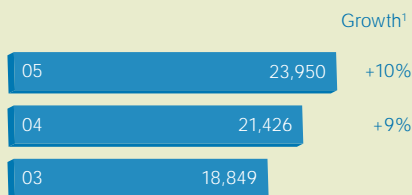
* Appointed as Chief Executive Officer with effect from 1 January 2006

FINANCIAL HIGHLIGHTS

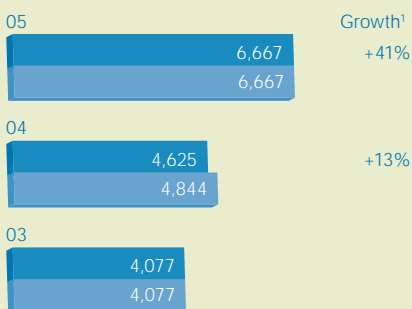


Jonathan Symonds
Chief Financial Officer

Sales \$m

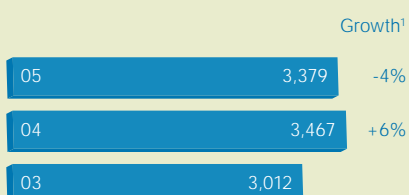


Profit \$m

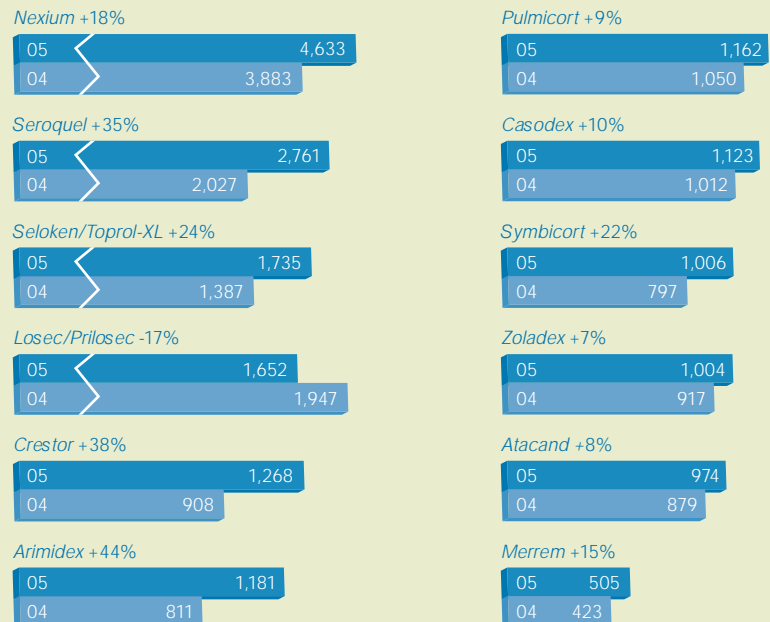


- Profit before exceptional items
- Profit before tax

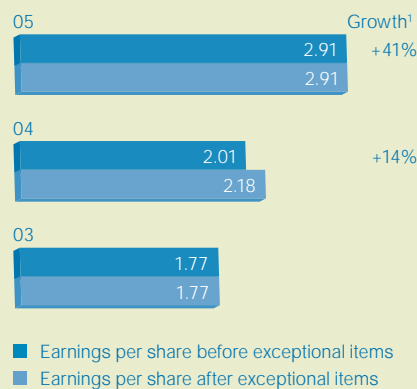
R&D investment \$m



Product performance highlights \$m

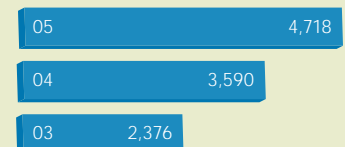


Earnings per Ordinary Share \$



- Earnings per share before exceptional items
- Earnings per share after exceptional items

Returns to shareholders – dividends and share re-purchases \$m



Dividend for 2005

	\$	Pence	SEK	Payment date
First interim dividend	0.38	21.9	2.99	19 September 2005
Second interim dividend	0.92	51.8	7.02	20 March 2006
Total	1.30	73.7	10.01	

¹ Growth rates represent underlying performance, which shows growth at constant exchange rates by excluding the effects of exchange rate movements.


Definitions of performance measures are set out in the Summary Financial Review.





DELIVERING STRATEGY BRINGING BENEFITS

THE DISCOVERY, DEVELOPMENT, MANUFACTURING AND MARKETING OF MEDICINES IS A DYNAMIC AND EXCITING BUSINESS – AND A DEMANDING ONE



We are focused on meeting patient needs with medicines that improve health and quality of life and on fulfilling our duty as a publicly owned company to deliver value for our shareholders.

Our resources, skills and capabilities worldwide are aligned to achieving these twin goals – backed by a clear strategy for driving success in an ever more challenging business environment, together with a framework for consistently monitoring and measuring our progress.

High quality leadership is critical to ensuring that we use our resources effectively. We therefore aim to make sure that our leaders and their teams are clear about their roles and responsibilities, and where the accountabilities lie.

OUR BUSINESS ENVIRONMENT

> **THERE IS A GROWING DEMAND FOR HEALTHCARE – PEOPLE ARE LIVING LONGER, POPULATIONS ARE INCREASING AND MANY DISEASES ARE STILL NOT WELL MANAGED**

> **WE ALSO FACE REAL CHALLENGES, INCLUDING PRICING PRESSURES, HIGHER REGULATORY HURDLES AND FIERCE COMPETITION**

As a global research-based pharmaceutical company, we operate in an ever-changing environment that presents both opportunities and challenges for our business.

Growing demand for healthcare

There is a growing demand for healthcare, driven by increasing populations and improved life expectancy. In addition, many diseases continue to be under-diagnosed, not effectively managed or there are no medicines available to treat them.

The demand for healthcare will be met not only by today's therapies, but also by new ones arising from improved understanding of the biology of disease and the application of new technologies. In addition, fast developing economies such as China are expanding the number of patients who can benefit from medicines.

World markets

In 2005, the value of the world pharmaceuticals market was \$536 billion. The US is still by far the largest pharmaceutical market, accounting for almost half (47%) of total sales during the year. Japan is the second largest individual market, with 11% of total sales and European countries together account for 29%. Among the emerging markets, there was notable sales growth in 2005 in China (up 24%), Brazil (up 32%) and Mexico (up 11%).

Therapy areas

AstraZeneca's skills, experience and resources are focused on six therapy areas, which together represent the majority of the worldwide burden of disease:

Cancer: More than 11 million people are diagnosed with cancer every year worldwide; by 2020 this is forecast to reach 16 million. Seven million people die from cancer every year – representing 12.5% of deaths worldwide. Breast cancer is the most prevalent cancer in the world and lung cancer is the most common cause of cancer death.

Cardiovascular: Cardiovascular disease accounts for 17 million deaths globally each year, making it the greatest risk to life for most adults.

Gastrointestinal: In the western world, 10-20% of adults have been diagnosed with gastro-oesophageal reflux disease (GERD). The prevalence rate of GERD in Asia is lower but increasing. Irritable bowel syndrome is a common gastrointestinal disease that is inadequately treated and inflammatory bowel disease is an area of significant unmet medical need.

Infection: Infectious diseases cause more than 11 million deaths each year. World demand for antibiotics remains high due to escalating resistance and the increased risk of serious infections.

Neuroscience (comprising psychiatry, neurology, analgesia and anaesthesia): Around 1% of the population develops schizophrenia at some time in their life and 17 million people suffer from bipolar disorder in the major markets. Stroke is the second leading cause of death and the leading cause of adult long term disability in industrialised countries. Pain management is the most common reason for seeking medical care.

Respiratory & Inflammation: The World Health Organization estimates that 100 million people worldwide suffer from asthma and more than twice that from chronic obstructive pulmonary disease, which is estimated to be the fourth greatest cause of death globally.

Rheumatoid arthritis is another area of significant need, representing an estimated 40% of the total inflammatory market.

You can read about the medicines we have in our range, or are developing for treating these diseases, and our 2005 product performance on pages 20-21 of this Review.

Growing challenges for industry

Alongside the opportunities of our business environment, our industry is also facing real challenges.

Pressure on costs

Medicines usually represent only between 10% and 20% of a country's total expenditure on healthcare. Nevertheless, the growing demand worldwide means more and more pressure on budgets for those who pay for healthcare. Doctors are still the principal decision makers about which of the available treatments should be prescribed for their patients, but as the cost of funding therapies increases, payers – including governments, health insurers, managed care organisations, employers and patients – are increasing their efforts to influence the choices doctors make. During 2005, further pricing pressures were placed on the industry through legislation not only in major established markets, but also in China and India.

Demonstrating economic benefit

Research-based pharmaceutical companies

increasingly have to demonstrate the economic as well as the therapeutic value of their medicines to those who pay for healthcare. This requires investment, throughout the development of a medicine, in studies to demonstrate cost-effectiveness, cost-benefit and outcomes (such as survival and quality of life improvements) in addition to traditional trials designed to establish safety and efficacy.

Productivity

Successful companies will be those who enhance their productivity in the discovery and development of new and differentiated medicines designed to meet the growing demand. As the industry works to enhance its productivity, our regulators are also setting increasingly high hurdles for the approval of medicines.

Drug safety

Decisions on acceptable benefit/risk profiles for medicines have the potential to be positively or negatively affected by a number of factors. These include pre- and post-marketing clinical data and regulatory judgements that reflect society's concerns and aspirations.

Competition

AstraZeneca's principal competitors are other international, research-based pharmaceutical and biotechnology companies that also sell branded, patent-protected, prescription medicines. In common with these other companies, following patent expiry, our products also compete with generic pharmaceuticals – mainly on price, since generic manufacturers do not bear the high costs of research that companies such as AstraZeneca do. The industry's intellectual property base is increasingly being challenged by generic manufacturers looking to make an early entry into large markets, which puts pressure on product lifecycles.

Reputation

The reputation of the pharmaceutical industry has been in decline in recent years. Contributory factors include heightened public concern about issues such as drug safety (exacerbated by some high profile drug withdrawals in recent years), transparency of information, sales and marketing practices and the cost of medicines.

Regulation

The pharmaceutical industry is one of the most strictly regulated of all industries. Prescription pharmaceuticals are subject to significant and increasing regulation regarding their safety, efficacy and quality. These regulations vary from country to country, and a medicine must be approved by the different regulatory authorities in each of the markets in which it will potentially be sold. The processes for approval of a new medicine are complex, time-consuming and expensive. Even after launch of new medicines, regulatory agencies continue to require numerous conditions to be met •



OUR STRATEGY

> OUR STRATEGY SETS OUT OUR OBJECTIVES AND PRIORITIES FOR DELIVERING PATIENT BENEFIT AND SUSTAINABLE, PROFITABLE GROWTH

The people of AstraZeneca are dedicated to the discovery, development, manufacturing and marketing of high quality, effective prescription medicines that bring benefit for patients and add value for shareholders and wider society.

We are committed to managing effectively the challenges of our business environment and to maximising the opportunities to deliver sustainable, profitable growth that will place AstraZeneca among the best in the industry.

Our efforts are focused on five main strategic priorities that we have identified as critical drivers for continued success, backed by clear business objectives in each:

Products

Maximise sales growth by:

- > Releasing the full potential of our marketed brands throughout their lifecycle.
- > Growing our position in existing markets.
- > Expanding our presence in key emerging markets.
- > Vigorously defending our legitimate intellectual property rights.

Pipeline

Deliver a portfolio of differentiated medicines that meet patient needs by:

- > Successfully delivering the next wave of products in development.
- > Further improving the productivity and efficiency of our drug discovery and development.
- > Strengthening the pipeline through appropriate external targeted acquisition, licensing and partnership opportunities.
- > Rigorous management of our portfolio of products in development, to mitigate risks associated with new innovative products.

Productive use of resources

Effective leadership: Make optimal use of our resources by effectively managing all opportunities and associated risks to our business, whilst monitoring our performance and learning from our experience.

Best practice: Deliver operational excellence in all aspects of our business by:

- > Continuing to strengthen our commercial skills in sales force effectiveness, marketing excellence and understanding customer needs.
- > Increasing cost-effectiveness and operational efficiency of the supply chain.
- > Harmonising and standardising core processes and services.

New practice: Develop new business approaches that meet the needs of customers and stakeholders by:

- > Exploring new ways of working within our existing business model.
- > Assessing new models for using our resources and skills to create value for customers and profitable business for AstraZeneca.
- > Making strategic investments in promising new areas of healthcare.

People

Within our performance-driven culture, we aim to encourage and support all our people in delivering their best by:

- > Providing an environment in which people feel positive and enthusiastic, with a clear understanding of our goals and their role in achieving them.
- > Effectively managing and developing all our talent.
- > Improving leadership capability to enhance effective decision-making.
- > Creating a culture in which people are held accountable not only for what they accomplish, but how they get there.

Reputation

We aim to maintain the trust and confidence of patients, customers, employees, shareholders, regulators and wider society by:

- > Understanding their needs.
- > Ensuring that we deliver on our business promises.
- > Living up to our core values and publicly stated standards of ethical behaviour, wherever we have a presence or an impact ●

DELIVERING OUR STRATEGY

> SUCCESS IN DELIVERING OUR STRATEGY DEPENDS CRITICALLY ON EFFECTIVE DECISION-MAKING AND APPROPRIATE USE OF RESOURCES

We have wide-ranging skills, capabilities and resources aligned to creating value by delivering our strategy.

The illustration to the right maps our approach to creating value through achievement of our strategic objectives. Details about our products and pipeline, together with our performance in 2005, are included throughout this Review. Here we describe the skills and resources upon which our continued success depends.

Productive use of resources

Effective leadership is key to the productive use of resources – ensuring that we have the right resources, in the right place, appropriately aligned to drive delivery of our strategic objectives.

The AstraZeneca Board Our Board comprises Executive Directors, with direct responsibility for business operations, and Non-Executive Directors, who have responsibility to bring independent, objective judgement to bear on Board decisions. The Board sets Company strategy and policies and monitors progress towards meeting objectives. It conducts an in-depth strategy review annually. It also assesses whether obligations to shareholders and others are understood and met, which includes regular reviews of financial performance and critical business issues. See pages 24 and 25 for more information.

The Senior Executive Team (SET) The SET is a cross-functional, cross-territorial group, established and led by the Chief Executive Officer. It focuses on the day-to-day running of business operations and on Company development. It regularly reviews and makes decisions on all major business issues. The SET comprises the three Executive Board Directors and six Executive Vice-Presidents, each of whom has a specific area of responsibility in line with our business structure. Photographs of the SET members appear throughout this Review.

Risk management Our ability to identify and effectively manage the risks to our business is key to our continued success. Our Risk Advisory Group (RAG), led by the Chief Financial Officer and consisting of representatives from each business function, facilitates much of our work in this area. The RAG assists senior management in identifying and assessing our main business risks in a co-ordinated manner. It focuses in particular on cross-functional risks, linking risk



management to business performance reporting and sharing best practice across the organisation to drive continuous improvement. The RAG reports twice a year to the SET and its reports on the Company's risk profile are reviewed annually by the Board.

Leadership development We aim to ensure that our leaders are given the support they need to effectively manage the business and its associated risks, and to stimulate the levels of performance required to succeed in a changing and increasingly challenging environment. We have a range of global programmes designed to strengthen leadership capabilities, enhance core management skills and help leaders develop good working relationships across the organisation. These programmes are complemented by local initiatives, which include functional or country specific aspects of leadership development.

To deliver a flow of world-class leaders in the future, we are adopting a consistent approach to identifying and developing people with leadership potential across the Company.

People

Our most important resource is our people. We are very proud of our 65,000 employees worldwide and value the diversity of skills and abilities that a global workforce offers. Our future success will be built on their efforts.

Within our performance driven culture, we aim to help people develop their full potential and to provide a working environment in which they feel energised and informed, and that their welfare is protected. Optimising individual and team performance, effectively managing and developing all our talent and improving our leadership capability are core priorities, alongside a commitment to ensuring the safety, health and wellbeing of all our employees worldwide.

We want everyone at AstraZeneca to have clear, measurable and prioritised objectives aligned with the current business priorities. We have recently introduced a set of core principles and common processes, together with a range of appropriate tools, to support managers in a globally aligned approach to the management and development of our people.

To help them deliver their best, we encourage and support our people in developing their capabilities to the full with a range of high quality learning and development opportunities, backed by management responsibility for ensuring that individually-tailored development plans are in place for each member of their team. Equal opportunity for all is a cornerstone of our culture in which personal success is based solely on individual ability and contribution.

We use a range of communications media, as well as face-to-face meetings, to ensure our people are kept up to date with business developments and are clear about their



Tony Bloxham
Executive Vice-President,
Human Resources

MEASURING OUR PERFORMANCE

individual and team roles and targets. We also encourage the sharing of knowledge and ideas across functional and territorial boundaries to stimulate creativity and best practice within the Company. Feedback is very important to us and opportunities for giving feedback are built in to our communications. We also use a two yearly global employee survey to identify areas of both satisfaction and concern. Priority attention is given to areas for improvement highlighted by these surveys.

Intellectual property

Patents enable information on inventions to be made widely available and are important incentives for the continued innovation that drives society's progress. Patent protection and other types of marketing exclusivity for our medicines allow us time to generate the revenue we need to continue our research, development, manufacturing and marketing of new medicines. We therefore vigorously defend our legitimate intellectual property rights.

Cash and physical assets

We believe our cash resources will be sufficient for our present requirements and include sufficient cash for our existing capital programme, share re-purchases and the costs of developing and launching new products.

