ASTRAZENECA PLC
Form 6-K
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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 the month of April 2015
Commission File Number: 001-11960

AstraZeneca PLC

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

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Yes __ No X

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AstraZeneca PLC
Q1 2015 Results

24 April 2015

Results support reiterated 2015 guidance.
Delivery of a focused, accelerated and science-based pipeline continues.

Financial Summary

		% change	
	$m	CER1	Actual
Total Revenue2	6,057	1	(6)
Core3 Operating Profit	1,805	(4)	(8)
Core EPS	$1.08	(3)	(7)
Reported Operating Profit	933	15	11
Reported EPS	$0.44	10	9

- Total Revenue grew by 1%
- Core EPS declined by 3%; investment in scientific leadership maintained
- Reported Operating Profit grew by 15%

Commercial Highlights
The focus on further externalisation continued, including a US co-commercialisation agreement for Movantik. Growth platforms grew by 13%, representing 56% of Total Revenue:

1. Brilinta/Brilique: +45%. Publication of encouraging PEGASUS data at the ACC conference last month
2. Diabetes: +47%. Particularly good growth for Farxiga/Forxiga
3. Respiratory: +7%. Symbicort stable as expected with Pulmicort delivering a strong performance
4. Emerging Markets: +18%. China +28%, where Respiratory sales were up by 39%
5. Japan: -2%. The final effects of the biennial price cuts impacted Q1 sales

FY 2015 Guidance is unchanged from that provided on 6 March 2015.

Achieving Scientific Leadership

Regulatory Approvals	Bydureon Pen - diabetes (JP)
Regulatory Submission Acceptances	lesinurad - gout (US), saxagliptin/dapagliflozin - diabetes (US)
Phase III Read-outs	PT003 - COPD: Positive
Other Key Developments	Brilinta/Brilique - prior myocardial infarction: Positive Phase III publication Onglyza - diabetes: FDA panel recommends label safety update selumetinib - uveal melanoma: FDA Orphan-Drug designation tremelimumab - mesothelioma: FDA Orphan-Drug designation MEDI4736 - lung cancer: FDA Fast-Track designation MEDI8897 - RSV: FDA Fast-Track designation
Forthcoming Regulatory Submissions	brodalumab - psoriasis4 AZD9291 - lung cancer, cediranib - ovarian cancer (EU)
Forthcoming Regulatory Decisions	lesinurad saxagliptin/dapagliflozin, Brilinta/Brilique Iressa - lung cancer (US)

Pascal Soriot, Chief Executive Officer, commenting on the results said:
"Our encouraging performance in the quarter supports our full year guidance. Total Revenue grew by 1%, with the growth platforms representing 56%, after particularly strong results in Emerging Markets and with Brilinta/Brilique. Our co-commercialisation agreement for Movantik in the US was a good illustration of how we will bring important medicines to patients and externalisation value to our shareholders.

"Our pipeline progressed well in each of our therapy areas. Highlights included the positive top-line results from the Phase III PINNACLE programme for our respiratory medicine PT003 and data from the PEGASUS study for Brilinta/Brilique in cardiovascular disease. We received two submission acceptances for new medicines, two FDA Orphan-Drug and two Fast-Track designations. We look forward to presenting data through the year.

"We also continued to reinforce our Oncology franchise and now have 72 trials underway, including 31 in Immuno-Oncology. The latest AZD9291 data, which showed strong clinical benefit of 13.5 months progression-free survival, and the Fast-Track designation by the FDA for MEDI4736, both for patients with lung cancer, illustrate the rapid progress we are making in this area. Our strategic collaboration with Celgene, a leader in haematology, will maximise the potential of our Immuno-Oncology assets in the very important haematology indications, and our collaboration with Innate Pharma will further strengthen our Immuno-Oncology franchise."

Notes
1. All growth rates are shown at constant exchange rates (CER) unless specified otherwise.
2. Total Revenue defined as Product Sales and Externalisation Revenue. For further details on the presentation of Total Revenue, see the announcement published by the Company on 6 March 2015.
3. See Operating and Financial Review for a definition of Core financial measures and a reconciliation of Core to Reported financial measures.
4. Brodalumab developed in collaboration with Amgen who will be responsible for regulatory submission.

Results Presentation
A conference call and audio webcast for investors and analysts, hosted by management, will start at midday BST today. The webcast can be accessed via www.astrazeneca.com/investors.

Reporting Calendar
The Company intends to publish its half year and second quarter financial results on 30 July 2015.

About AstraZeneca
AstraZeneca is a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of cardiovascular, metabolic, respiratory, inflammation, autoimmune, oncology, infection and neuroscience diseases. AstraZeneca operates in over 100 countries and its innovative medicines are used by millions of patients worldwide.

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Contents

Research and Development Update

A comprehensive update of the AstraZeneca development pipeline is presented in conjunction with this announcement and can be found later in this announcement.

