

INFECTIO MEDICINES CONTINUED

PERFORMANCE 2007**Reported performance**

Infection sales grew by 96% to \$1,715 million from \$875 million in 2006, driven by the inclusion of seven months of *Synagis* and *FluMist* sales and *Merrem* sales increases of 28%.

Underlying performance

After excluding the effects of exchange, infection sales grew by 89%. Underlying growth of 20% from *Merrem*, with sales of \$773 million, and the inclusion of *Synagis* and *FluMist* were the principal drivers of this growth. Sales of *Synagis* totalled \$618 million for the period since the acquisition of MedImmune, with \$480 million arising in the fourth quarter. *Synagis* sales are highly seasonal, with the majority of sales recorded in the fourth and first quarters. US sales were \$391 million; sales outside the US were \$89 million. There are no corresponding sales recorded in the prior year period; on a pro-forma basis *Synagis* sales are 5% ahead of the fourth quarter last year.

Sales of *FluMist* were \$53 million for the full year, all of which were recorded in the fourth quarter. As with *Synagis*, there are no corresponding sales in the prior year period; on a pro-forma basis *FluMist* sales for the 2007/2008 influenza season to date are 56% ahead of the equivalent point in respect of the 2006/2007 season.

Sales of *Merrem* increased by 20% to \$773 million, with strong growth in the US (sales up 32% to \$149 million) and Western Europe (sales up 20% to \$307 million).

PERFORMANCE 2006**Reported performance**

Infection and other sales rose by 4% from \$839 million in 2005 to \$875 million in 2006, as sales of *Merrem* grew by 20%.

Underlying performance

Excluding effects of exchange, underlying sales in Infection increased by 4%. *Merrem* sales grew by 19% to reach \$604 million, primarily driven by increased performance in the US and Europe.

OTHER BUSINESSES**APTIUM ONCOLOGY**

For more than 20 years, Aptium Oncology has been developing and managing hospital-based outpatient cancer centres in the US. It has developed a unique, comprehensive approach to cancer care that incorporates all outpatient oncology and ancillary services in a single facility for maximum patient comfort and convenience.

Ownership of Aptium Oncology gives us a unique window to the provider sector of the US oncology market and, through Aptium Oncology's network of over 160 physicians, access to many opinion leaders in the field of oncology who can help shape early phase drug development decisions. It is also involved in clinical trial delivery for a number of our pipeline products and provides scientific advice and staff training for oncology teams.

In 2007, Aptium Oncology continued to perform well in its cancer centre management business with positive profit and cash flow contributions. Focused on growth, Aptium Oncology continued to invest in sales and marketing. The resulting expansion of its consultancy business is creating new opportunities for management relationships in new markets in the US, with growing interest from international sources.

Clinical research is an integral part of care delivery at Aptium Oncology's affiliated cancer centres and the company has established the Aptium Oncology Research Network, which is conducting a growing number of centrally co-ordinated trials.

ASTRA TECH

Astra Tech is engaged in the research, development, manufacture and marketing of medical devices and implants for use in healthcare, primarily in urology, surgery and odontology. It has a leading position in several countries in Europe and is expanding its operations in key markets, particularly in the US and Japan.

All product lines showed continued good sales growth in 2007. In pursuit of its growth strategy for Astra Tech Dental, the sales and marketing organisation for dental implants was expanded during the year. Strong sales growth was achieved in major European markets, North America and Japan, and Astra Tech increased market shares in all of these major markets.

In October 2007, the American dental company Atlantis Components, Inc. based in Cambridge, Massachusetts, US, was acquired for \$71 million. Atlantis specialises in the production of individually adapted abutments for dental implants using a patented CAD/CAM method. CAD/CAM technology is expected to change both production and treatment methods within dentistry in the future. The acquisition of Atlantis provides Astra Tech with a new platform for development within digital dentistry, with the aim of ensuring continued growth for the dental implants product line.

An extension of Astra Tech's headquarters in Mölndal, Sweden, was completed during the year. This included new laboratories and offices for R&D and quality assurance as well as the Astra Tech Centre for Training and Education, used for advanced international education programmes and congresses. Further investments have been made in R&D, clinical research and new production facilities to strengthen the product portfolio.