We own and operate numerous production, marketing and research and development facilities worldwide. We continually review our physical assets such as laboratories, factories and equipment to ensure that they are appropriate to meeting the needs of our business.

Reputation

Our reputation rests on delivering our promises in all aspects of our business. We focus on bringing new medicines to market that make a difference for patients. Only by doing so are we able to deliver the value for our shareholders, which, as a publicly owned company, we have a duty to do.

We know that how we do business, as well as what we do, is also important to our reputation among stakeholders and wider society. Maintaining their trust and confidence in AstraZeneca as a responsible company means ensuring that wherever we have a presence or an impact, we live up to our publicly stated standards of ethical behaviour. More information about our approach to managing our corporate responsibility and about our performance, policies and principles, can be found in the separate Corporate Responsibility Summary Report 2005, or on our website •

> MEASURING PERFORMANCE IS ESSENTIAL TO UNDERSTANDING THE PROGRESS WE ARE MAKING AND TO IDENTIFYING AREAS FOR IMPROVEMENT

We use a range of financial and non-financial performance measures to assess our progress in delivering our strategic objectives.

The Board and SET use a regular business performance report to measure our performance, concentrating on product performance, pipeline, productivity and profitability, shareholder returns, reputation and governance. The means of measuring performance in these areas range from quantitative, comparative performance measures to more qualitative, discursive analysis. Together, they provide the framework for consistently monitoring and reporting our progress towards achieving our objectives and ultimately delivering enduring shareholder value.

Specific measures that our Board and senior executives use when assessing performance in the areas noted above, or other measures judged to be helpful in enabling shareholders better to understand and evaluate our business, are described and illustrated throughout this Review.

Measuring reputation

The performance measures referred to above are measures of our progress in what we do in the business of delivering successful medicines and thus shareholder value.

In terms of measuring the way we do business, we have a range of key performance indicators (KPIs) by which we measure our progress in important areas of corporate responsibility (CR).

Auditing of compliance is fundamental to ensuring high standards of ethical behaviour, and compliance is integrated into many of the KPIs used to measure our CR progress. More details about these KPIs and our 2005 performance are provided in the separate Corporate Responsibility Summary Report 2005, or on our website.

We also participate in leading external surveys, such as the Dow Jones Sustainability Indexes, which are a helpful means of evaluating our performance and understanding better the demands of sustainable development.

AstraZeneca is listed in the 2006 Dow Jones Sustainability World Index, used by asset managers globally to guide their socially responsible investment. However, whilst we

improved our score, we did not regain the place we lost in the previous year in the European Index (Dow Jones STOXX), where competition for places is increasingly fierce.

Governance

The AstraZeneca Code of Conduct, with which compliance is mandatory, sets out the high standards we expect from our employees. As part of our commitment within the Code to comply with all applicable laws and codes of practice, we apply all of the principles of good governance in the UK Combined Code of Corporate Governance. We also comply with all of the provisions of the UK Combined Code and our corporate governance practices are generally consistent with the New York Stock Exchange's corporate governance listing standards. Our 'continuous assurance' processes are designed to ensure we effectively monitor our compliance with these standards •

Gross margin \$m

		% of sales
05	18,594	77.6%
04	16,233	75.8%
03	14,386	76.3%

R&D and SG&A costs \$m

		% of sales
05	12,074	50.4%
04	11,735	54.8%
03	10,405	55.2%

Operating profit margin \$m

		% of sales
05	6,502	27.2%
04	4,547	21.2%
03	4,007	21.3%

The graphs above are examples of the measures we use to monitor our business performance.

MEETING NEEDS DRIVING PROGRESS

IN THE FIGHT AGAINST DISEASE, WE ARE FOCUSED ON SIX IMPORTANT AREAS OF HEALTHCARE WHERE WE BELIEVE OUR SKILLS AND EXPERIENCE CAN MAKE THE MOST DIFFERENCE: CANCER, CARDIOVASCULAR, GASTROINTESTINAL, INFECTION, NEUROSCIENCE, AND RESPIRATORY AND INFLAMMATION





The path to a new medicine is long, complex and expensive. It can take up to 15 years of discovery and development involving highly skilled scientists and state-of-the-art equipment, facilities and technologies. Many thousands of compounds are investigated to identify those with the highest potential to become a new medicine. Very few will make it to market. Typically, over \$800 million is invested before the first dollar of sales is realised.

Making and selling pharmaceuticals also requires major resources, including substantial investment in high quality facilities for manufacturing and in ensuring we have the right sales and marketing networks for communicating with healthcare professionals, payers and others about the latest additions to their range of treatments.

The research-based pharmaceutical industry is responsible for the vast majority of new medicines (over 90%) – no one else has the combination of skills, experience and resources to do all that is needed to deliver real pharmaceutical advances.

Successful innovation drives progress in society. Our medicines are designed to improve health and quality of life for patients worldwide. They also add value in other ways, bringing economic as well as therapeutic benefits to the community.

RESEARCH AND DEVELOPMENT

> WE ARE FOCUSED ON IMPROVING THE QUALITY AND PRODUCTIVITY OF OUR DISCOVERY AND DEVELOPMENT

> TO COMPLEMENT OUR OWN EFFORTS, WE PURSUE APPROPRIATE EXTERNAL OPPORTUNITIES FOR COLLABORATION, LICENSING AND ACQUISITION

Our scientists share a common goal: to get life-changing medicines to patients as quickly, safely and efficiently as possible.

11,900 people work in our research and development (R&D) organisation at 11 centres in seven countries. We have six joint discovery and development facilities in the UK, the US and Sweden; a further four sites in the US, Canada, India and France that focus only on discovery, and a facility in Japan for development only. These resources are complemented by clinical development capability at 40 sites around the world.

We spend around \$14 million each working day on R&D and we are committed to maintaining a flow of high quality, effective medicines for important areas of healthcare. We continue to focus on improving the productivity and efficiency of our processes to ensure we



John Patterson
Executive Director,
Development



Jan Lundberg
Executive Vice-President,
Discovery Research

deliver as quickly as possible new medicines that meet regulatory requirements, are launched successfully, and make a difference for patients worldwide. In 2005, we revised our operating model to simplify our processes and strengthen governance and risk management.

Discovery

Our Discovery scientists use leading edge science and technologies to identify new compounds with high potential as new medicines. They work across boundaries to exchange ideas, to share best practice and to make the most of the efficiencies that global working offers.

Our work in recent years to improve the links between basic science and clinical medicine continues to help us gain a better understanding of human diseases and the suitability of future medicines to prevent and treat those diseases. We also continue to introduce, earlier in the process, more stringent and, where possible, high throughput testing of the safety of potential new medicines and how they get distributed around, and out of, the human body. This helps us to eliminate earlier the candidate drugs (CDs) that are unlikely to succeed.

Development

People in our Development organisation focus on developing better drugs faster. They work globally in project delivery-focused teams that bring together all the relevant functional skills and experience needed for the robust, rapid progress of new medicines through development and the management of associated risks.

Our focus in 2005 was the continuing progression of the early development portfolio, which resulted in the initiation of new phase 3 projects for *Zactima*, AZD2171 and AZD6140. We also supported regulatory submissions or approvals for new indications that broaden the use or geographic coverage of *Arimidex*, *Nexium*, *Seroquel*, and *Symbicort*.

Biologics

As a company whose success is built on leading-edge science, it is essential that we continuously monitor new capabilities and identify opportunities that will help us to develop the next generation of medicines that offer better results for patients. Biological molecules present such an opportunity and, during the last few years, have been the fastest growing segment of the pharmaceutical market. Biological molecules are usually produced naturally by living organisms in response to disease – for example, antibodies. New technologies have opened up the possibility of imitating and improving on the natural response, where it is not itself being effective. As part of a comprehensive biopharmaceutical strategy, we are determined to secure a significant share of this market by building on the two collaborations described below, and by playing an active role in the development of these new technologies, we aim to bring new medicines based on them to patients as early as possible.

Broadening the approach

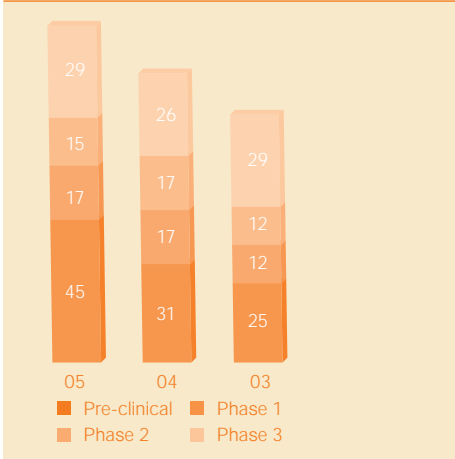
In line with our strategy of pursuing targeted acquisition, licensing and partnership opportunities where appropriate, we have made a number of significant transactions designed to strengthen our mid- to late-stage development pipeline, as described earlier in the CEO's Review.

We also continue to work with leading academic centres to broaden the base for disease research. Including major strategic antibody alliances with Abgenix Inc. and Cambridge Antibody Technology, we now have over 1,700 external R&D collaborations and agreements that complement our in-house capabilities.

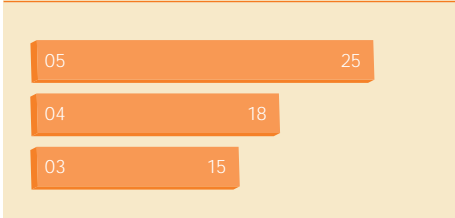
Development pipeline

The table on the right provides summary details of the new chemical entities currently in our pipeline. Full details, including line extensions, can be found in the separate AstraZeneca Annual Report and Form 20-F Information 2005 or on our website •

Development projects – new chemical entities and line extensions



Candidate drugs nominated



DEVELOPMENT PIPELINE: NEW CHEMICAL ENTITIES

Therapy Area	Areas under investigation	Compound	Estimated filing date	
			Europe	US
PHASE 3				
Cancer	non-small cell lung cancer	<i>Zactima</i> (ZD6474)	>2008	>2008
	non-small cell lung cancer and colo-rectal cancer	AZD2171	>2008	>2008
Cardiovascular	diabetes/metabolic syndrome	<i>Galida</i>	2H 2007*	2H 2007*
	atherosclerosis	AGI-1067 (AtheroGenics)	1H 2007	1H 2007
	arterial thrombosis	AZD6140	>2008	>2008
Neuroscience	stroke	NXY-059 (previously <i>Cerovive</i>)	1H 2007	1H 2007
PHASE 2				
Cancer	medullary thyroid cancer	<i>Zactima</i> (ZD6474)	>2008	>2008
	solid tumours	Patrin™ (KuDOS)	>2008	>2008
	prostate cancer	ZD4054	>2008	>2008
Cardiovascular	atrial fibrillation – conversion	AZD7009	2008	2008
	thrombosis	AZD9684; AZD0837	>2008	>2008
Gastrointestinal	inflammatory bowel disease	AZD9056	>2008	>2008
Neuroscience	cognitive disorders	AZD3480 (TC-1734 Targacept)	>2008	>2008
Respiratory and Inflammation	rheumatoid arthritis	AZD9056	>2008	>2008
	chronic obstructive pulmonary disease	AZD9056	>2008	>2008
	osteoarthritis	AZD8955	>2008	>2008
Infection	rhinitis	AZD3778	>2008	>2008
	severe sepsis	CytoFab™ (Protherics)	>2008	>2008
PHASE 1				
Cancer	solid tumours and haematological malignancies	AZD0530; AZD1152	>2008	>2008
	solid tumours	AZD6244 (ARRY-142886); AZD4769; AQ4N (KuDOS)	>2008	>2008
	breast cancer	KU59436 (KuDOS)	>2008	>2008
Cardiovascular	dyslipidaemia	AZD2479 (Avanir)	>2008	>2008
	dyslipidaemia/diabetes	AZD6610; AZD8677	>2008	>2008
Gastrointestinal	gastro-oesophageal reflux disease	AZD3355; AZD9343; AZD9272	>2008	>2008
Neuroscience	neuropathic pain	AZD9272	>2008	>2008
Respiratory and Inflammation	rheumatoid arthritis	AZD8309	>2008	>2008
	chronic obstructive pulmonary disease	AZD8309; AZD3342	>2008	>2008
	asthma	AZD1981	>2008	>2008
PRE-CLINICAL				
Cancer	solid tumours	AZD9935; AZD0424; AZD8931; AZD4877; AZD7762; AZD5180 (Abgenix); AZD1845; AZD8330	>2008	>2008
	solid tumours and haematological malignancies	AZD3646	>2008	>2008
Cardiovascular	dyslipidaemia	AZD8450; AZD4121	>2008	>2008
	diabetes	AZD6370; AZD1092	>2008	>2008
	haemostasis	AZD8593	>2008	>2008
	diabetes/obesity	AZD1175; AZD2207	>2008	>2008
	arrhythmias	AZD1305	>2008	>2008
Gastrointestinal	functional gastrointestinal disease	AZD8081	>2008	>2008
	gastro-oesophageal reflux disease	AZD6538	>2008	>2008
Neuroscience	Alzheimer's disease	AZD3102; AZD1080	>2008	>2008
	anxiety	AZD2327	>2008	>2008
	multiple sclerosis	AZD5904; AZD8797	>2008	>2008
	neuropathic pain	AZD6538; AZD9335	>2008	>2008
	anxiety and depression	AZD3783	>2008	>2008
	nociceptive and neuropathic pain	AZD1940	>2008	>2008
Respiratory and Inflammation	Parkinson's disease	AZD3241	>2008	>2008
	chronic obstructive pulmonary disease	AZD6067; AZD7928; AZD2914; AZD1236; AZD4818; AZD5069; AZD9668	>2008	>2008
	rheumatoid arthritis	AZD6703; AZD5672	>2008	>2008
	osteoarthritis	AZD6357; AZD6605	>2008	>2008
	asthma/rhinitis	AZD2392; AZD1744	>2008	>2008
asthma	AZD3825; AZD9215; AZD1678	>2008	>2008	

* Subject to the results of phase 3 studies and regulatory discussions.

KEY PRODUCTS

CANCER

Arimidex (anastrozole) is the world's leading aromatase inhibitor by value.

Casodex (bicalutamide) is the world's leading anti-androgen therapy by value for the treatment of prostate cancer.

Faslodex (fulvestrant) is an oestrogen receptor antagonist, with no agonist effects, that down-regulates the oestrogen receptor.

Iressa (gefitinib) is an epidermal growth factor receptor-tyrosine kinase inhibitor (EGFR-TKI) that acts to block signals for cancer cell growth and survival.

Nolvadex (tamoxifen citrate) remains a widely prescribed breast cancer treatment.

Zoladex (goserelin acetate implant) is available in one month and three month depots and is the world's second largest LHRH agonist by value.

CARDIOVASCULAR

Atacand¹ (candesartan cilexetil) is an angiotensin II antagonist for the first line treatment of hypertension and symptomatic heart failure.

Crestor² (rosuvastatin calcium) is a member of the class of products known as statins.

Exanta (ximelagatran) is a novel oral direct thrombin inhibitor targeted to prevent and treat the formation of blood clots (thrombosis).

Plendil (felodipine) is a calcium antagonist for the treatment of hypertension and angina.

Seloken/Toprol-XL (metoprolol succinate) is a once daily tablet for 24 hour control of blood pressure and for use in heart failure and angina.

Zestril³ (lisinopril dihydrate), an ACE inhibitor, is used for the treatment of a wide range of CV diseases, including hypertension.

GASTROINTESTINAL

Entocort (budesonide) is a locally acting corticosteroid for the treatment of inflammatory bowel disease with better tolerability than other corticosteroids and greater efficacy than aminosalicilic acid medicines.

Losec/Prilosec (omeprazole) was the first proton pump inhibitor (PPI) and is used in the short and long term treatment of acid-related diseases.

Nexium (esomeprazole magnesium) is the first PPI for the treatment of acid-related diseases to offer clinical improvements over other PPIs and other treatments.

INFECTION

Merrem/Meronem⁴ (meropenem) is an intravenous carbapenem antibiotic for the treatment of serious, hospital-acquired infections.

NEUROSCIENCE

Diprivan (propofol), an intravenous anaesthetic, is used in the induction and maintenance of anaesthesia, light sedation for diagnostic procedures and for intensive care sedation.

Naropin (ropivacaine) is the world's best selling, long-acting local anaesthetic. With its improved safety and mobility profile, it is replacing the previous standard treatment of bupivacaine in major markets.

Seroquel (quetiapine fumarate) is an atypical anti-psychotic drug and is a first line, first choice treatment for a broad range of symptoms of schizophrenia and manic episodes in bipolar disorder.

Xylocaine (lidocaine) continues to be the world's most widely used local anaesthetic after 50 years on the market.

Zomig (zolmitriptan) is for the treatment of migraine with or without aura.

RESPIRATORY AND INFLAMMATION

Accolate (zafirlukast) is an oral leukotriene receptor antagonist for the treatment of asthma.

Oxis (formoterol) is a beta-agonist therapy for asthma and chronic obstructive pulmonary disease.

Pulmicort (budesonide) is a corticosteroid anti-inflammatory inhalation drug that helps prevent symptoms and improves the control of asthma.

Pulmicort Respules (budesonide inhalation suspension) is the first and only nebulised corticosteroid in the US for children as young as 12 months.

Rhinocort (budesonide) is a nasal steroid treatment for allergic rhinitis (hay fever), perennial rhinitis and nasal polyps.