Highlights since the prior results announcement on 5 February 2015:

Regulatory Approvals	1	- Bydureon Pen - diabetes (JP) (LCM)
Regulatory Submissions* and/or Regulatory Submission Acceptances**	3	- lesinurad - gout (US)** - Brilinta/Brilique - prior myocardial infarction* - saxagliptin/dapagliflozin fixed dose combination - diabetes (US) (LCM)**
Phase III Read-outs	1	- PT003 - COPD (PINNACLE 1 & 2 studies)
Pivotal Study starts	2	- AZD9291 - 1L EGFRm NSCLC (FLAURA study) - MEDI4736 - 2L SCCHN (HAWK study)
Major Phase II Read-outs	2	- PT010 - COPD - anifrolumab - systemic lupus erythematosus

New Molecular Entities (NMEs) in Pivotal Studies or under Regulatory Review	13	RIA - lesinurad - gout - brodalumab - psoriasis - PT003 - COPD - benralizumab - severe asthma - tralokinumab - severe asthma CVMD - roxadustat - anaemia Oncology - AZD9291 - lung cancer - cediranib - ovarian cancer - selumetinib - uveal melanoma - tremelimumab - mesothelioma - MEDI4736 - lung cancer - moxetumomab pasudotox - leukaemia ING - CAZ AVI - serious infections
Projects in clinical pipeline	119	

Key: LCM - life-cycle management.

In 2015-2016 AstraZeneca anticipates 12-16 Phase II starts, 14-16 NME and major line-extension regulatory submissions and 8-10 NME and major line-extension approvals.

There has been notable progress since the last update; highlights are included below. This near-term progress reinforces the longer-term sustainability of the pipeline, supported by a continued shift in focus from rebuilding the late-stage pipeline to regulatory submissions and approvals, whilst continuing to transition high-quality programmes to late stage as rapidly as possible.

1. Respiratory, Inflammation and Autoimmunity (RIA)

Significant progress was made across the RIA pipeline, which included five programmes in pivotal studies or registration. AstraZeneca holds a unique position in respiratory disease, including asthma, chronic obstructive pulmonary disease (COPD) and idiopathic pulmonary fibrosis (IPF), with a range of differentiated potential medicines in development by leveraging novel combinations, biologics and devices. The pipeline also has several promising assets in inflammatory and autoimmune disease areas such as dermatology, gout, systemic lupus, rheumatoid and psoriatic arthritis.

Lesinurad (SURI)
On 12 March 2015 the US Food and Drug Administration (FDA) notified AstraZeneca that it considered the new drug application (NDA) for lesinurad 200mg tablets sufficiently complete to permit a substantive review. The Prescription Drug User Fee Act (PDUFA) goal date is in the fourth quarter. Lesinurad is a selective uric acid re-absorption inhibitor (SURI) developed for the chronic treatment of hyperuricaemia in combination with xanthine oxidase (XO) inhibitors allopurinol or febuxostat in gout patients, when additional therapy is warranted.Between 40 to 80% of patients do not achieve recommended serum uric acid (sUA) goals with the current standard of care of an XO inhibitor alone. AstraZeneca's combination with lesinurad effectively lowers sUA and enables significantly more patients to achieve and maintain target treatment goals to control their disease.

PT003 (LAMA/LABA)
On 18 March 2015 AstraZeneca announced positive top-line results from the Phase III PINNACLE programme, which showed the potential of PT003 as a novel treatment for improving lung function in patients suffering the chronic symptoms of COPD. AstraZeneca's ability to deliver a unique LAMA/LABA formulation in a single pressurised metered dose inhaler (pMDI) is important for helping some 30% of patients around the world who use an aerosol device.

The successful completion of the PINNACLE 1 and 2 studies marks the first Phase III results from a series of pipeline candidates under development by AstraZeneca using Pearl Therapeutics' novel formulation technology.

Anifrolumab (MEDI-546)
The Company has been exploring interferon (IFN) inhibition in moderate to severe systemic lupus erythematosus (SLE or lupus) via two different approaches in Phase IIb trials, both of which highlight the promise of the Type 1 IFN pathway in treating lupus. Sifalimumab (MEDI-545) binds to interferon- to block IFN- signalling through the Type 1 IFN receptor complex. Anifrolumab (MEDI-546) binds to subunit 1 of the Type 1 IFN receptor, inhibiting activity of all Type 1 IFNs.

In a recent Phase IIb trial, anifrolumab met the primary endpoint of reduction in global disease activity score (SRI-4) at six months, with responders also tapering to <10mg/day steroids. Based on an initial analysis of the current data, the Company believes anifrolumab has a more favourable benefit-risk profile and therefore, has selected anifrolumab as the IFN pathway inhibitory molecule to progress into further development, with a Phase III clinical programme planned to start in 2015. The Company does not currently intend to further develop sifalimumab in lupus, and any future decisions about this molecule in other potential indications will be made based on further examination of available data. Full anifrolumab Phase IIb data is expected to be presented at a scientific meeting later in the year.

