

ASTRAZENECA PLC
Form 6-K
March 14, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For February 2006

Commission File Number: 001-11960

AstraZeneca PLC

15 Stanhope Gate, London W1K 1LN, England

Indicate by check mark whether the registrant files or will file annual reports under cover of
Form 20-F or Form 40-F.

Form 20-F X Form 40-F

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12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

If Yes is marked, indicate below the file number assigned to the Registrant in connection
with Rule 12g3-2(b): 82-

AstraZeneca PLC

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1. Annual Report and Form 20-F Information 2005 dated 2 February 2006.
-

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AstraZeneca PLC

Date: March 13, 2006

By: /s/ A C N Kemp

Name: A C N Kemp

Title: Assistant Secretary

Item 1

AstraZeneca Annual Report and Form 20-F Information 2005

Annual Report and
Form 20-F Information 2005

**DRIVING
PROGRESS
THROUGH
PERFORMANCE**

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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 Report and Form 20-F Information 2005, unless the context otherwise requires, "AstraZeneca", the Group, the Company, we, us and not form part of this document. refer to AstraZeneca PLC and its consolidated entities.

Statements of competitive position

Except as otherwise stated, market information in this Annual Report and Form 20-F Information 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 Report and Form 20-F Information 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 of 1995, we are providing the following cautionary statement: This Annual Report and Form 20-F Information 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"

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1

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.

2005 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

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AstraZeneca Annual Report and
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CHAIRMAN'S STATEMENT

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%. The graph above plots our five year Total Shareholder Return (TSR) against the FTSE 100 index (re-based to 100 at the start of the rolling five year period). We include in our Directors' Remuneration Report information on 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.

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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

Total Shareholder Return: AstraZeneca compared with FTSE 100 over five years*

* Source: Thomson Financial Datastream

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

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CHIEF EXECUTIVE S REVIEW

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.

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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 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

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AstraZeneca Annual Report and
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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

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

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FINANCIAL HIGHLIGHTS

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 Financial Review.

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AstraZeneca Annual Report
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BUSINESS REVIEW

ASTRAZENECA IN BRIEF

- > **WE DISCOVER, DEVELOP, MANUFACTURE AND MARKET PRESCRIPTION PHARMACEUTICALS FOR IMPORTANT AREAS OF HEALTHCARE: CARDIOVASCULAR, GASTROINTESTINAL, NEUROSCIENCE, ONCOLOGY, RESPIRATORY AND INFLAMMATION, AND INFECTION**

- > **BROAD PRODUCT RANGE, INCLUDING MANY WORLD LEADERS AND A NUMBER OF HIGH POTENTIAL GROWTH PRODUCTS: *ARIMIDEX, CRESTOR, NEXIUM, SEROQUEL* AND *SYMBICORT***

- > **ACTIVE IN OVER 100 COUNTRIES; CORPORATE OFFICE IN LONDON, UK; R&D HEADQUARTERS IN SÖDERTÄLJE, SWEDEN; A MAJOR PRESENCE IN THE US; GROWING PRESENCE IN IMPORTANT EMERGING MARKETS**

- > **OVER 65,000 EMPLOYEES (58% IN EUROPE, 28% AMERICAS AND 14% ASIA, AFRICA AND AUSTRALASIA)**

- > **AROUND 12,000 PEOPLE AT 11 R&D CENTRES IN 7 COUNTRIES**

- > **14,000 PEOPLE AT 27 MANUFACTURING SITES IN 19 COUNTRIES**

- > **WE SPEND \$14 MILLION EACH WORKING DAY ON DISCOVERING AND DEVELOPING NEW MEDICINES**

INTRODUCTION

In this section, we have applied the best practice principles of the recent Operating and Financial Review regulations and discuss the main trends and factors underlying the development, performance and position of AstraZeneca during 2005.

To that end, we provide in this Business Review an overview of AstraZeneca's business environment and information about our research, development, manufacturing and sales and marketing activities worldwide, including our 2005 performance in these areas.

We describe the external environment in which we operate, including the opportunities and challenges, the market for prescription pharmaceuticals, the competitive and regulatory environment, and the principal risks and uncertainties.

We describe our strategy for managing the opportunities and challenges of our business environment, the resources that we bring to bear and how they are aligned to create value through achievement of our strategic objectives. We also highlight the importance of leadership, effective decision-making and risk management.

Finally, we explain how our progress towards achievement of our objectives is measured.

In the therapy area and geographic reviews and in the Financial Review, we report on our financial performance during 2005 at a global level, in different geographic areas and at a product level. We also report in detail on the progress of our pipeline and

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developments in relation to our marketed products (such as new indications, regulatory filings and clinical trial data).

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Business Review

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BUSINESS ENVIRONMENT

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 remains a strong fundamental demand for healthcare that underpins the industry's future growth prospects. Specific elements that contribute to this include:

- > The growing number of people who expect high standards of healthcare, especially among the elderly, who represent a rising proportion of developed nations' populations.
- > Many diseases are under-diagnosed, sub-optimally treated or do not have effective therapies.

The growing demand for healthcare will be met not only by existing therapies but also by new ones originating from advances in the und