Symbicort (budesonide/formoterol) is an innovative and effective treatment for asthma and chronic obstructive pulmonary disease that offers superior efficacy with easily adjustable dosing.

We have a highly competitive portfolio of marketed medicines, designed to meet patient needs in important areas of healthcare.

As well as our successful mature brands such as *Zoladex*, *Seloken/Toprol-XL*, *Diprivan* and *Merrem*, we have a range of high potential medicines, launched over the last six years, which provide the platform for continued growth in the short to medium term. These growth products include *Arimidex*, *Crestor*, *Nexium*, *Seroquel* and *Symbicort*. We have clearly defined lifecycle management programmes for all of our marketed products designed to maximise not just the commercial potential of the brands, but also the benefit they bring to patients' lives. You can read about the performance of our products on pages 20-21.

Patient safety

The safety of the patients who take our medicines is a fundamental consideration throughout all of our activities.

Ideally, a medicine would target only the disease that it is meant to treat and would not have any other effect. In reality, however, despite the best efforts of scientists, such a medicine does not yet exist and all medicines have possible side effects that some patients might experience. Healthcare professionals, in consultation with their patients, must therefore weigh the benefits of a medicine against its possible side effects and decide the acceptable level of risk.

We aim to minimise the risks and maximise the benefits of each of our medicines – starting with our discovery of a potential new medicine, through development and continuing throughout the medicine's lifecycle, including continuous assessment after launch on the market. We have an experienced, in-house team of over 500 clinical drug safety professionals working across AstraZeneca and dedicated to the task of ensuring that we meet our commitment to product safety. Each of our medicines (whether in development or on the market) has an assigned global drug safety physician who, supported by a team of drug safety scientists, is responsible for that product's continuous safety surveillance. Drug safety managers in each of our national companies have local responsibility for product safety within their respective countries.

You can read more about our commitment to protecting patient safety in the separate Corporate Responsibility Summary Report 2005, or on our website ●

¹ Licensed from Takeda Chemical Industries Ltd.

² Licensed from Shionogi & Co., Ltd.

³ Licensed from Merck & Co., Inc.

⁴ Licensed from Sumitomo Pharmaceuticals Co., Ltd.

SALES AND MARKETING

> WE ARE PROUD OF OUR GLOBAL REACH, BUT KNOW THAT A LOCAL TOUCH IS ESSENTIAL

> WE ARE COMMITTED TO HIGH ETHICAL STANDARDS IN OUR SALES AND MARKETING WORLDWIDE

We combine our global capabilities with high quality relationships in our local markets and focus on responding quickly and effectively to our customers' changing needs.

Active in over 100 countries, we have an extensive worldwide sales and marketing network. We sell mostly through our own local marketing companies and our products are marketed mainly to physicians (both primary care and specialist) and other healthcare professionals.

Our medicines are designed to improve health and quality of life. They bring other benefits too. We also talk to governments and groups that pay for healthcare, such as managed care organisations in the US, about the economic as well as the therapeutic advantages of our range. By reducing the incidence of disease or improving the efficiency of treatment, our medicines help to relieve the growing pressure on healthcare budgets, driven by increasing populations, developing economies and improved life expectancy.

We use a wide variety of communication channels, ranging from traditional face-to-face contact with professional and highly trained sales representatives, to the internet, which plays an increasingly important role in informing healthcare professionals and others about AstraZeneca's medicines. We also use direct-to-consumer television advertising in the US. Whatever the channel, we are committed to delivering high standards of ethical practice in all our sales and marketing activities worldwide. You can read more about this commitment in the separate Corporate Responsibility Summary Report 2005, or on our website.

Success in key markets is a top priority. Alongside building on our leading positions in established markets such as the US, Japan and Europe, we continue to increase our strength through strategic investment in fast-developing markets, such as China.

In North America

Our US sales of \$10.8 billion in 2005 (up 12%) reflect our commitment to driving growth in this, the world's largest pharmaceutical market. With a 5% market share, AstraZeneca is the fifth largest prescription pharmaceutical company by sales in the US. *Arimidex*, *Crestor*, *Nexium*, *Toprol-XL* and *Seroquel*, with combined sales of \$7.6 billion, continue to underpin our sales performance in this highly competitive and challenging market.

In Canada, we maintained our market position as the second largest pharmaceutical company, with sales of \$1.0 billion.

In the rest of the world

Strong sales in the rest of the world (\$12.2 billion, up 9%) were driven by good performances from *Arimidex*, *Crestor*, *Nexium*, *Seroquel* and *Symbicort*. Sales in emerging markets increased by 19%, underpinned by our continued investment in sales and marketing initiatives.

In Europe, pricing controls continued to slow the overall rate of growth in the pharmaceutical market, although the impact was less severe than in 2004. Despite this background, the year saw a good performance from *Arimidex*, *Crestor*, *Nexium*, *Seroquel* and *Symbicort* and strong sales in Germany, the UK and Central and Eastern Europe. Sales in Europe totalled \$8.5 billion in 2005 and AstraZeneca ranks fifth among prescription drug companies in this market.

In Japan, we again grew sales ahead of the market, with *Arimidex*, *Casodex*, *Losec* and *Zoladex* all making a strong contribution. Sales totalled \$1.5 billion (up 8%) and we now rank 14th by sales in this market.

We delivered another strong year in Asia Pacific, with sales up 15% to \$1.4 billion. We rank fourth in the region and are the fastest growing among the top 10 pharmaceutical companies.

In China, we are the largest multi-national prescription drug company and, with 33% growth, one of the fastest growing pharmaceutical companies in that country.

Elsewhere in the world, sales in the Latin American region increased by 17%, driven by Brazil, Venezuela and Mexico – the largest market in the region. *Merrem* remained our best-selling product, whilst sales of *Crestor* and *Nexium* continued to be very dynamic. Sales in the Middle East increased 10%, driven by strong sales of *Atacand*, *Nexium* and *Symbicort* ●



Bruno Angelici
Executive Vice-President,
Europe, Japan, Asia Pacific and ROW



Tony Zook
Executive Vice-President,
North America



SUPPLY

> WE AIM FOR FAST, FLEXIBLE AND RELIABLE SUPPLY OF ALL OUR MEDICINES

> HIGH OPERATING STANDARDS ARE A FUNDAMENTAL PRIORITY

We have some 14,000 people at 27 manufacturing sites in 19 countries dedicated to ensuring that we provide top quality customer service through secure, high quality, cost-effective supply worldwide.

Our supply chains are designed to maximise flexibility and our new supply system, now implemented across most of our supply network, continues to deliver customer service benefits.



Barrie Thorpe
Executive Vice-President,
Operations

With a few temporary exceptions, supplies of all our products were available to meet market demand in 2005.

As part of our overall risk management, we carefully consider at which point in a medicine's lifecycle to establish an appropriate supply chain for it. Timely investment helps to ensure cost efficiency. Secure supply chains are in place for all the products we currently have in late-stage development. Where appropriate, we have also assessed the needs for new technologies, such as for biologics.

Managing costs is an ongoing priority. Our new supply system continued to deliver manufacturing efficiency benefits (such as shortened lead times) and improved customer service levels during the year. We are now focused on driving further improvements.

Around 1,500 people are employed in active pharmaceutical ingredient supply and 11,800 in formulation and packaging. We operate a small number of sites for the manufacture of active ingredients, complemented by efficient use of outsourcing. AstraZeneca has active ingredient sites in the UK, Sweden and France and a bulk drug purification plant in Germany. Formulation sites are located in the UK, Sweden, Puerto Rico, France, Germany and the US. Packaging is undertaken at a large number of locations, both at AstraZeneca sites and at contractors' facilities, located close to our marketing companies to ensure rapid and responsive product supply.

We continuously review our existing manufacturing assets to make sure they are being used in the most effective way, whilst preserving the flexibility

we need to respond to fluctuations in demand. We sold our bulk drug facility in Guayama, Puerto Rico, and our facilities in Naucalpan, Mexico and in Manila, Philippines. Our expenditure on supply and manufacturing facilities totalled \$206 million in 2005 (\$352 million in 2004).

Ensuring the quality, safety and efficacy of our medicines remains a core priority. Reports from internal routine inspections, as well as those by regulatory authorities, are rigorously reviewed and, if required, actions taken to further enhance compliance. The results of all external inspections carried out during 2005 were satisfactory, and we did not experience any significant supply difficulties due to regulatory compliance issues at our sites or those of our contractors.

Safety, health and environment (SHE) operating standards are increasingly stringent with regulators placing particular emphasis on environmental issues and the safety of chemicals. Our manufacturing sites operate under various licensing regimes and internal management systems, and we are committed to meeting all regulatory requirements as a minimum baseline. There are currently no SHE issues that constrain AstraZeneca from making full use of its sites.

We are making progress in the reduction of waste and energy use and the level of accidents with injury is falling. When any accidents occur, we use a range of investigation procedures to help us understand the causes and avoid repetition. We also work closely with our suppliers to encourage standards similar to our own. More information about our SHE performance, and how we work with suppliers, can be found in the separate Corporate Responsibility Summary Report 2005, or on our website •

COMMERCIALISATION AND PORTFOLIO MANAGEMENT

> A SIGNIFICANT CHALLENGE FOR ANY PHARMACEUTICAL COMPANY IS MAINTAINING THE QUALITY OF ITS PORTFOLIO - ASTRAZENECA IS NO EXCEPTION

Meeting the needs of patients and those who treat them is at the heart of everything we do.

Careful prioritisation of emerging research opportunities; development of these opportunities to meet patient needs and securing maximum potential from our marketed brands, are all drivers of our continued success.

Recently established to enhance our capabilities in these areas, our new Global Marketing and Business Development (GMBD) organisation works alongside our R&D community, our local marketing companies and, most importantly, our customers to ensure the delivery of differentiated, sustainable therapies that target their unmet medical needs.

Formerly known as Product Strategy & Licensing, GMBD leads the commercial aspects of drug development and co-ordinates global marketing strategy. This includes selecting the right products and projects for investment, developing effective marketing platforms for new product launches and directing the creation and delivery of product marketing strategies.

Disease target product profiles (TPPs) are defined at an early stage in the discovery process in order to provide guidance for R&D activity and to help shape the marketing strategy. The profile is based on our insight into patient needs and the drivers behind recommending, prescribing, paying for and taking the medication. When a candidate drug moves into development, a specific TPP is developed, based on product features and benefits, medical and health outcomes information, market positioning, demonstration of value and the competitive environment. This profile is used throughout the development programme to prioritise further investment.

We have recently re-grouped our products into primary and specialist care so that we can enhance our customer focus and better exploit the synergies that exist between them.

GMBD also develops global guidelines that outline the approach and standards we require in the marketing of each of our brands. These provide a common platform on which our local networks can build, according to individual market needs. This ensures a consistent approach across our marketing activities worldwide, whilst allowing the flexibility our teams require in their local markets.

In line with our strategy, while we are also committed to organic growth, GMBD leads our pursuit of appropriate licensing and acquisition opportunities to gain access to new products and/or technologies and to support growth products in a cost-effective manner.



Martin Nicklasson
Executive Vice-President, Global
Marketing and Business Development

All these activities are underpinned by a strong focus on the needs of patients and healthcare professionals. The changing attitudes of regulators and payer groups are also key drivers of both our product development and marketing activities.

E-business

Our e-business activities focus on strengthening our relationships with our stakeholders and improving our speed and efficiency.

Growing numbers of healthcare professionals actively seek information from us via the internet and we aim to maintain a flow of high quality medical education that informs and supports the correct use of our medicines. Where appropriate, we also use the web to communicate with patients about our medicines, the diseases they treat and how they should be taken.

We also continue to introduce internet-enabled programmes that simplify and improve our processes. These have brought efficiency and effectiveness gains across our research and commercial activities, facilitating the rapid sharing and distribution of information within and outside the organisation.

As internet services continue to grow in diversity and value to our customer groups, we continue to monitor and evaluate new techniques and technologies to achieve our business objectives and ensure ongoing competitiveness. The use of analytics and measures is also critical to our understanding of how we can continue to leverage the opportunities presented by this medium •



THERAPY AREA REVIEW

> WE ARE ACTIVE IN SIX IMPORTANT AREAS OF HEALTHCARE

> OUR MEDICINES ARE DESIGNED TO MEET THE NEEDS OF PATIENTS AND THE HEALTHCARE PROFESSIONALS WHO TREAT THEM

Our skills, experience and resources are focused on six therapy areas which together represent the worldwide burden of disease.

Cancer

We aim to maintain our position as a world leader in cancer treatment through further launches of newer products such as *Faslodex*, the successful introduction of novel approaches currently in the pipeline, and continued growth of *Arimidex*, *Casodex* and *Zoladex*.

The excellent growth of *Arimidex* continued during 2005, based on the ATAC five-year treatment data, which showed it to be significantly more effective than tamoxifen in prolonging disease-free survival. The same study also showed that by replacing tamoxifen with *Arimidex*, post-menopausal women being treated for hormone-receptor positive invasive early breast cancer may almost halve the likelihood of their disease returning and reduce their risk of dying by nearly a third.

The year also saw continued growth for *Casodex*, driven by the use of the 50mg dose in advanced prostate cancer and growth in use of the 150mg dose, which is approved for early prostate cancer (EPC) in over 60 countries. Further analysis of data from early prostate cancer studies confirmed *Casodex* 150mg as an excellent treatment option for men with locally advanced prostate cancer (which is a segment of EPC).

During the year, *Zactima*, currently in phase 3 development, was granted orphan drug designation in the EU and US (and was also granted fast track status in the US) for the investigation of medullary thyroid cancer. Orphan drug designation encourages development of products that demonstrate promise for the diagnosis, prevention and/or treatment of life-threatening or very serious conditions that are rare and affect relatively few people. Fast track status includes opportunities to meet more regularly with the FDA to get its input into the drug development plan.

Cardiovascular (CV)

We are a world leader in CV medicines, with over 40 years' experience and a powerful range of

products. We aim to build on our strong position, focusing on important areas of need such as hypertension, diabetes, dyslipidaemia and thrombosis.

Crestor, our statin for controlling cholesterol levels, is now approved in 75 markets and launched in 69, including the US, Canada, Japan and the majority of EU countries. High cholesterol is increasingly recognised as a major health issue. Of those people currently being treated for high cholesterol, only about half reach their cholesterol goal on existing treatments, while the other half have cholesterol levels that remain unhealthy. More effective treatments, such as *Crestor*, continue to be needed.

In multiple clinical studies, *Crestor* has been shown to be more effective in lowering 'bad' cholesterol than other prescribed statins, and it also produces an increase in 'good' cholesterol. An extensive database has been built up of pre- and post-approval clinical trials experience involving more than 55,000 patients and post-marketing surveillance of 40 million prescriptions written and nearly 6 million patients treated with *Crestor* since its launch in 2003.

In March, following a thorough analysis of clinical trial safety data and post-marketing data for *Crestor*, the FDA formally denied the 2004 petition brought by Public Citizen, a US consumer interest organisation, to remove *Crestor* from the market, stating that "all of the available evidence indicates that *Crestor* does not pose a risk of muscle toxicity greater than that of other approved statins".

During the year, *Atacand* was approved in the US for the treatment of heart failure, based on the results of a comprehensive clinical study programme, CHARM, which showed significant reduction in the number of deaths and hospitalisations for heart failure in patients treated with *Atacand*.

With sales exceeding \$1.7 billion in 2005, *Seloken/Toprol-XL* continues to be a world leader by sales in the beta blocker (plain and in combination with diuretic) class.

Exanta, our oral anti-coagulant, has been approved in 21 countries worldwide in the short term indication for the prevention of venous thromboembolism in orthopaedic surgery and has been launched in 12 countries in Europe and Latin America. In the US in 2005, we continued discussions with the FDA, following its non-approval of *Exanta* for that market in 2004, but the current assessment is that it is unlikely that a way forward for *Exanta* registration in the US will be identified.

Gastrointestinal (GI)

We aim to maintain our number one position in GI treatments through continued market penetration for *Nexium* worldwide, coupled with high quality innovation and productivity in the research and development of new GI therapies.

First launched in Sweden in August 2000, *Nexium* is now available in approximately 100 markets, including the US, Canada and all European countries. It has been well received by patients and physicians alike and close to 340 million patient treatments had been administered by the end of 2005.

An injectable/intravenous formulation of *Nexium* is now approved in 68 countries, for use when an oral treatment of gastro-oesophageal reflux disease (GERD) is not appropriate. Further approvals have been granted in Europe for *Nexium* for healing and prevention of ulcers associated with NSAID (non-steroidal anti-inflammatory drug) therapy. *Nexium* is also approved in the US for the reduction in the occurrence of gastric ulcers associated with continuous NSAID therapy in patients at risk of developing gastric ulcers.

A regulatory filing for use of *Nexium* in paediatric GERD patients aged 12 years and above was submitted in Q4 in the US and the EU. We also filed an application for an oral liquid suspension formulation of *Nexium* in the US in December.

Infection

We aim to build a franchise in the treatment of infectious diseases by driving growth of *Merrem* (which, for the first time, achieved sales of more than \$500 million) and by exploiting our traditional, structural and genomic-based discovery technologies to bring new products to market.

Work dedicated to finding a new treatment for tuberculosis (TB) continues at our R&D facility in Bangalore, India. TB remains one of the leading causes of adult death from infectious disease in the world. This is an important part of our commitment to helping to improve healthcare delivery in the developing world in a sustainable way. You can read more about this commitment in the separate Corporate Responsibility Summary Report 2005 or on our website.