2. Cardiovascular and Metabolic Disease (CVMD)

AstraZeneca's strategy in CVMD focuses on ways to reduce morbidity, mortality and organ damage by addressing multiple risk factors across cardiovascular disease, diabetes and chronic kidney disease indications. The patient-centric approach is reinforced by science-led life-cycle management programmes and technologies, including early research into regenerative methods.

Brilinta/Brilique
On 14 March 2015 AstraZeneca announced detailed results from the PEGASUS-TIMI 54 study, which showed that long-term treatment with Brilinta/Brilique 60mg and 90mg tablets twice-daily plus low-dose aspirin reduced thrombotic cardiovascular events in patients with a history of heart attack, compared to placebo. The Company has submitted regulatory filings to the European Medicines Agency and the FDA and looks forward to working with these agencies towards a potential new indication in major markets.

For patients more than one year on from a heart attack, the current standard of care is aspirin alone. Coupled with the PLATO study, PEGASUS-TIMI 54 provides consistent evidence of the benefit Brilinta/Brilique can bring to patients with coronary artery disease in acute and chronic secondary prevention.

On 30 March 2015 the FDA approved a new administration option for acute coronary syndrome patients who are unable to swallow Brilinta 90mg tablets whole. Unlike other P2Y12 inhibitors, Brilinta received FDA approval to be crushed and administered in water by swallowing or via nasogastric tube.

AstraZeneca is committed to enhancing scientific understanding of the role of Brilinta/Brilique in a wide range of cardiovascular disorders, including stroke, myocardial infarction and peripheral arterial disease through PARTHENON, the Company's largest ever cardiovascular outcomes programme involving nearly 80,000 patients.

Onglyza SAVOR Study: FDA Advisory Committee Meeting
The FDA Endocrinologic and Metabolic Drugs Advisory Committee voted on 14 April 2015 that the results of the Saxagliptin Assessment of Vascular Outcomes Recorded in Patients with Diabetes Mellitus (SAVOR) study demonstrated that the use of saxagliptin in patients with Type-2 diabetes has an acceptable cardiovascular risk profile. The Committee recommended that the FDA supplement the medicine's labelling to add new safety information.

AstraZeneca will also conduct further investigation to better understand the signal of hospitalisation for heart failure found in the SAVOR results.

SAVOR met the primary safety objective, demonstrating that Onglyza did not increase the risk for cardiovascular death, non-fatal myocardial infarction and non-fatal ischemic stroke when added to a patient's current standard of care, with or without other anti-diabetic therapies, as compared to placebo. The supplemental New Drug Applications (sNDAs), based on the SAVOR results, if approved, will provide prescribers and patients with important additional information about the benefit-risk profile of Onglyza and Kombiglyze XR.

3. Oncology

AstraZeneca's vision in Oncology is to help patients by redefining the cancer-treatment paradigm, with the aim of bringing six new cancer medicines to patients by the year 2020. A broad pipeline of next-generation medicines is focused principally on four disease areas - breast, ovarian, lung and haematological cancers. The Company is also exploring other tumour types where there is unmet medical need. These are being targeted through four key platforms - immunotherapy, the genetic drivers of cancer and resistance, DNA-damage repair, and antibody drug conjugates, underpinned by personalised healthcare and biomarker technologies. Today there are six AstraZeneca Oncology NMEs in pivotal studies or under regulatory review.

Iressa Label Update in China
On 2 March 2015 the China Food and Drug Administration (CFDA) approved an update to the Iressa (gefitinib) label to include blood-based diagnostics. The decision means that Iressa is now the first tyrosine kinase inhibitor (TKI) in China to include blood-based diagnostics on its label. Tumour samples gained through biopsy are the primary method for determining a patient's epidermal growth factor receptor (EGFR) mutation status. However almost a quarter of patients with locally advanced or metastatic Non Small Cell Lung Cancer (NSCLC) do not have an available or evaluable tumour sample for this method of testing and are therefore ineligible to receive treatment with Iressa. Based on the CFDA decision, doctors will be able to use circulating-tumour DNA obtained from a blood sample to identify lung-cancer patients who are eligible to receive Iressa.

AZD9291 (EGFR)
In March 2015 the first patient was dosed in the FLAURA study of AZD9291 as a potential treatment for first-line EGFR-mutated NSCLC. FLAURA is a Phase III study designed to assess the safety and efficacy of AZD9291 versus a standard of care EGFR-TKI (gefitinib and erlotinib).

AZD9291 is on track for a Q2 2015 regulatory submission for the treatment of patients with advanced EGFR-mutated NSCLC who also have the T790M resistance mutation after the failure of standard first-line anti-EGFR treatment.

European Lung Cancer Conference, 15-18 April 2015
On 17 April 2015 AstraZeneca announced latest data from the ongoing AURA study of AZD9291 in patients with advanced epidermal growth factor receptor mutation-positive (EGFRm) NSCLC, who also have the T790M-resistance mutation. The data demonstrated a median progression-free survival of 13.5 months (95% confidence interval (CI), 8.3 months to not calculable (NC)).

