

WE AIM TO BUILD ON OUR STRONG POSITION IN ASTHMA TREATMENT THROUGH THE GROWTH OF KEY PRODUCTS, PARTICULARLY *SYMBICORT*, NEW INDICATIONS AND MARKET LAUNCHES AND THE SUCCESSFUL INTRODUCTION OF NOVEL APPROACHES TO OTHER AREAS OF INFLAMMATORY DISEASE SUCH AS SEVERE CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD) AND RHEUMATOLOGY.

PRODUCTS

Symbicort Turbuhaler provides rapid, effective control of asthma and effective reduction of exacerbations, improving symptoms and providing a clinically important improvement in the health of patients with severe COPD.

Symbicort pMDI, approved for the long-term maintenance treatment of asthma in patients 12 years of age and older, was launched in the US in June 2007 to specialists and in July 2007 to primary care physicians. There has been a good uptake of *Symbicort* in the US, most notably with specialist asthma physicians. Further information about the progress of *Symbicort* since its launch in the US is set out on page 69 (Geographical Review).

In October 2007, the US Food and Drug Administration (FDA) approved the actuation counter for the *pMDI* and plans are in place for launch in the US in the second half of 2008. The paediatric and COPD trials for *Symbicort pMDI* are on track to support the US supplementary new drug applications planned in the second quarter of 2008.

Outside the US, *Symbicort* for the treatment of asthma is marketed in the *Turbuhaler* dry powder inhaler and is approved in over 100 countries and launched in more than 70. *Symbicort Turbuhaler* is also approved in many countries for use in patients with severe COPD, where trial data in two pivotal studies have shown that it reduces exacerbation rates compared to a long-acting bronchodilator alone, and rapidly improves symptoms compared to its mono-components and placebo, providing clinically important improvement in health status.

Following its approval in October 2006, *Symbicort SMART*, a new approach to managing adult asthma, has been launched in over 40 countries. This treatment concept represents a change from current medical practice. *Symbicort* contains formoterol, a bronchodilator which is both rapid-acting and long-lasting, coupled with the corticosteroid budesonide, to provide an important anti-inflammatory effect. This approach

provides increased asthma control and simplifies asthma management because patients only need one inhaler for both maintenance and relief of asthma symptoms. The *Symbicort SMART* approach is also a cost-effective treatment option for many healthcare payers. At the end of 2006, *Symbicort SMART* was endorsed by the Global Initiative for Asthma.

The COMPASS and AHEAD studies, the results of which were published in 2007 and involved over 3,000 and 2,000 patients respectively, along with the COMPASS health economic analysis paper, confirmed that the *Symbicort SMART* treatment concept is more clinically effective, and more cost-effective compared with the best treatment approach provided by salmeterol/fluticasone (Seretide™) at any dose plus 'as needed' short-acting reliever therapy.

In October 2007, following an appeal by a group of generic manufacturers, the European Patent Office (EPO) Technical Board of Appeal revoked the European combination patent for *Symbicort* for use in asthma. The EPO decision is not expected to have an immediate impact in the EU or any impact on the US and Japanese patents. *Symbicort* has data exclusivity until at least August 2010 in most major European markets, which means that generics are unlikely to enter the market until some time after this date. In addition, the *Turbuhaler* device, preferred by many prescribers and patients, has multi-component patent protection until 2019. In the EU, *Symbicort Turbuhaler* is also protected by two COPD use patents (under appeal and opposition, respectively), which expire in 2018 and an 'as needed' (*Symbicort SMART*) use patent, which expires in 2019.

Pulmicort remains one of the world's leading asthma medicines and is available in several forms, including the *Turbuhaler* dry powder inhaler, a pressurised metered dose inhaler and *Pulmicort Respules* suspension for the treatment of children and infants 12 months and older. In the US, the *Pulmicort Turbuhaler* has been technically modified to improve

dosing properties (especially dose uniformity) and to introduce an enhanced dose indicator. The enhanced version was launched as *Pulmicort Flexhaler* in April 2007. European approvals for the more environmentally friendly HFA-based *Pulmicort pMDI* were extended in 2007 to cover additional countries, including Spain. *Pulmicort Respules* is the first and only nebulised corticosteroid in the US for children as young as 12 months. Sales have grown strongly as a result of high medical need in the age group combined with the product's beneficial profile, which together have strengthened the product's position as the inhaled corticosteroid of choice for the treatment of children under five with asthma.

Information about our continuing patent infringement action against IVAX in the US, which began in October 2005, in relation to IVAX's abbreviated new drug application (ANDA) for a budesonide inhalation suspension is set out in Note 27 to the Financial Statements on page 158.

Oxis is a formoterol beta-agonist therapy with a fast onset and long-acting clinical effect for the relief of asthma symptoms. *Oxis* is added to the treatment regime when corticosteroid treatment alone is not adequate. *Oxis* is also indicated for symptom relief in COPD.

Rhinocort is a treatment for allergic rhinitis (hay fever). It combines powerful efficacy with rapid onset of action and minimal side effects and is available as a once-daily treatment in the *Rhinocort Aqua* (nasal spray) and the *Turbuhaler* dry powder inhaler forms.

In September 2007, we received a letter from Apotex Inc. stating that Apotex had submitted an ANDA for a budesonide nasal spray (32 mcg spray) and that it intended to engage in the commercial manufacture, use and sale of a generic version of *Rhinocort Aqua* budesonide nasal spray before the expiration of our US FDA Orange Book patents covering *Rhinocort Aqua*. After investigating the allegations in Apotex's letter, we decided not to file a patent infringement suit against Apotex. We will not maintain or enforce the patents referred to in the letter and have requested their de-listing from the US FDA Orange Book.

PIPELINE

Our pipeline includes life cycle management initiatives for the approved products mentioned above, as well as development compounds across the whole discovery and development spectrum. We focus on developing new therapies for currently unmet medical needs in COPD, asthma and rheumatology.