Neuroscience

We aim to deliver a range of life-changing medicines in the important areas of psychiatry, analgesia and neurology, and to maintain our world-leading position in anaesthesia.

Seroquel offers a well-established benefit/risk profile with proven efficacy and unique patient tolerability. This profile has led to the increased use of *Seroquel*, which substantially exceeded market growth in all its markets. *Seroquel* is the

KEY PRODUCT SALES

market-leading atypical anti-psychotic in the US in terms of monthly new and total prescriptions, and in Europe it continues to grow two to three times faster than the atypical market.

Seroquel for the treatment of bipolar mania has now been licensed in 73 countries and is highly successful, with strong market share growth.

During the year, we resumed full responsibility from MedPointe, Inc. for the marketing, sale and distribution of *Zomig* in the US. *Zomig Rapimelt*, a rapidly dispersible formulation offering patients a convenient, orange-flavoured, melt-in-the-mouth tablet for the treatment of migraine, now accounts for more than 35% of *Zomig* sales. The 5mg tablet is now approved and launched in most EU countries.

Diprivan is the world's best selling intravenous anaesthetic. More than 90% of total *Diprivan* sales consist of *Diprivan EDTA*, a microbial-resistant formulation, which is approved in the majority of markets.

Respiratory and Inflammation

We aim to build on our leading position in asthma treatment through the growth of key products, particularly *Symbicort*; the introduction of new uses for our key products and the development of new treatments in other areas of inflammatory disease, such as chronic obstructive pulmonary disease (COPD) and rheumatoid arthritis.

Symbicort provides rapid, effective control of asthma whilst allowing doctors the opportunity to individualise treatment to meet the needs of the patient through adjustable dosing. This means doctors can tailor a patient's treatment to address day-to-day triggers of asthma in a single inhaler for all situations, thereby achieving greater efficacy than with fixed doses. It is the only combination product currently on the market that offers these benefits.

Sales of *Symbicort* continued to grow in 2005. A filing for the use of *Symbicort* for the maintenance treatment of asthma, in patients aged 12 years and above, was made in the US in September.

Symbicort is also approved for use in COPD where trial data have shown that it reduces exacerbation rates compared to a long-acting bronchodilator alone.

Pulmicort continues to show strong performance with steady growth and is now a billion dollar brand. In the US, sales of *Pulmicort Respules* continue to grow, further strengthening its position as the inhaled corticosteroid of choice for the treatment of children under five with asthma ●

CANCER	2005 \$m	2004 \$m	Underlying growth %
<i>Casodex</i>	1,123	1,012	10
<i>Arimidex</i>	1,181	811	44
<i>Zoladex</i>	1,004	917	7
<i>Iressa</i>	273	389	(31)
<i>Faslodex</i>	140	99	39
<i>Nolvadex</i>	114	134	(16)
Other	10	14	(36)
Total	3,845	3,376	12

CARDIOVASCULAR

<i>Seloken/Toprol-XL</i>	1,735	1,387	24
<i>Crestor</i>	1,268	908	38
<i>Atacand</i>	974	879	8
<i>Plendil</i>	360	455	(23)
<i>Tenormin</i>	352	368	(5)
<i>Zestril</i>	332	440	(27)
Other	311	340	(12)
Total	5,332	4,777	10

GASTROINTESTINAL

<i>Nexium</i>	4,633	3,883	18
<i>Losec/Prilosec</i>	1,652	1,947	(17)
Other	70	88	(21)
Total	6,355	5,918	5

INFECTION

<i>Merrem</i>	505	423	15
Other	102	116	(14)
Total	607	539	9

NEUROSCIENCE

<i>Seroquel</i>	2,761	2,027	35
<i>Diprivan</i>	369	500	(27)
<i>Zomig</i>	352	356	(3)
Local anaesthetics	511	542	(8)
Other	66	71	(8)
Total	4,059	3,496	15

RESPIRATORY AND INFLAMMATION

<i>Pulmicort</i>	1,162	1,050	9
<i>Symbicort</i>	1,006	797	22
<i>Rhinocort</i>	387	361	6
<i>Oxis</i>	91	101	(14)
<i>Accolate</i>	72	116	(39)
Other	155	158	(5)
Total	2,873	2,583	9





LEADING PERFORMANCE CREATING VALUE

WE ARE COMMITTED TO CONTINUED INNOVATION AND TO BUILDING ON OUR TRACK RECORD FOR DELIVERING STRONG COMMERCIAL, OPERATIONAL AND FINANCIAL PERFORMANCE



Our results in these areas demonstrate that we can make the changes necessary to remain competitive in our dynamic and challenging business environment.

We aim to maintain the momentum by continuing to drive the sustainable development of our business, bringing benefit to patients and wider society, and creating enduring value for our shareholders.

BOARD OF DIRECTORS



LOUIS SCHWEITZER (63)

Non-Executive Chairman
Chairman of the Nomination Committee
 Appointed as a Director 11 March 2004. Non-Executive Chairman of Renault SA since April 2005. Chairman and Chief Executive Officer of Renault SA 1992-2005. President of the Management Board of Renault-Nissan BV 2002-2005. Chief Financial Officer and Executive Vice-President 1988-1992 and President and Chief Operating Officer 1990-1992, Renault SA. Non-Executive Director of BNP-Paribas, Electricité de France, Philips Electronics NV, Veolia Environnement, Volvo AB and L'Oréal.

HÅKAN MOGREN KBE (61)

Non-Executive Deputy Chairman
Member of the Nomination Committee
 Appointed as a Director 6 April 1999. Formerly Chief Executive Officer and a Director of Astra AB (appointed 18 May 1988). Vice-Chairman of Gambro AB. Member of the Board of Directors of Investor AB, Rémy Cointreau SA, Groupe Danone and Norsk Hydro ASA. Director of the Marianne and Marcus Wallenberg Foundation.



SIR TOM MCKILLOP* (62)

Executive Director and Chief Executive
 Appointed as a Director 1 January 1996. Retired from the Board on 31 December 2005. Deputy Chairman of The Royal Bank of Scotland Group plc. Non-Executive Director of BP p.l.c. Vice-President of the European Federation of Pharmaceutical Industries and Associations. Pro-Chancellor of the University of Leicester. Chairman of the British Pharma Group.

JOHN PATTERSON FRCP (58)

Executive Director, Development
 Appointed as a Director 1 January 2005. Fellow of the Royal College of Physicians. Director of the British Pharma Group. Non-Executive Director of Cobham plc. Non-Executive Director of Amersham plc 2001-2004. President of the Association of the British Pharmaceutical Industry 2002-2004. Member of the Supervisory Board of the UK Medicines Control Agency 1990-1994. Executive Vice-President, Product Strategy & Licensing and Business Development, AstraZeneca PLC 1999-2004.



DAVID R BRENNAN** (52)

Executive Director
 Appointed as a Director 14 March 2005. Appointed Chief Executive Officer with effect from 1 January 2006. Member of the Executive Board of the Pharmaceutical Research and Manufacturers of America (PhRMA). Chairman of the Board of the Southeastern Chapter of the American Heart Association. General Manager of Chibret International, France (a subsidiary of Merck & Co., Inc.) 1990-1992. Vice-President of Marketing, Business Planning and Development, Astra Merck, Inc., and then Astra Pharmaceuticals LP 1992-1999. Senior Vice-President of Commercial Operations, AstraZeneca Pharmaceuticals LP 1999-2001. Executive Vice-President, North America, AstraZeneca PLC 2001-2005.

JONATHAN SYMONDS (46)

Executive Director and Chief Financial Officer
 Appointed as a Director 1 October 1997. Also has overall responsibility for Information Services. Non-Executive Director of Diageo plc. Member of the UK Accounting Standards Board.

* Retired from the Board on 31 December 2005

** Appointed as Chief Executive Officer with effect from 1 January 2006



SIR PETER BONFIELD CBE, FEng (61)

Senior Non-Executive Director
Chairman of the Remuneration Committee
and Member of the Nomination Committee
Appointed as a Director 1 January 1995. Fellow of the Royal Academy of Engineering. Non-Executive Director of Telefonaktiebolaget LM Ericsson, Mentor Graphics Corporation, Taiwan Semiconductor Manufacturing Company, Ltd., Sony Corporation, Japan and Actis Capital LLP. Vice-President of The British Quality Foundation. Member of the Citigroup International Advisory Board. Member of the Sony Corporation Advisory Board. Non-Executive Director, Corporate Board of the Department for Constitutional Affairs.

JOE JIMENEZ (46)

Non-Executive Director
Member of the Remuneration Committee
and the Nomination Committee
Appointed as a Director 1 July 2003. Executive Vice-President of H J Heinz Company and President and Chief Executive Officer of Heinz Europe since 2002. Corporate Vice-President then Senior Vice-President and President of Heinz North America 1998-2002. Non-Executive Director of Blue Nile, Inc.

MICHELE HOOPER (54)

Non-Executive Director
Member of the Audit Committee
Appointed as a Director 1 July 2003. President and Chief Executive Officer of Stadlander Drug Company 1998-1999. Corporate Vice-President and President, International Businesses of Caremark International Inc. 1992-1998. Non-Executive Director of PPG Industries, Inc.

JOHN BUCHANAN (62)

Non-Executive Director
Chairman of the Audit Committee and
Member of the Remuneration Committee
Appointed as a Director 25 April 2002. Executive Director and Group Chief Financial Officer of BP p.l.c. 1996-2002. Member of the UK Accounting Standards Board 1997-2001. Senior Independent Director of BHP Billiton Plc. Non-Executive Director of Vodafone Group Plc. Deputy Chairman of Smith & Nephew plc.

MARCUS WALLENBERG (49)

Non-Executive Director
Member of the Audit Committee
Appointed as a Director 6 April 1999. Formerly a Director of Astra AB (appointed 18 May 1989). Stepped down from the Audit Committee on 31 December 2005. Chairman of Skandinaviska Enskilda Banken AB. Non-Executive Vice-Chairman of Saab AB and Telefonaktiebolaget LM Ericsson. Non-Executive Director of Electrolux AB, Stora Enso Oyj and the Knut and Alice Wallenberg Foundation.

ERNA MÖLLER (65)

Non-Executive Director
Member of the Remuneration Committee
and the Science Committee
Appointed as a Director 6 April 1999. Formerly a Director of Astra AB (appointed 15 May 1995). Executive Director of the Knut and Alice Wallenberg Foundation. Professor of Clinical Immunology and Vice-Chairman of the Nobel Assembly, Karolinska Institutet. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Science.

JANE HENNEY (58)

Non-Executive Director
Member of the Audit Committee,
the Nomination Committee and
the Science Committee
Appointed as a Director 24 September 2001. Currently Senior Vice-President and Provost for Health Affairs, University of Cincinnati Medical Center, appointed April 2003. Prior appointments include: Deputy Director, US National Cancer Institute; Vice-Chancellor of Health, University of Kansas Medical Center; Deputy Commissioner for Operations, US Food and Drug Administration; and Commissioner of Food and Drugs, US Food and Drug Administration. Non-Executive Director of AmerisourceBergen Corporation and CIGNA Corporation. Other board appointments include The Commonwealth Fund, China Medical Board, OMERIS and BIO/START.

DAME BRIDGET OGILVIE (67)

Non-Executive Director
Member of the Audit Committee
and the Science Committee
Appointed as a Director 1 January 1997. Also has responsibility for overseeing Corporate Responsibility. Chairman of the Medicines for Malaria Venture and the Association of Medical Research Charities. Trustee of Cancer Research UK. Chairman of the Trustees of the AstraZeneca Science Teaching Trust.

Other officers of the Company at 31 December 2005 included members of the Senior Executive Team, as set out on page 27, and:

GRAEME MUSKER

Group Secretary and Solicitor
Appointed as Company Secretary 6 June 1993.

SUMMARY DIRECTORS' REPORT

AstraZeneca PLC is the holding company for a group of subsidiaries whose principal activities are described in this Annual Review.

BOARD OF DIRECTORS

Details of members of the Board at 31 December 2005 are set out on pages 24 and 25.

BOARD CHANGES

As reported last year, with effect from 1 January 2005, Louis Schweitzer was appointed Non-Executive Chairman and John Patterson was appointed as Executive Director with responsibility for Development.

With effect from 14 March 2005, David Brennan was appointed as Executive Director with responsibility for North America.

On 31 December 2005, Marcus Wallenberg, a Non-Executive Director, stepped down from the Audit Committee.

In July 2005, we announced that Sir Tom McKillop would retire and stand down from the Board on 31 December 2005 and that David Brennan would be the new Chief Executive Officer with effect from 1 January 2006.

ELECTION AND RE-ELECTION OF DIRECTORS

All of the Directors will retire under Article 65 of the Company's Articles of Association at the AGM in April 2006. The Notice of AGM will give details of those Directors presenting themselves for election or re-election at the AGM.

ANNUAL GENERAL MEETING

The Company's AGM will be held on Thursday 27 April 2006. The principal meeting place will be in London. There will be a simultaneous satellite meeting in Stockholm.

CORPORATE GOVERNANCE

UK Combined Code

on Corporate Governance

The Board has prepared this report with reference to the UK Combined Code on Corporate Governance published in July 2003 by the Financial Reporting Council and related guidance.

The Company is applying all the main and supporting principles of good governance in the Combined Code. The way in which these principles are being applied is described below.

The Company is complying with all of the provisions of the Combined Code, particularly as Marcus Wallenberg has now stepped down as a member of the Audit Committee.

The US Sarbanes-Oxley Act of 2002

AstraZeneca PLC American Depositary Shares are traded on the New York Stock Exchange (NYSE) and the Company is subject to the reporting and other requirements of the US Securities and Exchange Commission (SEC) applicable to foreign issuers. The US Sarbanes-Oxley Act (the Act) came into force at the end of July 2002. As a result of its NYSE listing, the Company is subject to those provisions of the Act applicable to foreign issuers. Section 404 of this legislation requires companies to include in their annual report filed with the SEC a report by management stating its responsibility for establishing internal control structure and procedures for financial reporting and annually to assess the effectiveness of such structure and controls. In addition, the external auditor will be required to attest to and report on management's assessment. As a foreign issuer, AstraZeneca is first required to comply with section 404 in respect of its financial year ending 31 December 2006. Initially, compliance would have been required in respect of the financial year ending 31 December 2005, but the SEC extended the compliance dates for foreign issuers.

The Company either already complies with or will comply with those provisions of the Act applicable to foreign issuers as and when they become effective. The Board believes that, prior to the Act coming into force, the Company already had a sound corporate governance framework, good processes for the accurate and timely reporting of its financial position and results of operations and an effective and robust system of internal controls. Consequently, the Company's approach to compliance with the Act has principally involved the development and adjustment of its existing corporate governance framework and associated processes concerning reporting, internal controls and other relevant matters.

Disclosure Policy and Disclosure Committee

The Company's Disclosure Policy provides a framework for the handling and disclosure of inside information and other information of interest to shareholders and the investment community. It also defines the role of the Disclosure Committee. The Chief Financial Officer, the Executive Director, Development, the Group Secretary and Solicitor, the Vice-President, Corporate Affairs and (from July 2005) the Global Head of Investor Relations were the members of the Disclosure Committee during 2005. The Disclosure Committee meets regularly to assist and inform the decisions of the Chief Executive Officer concerning inside information and its disclosure.

BOARD STRUCTURE AND PROCESSES

Board composition, responsibilities and appointments

The Board comprises Executive and Non-Executive Directors. In the view of the Board, the majority of Board members are independent Non-Executive Directors. In forming this view, the Board specifically considered the position of Sir Peter Bonfield and believes that he is independent. Amongst other things, the Board had regard to the length of time that Sir Peter has served as a Non-Executive Director of the Company (he was first appointed to the Zeneca Group PLC board in 1995). Sir Peter is the senior Non-Executive Director of the Company, a position only established in 2002, and the Chairman and Chief Executive Officer have only been in their roles since January 2005 and 2006 respectively. The Board therefore wishes Sir Peter to continue in the role for one more year to provide valuable further continuity, subject to his re-election at the AGM in 2006. Sir Peter intends to step down as a Director of the Company at the AGM in 2007.

The differing roles of Executive Directors and Non-Executive Directors are clearly delineated, with both having fiduciary duties towards shareholders and all being collectively responsible for the success of the Company. However, Executive Directors have direct responsibility for business operations, whereas the Non-Executive Directors have a responsibility to bring independent, objective judgement to bear on Board decisions. This includes constructively challenging management and helping to develop the Company's strategy. The Non-Executive Directors scrutinise the performance of management and have various responsibilities concerning the integrity of financial information, internal controls and risk management. To help maintain a strong executive presence on the Board, in addition to the Executive Directors attending, Board meetings are often attended by members of the Senior Executive Team on a rotational basis.

The Board sets the Company's strategy and policies and monitors progress towards meeting its objectives. To this end, it conducts a formal strategy review annually. The Board also assesses whether its obligations to the Company's shareholders and others are understood and met. This includes regular reviews of the Company's financial performance and critical business issues.

There is an established procedure operated by the Nomination Committee for the appointment of new directors to the Board. Appointments are based on the merits of the candidates, who

are measured against objective criteria. All of the Directors retire at each AGM and may offer themselves for re-election by shareholders. The Board reviews annually the status of succession to senior positions, including those at Board level, and ensures it has regular contact with, and access to, succession candidates. The Nomination Committee's principal task in relation to nomination matters in 2005 related to the appointment of a new Chief Executive Officer. The Nomination Committee, chaired by the Chairman, led the process for nominating David Brennan, which was supported by external search consultants.