Selumetinib Granted Orphan-Drug Designation

On 17 April 2015 AstraZeneca announced that the FDA has granted Orphan-Drug designation for the MEK inhibitor, selumetinib, in the treatment of uveal melanoma. Uveal melanoma is a rare disease in which cancer cells form in the tissues of the eye. It is the most common primary intraocular malignancy in adults and comprises 5% of all melanomas. The Orphan-Drug designation programme provides orphan status to drugs and biologics which are defined as those intended for the safe and effective treatment, diagnosis or prevention of rare diseases or disorders that affect fewer than 200,000 people in the US.

Selumetinib inhibits the MEK pathway in cancer cells to prevent the tumour from growing. Data from a Phase III study evaluating selumetinib in combination with chemotherapy in patients with first-line metastatic uveal melanoma is expected to be available later this year. In addition to uveal melanoma, selumetinib is being investigated in Phase III studies in KRAS mutation-positive lung cancer and thyroid cancer and in Phase II in children with neurofibromatosis Type 1.

Tremelimumab (CTLA-4) Granted Orphan-Drug Designation
On 15 April 2015 AstraZeneca announced that the FDA had granted Orphan-Drug designation for the anti-CTLA-4 monoclonal antibody, tremelimumab, for the treatment of malignant mesothelioma. Mesothelioma is a rare, aggressive cancer that affects the lining of the lungs and abdomen. Available treatments for mesothelioma are very limited, particularly for patients with advanced disease.

Tremelimumab is currently being investigated in a pivotal Phase II randomised study for the potential use as a second-line treatment in patients with undetectable pleural or peritoneal malignant mesothelioma. Detailed results from this study are expected this year.

MEDI4736 (PD-L1) Clinical Trials Update
The FDA recently granted Fast-Track designation to the investigation of the anti-PD-L1 monoclonal antibody MEDI4736 as a monotherapy treatment for certain patients with advanced NSCLC, who have received at least two prior systemic-treatment regimens, do not have EGFR mutations or anaplastic lymphoma kinase (ALK) alterations, and have tumours that are determined to be PD-L1 positive. Fast-Track programmes are designed to facilitate the development and expedite the review of new drugs that are intended to treat serious or life-threatening conditions and that demonstrate the potential to address unmet medical needs.

MEDI4736 is being investigated as a monotherapy in NSCLC and squamous cell carcinoma of head and neck cancer (SCCHN). ATLANTIC, a Phase II trial in third-line PD-L1 positive metastatic NSCLC, is on track to deliver data in 2015 and could potentially, if positive, support a regulatory submission. Additional trials include PACIFIC, a Phase III trial in locally-advanced unresectable NSCLC, ADJUVANT, a Phase III trial in adjuvant NSCLC, and HAWK, a Phase II trial in second-line PD-L1 positive metastatic SCCHN (all recruiting patients). In addition, ARCTIC, a Phase III trial in third-line metastatic NSCLC contains a monotherapy sub-study for PD-L1 positive patients and is recruiting patients.

MEDI4736 is also being tested as a concurrent combination treatment with tremelimumab in NSCLC and SCCHN. ARCTIC contains a substudy for PD-L1 negative patients. Data on dosing selection and scheduling will be presented at the upcoming ASCO meeting. In addition, EAGLE, a Phase III trial and CONDOR, a Phase II trial (both in SCCHN) are being initiated. Several further internal-combination trials are ongoing with MEDI4736, including combinations in NSCLC with Iressa (gefitinib), AZD9291 and selumetinib.

Pharmacyclics and AstraZeneca have begun PCYC-1135-CA, a multi-centre study that will investigate the use of ibrutinib (Imbruvica) in combination with MEDI4736. The Phase Ib/II study will examine the safety, tolerability and effectiveness of this investigational combination in individuals with relapsed or refractory NSCLC, breast cancer, and pancreatic cancer.

American Association for Cancer Research (AACR), 18-22 April 2015

During the AACR annual meeting in Philadelphia, AstraZeneca and MedImmune presented 62 scientific abstracts, of which 15 were oral presentations. These abstracts demonstrated the strength and depth of the early-stage Oncology pipeline in AstraZeneca and MedImmune.

Key presentations at AACR included:
- Data showing activity of investigational compounds targeting key molecular pathways including OX40, CD73, PI3K, AKT, mTOR, EGFR, SERD and PARP
- Pre-clinical data on the potential combination of AZD9291 and savolitinib (AZD6094, previously known as volitinib) to prevent and treat newly-identified forms of resistance in EGFR-mutated NSCLC
- Data on AZD9496, a novel, selective oestrogen receptor down-regulator (SERD) being studied as a potential treatment for patients with oestrogen receptor positive (ER+) breast cancer
- Other key data presented at AACR were from clinical trials exploring combinations of AZD2014, a novel dual TORC1/2 kinase inhibitor, with Faslodex in ER+ breast cancer and with chemotherapy in ovarian and lung cancer and pre-clinical research on combination regimens

American Society of Clinical Oncology (ASCO) Meeting, 29 May-2 June 2015
AstraZeneca will host an investor science event during the ASCO meeting to be held in Chicago, US on 1 June 2015 at 20:30 CDT. Further details will be available at www.astrazeneca.com/investors in due course.