At its meeting in December 2005, the Board conducted its annual review and assessment of how it operates. This was done without external facilitation and included consideration and discussion of the nature and level of its interaction with the Company's management; the quality, quantity and scope of information which flows to the Board from management, and the way in which it flows; the content of Board meetings and presentations to Board meetings; the composition of the Board; the practical arrangements for the work of the Board; and the work and operation of the Board's committees. Overall, Board members concluded that their view of the performance of the Board is very positive and that the Board and its committees were operating in an effective and constructive manner.

At the same meeting, the Chairman also reported to the Board on his conversations with each Non-Executive Director about his or her individual performance and that of the Board as a whole, which took place during the fourth quarter of 2005. The Non-Executive Directors reviewed the performance of the Chief Executive and the Chief Financial Officer in their absence. In addition, the Board reviewed the performance of the Chairman in his absence, during that same December Board meeting.

The Company maintained directors' and officers' liability insurance cover throughout 2005.

In early 2006 the Company is planning to enter into a deed of indemnity in favour of each Board member. Under Article 134 of the Company's Articles of Association the current Directors and officers are already indemnified in accordance with the Companies Act 1985. However, consistent with recent changes to the Companies Act 1985, and in the interests of retaining high quality, skilled individuals, current market practice is for companies to enter into a separate deed of indemnity in favour of each director.

Chief Executive Officer and the Senior Executive Team

The Chief Executive Officer has been delegated authority from, and is responsible to, the Board for directing and promoting the profitable operation and development of the Company, consistent with the primary aim of enhancing long term shareholder value.

The Chief Executive Officer is responsible to the Board for the management and performance of the Company's businesses within the framework of Company policies, reserved powers and routine reporting requirements. He is obliged to refer certain major matters (defined in the formal delegation of the Board's authority) back to the Board. The roles of the Board, the Board's committees, the Chairman, the Chief Executive Officer and the Senior Executive Team are documented, as are the Company's delegated authorities and reserved powers, the means of operation of the business and the roles of corporate functions.

The Chief Executive Officer has established and chairs the Senior Executive Team. While the Chief Executive Officer retains full responsibility for the authority delegated to him by the Board, the Senior Executive Team is the vehicle through which he exercises that authority in respect of the Company's business (including Aptium Oncology and Astra Tech).

The members of the Senior Executive Team are the Chief Executive Officer (Sir Tom McKillop until the end of 2005, David Brennan since 1 January 2006); Jonathan Symonds, Chief Financial Officer; John Patterson, Executive Director, Development; Bruno Angelici, Executive Vice-President, Europe, Japan, Asia Pacific and rest of world; the Executive Vice-President, North America (David Brennan throughout 2005, Tony Zook from 1 January 2006); Jan Lundberg, Executive Vice-President, Discovery Research; Martin Nicklasson, Executive Vice-President, Global Marketing and Business Development (formerly Product Strategy & Licensing); Barrie Thorpe, Executive Vice-President, Operations; and Tony Bloxham, Executive Vice-President, Human Resources.

The Senior Executive Team normally meets once a month to consider and decide all major business issues. It also usually reviews those matters that are of a size or importance to require the attention of, or that are reserved to, the Board before such matters are submitted to the Board for review and decision.

Internal controls and management of risk

The Board has overall responsibility for the Company's system of internal controls, which aims to safeguard shareholders' investments and the Company's assets, and to ensure that proper accounting records are maintained and that the financial information used within the business and for publication is accurate, reliable and fairly presents the financial position of the Company and the results of its business operations. The Board is also responsible for reviewing the effectiveness of the system of internal controls. The system is designed to provide reasonable (not necessarily absolute) assurance of effective operations and compliance with laws and regulations.

Since the publication in September 1999 by the Institute of Chartered Accountants in England and Wales of the Turnbull Report, 'Internal Control: Guidance for Directors on the Combined Code', the Directors have continued to review the effectiveness of the Group's system of controls, risk management and the Company's high level internal control arrangements. The Directors believe that the Company maintains an effective, embedded system of internal controls and complies with the Turnbull Report guidance.

The Company views the careful management of risk as a key management activity. Through the adoption by the Board of a Group Risk & Control Policy and supporting standards, the Company has sought to confirm and formalise the drive to manage business risks as a key element of all activities.

Supporting line management activities is a dedicated risk management team who help to ensure key risks are identified and communicated appropriately. The outputs of this team are reviewed by the Risk Advisory Group, which comprises senior representatives from each business function. It is chaired by the Chief Financial Officer and reports twice a year to the Senior Executive Team. The Risk Advisory Group's reports on the Company's risk profile are reviewed by both the Audit Committee and the Board.

CODE OF CONDUCT

The policy of the Company is to require all of its subsidiaries, and their employees, to observe high ethical standards of integrity and honesty and to act with due skill, care, diligence and fairness in the conduct of business. The Company's management recognises that such standards make a significant contribution to the overall control environment and seeks

SUMMARY DIRECTORS' REPORT CONTINUED

to reinforce the standards outlined in the Code of Conduct throughout the business. In particular, all employees are required to comply with the letter and spirit of the AstraZeneca Code of Conduct and with the high ethical standards detailed by the Company in support of it.

As reported last year, during 2004 the Senior Executive Team sponsored a review and re-structuring of the Company's full range of policies, standards and guidelines. Following formal Board approval early in 2005, the revised Group policies were made available on a dedicated intranet site, the availability and purpose of which has been communicated throughout the organisation.

EXTERNAL AUDITOR

A resolution will be proposed at the AGM on 27 April 2006 for the re-appointment of KPMG Audit Plc, London, as auditor of the Company.

SHAREHOLDERS

In its financial reporting to shareholders and other interested parties by means of annual and quarterly reports, the Board aims to present a balanced and understandable assessment of the Company's financial position and prospects.

The Company maintains a corporate website containing a wide range of information of interest to institutional and private investors: astrazeneca.com.

The senior Non-Executive Director is available to shareholders if they have concerns that contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve, or for which such contact is inappropriate.

All shareholders, including private investors, have an opportunity at the AGM to put questions to members of the Board on matters relating to the Company's operation and performance.

SHAREHOLDERS' RETURN STRATEGY AND PURCHASE OF OWN SHARES

The Company's stated distribution policy contains both a regular dividend cash flow and a share re-purchase component to give the Company more flexibility in managing its capital

structure over time. The Board continually reviews its shareholders' return strategy and recently restated its intention to grow dividends in line with earnings while maintaining dividend cover in the two to three times range. The Board firmly believes that the first call on free cash flow is business need and, having fulfilled that, will return surplus cash to shareholders. Accordingly, in 2006, the Board intends to re-purchase shares at around the same level as 2005.

As previously reported, between August 1999 and December 2003 the Company re-purchased \$4 billion of its own shares under two share re-purchase programmes. In January 2004 the Board approved a further \$4 billion re-purchase programme to be completed by the end of 2005, of which \$2.2 billion was completed in 2004.

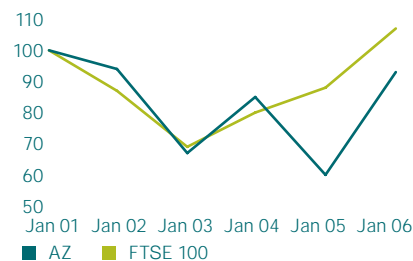
In 2005, the Board approved an increase of the programme by a further \$1.2 billion (making a total of \$3 billion for 2005).

During 2005, the Company purchased 67.65 million of its own Ordinary Shares with a nominal value of \$0.25 each for an aggregate cost of \$3 billion. Following the purchase of these shares, they were all cancelled. This number of shares represents 4.28% of the Company's total issued share capital at 31 December 2005.

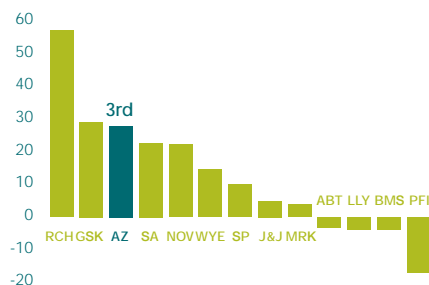
Since the beginning of the original re-purchase programme in 1999, the Company has purchased for cancellation in total 210.55 million of its Ordinary Shares with a nominal value of \$0.25 each for an aggregate cost of \$9.2 billion. This number of shares represents approximately 11.75% of the Company's total issued share capital at the time the re-purchase programme commenced in 1999.

The Company continues to maintain robust controls in respect of all aspects of the share re-purchase programme to ensure compliance with English law and the FSA's Listing Rules, Disclosure Rules and Prospectus Rules. In particular, the Company's Disclosure Committee meets to ensure that the Company does not purchase its own shares during prohibited periods. At the AGM on 27 April 2006, the Company will seek a renewal of its current permission from shareholders to purchase its own shares.

TSR: AstraZeneca compared with FTSE 100 over five years*



TSR: AstraZeneca compared with peer group 1 Jan 05 to 31 Dec 05*



* Source: Thomson Financial Datastream

These graphs are explained on pages 31 and 32.

SUMMARY DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE

The members of the Remuneration Committee of the Board are Sir Peter Bonfield (Chairman of the Committee), John Buchanan, Erna Möller and Joe Jimenez. They are all Non-Executive Directors. The remit of the Remuneration Committee is, primarily, to recommend for decision by the Board the fundamental remuneration policy for the Company and to ensure the proper operation of all plans for employees involving the Company's shares. More particularly, it makes specific proposals in respect of the remuneration packages of individual Executive Directors and the Company's most senior executives. A copy of the Remuneration Committee's remit is available on the Company's website: astrazeneca.com.

OVERALL REMUNERATION POLICY AND PURPOSE

The Company is committed to maintaining a dynamic performance culture, in which every employee champions the growth of shareholder value, is clear about the Company's objectives, and knows how their work impacts on those objectives and that they will benefit from achieving high levels of performance.

The Board has confirmed that the Company's overall remuneration policy and purpose are to:

- > Attract and retain people of the quality necessary to sustain the Company as one of the best pharmaceutical companies in the world.
- > Motivate them to achieve the level of performance necessary to create sustained growth in shareholder value.

In order to achieve this, remuneration policy and practice are designed to:

- > Closely align individual and team reward with business performance at each level.
- > Encourage employees to perform to their fullest capacity.
- > Encourage employees to align their interests with those of shareholders.
- > Support managers' responsibility to achieve business performance through people and to recognise superior performance, in the short and longer term.
- > Be as locally focused and flexible as is practicable and beneficial.
- > Be as internally consistent as is practicable and beneficial, taking due account of market need.
- > Be competitive and cost-effective in each of the relevant employment markets.

The cost and value of the components of the remuneration package are considered as a whole and are designed to:

- > Ensure a proper balance of fixed and variable performance-related components, linked to short and longer term objectives.
- > Reflect market competitiveness, taking account of the total value of all of the benefit components.

PRINCIPAL COMPONENTS OF EMPLOYEE REMUNERATION

Throughout 2005, the principal components contained in the total remuneration package, for employees as a whole, were:

- > Annual salary – based on conditions in the relevant geographic market, with provision to recognise, in addition, the value of individuals' sustained personal performance, resulting from their ability and experience.
- > Annual bonus – a lump sum payment related to the targeted achievement of corporate, functional and individual goals, measured over a year and contained within a specific plan. The corporate goals are derived from the annual financial targets set by the Board and take into account external expectations of performance. The functional goals are agreed by the Remuneration Committee at the start of, and are monitored throughout, the year.
- > Longer term incentive – for selected groups, targeted at the achievement of strategic objectives closely aligned with the interests of shareholders, namely the AstraZeneca Share Option Plan described on page 30 and, for some individuals potentially, the AstraZeneca Performance Share Plan described on page 31.
- > Pension arrangements appropriate to the relevant national market.
- > Other benefits, such as holidays and sickness benefit, which are cost-effective and compatible with relevant national welfare arrangements.
- > Share participation – various plans provide the opportunity for employees to take a personal stake in the Company's wealth creation as shareholders.

The way in which these elements are combined and applied varies depending, for example, on market need and practice in various countries.

REVIEW OF EXECUTIVE REMUNERATION IN 2004

In the 2004 Annual Report we described the review of the Company's executive remuneration practice that took place in 2004. As a result of the review, which included consultation with shareholders, a number of changes were proposed, including the introduction of a performance share plan, based on the Company's total shareholder return relative to a global industry peer group. These changes were summarised in the Annual Review for 2004 and details were provided with the 2005 Notice of AGM.

The changes were intended to:

- > Make the overall remuneration of AstraZeneca's most senior executives more competitive, benchmarking against predominantly UK-based, global companies.
- > Link their reward more closely to the achievement of demanding performance conditions.
- > Increase the variable elements of reward as a proportion of the overall remuneration package, when compared to the fixed reward elements.

The changes were approved by shareholders at the 2005 AGM.

The Company's revised approach to senior executive reward for Executive Directors and members of the Senior Executive Team (SET) is closely aligned to current best practice. The Board and the Remuneration Committee believe that bringing bonus and long term incentive opportunities closer to the market for other major UK-based, global companies, subject to demanding performance conditions, will appropriately rebalance the proportion of reward, so that variable, performance-related pay is dominant, and that it will significantly improve the Company's ability to attract and retain executives of the quality necessary to lead AstraZeneca in the future.

EXECUTIVE DIRECTORS' REMUNERATION

In 2005, for each Executive Director, the individual components were:

- > Annual salary – the actual salary for each Executive Director determined by the Remuneration Committee on behalf of the Board and established in sterling, with the exception of David Brennan's 2005 salary, which was established in US dollars. These salaries reflect the experience and sustained

SUMMARY DIRECTORS' REMUNERATION REPORT CONTINUED

performance of the individuals to whom they apply, as judged annually by the Remuneration Committee, taking account also of market competitiveness and the level of increases applicable to all other employees. David Brennan's salary with effect from 1 January 2006 is established in sterling at £870,000 per annum and all of David Brennan's terms and conditions are UK-based, apart from his pension arrangements, which are described below.

> Short-term bonus – the basis for determining the annual bonus for Executive Directors for 2005 and beyond is as follows:

- 50% is determined by earnings per share.
- 25% by measures relating to the individual's particular area of responsibility (or, in the case of the Chief Executive, the average of these individual outcomes for the other members of the SET).
- 25% by a balance of qualitative and quantitative measures that address the quality of business performance.

The Executive Directors' annual bonuses for 2005, based on performance against the above criteria, are as follows. These bonuses are not pensionable:

- The Chief Executive was eligible for a bonus on a scale of 0-180% of salary, with 90% of salary payable for the achievement of target performance. Sir Tom McKillop's bonus for 2005 amounts to £1,251,000.
- The Chief Financial Officer was eligible for a bonus on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. Jonathan Symonds' bonus for 2005 amounts to £597,000.
- The Executive Director, Development was eligible for a bonus on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. John Patterson's bonus for 2005 amounts to £525,000.
- The Executive Director, North America was eligible for a bonus on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. David Brennan's bonus for 2005 amounts to \$689,000.

> Longer term incentive – Executive Directors are also rewarded for improvement in the share price performance of the Company

over a period of years by the grant of share options under the AstraZeneca Share Option Plan. The grant of such options is determined by the Remuneration Committee, as are the performance targets that apply and whether they apply to the grant and/or exercise of options. As of 2005, Executive Directors are also now eligible to participate in the AstraZeneca Performance Share Plan described below.

> Pension arrangements:

- UK Executive Directors' pension arrangements – the Chief Executive and the Executive Director, Development are members of the Company's main UK defined benefit pension plan. The normal pension age under this plan is 62. However, a member's accrued pension is available from age 60 without any actuarial reduction. In addition, the accrued pension is available, unreduced, from age 57 if the Company consents to a request for early retirement and from age 50 if the retirement is at the Company's request.

On death in retirement, the accrued pension is guaranteed payable for the first five years of retirement and then reduces to two-thirds of this amount should there be a surviving spouse or other dependent. Any member may choose higher or lower levels of survivor's pensions at retirement, subject to HM Revenue & Customs limits, in return for an adjustment to their own pension of equivalent actuarial value. Pensions are also payable to dependent children. In the event of a senior employee becoming incapacitated, then a pension is payable immediately as if such person had reached normal retirement age (subject to a maximum of 10 years' additional service), based on current pensionable salary. In the event of a member's death prior to retirement, dependents are entitled to a pension of two-thirds of the pension that would have been earned had the deceased remained in service to age 62, plus a capital sum of four times pensionable pay. Pensions in payment are increased annually in line with inflation, as measured by the UK Retail Prices Index, up to a maximum of 5%.

In respect of UK Executive Directors whose pensionable earnings are capped by the earnings limit imposed by the Finance Act 1989, unapproved defined contribution schemes are made available. Currently, only the Chief Financial Officer is affected by this limit. The Company has agreed to pay annually 50% of base salary in excess of the statutory earnings cap for

the pension and associated tax liability, with the intention of providing equivalence of benefits with non-capped UK Executive Directors. If this does not provide equivalence, the Company has agreed to make up the difference. The Company contribution in 2005 in respect of the pension element was £130,000 (\$238,000).

- US Executive Directors' pension arrangements – David Brennan (as the Executive Director, North America during 2005 and as the Chief Executive Officer from 2006 onwards) is a member of the AstraZeneca US Defined Benefit Pension Plan, under a schedule applicable to legacy Astra Merck employees. Benefits for members of this plan are delivered on a tax-qualified basis, with accrued benefits that exceed specific limits under the plan's formula and US Tax Code being delivered through a supplementary, non-qualified pension plan. The normal pension age under both plans is 65. The tax-qualified plan has unreduced, early retirement benefits payable at age 62, or earlier if:
 - combined age and service at retirement equals or exceeds 85; and
 - at 1 July 1996, combined age and service was equal to or exceeded 60; and
 - the member was categorised as a non-highly compensated employee.

Similar early retirement terms apply to the supplementary, non-qualified plan, as it relates to highly compensated employees.

The US Defined Benefit Pension Plan and the supplementary, non-qualified pension plan have a service cap at 35 years' service, after which no further service accrual is earned.

On death in retirement, there is a pension payable to the surviving spouse or other dependent if the member so elects prior to retirement. The pension plan provides for continuation of service credit in the event of disability until age 65, death or commencement of benefit. In the event of death prior to retirement, pre-survivor retirement benefits are payable under the pension plan and under the insurance plans available to all US employees.

Members and surviving spouses/dependents can elect to take pensions in lump-sum form based on actuarial valuation.

- > Other customary benefits (such as a car and health benefits) are also made available through participation in the Company's flexible benefits arrangements, which extend to the vast majority of the Company's UK, Swedish and US employees.

ASTRAZENECA PERFORMANCE SHARE PLAN

As mentioned above, one of the changes announced by the Company following the 2004 review of executive remuneration was the introduction of a new AstraZeneca Performance Share Plan (the "Plan"). The Plan provides for the grant of performance share awards ("Awards") in respect of Ordinary Shares in AstraZeneca PLC ("Shares") (which may be delivered in the form of American Depositary Shares in the US).

The Remuneration Committee is responsible for agreeing any Awards under the Plan and for setting the policy for the way in which the Plan should be operated, including agreeing performance targets and which employees should be invited to participate in the Plan. All employees of the Company and its subsidiaries, including Executive Directors, are eligible to participate, although an employee may not be granted an Award if he or she is within six months from retirement. In practice, participation will be highly selective and performance-driven.

The first grant of Awards was made on 29 June 2005 (the "Initial Award"). Thereafter, the majority of Awards are likely to be made at or around the same time as options are granted under the AstraZeneca Share Option Plan. No payment is required for the grant of Awards.

An Award may not generally vest before the third anniversary of its date of grant nor unless the specified performance target(s) have been met at the end of a three year period. In the case of the Initial Award, the performance target relates to the three year period commencing on 1 January 2005.

For the Initial Award the performance target will be the Company's Total Shareholder Return ("TSR") over the three year period commencing on 1 January 2005 compared to the TSR of a selected peer group of 12 other pharmaceutical companies for the same period. These companies are: Abbott Laboratories, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Merck, Novartis, Pfizer, Roche, Sanofi-Aventis, Schering-Plough and Wyeth.

Awards will vest on the basis of the Company's TSR ranking and the vesting schedule set out below:

TSR ranking of the Company	Vesting percentage of shares under Award
Below median	0%
Median	30%
Upper quartile	100%
Between median and upper quartile	Pro rata

The vesting date for the Initial Award is the third anniversary of the 29 June 2005 grant date.

In addition to the TSR performance target being met for the Initial Award as set out above, the Remuneration Committee also has to satisfy itself that achievement of the TSR performance target is a genuine reflection of the Company's underlying financial performance.

The Remuneration Committee has the discretion to award Shares up to a further 25% over and above the Shares subject to the Award, if the Company's TSR performance is substantially better than that of the upper quartile of the comparator group.

The Remuneration Committee may vary or waive these performance target(s) to take account of events that lead the Remuneration Committee, acting fairly and reasonably, to believe the performance target(s) to be no longer appropriate. Any variation to the performance target(s) made by the Remuneration Committee will not result in the revised performance target(s) being, in the opinion of the Remuneration Committee, more difficult or easier to satisfy than the initial performance target(s).

If a participant ceases employment with the AstraZeneca group before an Award has vested at the end of the relevant period, his or her Award(s) will generally lapse. However, if a participant dies or leaves employment in certain circumstances such as ill health, injury, disability, retirement, redundancy or his or her employing business being sold or transferred outside the AstraZeneca group, the Award will, absent additional action by the Remuneration Committee, vest pro rata to the time elapsed between the date of grant of the Award and the date of cessation of employment, at the end of the relevant performance period, subject to the satisfaction of the performance target(s) measured over the relevant performance period.

In view of Sir Tom McKillop's retirement on 31 December 2005, the Award granted to him in 2005 will be appropriately pro-rated and will vest in 2008 subject to the satisfaction of the performance target measured over the whole performance period. Having left the Company six months after the start of the 36 month vesting period, Sir Tom will receive Shares representing approximately one sixth of the value of the Award (if any) when it vests in 2008.

Performance under the AstraZeneca Performance Share Plan in 2005

TSR looks at share price increase and dividends re-invested in respect of a notional number of shares, from the beginning of the performance period to the end of it, and ranks the companies in the selected comparator group by reference to the TSR achieved over that period. The rank which the Company's TSR achieves over the performance period will determine how many Shares will vest under the Initial Award, as per the vesting schedule shown in the table above.

The second graph on page 28 shows how the Company's TSR performance has compared with the TSR for the companies in the comparator group from 1 January 2005 (the first day of the performance period) to 31 December 2005 and how the Company ranks against those other companies on this basis. To alleviate any short term volatility, the return index is averaged in the TSR calculations for each company over the three months prior to the start of the performance period (as stipulated in the plan) and, for the purposes of the interim snapshot shown by that graph, over the last three months of 2005.

We will continue to report on the performance of each Award against the relevant performance target(s) during the relevant vesting period.

ARRANGEMENTS FOR ÅKE STAVLING

Åke Stavling, formerly an Executive Director, left the Company at the end of January 2003. Mr Stavling's leaving arrangements were fully disclosed in the Directors' Remuneration Report for 2003. Under these arrangements, Mr Stavling received monthly compensation from the Company until the end of January 2005. The sum received by Mr Stavling in January 2005 is included in the disclosure of Directors' emoluments on page 41. These arrangements have now ceased.

SUMMARY DIRECTORS' REMUNERATION REPORT CONTINUED

DIRECTORS' EMOLUMENTS IN 2005

The aggregate remuneration, excluding pension contributions and the value of share options and performance share plan awards, paid to or accrued for all Directors and officers of the Company for services in all capacities during the year ended 31 December 2005 was £11 million (\$19 million). Remuneration of individual Directors is set out on page 41 in sterling and US dollars. All salaries, fees, bonuses and other benefits for Directors are established in sterling, save for David Brennan's salary, which, for 2005, was established in US dollars.

PENSIONS

In advance of the changes to the tax treatment of pensions in the UK, which will take effect from 6 April 2006, the Remuneration Committee considered the impact those changes may have on UK Executive Directors' pension arrangements. The Remuneration Committee has endorsed the offer of a cash allowance in lieu of future pension, payable at the election of each individual Executive Director. The cash allowance will be consistent with the cost of the alternative gross pension benefit.

This approach was considered in the context of:

- > The Company's desire to offer employees flexibility and choice in their reward packages.

- > The Company's policies of funded, defined contribution pension provision.
- > The Company's desire to ensure it does not respond to tax changes in a way that would effectively deliver a guaranteed 'net' pension promise.
- > The requirement that any alternative to pension should be cost-neutral to the Company.

Any resulting impact of this on the Executive Directors' pension arrangements will be provided in the 2006 Directors' Remuneration Report.

TOTAL SHAREHOLDER RETURN

The UK Directors' Remuneration Report Regulations 2002 require the inclusion in the Annual Review of a graph showing TSR over a five year period in respect of a holding of the Company's shares, plotted against TSR in respect of a hypothetical holding of shares of a similar kind and number by reference to which a broad equity market index is calculated. This illustrates the Company's TSR performance against the broad equity market index selected. The Company is a member of the FTSE 100 Index and consequently, for the purposes of this graph (which is shown on page 28), we have selected the FTSE 100 Index as the appropriate index. This graph is re-based to 100 at the start of the rolling five year period.

DIRECTORS' INTERESTS IN PERFORMANCE SHARE PLAN AWARDS

Directors' interests in shares or American Depositary Shares (ADSs) of AstraZeneca PLC that are the subject of awards under the AstraZeneca Performance Share Plan or the AstraZeneca US Executive Performance Share Plan are not included in the table of Directors' emoluments on page 41 but are shown in the tables below.

The interests at 31 December 2005 or on the date of resignation (if earlier), of the persons who on that date were Directors, in shares of AstraZeneca PLC that are the subject of Awards under the AstraZeneca Performance Share Plan are shown below:

Director	Awards held (target number of shares)		Awards made during 2005 (target number of shares)	Monetary value of Awards made during 2005 ¹ (£)	Date of Award	Date on which Award may vest
	At 1 Jan 2005 or appointment date	At 31 Dec 2005 or resignation date				
Sir Tom McKillop	–	104,417 ³	104,417	2,339,985	29.06.05 ²	29.06.08
John Patterson	–	41,945	41,945	939,987	29.06.05 ²	29.06.08
Jonathan Symonds	–	47,723	47,723	1,069,472	29.06.05 ²	29.06.08

¹ The relevant target percentage of the Director's salary was divided by the price per share at date of grant (2241p) to calculate the target number of shares.

² Initial Award.

³ To be pro-rated as described on page 31.

The interests of David Brennan, at 31 December 2005 and on the date of his appointment, in ADSs of AstraZeneca PLC that are the subject of awards under the AstraZeneca US Executive Performance Share Plan (established in 2000) are shown below. One ADS equals one AstraZeneca Ordinary Share. The number of ADSs to which Mr Brennan may become unconditionally entitled on the vesting date will be determined by reference to AstraZeneca's total shareholder return compared to that of other companies in the US Pharmaceutical Human Resources Association over the three year performance period.

Director	Awards held (target number of ADSs)		Awards made during 2005 (target number of ADSs)	Monetary value of awards made during 2005 (US\$)	Awards vested during 2005 (number of ADSs)	Monetary value of awards vested during 2005 (US\$)	Awards expired during 2005	Date of award	Date on which award may vest
	At 14 Mar 2005 (appointment date)	At 31 Dec 2005							
David R Brennan	87,163	89,807	27,877	1,124,837 ¹	18,925	749,809 ²	6,308	24.03.05	24.03.08

¹ The award price was US\$40.35.

² The closing price of AstraZeneca ADSs on 28 March 2005 (the date of vesting) was US\$39.62.

SUMMARY FINANCIAL REVIEW

Sales by growth, patent expiry and base products \$m and % change

Year	Base	Patent expiry	Growth	Total
05	10,643 (+4%)	2,458 (-20%)	10,849 (+27%)	23,950
04	10,024 (+5%)	2,976 (-26%)	8,426 (+36%)	21,426
03	9,102 (+12%)	3,761 (-46%)	5,986 (+53%)	18,849

■ Base
■ Patent expiry (*Losec, Nolvadex, Plendil and Zestril*)
■ Growth (*Arimidex, Crestor, Nexium, Seroquel and Symbicort*)

INTRODUCTION

The purpose of this Summary Financial Review is to provide a balanced and comprehensive analysis, including the key business factors and trends, of the financial performance of the business during 2005, the financial position as at the end of the year and the main business factors and trends which could affect the future financial performance of the business.

Our operations are focused on prescription pharmaceuticals and more than 97% of our sales are made in that sector. Sales of pharmaceutical products tend to be relatively insensitive to general economic circumstances in the short term. They are more directly influenced by medical needs and are generally financed by health insurance schemes or national healthcare budgets.

Our operating results in both the short and long term can be affected by a number of factors other than normal competition:

- > The risk of generic competition following loss of patent exclusivity or patent expiry with the potential adverse effects on sales volumes and prices.
- > The timings of new product launches which can be influenced by national regulators and the risk that such new products do not succeed as anticipated.
- > The rate of sales growth and costs following new product launches.
- > The adverse impact on pharmaceutical prices as a result of the regulatory environment. Although there is no direct governmental control on prices in the US, pressures from individual state programmes and health insurance bodies are leading to downward forces on realised prices. In other parts of the world, there are a variety of price and volume control mechanisms and retrospective rebates based on sales levels which are imposed by governments.
- > Currency fluctuations, which can significantly affect our results. Our functional and reporting currency is US dollars as this is our single largest currency, but we have substantial exposures to other currencies, in particular, significant euro and Japanese yen denominated income and sterling and Swedish krona denominated costs.

Over the longer term, the success of our research and development is crucial. In common with

other pharmaceutical companies we devote substantial resources to R&D, the benefit of which emerges over the long term and carries considerable uncertainty as to whether it will generate future products.

The business events which were the most significant for our financial results in 2005 are as follows:

- > Strong sales performances from our five growth products which now account for 45% of sales.
- > Ten products in the portfolio with annual sales in excess of \$1 billion compared to two products five years ago.
- > Productivity enhancements which have allowed the containment of R&D and SG&A whilst delivering sales growth and R&D projects as planned.
- > Close attention to capital expenditure and working capital management.

Taking these factors, we have delivered an operating profit margin of 27.2%, earnings per share growth (before exceptional items) of 41% and free cash flow of over \$6 billion.

Other developments that were important in the year centre around our continued commitment to innovation and investment in research and development. Over the past five years we have increased our investment in R&D at an average of 8% per annum. This investment has been strengthened by accessing innovation originating outside AstraZeneca through collaborations with external partners such as Cambridge Antibody Technology, Abgenix and Array, as well as the three licensing transactions announced in December and the acquisition in January 2006 of KuDOS Pharmaceuticals.

We continue to vigorously defend our intellectual property. In November we filed two lawsuits in the US District Court for the District of New Jersey. The first was against Teva Pharmaceuticals USA, Inc. and Teva Pharmaceuticals Industries, Ltd. for wilful infringement of our substance patent protecting *Seroquel*. The second lawsuit was filed against Ranbaxy Laboratories for wilful infringement of our patents protecting *Nexium*. On 18 January 2006 we announced we had received a decision of Judge Rodney Sippel of the US District Court for the Eastern District of Missouri that found

that the patents asserted by us that cover *Toprol-XL* were invalid and unenforceable. We disagree with and are disappointed by these conclusions. We maintain that both patents are valid and enforceable and will appeal the Court decision.

MEASURING PERFORMANCE

We use specific measures when assessing our performance in key areas as discussed below. Some of the financial measures use information derived at constant exchange rates (CER), in particular, growth rates in sales and costs, operating profit and, as a consequence, earnings per share. CER removes the effects of currency movements which allows us to focus on the changes in sales and expenses driven by volume, prices and cost levels relative to the prior period.

- > Sales and cost growth expressed in CER allows management to understand the true local movement in sales and costs, in order to compare recent trends and relative return on investment.
- > Earnings per share growth demonstrates not only the profitability of the business (based on profit after tax) but also the management of our capital structure (particularly through the share re-purchase programme).

Other measures used are not influenced so directly, or indeed at all, by the effects of exchange rates.

- > Gross margin and operating profit margin percentages set out the progression of key performance margins and demonstrate the overall quality of the business.
- > Prescription volumes and trends for growth products, which can represent the underlying business growth and the progress of individual products better and more immediately than invoiced sales.
- > Free cash flow, which represents net cash flows before financing activities, as adjusted for movements in short term deposits, measuring our ability to provide returns to shareholders through dividends and the share re-purchase programme.
- > Total shareholder return measures the returns we provide to our shareholders and reflects share price movements assuming reinvestment of dividends and is used in comparison to the performance of peer group companies.

SUMMARY FINANCIAL REVIEW CONTINUED

RESULTS OF OPERATIONS

Sales

Sales for the full year increased 10% at CER with good sales growth in all regions (US up 12%; Europe up 8%; Japan up 8%; Rest of World up 15%). Most of this growth was driven by volume although there was a small overall favourable selling price benefit.

Our portfolio now has ten brands with annual sales of greater than \$1 billion. The combined sales of five key brands (*Arimidex*, *Crestor*, *Nexium*, *Seroquel* and *Symbicort*) grew by 27% to \$10,849 million.

In Gastrointestinal, *Nexium* sales increased by 18% to \$4,633 million. Sales in the US were up 15% to \$3,125 million on continued strong volume growth partially offset by lower price realisation. *Nexium* sales in other markets increased 25%. The *Nexium* performance more than compensated for the decline in *Losec* (down 17% to \$1,652 million). As a result, the therapy area grew for the first time since 2002.

In Cardiovascular, sales grew by 10% to \$5,332 million. *Crestor* sales reached \$1,268 million for the full year, up 38%. Sales in the US were up 34% to \$730 million. *Crestor* share of new prescriptions in the US statin market was 6.9% in the week ending 20 January 2006. Sales in other markets increased by 41% on good growth in France, Italy and Canada. *Seloken* sales increased by 24% to \$1,735 million. These performances offset declines in *Zestril* and *Plendil*, down by 27% and 23%, respectively.

Respiratory and Inflammation sales increased by 9% to \$2,873 million. *Symbicort* sales were the main driver of this growth and increased 22% to \$1,006 million. Sales of *Symbicort* arise principally in Europe – a US regulatory application for the pMDI formulation for the treatment of asthma was submitted on 27 September. Elsewhere in the therapy area, *Pulmicort* and *Rhinocort* sales rose by 9% and 6% with annual sales of \$1,162 million and \$387 million, respectively.