4. Infection, Neuroscience and Gastrointestinal

MEDI8897 Fast-Track Designation
MedImmune has received Fast-Track designation from the FDA for the development of MEDI8897, an investigational, high-potency, extended half-life monoclonal antibody (MAb) engineered to prevent lower-respiratory tract infection caused by respiratory syncytial virus (RSV) in infants and young children.

RSV is the most prevalent cause of lower respiratory tract infections among infants and young children, resulting in annual epidemics worldwide. MedImmune is the only company to have discovered, developed and marketed a monoclonal antibody for severe RSV. This is the third Fast-Track designation MedImmune has received in the last six months for its investigational molecules in its Infectious Disease therapy area.

Scientific Collaborations

On 25 March 2015 AstraZeneca announced that it had entered a five-year research collaboration with the Harvard Stem Cell Institute to develop a technique that creates human beta cells from stem cells for use in screens of AstraZeneca's compound library in the search for new treatments for diabetes, one of AstraZeneca's key platforms as part of its strategy to return to growth.

On 26 March 2015 AstraZeneca announced that it had joined a public-private consortium with Genomics England to accelerate the development of new diagnostics and treatments arising from the 100,000 Genomes Project. The GENE Consortium (Genomics Network for Enterprises Consortium) is a unique partnership between industry, academia and the National Health Service Genomic Medicine Centres, which aims to transform treatment for patients with cancer and rare diseases, providing faster access to the right therapy and personalised healthcare, establishing the UK as a world leader in this field. AstraZeneca will gain insights into the evolving area of genome science with a view to identifying new genes and biomarkers which could lead to the development of innovative diagnostics and treatments.

Corporate and Business Development

Completion of Actavis Transaction in Respiratory Disease
On 3 March 2015 AstraZeneca completed the acquisition of the rights to Actavis Plc's (Actavis) branded respiratory business in the US and Canada. The transaction strengthens AstraZeneca's respiratory franchise globally and builds on the acquisition of Almirall SA's respiratory portfolio in 2014 by extending the Company's development and commercialisation rights into the US for both Tudorza Pressair and Duaklir Genuair. The transaction also augments AstraZeneca's respiratory franchise with the Actavis oral product, Daliresp.

Immuno-Oncology Clinical Trial Collaboration with Immunocore
On 16 April 2015 AstraZeneca announced that MedImmune has entered into a collaboration to conduct clinical trials in immuno-oncology with Immunocore Limited (Immunocore), a privately-held UK-based biotechnology company. Under the terms of the agreement, Immunocore will conduct a Phase Ib/II clinical trial combining MedImmune's investigational checkpoint inhibitors MEDI4736 and tremelimumab, with IMCgp100, Immunocore's lead T-cell receptor based therapeutic, for the potential treatment of patients with late-stage metastatic melanoma.

Agreement with Janssen to Test AZD8186 in Combination with Abiraterone in Prostate Cancer
AstraZeneca has entered an agreement with Janssen Research & Development, LLC (Janssen) to conduct a Phase I/IIa study to explore the combination of AstraZeneca's AZD8186 (PI3 kinase beta inhibitor) together with Janssen's Zytiga (abiraterone acetate). The two compounds block complementary molecular pathways in prostate cancer and so have synergistic effects which could help to overcome resistance to monotherapy and improve the benefit-risk profile of either compound alone. The combination will be tested for the treatment of prostate tumours that lack the protein PTEN, a condition that represents a relatively large unmet medical need.

Agreement with Gilead to Test MEDI4736 in Combination with Zydelig in Haematological Cancers or Solid Tumours
AstraZeneca has entered an agreement to conduct a Phase I/II study to explore AstraZeneca's MEDI4736, in combination with Gilead Sciences, Inc.'s Zydelig (idelalisib), an oral phosphoinositide 3-kinase (PI3K) delta inhibitor. PI3K delta is over-expressed in many B-cell malignancies and plays a role in B-cell viability, proliferation and migration. Inhibition of PI3K delta may also play a role in up-regulating the activity of the immune system against cancers. It is hypothesised that the suppression of PD-L1 and PI3K delta signalling may lead to an enhanced anti-tumour immune response. The study will assess the combination as a treatment for patients with haematological cancers or solid tumours including diffuse large B-cell lymphoma, and triple negative breast cancer.

Agreement with Juno Therapeutics to test MEDI4736 in combination with Novel CAR T Cell in non-Hodgkin's lymphoma
MedImmune has entered into an agreement to evaluate the safety, tolerability and preliminary efficacy of MEDI4736 in combination with one of Juno Therapeutics Inc.'s (Juno) investigational chimeric antigen receptor (CAR) T cell candidates in patients with non-Hodgkin's lymphoma. Juno's CAR T candidates are investigational cell-based immunotherapies that utilise genetically engineered T-cells to recognise and kill cancer cells expressing the CD19 protein. The Phase Ib study will explore the potential clinical benefit of combining these two potent therapeutic classes.