Sales in the Oncology portfolio grew by 12% to \$3,845 million. *Arimidex* sales increased 44% to \$1,181 million, on strong growth in the US (up 59%) and in other markets (up 35%). *Arimidex* value market share among hormonal treatments for breast cancer is now around 50%, more than twice the share of its closest competitor. *Casodex* sales grew by 10% to \$1,123 million on strong performances outside the US and *Zoladex* sales exceeded \$1 billion for the first time, again on performance outside the US. *Iressa* sales fell by 31% to \$273 million, mainly as a result of a 63% decline in the US. However, in the Asia Pacific region the product saw 7% growth as China and other markets compensated for a decline in Japan.

Neuroscience sales grew by 15% to \$4,059 million. *Seroquel* sales reached \$2,761 million (up 35%) including \$2,003 million in the US (up 33%). In the US, *Seroquel* share of new prescriptions

in the anti-psychotic market increased to 29.8% in December, the only brand among the top three products to grow market share in 2005. Sales in other markets increased by 40%.

In the US sales were up 12% for the full year to \$10,771 million. Sales growth for *Nexium*, *Seroquel*, *Toprol-XL*, *Arimidex* and *Crestor* more than offset the declines in *Prilosec*, *Plendil* and *Iressa*. Inventory movements were neutral across the year following the successful introduction of wholesaler Distribution Service Agreements. Adjustments to prior year managed care accruals at the half year benefited annual US sales growth by 2% resulting in an underlying demand growth of 10% for the year. The net result of other selling price movements was marginally favourable.

Revenue from outside of the US now accounts for 55% of our sales. In Europe sales increased by 8% for the full year to \$8,463 million, with good volume growth partially offset by lower realised prices. Sales for the five key brands combined grew by 30%, which more than compensated for a 24% decline in *Losec*.

Sales in Japan were up 8% for the full year to \$1,527 million as a result of good growth for *Losec*, *Casodex*, *Zoladex* and *Arimidex*. Sales in China were up 33% to \$272 million for the full year on good growth in cardiovascular products and *Losec*, and the launch of *Iressa*.

Operating margin and retained profit

Gross margin increased by 1.8 percentage points to 77.6% of sales. Lower payments to Merck (4.8% of sales) and positive currency each benefited gross margin by 0.1 percentage points. Excluding prior year *Exanta* and *Iressa* provisions totalling \$236 million, the costs associated with the termination of the MedPointe *Zomig* distribution agreement in the first quarter of 2005, and the site rationalisation provisions at \$105 million charged in the final quarter, underlying margin improved by 1.2 percentage points. This is due mostly to favourable product mix and continued operational efficiencies.

R&D and SG&A combined grew by 2%, with R&D declining by 4% and SG&A growing by 4%. Before exchange effects, the combined effect of these movements added 4.1 percentage points to operating margin for the full year. Excluding the *Losec* EU Fine (\$75 million) and the investments made on the Medicare Outreach programme in the fourth quarter of this year, SG&A growth was 2%. The decline in R&D was partly a consequence of our productivity focus and partly due to the relatively early stage of compounds in development.

Lower other income reduced margin by 0.3 percentage points due principally to the gain on the disposal of the Durascan business in the prior year.

Operating margin increased by 6.0 percentage points from 21.2% to 27.2%. Currency benefited

margin by 0.4 percentage points resulting in an underlying margin improvement of 5.6 percentage points for the year.

Net interest and dividend income for the full year was \$165 million (2004 \$78 million). The increase over 2004 is primarily attributable to higher average investment balances and yields.

The effective tax rate for the twelve months was 29.1% (2004 rate excluding exceptional items 26.6%). The charge for the year includes a net increase of \$112 million, mainly due to movements in provisions relating to foreign tax credits and transfer pricing. The increase over 2004 is due to the release of provisions following a settlement of prior year issues in 2004 and no relief in respect of the *Losec* fine. Taxation in 2004 also benefited from a one-off reduction in the deferred tax liability in relation to rolled over gains following agreements with the relevant tax authorities.

Earnings per share before exceptional items grew by 41% from \$2.01 in 2004 to \$2.91 in the current year. We estimate that the share re-purchase programme added 8 cents to earnings in the current year and currency benefits the same amount.

FINANCIAL POSITION, INCLUDING CASH FLOW AND LIQUIDITY

The net book value of our assets fell by \$806 million from \$14,497 million to \$13,691 million. The net profit was distributed through share re-purchases of \$3,001 million and dividends of \$1,676 million leaving negative exchange effects of \$1,052 million to reduce net assets.

Exchange effects and depreciation (in total \$1,768 million) together with site rationalisations of around \$100 million and disposals more than offset capital expenditure of \$832 million leading to a reduction in the net book value of tangible fixed assets. Investment in intangible assets amounted to \$176 million in 2005. Development acquisitions accounted for \$100 million and software development costs totalled \$76 million. The value of inventory at the year end has fallen reflecting a continued drive to reduce levels together with the effect of exchange. Receivables increased from \$4,620 million to \$4,778 million. This reflects increased trade receivables in several markets resulting from a mixture of increased sales in the fourth quarter and timing of US receipts. Trade and other payables have remained unchanged from 2004.

Cash flow

We continue to be a highly cash generative business. Although future operating cash flows may be affected by a number of factors as outlined in the introduction on page 33, we believe our cash resources will be sufficient for our present requirements and include sufficient cash for our existing capital programme, share re-purchases and any costs of launching new products, as well as the potential buy-out of Merck's interests in 2008.

Cash generated from operating activities in 2005 was \$6,743 million compared with \$4,817 million in 2004. This increase is principally a result of a \$1,823 million increase in profit before tax and the effects of a net \$332 million cash inflow from favourable movements in working capital, particularly inventory, offset by a \$360 million increase in tax paid.

Cash outflows from investing activities of \$1,182 million in the year compared with \$970 million inflows in 2004. Capital expenditure fell by \$253 million to \$810 million and expenditure on non-current asset investments was \$105 million lower in 2005.

Free cash flow for the year was \$6,052 million. After accounting for net share re-purchases of \$2,858 million, the \$1,717 million dividend payment to shareholders and foreign exchange effects, there is a \$968 million increase in cash and cash equivalents.

Investments, divestments and capital expenditure

New collaboration agreements signed during 2005 with Avanir and Astex created intangible assets worth \$20 million. Further payments were made in respect of existing licensed-in products amounting to \$44 million.

In December, new collaboration agreements with Protherics PLC, Targacept Inc and AtheroGenics, Inc. were announced and are recorded as post balance sheet events. We will invest \$41 million in the global development and commercialisation agreement with Protherics, being a 4.3% investment in equity and an intangible asset.

The licensing and commercialisation agreement with AtheroGenics will initially require a \$50 million payment by AstraZeneca and the licensing and research collaboration agreement with Targacept will initially require a \$10 million payment by AstraZeneca. Both of these payments will be recorded as intangible assets.

After the year end, we also acquired the total share capital of KuDOS Pharmaceuticals Limited for \$210 million, subject to cash and working capital adjustments. Most of the cost of the investment reflects an intangible asset representing the oncology technology platform of KuDOS.

Our recent focus on licensing in opportunities with third parties will result in additional intangible asset investment in the balance sheet. Should any of these products fail in development, the associated intangibles will need to be written off.

CAPITALISATION AND SHAREHOLDER RETURN

Dividend and share re-purchases

In line with the policy stated last year, the Board intends to continue its practice of growing dividends in line with earnings (maintaining dividend cover in the two to three times range) whilst substantially distributing the balance of cash flow via share re-purchases. During 2005,

we returned \$4,718 million out of free cash of \$6,052 million to shareholders through a mix of share buy-backs and dividends. The Board firmly believes that the first call on free cash flow is business need and, having fulfilled that, will return surplus cash flow to shareholders. The primary business need is to build the research pipeline by supporting internal and external opportunities. Accordingly, in 2006, the Board intends to re-purchase shares at around the same level as 2005, with any balance of free cash flow available firstly for investment in the product pipeline or subsequent return to shareholders.

We have re-purchased and cancelled 67.7 million shares in 2005 at a cost of \$3,001 million. As a result, the total number of shares re-purchased to date under the share re-purchase programmes begun in 1999 is 210.6 million at a cumulative cost of \$9,172 million.

At 31 December 2005, the number of shares in issue was 1,581 million.

We paid the second interim dividend of \$0.645 in respect of 2004 on 21 March 2005 and a first interim dividend for 2005 on 19 September 2005 of \$0.380 per Ordinary Share. A second interim dividend for 2005 of \$0.920 per Ordinary Share has been declared, which the Annual General Meeting will be asked to confirm as the final dividend.

FUTURE PROSPECTS

We are determined to strengthen our product pipeline via a sustained commitment to discovery

and development of new medicines, from within our own laboratories and from external partnerships. We are in a strong financial position from which to increase our investment in R&D and utilise our strong cash generation to pursue attractive external opportunities to augment the pipeline. Continued focus on improved productivity is essential to release resources for these priorities.

For 2006, the operating financial leverage stemming from good sales performance and cost control, and the delivery of productivity gains seen in 2005, are expected to continue. The main risk to the achievement of these earnings is the possibility of generic competition for *Toprol-XL* if generic companies receive final regulatory approval and seek to launch "at risk" before the conclusion of the judicial appeals process.

INTERNATIONAL ACCOUNTING

Under European legislation, we are required to adopt International Financial Reporting Standards and International Accounting Standards (collectively "IFRS") as adopted by the European Union for the current year accounts. Comparatives have been restated from UK GAAP to IFRS and can be summarised as set out in the table below.

The major areas of ongoing impact on our net profit and shareholders' equity are likely to continue to be share-based payments and deferred tax. The reconciliation from UK GAAP income in 2004 was also impacted by one-off gains on financial instruments that have been recognised in earlier years under IFRS.

	2004 \$m	2003 \$m
Income		
UK GAAP	3,831	3,059
Share-based payments	(147)	(154)
Employee benefits	1	(21)
Business combinations	49	59
Financial instruments	(163)	(8)
Capitalised software and intangibles	21	2
Deferred tax – IFRS adjustments above	26	27
– other	67	82
Others	(2)	(2)
IFRS	3,683	3,044
Net assets		
UK GAAP	14,519	13,257
Share-based payments	–	–
Employee benefits	(2,010)	(1,745)
Business combinations	108	59
Financial instruments	11	98
Dividend	1,061	914
Capitalised software and intangibles	106	85
Deferred tax – IFRS adjustments above	579	516
– other	111	(8)
Others	12	(1)
IFRS	14,497	13,175

SUMMARY FINANCIAL STATEMENTS

These Summary Financial Statements are a summary of information in the Group's Financial Statements, Directors' Report and Directors' Remuneration Report and do not contain sufficient information to allow for as full an understanding of the results and state of affairs of the Group as would be provided by the full Group Financial Statements, Directors' Report and Directors' Remuneration Report. Shareholders requiring more detailed information have the right to obtain, free of charge, a copy of the Group's last full Annual Report and Form 20-F Information, available from the Secretary at the registered office of the Company.

The Summary Financial Statements on pages 37 to 41 were approved by the Board of Directors on 2 February 2006 and were signed on its behalf by:

DAVID R BRENNAN
Director

JONATHAN SYMONDS
Director

INDEPENDENT AUDITORS' STATEMENT

AUDITORS' STATEMENT TO THE MEMBERS OF ASTRAZENECA PLC, PURSUANT TO SECTION 251 OF THE COMPANIES ACT 1985.

We have examined the Summary Financial Statements set out on pages 37 to 41. This statement is made solely to the Company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our work, for this statement, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Review 2005 in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statements within the Annual Review 2005 with the full annual Financial Statements, the Directors' Report and the Directors' Remuneration Report, and its compliance with the relevant requirements of section 251 of the Companies Act 1985, Article 4 of the IAS Regulation and the regulations made thereunder. We also read the other information contained in the Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statement' issued by the Auditing Practices Board for use in the UK. Our report on the Group's full annual Financial Statements describes the basis of our audit opinion on those Financial Statements.

OPINION

In our opinion the Summary Financial Statements are consistent with the full annual Financial Statements, the Directors' Report and the Directors' Remuneration Report of AstraZeneca PLC for the year ended 31 December 2005 and comply with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

2 February 2006

KPMG AUDIT PLC
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2005 \$m	2004 \$m	2003 \$m
Sales	23,950	21,426	18,849
Cost of sales	(5,356)	(5,193)	(4,463)
Distribution costs	(211)	(177)	(162)
Research and development	(3,379)	(3,467)	(3,012)
Selling, general and administrative costs	(8,695)	(8,268)	(7,393)
Other operating income	193	226	188
Operating profit	6,502	4,547	4,007
Profit on sale of interest in joint venture	-	219	-
Finance income	665	532	381
Finance expense	(500)	(454)	(311)
Profit before tax	6,667	4,844	4,077
Taxation	(1,943)	(1,161)	(1,033)
Profit for the period	4,724	3,683	3,044
Attributable to:			
Equity holders of the Company	4,706	3,664	3,022
Minority interests	18	19	22
Basic earnings per \$0.25 Ordinary Share	\$2.91	\$2.18	\$1.77
Diluted earnings per \$0.25 Ordinary Share	\$2.91	\$2.18	\$1.77
Weighted average number of Ordinary Shares in issue (millions)	1,617	1,673	1,709
Diluted average number of Ordinary Shares in issue (millions)	1,618	1,675	1,712
Dividends declared and paid in the period	1,676	1,408	1,244

All activities were in respect of continuing operations.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER

	2005 \$m	2004 \$m	2003 \$m
Profit for the period	4,724	3,683	3,044
Foreign exchange adjustments on consolidation	(1,052)	744	1,267
Available for sale (losses)/gains taken to equity	(10)	31	1
Actuarial loss for the period	(35)	(179)	(240)
Tax on items taken directly to reserves	(25)	416	139
	(1,122)	1,012	1,167
Total recognised income and expense for the period	3,602	4,695	4,211
Attributable to:			
Equity holders of the Company	3,595	4,690	4,186
Minority interests	7	5	25

Tax on items taken directly to reserves in 2004 includes a credit of \$357m in respect of foreign exchange losses in 2000.

\$m means millions of US dollars

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER

	2005 \$m	2004 \$m	2003 \$m
Assets			
Non-current assets			
Property, plant and equipment	6,985	8,097	7,547
Intangible assets	2,712	3,050	3,027
Other investments	256	262	133
Deferred tax assets	1,117	1,218	1,261
	11,070	12,627	11,968
Current assets			
Inventories	2,206	3,020	3,022
Trade and other receivables	4,778	4,620	4,187
Other investments	1,624	1,198	3,216
Income tax receivable	183	120	144
Cash and cash equivalents	4,979	4,067	1,024
	13,770	13,025	11,593
Total assets	24,840	25,652	23,561
Liabilities			
Current liabilities			
Interest bearing loans and borrowings	(90)	(142)	(152)
Trade and other payables	(5,466)	(5,478)	(5,052)
Income tax payable	(1,283)	(967)	(1,354)
	(6,839)	(6,587)	(6,558)
Non-current liabilities			
Interest bearing loans and borrowings	(1,111)	(1,127)	(351)
Deferred tax liabilities	(1,112)	(1,328)	(1,491)
Retirement benefit obligations	(1,706)	(1,761)	(1,528)
Provisions	(309)	(266)	(395)
Other payables	(72)	(86)	(63)
	(4,310)	(4,568)	(3,828)
Total liabilities	(11,149)	(11,155)	(10,386)
Net assets	13,691	14,497	13,175
Equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	395	411	423
Share premium account	692	550	449
Capital redemption reserve	53	36	23
Merger reserve	433	433	433
Other reserves	1,345	1,384	1,403
Retained earnings	10,679	11,590	10,355
	13,597	14,404	13,086
Minority equity interests	94	93	89
Total equity	13,691	14,497	13,175

The Summary Financial Statements on pages 37 to 41 were approved by the Board of Directors on 2 February 2006 and were signed on its behalf by:

DAVID R BRENNAN
Director

JONATHAN SYMONDS
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2005 \$m	2004 \$m	2003 \$m
Cash flows from operating activities			
Profit before tax	6,667	4,844	4,077
Finance income and expense	(165)	(78)	(70)
Profit on sale of interest in joint venture	–	(219)	–
Depreciation and amortisation	1,327	1,268	1,293
Increase in trade and other receivables	(502)	(207)	(171)
Decrease/(increase) in inventories	596	129	(131)
Increase/(decrease) in trade and other payables	238	11	(430)
Other non-cash movements	220	384	(275)
Cash generated from operations	8,381	6,132	4,293
Interest paid	(32)	(69)	(39)
Tax paid	(1,606)	(1,246)	(886)
Net cash inflow from operating activities	6,743	4,817	3,368
Cash flows from investing activities			
Disposal of business operations	–	355	80
Movement in short term investments and fixed deposits	(491)	1,855	617
Purchase of property, plant and equipment	(810)	(1,063)	(1,282)
Disposal of property, plant and equipment	87	35	38
Purchase of intangible assets	(157)	(215)	(293)
Purchase of non-current asset investments	(12)	(117)	(120)
Interest received	206	119	117
Dividends paid by subsidiaries to minority interests	(5)	(5)	(11)
Dividends received	–	6	2
Net cash (outflow)/inflow from investing activities	(1,182)	970	(852)
Net cash inflow before financing activities	5,561	5,787	2,516
Cash flows from financing activities			
Proceeds from issue of share capital	143	102	47
Re-purchase of shares	(3,001)	(2,212)	(1,154)
Loans received	–	746	–
Loan repayment	–	(21)	(345)
Dividends paid	(1,717)	(1,378)	(1,222)
Movement in short term borrowings	3	2	–
Net cash outflow from financing activities	(4,572)	(2,761)	(2,674)
Net increase/(decrease) in cash and cash equivalents in the period	989	3,026	(158)
Cash and cash equivalents at beginning of the period	3,927	872	968
Exchange rate effects	(21)	29	62
Cash and cash equivalents at the end of the period	4,895	3,927	872

DIVIDENDS

	2005 Per share	2004 Per share	2003 Per share	2005 \$m	2004 \$m	2003 \$m
Final, paid 21 March 2005	\$0.645	\$0.540	\$0.470	1,061	914	808
Interim, paid on 19 September 2005	\$0.380	\$0.295	\$0.255	615	494	436
	\$1.025	\$0.835	\$0.725	1,676	1,408	1,244

The second interim dividend, to be confirmed as final, is \$0.92 per share and \$1,455m in total. This will be payable on 20 March 2006.