Co-Commercialisation Agreement with Daiichi Sankyo for Movantik in the US
On 19 March 2015 AstraZeneca announced a co-commercialisation agreement with Daiichi Sankyo Co, Ltd. (Daiichi Sankyo) for Movantik (naloxegol) in the US, in line with the strategy of delivering value through its own development and commercial capabilities as well as through external collaboration. Movantik is a first-in-class once-daily oral peripherally-acting mu-opioid receptor antagonist for the treatment of opioid-induced constipation in adults with chronic non-cancer pain. Movantik was approved by the FDA in September 2014. It was descheduled in January 2015 and is no longer labelled as a controlled substance. Movantik was launched in the US at the end of March 2015.

Change in Senior Executive Team

David Smith, Executive Vice-President, Operations and Information Systems will retire from AstraZeneca in mid-2015. His successor in that role will be Pam P. Cheng who will join the Company in June as a member of the Senior Executive Team reporting to the Chief Executive Officer. Pam Cheng has extensive experience in pharmaceutical manufacturing, having spent 14 years in global manufacturing and supply chain roles at Merck & Co, Inc. / Merck Sharp & Dohme Corp. (MSD). More recently she gained experience in commercial operations in her current role as President, MSD China.

Operating and Financial Review

All narrative on growth and results in this section relates to Core performance, based on constant exchange rates (CER) unless stated otherwise. Financial figures are in $ millions ($m). The performance shown below covers the three months to 31 March 2015 (the quarter) compared to the three months to 31 March 2014 (the first quarter of 2014). Core measures, which are presented in addition to Reported financial information, are non-GAAP measures provided to enhance understanding of the Company's underlying financial performance. Core financial measures are adjusted to exclude certain significant items, such as:

– amortisation and impairment of intangibles, including impairment reversals but excluding any charges relating to IT assets

– charges and provisions related to our global restructuring programmes (this will include such charges that relate to the impact of our global restructuring programmes on our capitalised IT assets)

– other specified items, principally comprising legal settlements and acquisition-related costs, which include fair-value adjustments and the imputed finance charge relating to contingent consideration on business combinations

More detail on the nature of these measures is given on page 72 of the 2014 Annual Report and Form 20-F Information.

Total Revenue

Total Revenue
Total Revenue grew by 1% in the quarter to $6,057m. Based on actual exchange rates, Total Revenue declined by 6% reflecting the particular weakness of key trading currencies against the US dollar. For the first time a new line of Total Revenue has been presented to include both Product Sales and Externalisation Revenue. For further details on the presentation of Total Revenue, see the announcement published by the Company on 6 March 2015.

Product Sales
Product Sales declined by 3% in the quarter reflecting the US market entry of a Nexium generic product from mid-February 2015 as well as an adverse impact from the change in accounting for the US Branded Pharmaceutical Fee of $56m following issuance of final regulations in Q3 2014.

Externalisation Revenue
Externalisation Revenue grew to $309m (Q1 2014: $44m), primarily reflecting income from the co-commercialisation agreement with Daiichi Sankyo for Movantik in the US referred to above ($200m), plus the co-commercialisation of Nexium in Japan ($55m), also with Daiichi Sankyo.

Product Sales

The performance of a selection of key medicines is shown below.

A geographical split is shown in Note 6.

	Q1 2015 $m	Q1 2014 $m	% Change CER	% Change Actual
Respiratory, Inflammation and Autoimmunity				
Symbicort	845	928	-	(9)
Pulmicort	286	263	17	9
Tudorza/Eklira	30	-	n/m	n/m
Cardiovascular and Metabolic Disease				
Brilinta/Brilique	131	99	45	32
Onglyza	183	162	19	13
Bydureon	123	80	58	54
Byetta	90	78	19	15
Farxiga/Forxiga	76	13	n/m	n/m
Legacy:				
Crestor	1,167	1,332	(7)	(12)
Seloken/Toprol-XL	194	193	8	1
Atacand	95	122	(9)	(22)
Oncology				
Iressa	144	169	(5)	(15)
Lynparza	9	-	n/m	n/m
Legacy:				
Zoladex	194	221	3	(12)
Faslodex	161	172	2	(6)
Casodex	70	83	(6)	(16)
Arimidex	62	78	(12)	(21)
Infection, Neuroscience and Gastrointestinal				
Nexium	644	930	(25)	(31)
Synagis	204	328	(38)	(38)
Seroquel XR	262	292	(6)	(10)
Losec/Prilosec	96	110	(4)	(13)
FluMist/Fluenz	7	7	-	-

Product Sales Summary

During Q3 2014, final regulations relating to the US Branded Pharmaceutical Fee were issued, affecting how the fee is recognised; AstraZeneca consequently now accrues for the obligation as each sale occurs. As the fee is based on actual Product Sales in the current year, the fee is recognised as a deduction from Product Sales rather than a charge to SG&A. As a result, in 2015, Q1 US Product Sales were reduced by $56m, adversely impacting individual brand sales

by an average of 2%.

Respiratory, Inflammation and Autoimmunity

Symbicort
Product Sales in the US declined by 1% to $342m with volume growth more than offset by lower net prices and additional access and co-pay assistance. Symbicort's share of total prescriptions for fixed-combination medicines declined by 0.2 percentage points from December 2014 (exit share) to 32.8%, reflecting adverse formulary changes; however, market share grew sequentially over the final two months of the quarter. In Europe Product Sales declined by 8% to $306m, reflecting increased competition from recently launched analogue medicines. This performance contrasts with growth of 40% in Emerging Markets to $98m, notably with 67% growth in China where Product Sales reached $29m.

Pulmicort
Product Sales of Pulmicort in the quarter were $286m, up 17%. Growth was driven primarily by the performance of Pulmicort Respules in Emerging Markets, which were up 33% at $176m. China Product Sales increased by 36% to $142m. On 13 February 2015 the US District Court for the District of New Jersey ruled US Patent No. 7,524,834 ('the '834 patent'), protecting Pulmicort Respules in the US, was invalid. On 16 February 2015 the Company filed an appeal and requested an injunction which was granted by the court. As of today, the injunction remains in place.

Tudorza/Eklira
Product Sales in the quarter were $30m and included $10m in the US following the completion of the acquisition of the Actavis product rights on 3 March 2015.

Cardiovascular and Metabolic Disease

Brilinta/Brilique
Product Sales were $131m, up 45%. Brilinta Product Sales in the US were $46m, up 64%. Total prescriptions for Brilinta in the US were 8% higher versus Q4 2014, while weekly new-to-brand market share increased to 9.3% at the end of March 2015, representing the medicine's largest new-to-brand volume growth since launch. In Europe Brilique continues to perform well, with an increase in Product Sales of 21% to $54m reflecting ACS leadership across many European markets; however the increase in penetration rates is slowing in markets where Brilique holds a high market share. Emerging Markets sales grew by 108% to $23m as the medicine remained in its launch phase.

Onglyza
Product Sales were up 19% in the quarter to $183m. In the US, Onglyza Product Sales were down 8% at $98m driven primarily by destocking and competition in the DPP4 class. Product Sales in the Rest of World (ROW) were $85m, up 70%, with growth in all key markets, notably in Europe where sales achieved $37m, up 72%, including the benefit of the metformin-combination products Komboglyze/Kombiglyze XR.

Bydureon/Byetta
Combined Product Sales in the US were $174m, up 44%. Bydureon total prescriptions grew 25% in the quarter reflecting the launch of the Bydureon Pen in September 2014. ROW Product Sales were $39m, up 22% driven by the Bydureon performance in Europe and the ongoing Pen launch.

Farxiga/Forxiga
In the US, Product Sales were $37m (Q1 2014: $4m) including Xigduo XR, launched in the second half of 2014. Total prescriptions increased 18% versus Q4 2014 reflecting strong market growth, while total prescription exit share in March was 27.2%, a 1.4 percentage-point decline versus Q4 2014 due to unfavourable formulary changes with effect from 1 January 2015. Product Sales grew to $39m in ROW, including Europe at $24m and Emerging Markets at

$12m.

Crestor
In the US, Crestor Product Sales declined by 13% to $614m, reflecting lower volumes in line with total prescription share, as well as inventory movements. In Europe Product Sales declined by 5% to $243m, reflecting prevailing competitive trends, whilst Emerging Markets delivered growth of 12% at $178m.

Oncology

Iressa
Product Sales declined by 5% to $144m, primarily a function of the competitive environment in Japan. Emerging Markets grew by 9% with Product Sales of $77m.

Lynparza
Product Sales reached $9m following the launch in the US at the end of 2014. Growth has been driven by the pool of eligible patients awaiting treatment as well as patients newly tested for BRCA.

Zoladex
Product Sales for the quarter were up 3% to $194m. Notable performance included growth of 41% in China where Product Sales reached $30m.

Faslodex
Product Sales for the quarter were up 2% to $161m. A decline in sales in Europe of 8% to $49m was more than offset by 9% growth in the US where Product Sales reached $83m.

Infection, Neuroscience and Gastrointestinal

Nexium
In the US, Product Sales in the quarter were $225m, down 53%. The reduction was primarily driven by the loss of exclusivity in the quarter, which adversely impacted brand volumes by 38% and resulted in an increase to the estimate for pipeline inventory returns to reflect the level of business currently retained. Product Sales in markets outside the US were up 5% to $419m, driven by 33% growth in China to $97m and 23% growth in Japan to $89m, partially offset by 8% declines in other markets where Product Sales reduced to $233m due to increased generic competition.