On payment of the dividends, exchange losses of \$41m (2004 gains of \$30m, 2003 gains of \$22m) arose. These exchange gains and losses are included in finance expense.

EARNINGS PER SHARE

	2005	2004	2003
Profit for the financial year before exceptional items (\$m)	4,706	3,378	3,022
Exceptional items after tax (\$m)	-	286	-
Profit for the financial year (\$m)	4,706	3,664	3,022
Earnings per Ordinary Share before exceptional items	\$2.91	\$2.01	\$1.77
Earnings per Ordinary Share on exceptional items	-	\$0.17	-
Earnings per Ordinary Share	\$2.91	\$2.18	\$1.77
Diluted earnings per Ordinary Share before exceptional items	\$2.91	\$2.01	\$1.77
Diluted earnings per Ordinary Share on exceptional items	-	\$0.17	-
Diluted earnings per Ordinary Share	\$2.91	\$2.18	\$1.77
Weighted average number of Ordinary Shares in issue for basic earnings (millions)	1,617	1,673	1,709
Dilutive impact of share options outstanding (millions)	1	2	3
Diluted average number of Ordinary Shares in issue (millions)	1,618	1,675	1,712

There are no options, warrants or rights outstanding in respect of unissued shares except for employee share option schemes. The earnings figures used in the calculations above are unchanged for diluted earnings per Ordinary Share. Earnings per Ordinary Share before exceptional items exclude the effect of two items – the profit after tax on the sale of an interest in a joint venture of \$228m and tax relief of \$58m in respect of an agreement with the US tax authority to allow a part of the *Zoladex* settlement recognised in 2002 as deductible.

SUBSEQUENT EVENTS

Subsequent to the year end, the Group has completed the acquisition of KuDOS Pharmaceuticals Limited for \$210 million.

DIRECTORS' EMOLUMENTS IN 2005

The aggregate remuneration, excluding pension contributions and the value of share options and performance share plan awards, paid to or accrued for all Directors and officers of the Company for services in all capacities during the year ended 31 December 2005 was £11 million (\$19 million). Remuneration of individual Directors is set out below in sterling and US dollars. All salaries, fees, bonuses and other benefits for Directors are established in sterling, save for David Brennan's salary, which for 2005 was established in US dollars.

Sterling	Salary and fees £'000	Bonuses		Taxable benefits £'000	Other £'000	Total 2005 £'000	Total 2004 £'000	Total 2003 £'000
		Cash £'000	Shares ⁴ £'000					
Louis Schweitzer	260	–	–	–	–	260	31 ⁴	N/A
Sir Tom McKillop	997	834	417	2	3 ¹	2,253	1,411	1,790
David R Brennan	337 ⁵	251 ⁵	125 ⁵	84 ⁵	22 ⁵	819 ⁵	N/A	N/A
John Patterson	469	350	175	7	48	1,049	N/A	N/A
Jonathan Symonds	577	398	199	8	87 ²	1,269	970	1,071
Sir Peter Bonfield	82	–	–	–	–	82	76	74
John Buchanan	69	–	–	–	–	69	61	53
Jane Henney	57	–	–	–	–	57	54	49
Michele Hooper	49	–	–	–	–	49	43	19 ⁴
Joe Jimenez	49	–	–	–	–	49	43	19 ⁴
Håkan Mogren	100	–	–	–	–	100	479 ³	1,246
Erna Möller	57	–	–	–	–	57	54	49
Dame Bridget Ogilvie	57	–	–	–	–	57	54	49
Marcus Wallenberg	49	–	–	–	–	49	46	46
Former Directors								
Åke Stavling	–	–	–	–	36 ⁷	36 ⁷	435 ⁷	489
Others	–	–	–	–	–	–	269	305
Total	3,209	1,833	916	101	196	6,255	4,026	5,259

US Dollars	Salary and fees \$'000	Bonuses		Taxable benefits \$'000	Other \$'000	Total 2005 \$'000	Total 2004 \$'000	Total 2003 \$'000
		Cash \$'000	Shares ⁴ \$'000					
Louis Schweitzer	476	–	–	–	–	476	56 ⁴	N/A
Sir Tom McKillop	1,825	1,527	763	4	6 ¹	4,125	2,566	2,886
David R Brennan	617 ⁵	459 ⁵	230 ⁵	154 ⁵	39 ⁵	1,499 ⁵	N/A	N/A
John Patterson	858	640	320	12	88	1,918	N/A	N/A
Jonathan Symonds	1,056	728	364	14	159 ²	2,321	1,764	1,726
Sir Peter Bonfield	150	–	–	–	–	150	138	119
John Buchanan	126	–	–	–	–	126	111	86
Jane Henney	104	–	–	–	–	104	98	79
Michele Hooper	90	–	–	–	–	90	78	31 ⁴
Joe Jimenez	90	–	–	–	–	90	78	31 ⁴
Håkan Mogren	183	–	–	–	–	183	871 ³	2,008
Erna Möller	104	–	–	–	–	104	98	79
Dame Bridget Ogilvie	104	–	–	–	–	104	98	79
Marcus Wallenberg	90	–	–	–	–	90	84	74
Former Directors								
Åke Stavling	–	–	–	–	66 ⁷	66 ⁷	791 ⁷	788
Others	–	–	–	–	–	–	490	492
Total	5,873	3,354	1,677	184	358	11,446	7,321	8,478

¹ Relates to final payments of relocation allowances. ² Payment for pension-related tax liabilities. ³ Comprises compensation payment of £450,000 (\$818,000) and part year Non-Executive Director's fee of £29,000 (\$53,000). ⁴ Part year only. ⁵ Part year only as only appointed as a Director on 14 March 2005. Mr Brennan's emoluments for the whole of 2005 totalled £916,000 (\$1,677,000). ⁶ These figures represent that portion of the bonus required to be deferred into shares for a three year period. ⁷ Compensation payment.

In the above tables, salaries have been converted between sterling and US dollars at the average exchange rate for the year in question. These rates were GBP/USD: 0.55 (2005), 0.55 (2004) and 0.62 (2003).

Some Directors and officers were also granted options to subscribe for Ordinary Shares under the Company's share option plans and awards under the AstraZeneca Performance Share Plan (or, in the case of David Brennan, the AstraZeneca US Executive Performance Share Plan). No Director or officer has a family relationship with any other Director or officer.

GROUP FINANCIAL RECORD

For the year ended 31 December	2003 \$m	2004 \$m	2005 \$m
Turnover and profits			
Sales	18,849	21,426	23,950
Cost of sales	(4,463)	(5,193)	(5,356)
Distribution costs	(162)	(177)	(211)
Research and development	(3,012)	(3,467)	(3,379)
Selling, general and administrative costs	(7,393)	(8,268)	(8,695)
Other operating income	188	226	193
Operating profit	4,007	4,547	6,502
Profit on sale of interest in joint venture	-	219	-
Finance income	381	532	665
Finance expense	(311)	(454)	(500)
Profit before tax	4,077	4,844	6,667
Taxation	(1,033)	(1,161)	(1,943)
Profit for the period	3,044	3,683	4,724
Attributable to:			
Equity holders of the Company	3,022	3,664	4,706
Minority interests	22	19	18
Earnings per share			
Earnings per \$0.25 Ordinary Share before exceptional items	\$1.77	\$2.01	\$2.91
Earnings per \$0.25 Ordinary Share (basic)	\$1.77	\$2.18	\$2.91
Earnings per \$0.25 Ordinary Share (diluted)	\$1.77	\$2.18	\$2.91
Dividends	\$0.725	\$0.835	\$1.025
Return on sales			
Operating profit as a percentage of sales	21.3%	21.2%	27.2%
Ratio of earnings to fixed charges (IFRS)	100.4	93.6	85.6
At 31 December	2003 \$m	2004 \$m	2005 \$m
Balance sheet			
Property, plant and equipment and intangible assets	10,574	11,147	9,697
Other investments	133	262	256
Deferred tax assets	1,261	1,218	1,117
Current assets	11,593	13,025	13,770
Total assets	23,561	25,652	24,840
Current liabilities	(6,558)	(6,587)	(6,839)
Non-current liabilities	(3,828)	(4,568)	(4,310)
Net assets	13,175	14,497	13,691
Capital and reserves attributable to equity holders	13,086	14,404	13,597
Minority equity interests	89	93	94
Total equity and reserves	13,175	14,497	13,691
For the year ended 31 December	2003 \$m	2004 \$m	2005 \$m
Cash flows			
Net cash inflow/(outflow) from:			
Operating activities	3,368	4,817	6,743
Investing activities	(852)	970	(1,182)
Financing activities	(2,674)	(2,761)	(4,572)
	(158)	3,026	989

SHAREHOLDER INFORMATION

AstraZeneca	2001	2002	2003	2004	2005
Ordinary Shares in issue – millions					
At year end	1,745	1,719	1,693	1,645	1,581
Weighted average for year	1,758	1,733	1,709	1,673	1,617
Stock market price – per \$0.25 Ordinary Share					
Highest (pence)	3555	3625	2868	2749	2837
Lowest (pence)	2880	1799	1820	1863	1861
At year end (pence)	3098	2220	2680	1889	2829

Percentage analysis at 31 December 2005 of issued share capital

By size of account No. of shares	2005 %
1 – 250	0.6
251 – 500	0.7
501 – 1,000	1.0
1,001 – 5,000	1.4
5,001 – 10,000	0.2
10,001 – 50,000	1.0
50,001 – 1,000,000	11.9
over 1,000,000 [†]	83.2
Issued share capital	100.0

[†] Includes VPC and ADR holdings

At 31 December 2005, AstraZeneca PLC had 148,243 registered holders of 1,580,902,000 Ordinary Shares of \$0.25 each. At 31 December 2005, there were approximately 68,000 holders of American Depositary Receipts (ADRs) representing 9.93% of the issued share capital and 162,000 holders of shares held under the VPC Services Agreement representing 22.87% of the issued share capital. The ADRs, each of which is equivalent to one Ordinary Share, are issued by JPMorgan Chase Bank.

2005 DIVIDEND

	\$	Pence	SEK	Payment date
First interim dividend	0.38	21.9	2.99	19 September 2005
Second interim dividend	0.92	51.8	7.02	20 March 2006
Total	1.30	73.7	10.01	

DIVIDEND PAYMENTS

The record date for the second interim dividend for 2005, payable on 20 March 2006 (in the UK, the US and Sweden), is 10 February 2006. Shares trade ex-dividend on the London and Stockholm Stock Exchanges from 8 February 2006 and ADRs trade ex-dividend on the New York Stock Exchange from the same date. Dividends will normally be paid as follows:

First interim: Announced in July and paid in September.
 Second interim: Announced in January/February and paid in March.

The record date for the first interim dividend for 2006, payable on 18 September 2006 (in the UK, the US and Sweden), is 11 August 2006.

FINANCIAL CALENDAR 2006

27 April 2006	Annual General Meeting and announcement of first quarter 2006 results
27 July 2006	Announcement of second quarter and half year 2006 results
26 October 2006	Announcement of third quarter and nine months 2006 results

SHAREHOLDER INFORMATION CONTINUED

SHAREVIEW

AstraZeneca's shareholders with internet access may visit shareview.co.uk and register their details to create a portfolio. Shareview is a free and secure on-line service from Lloyds TSB Registrars that gives access to shareholdings including balance movements, indicative share prices and information about recent dividends.

SHAREGIFT

AstraZeneca welcomes and values all its shareholders, no matter how many or how few shares they own. However, shareholders who have only a small number of shares whose value makes it uneconomic to sell them, either now or at some stage in the future, may wish to consider donating them to charity through ShareGift, an independent charity share donation scheme. One feature of the scheme is that there is no gain or loss for capital gains tax purposes on gifts of shares through ShareGift and it may now also be possible to obtain income tax relief on the donation. Further information about ShareGift can be found on its website, sharegift.org, or by contacting ShareGift on 020 7337 0501 or at 46 Grosvenor Street, London W1K 3HN. More information about the tax position on gifts of shares to ShareGift can be obtained from HM Revenue & Customs whose website address is hmrc.gov.uk. The share transfer form needed to make a donation may be obtained from the AstraZeneca Registrar, Lloyds TSB Registrars whose address can be found on the back cover of this document. ShareGift is administered by The Orr Mackintosh Foundation, registered charity number 1052686.

THE UNCLAIMED ASSETS REGISTER

AstraZeneca supplies unclaimed dividend data to the Unclaimed Assets Register (UAR) which provides investors who have lost track of shareholdings with an opportunity to search the UAR's database of unclaimed financial assets on payment of a small, fixed fee. The UAR donates part of the search fee to charity. The UAR can be contacted at Bain House, 16 Connaught Place, London W2 2ES and at uar.co.uk.

The contents of this AstraZeneca Annual Review are derived wholly and exclusively from the AstraZeneca Annual Report and Form 20-F Information for the financial year ended 31 December 2005 to which the reader is referred for additional analytical information.

TRADE MARKS

Trade marks of the AstraZeneca group of companies appear throughout this document in italics. AstraZeneca, the AstraZeneca logotype and the AstraZeneca symbol are all trade marks of the AstraZeneca group of companies.

USE OF TERMS

In this Annual Review 2005, unless the context otherwise requires, 'AstraZeneca', 'the Group', 'the Company', 'we', 'us' and 'our' refer to AstraZeneca PLC and its consolidated entities.

STATEMENTS OF COMPETITIVE POSITION

Except as otherwise stated, market information in this Annual Review 2005 regarding the position of our business or products relative to its or their competition is based upon published statistical data for the 12 months ended 30 September 2005, obtained from IMS Health, a leading supplier of statistical data to the pharmaceutical industry. Except as otherwise stated, these market share and industry data from IMS Health have been derived by comparing our sales revenue to competitors' and total market sales revenues for that period.

STATEMENTS OF GROWTH RATES

Except as otherwise stated, growth rates in this Annual Review 2005 are given at constant exchange rates (CER).

ASTRAZENECA WEBSITES

Information on our websites, including astrazeneca.com, astrazenecaclinicaltrials.com and rosuvastatininformation.com, does not form part of this document.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In order to utilise the 'safe harbour' provisions of the US Private Securities Litigation Reform Act 1995, we are providing the following cautionary statement: This Annual Review 2005 contains certain forward-looking statements about AstraZeneca. Although we believe our expectations are based on reasonable assumptions, any forward-looking statements may be influenced by factors that could cause actual outcomes and results to be materially different from those predicted. We identify the forward-looking statements by using the words 'anticipates', 'believes', 'expects', 'intends' and similar expressions in such statements. These forward-looking statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from those contained in forward-looking statements, certain of which are beyond our control, include, among other things: the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; the risk of failure to observe ongoing regulatory oversight; the risk that new products do not perform as we expect; and the risk of environmental liabilities.

The paper used in this Review is sourced from sawmill residues, forest thinning and sustainable forests. All mill broke is recycled and accounts for up to 30% of the total fibre content. The pulp is bleached using a chlorine-free (ECF) process. This product meets ISO 9706 requirements.

CONTACT INFORMATION

Registered office and corporate headquarters address

AstraZeneca PLC
15 Stanhope Gate
London W1K 1LN
UK
Tel: +44 (0)20 7304 5000
Fax: +44 (0)20 7304 5151

R&D headquarters address

AstraZeneca AB
R&D Headquarters
SE-151 85 Södertälje
Sweden
Tel: +46 (0)8 553 260 00
Fax: +46 (0)8 553 290 00

Investor relations contacts

UK and Sweden: as above or e-mail
IR@astrazeneca.com

US:

Investor Relations
AstraZeneca Pharmaceuticals LP
1800 Concord Pike
PO Box 15438
Wilmington
DE 19850-5438
US
Tel: +1 (302) 886 3000
Fax: +1 (302) 886 2972

Registrar and transfer office

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex
BN99 6DA
UK
Tel (freephone in the UK): 0800 389 1580
Tel (outside the UK): +44 121 415 7033

Swedish securities registration centre

VPC AB
PO Box 7822
SE-103 97 Stockholm
Sweden
Tel: +46 (0)8 402 9000

US depository

JPMorgan Chase Bank
JPMorgan Service Center
PO Box 3408
South Hackensack
NJ 07606-3408
US
Tel (toll free in the US): 888 697 8018
Tel (outside the US): +1 (201) 680 6630