Synagis
Product Sales in the US were $162m, down 37%. The decline reflected lower demand related to the American Academy of Pediatrics Committee on Infectious Disease guidelines issued in mid-2014. These further restricted patients eligible for preventative therapy with Synagis. While these guidelines were inconsistent with the approved label, demand was significantly impacted. Product Sales were $42m in ROW, down 42% reflecting the phasing of shipments to AbbVie.

Seroquel XR
Product Sales in the US were up 2% to $169m where the performance was mainly driven by a higher underlying net price. Sales of Seroquel XR in the ROW were down 16% to $93m in the quarter, driven primarily by competition from generic products in Europe where sales were down 22% to $63m.

Regional Product Sales

	Q1 2015	Q1 2014	% Change

	$m	$m	CER	Actual
US	2,169	2,513	(14)	(14)
Europe1	1,340	1,630	(5)	(18)
Established ROW2	706	845	(5)	(16)
Japan	455	537	(2)	(15)
Canada	135	139	8	(3)
Other Established ROW	116	169	(24)	(31)
Emerging Markets3	1,533	1,428	18	7
China	726	584	28	24
Ex.China	807	844	11	(4)
Total	5,748	6,416	(3)	(10)

1Q1 2014 Product Sales in Europe reflect the exclusion of $7m sales relating to several countries now included in Emerging Markets

2Established ROW comprises Japan, Canada, Australia and New Zealand

3Emerging Markets comprises all remaining ROW markets including Brazil, China, India, Mexico, Russia, and Turkey

US

Product Sales were down 14% to $2,169m. Despite growth from brands such as Brilinta, Farxiga and Bydureon, growth was more than offset by the impact of the loss of exclusivity of Nexium as well as by competition facing Crestor from therapeutic substitution by generic statins. This was compounded by the adverse impact of the Synagis guideline changes and the change in accounting related to the Branded Pharmaceutical Fee which further reduced Product Sales by $56m.

Europe

Product Sales were down 5% to $1,340m in the quarter. Growth from Forxiga and Onglyza in Europe was more than offset by continued generic competition facing Crestor and Seroquel XR. Symbicort competed alongside analogues in that market and saw small volume growth. The phasing of Synagis sales this year had an adverse impact in the first quarter.

Established ROW

Product Sales were down 5% in the quarter to $706m. Japan declined by 2% to $455m, driven primarily by the mandated April 2014 biennial price cut, which was partially offset by higher volumes delivered by Nexium and Crestor.

Emerging Markets

Product Sales were up 18% to $1,533m with growth delivered across the Emerging Markets business. China sales increased by 28% to $726m, ahead of in-market growth, with the Company's medicines for respiratory and diabetes delivering particularly strong results.

Financial Performance

	Reported Q1	Restructuring	Intangible Amortisation	Diabetes Alliance	Other	Core Q1 2014	% Change CER	% Change Actual

	2015					Q1 2015			
Product Sales	5,748	-	-	-	-	5,748	6,416	(3)	(10)
Externalisation Revenue	309	-	-	-	-	309	44	n/m	n/m
Total Revenue	6,057	-	-	-	-	6,057	6,460	1	(6)
Cost of Sales	(1,269)	43	273	-	-	(953)	(1,193)	(8)	(20)
Gross Profit	4,788	43	273	-	-	5,104	5,267	3	(3)
Gross Margin*	77.9%					83.4%	81.4%		
Distribution	(77)	-	-	-	-	(77)	(72)	19	7
% Total Revenue	1.3%					1.3%	1.1%	-0.2	-0.2
R&D	(1,356)	62	14	-	-	(1,280)	(1,098)	24	17
% Total Revenue	22.4%					21.1%	17.0%	-3.9	-4.1
SG&A	(2,799)	108	202	108	13	(2,368)	(2,317)	10	2
% Total Revenue	46.2%					39.1%	35.9%	-3.1	-3.2
Other Operating Income	377	-	49	-	-	426	172	n/m	n/m
% Total Revenue	6.2%					7.0%	2.7%	+4.3	+4.3
Operating Profit	933	213	538	108	13	1,805	1,952	(4)	(8)
% Total Revenue	15.4%					29.8%	30.2%	-1.4	-0.4
Net Finance Expense	(250)	-	-	104	28	(118)	(126)		
Joint Ventures	(5)	-	-	-	-	(5)	-		
Profit Before Tax	678	213	538	212	41	1,682	1,826	(4)	(8)
Taxation	(126)	(45)	(89)	(48)	(4)	(312)	(353)		
Tax Rate	18.6%					18.5%	19.3%		
Profit After Tax	552	168	449	164	37	1,370	1,473	(3)	(7)
Non-controlling Interests	(2)	-	-	-	-	(2)	(2)		
Net Profit	550	168	449	164	37	1,368	1,471	(3)	(7)
Weighted Average Shares	1,263	1,263	1,263	1,263	1,263	1,263	1,260		

Earnings Per Share	0.44	0.13	0.35	0.13	0.03	1.08	1.17	(3)	(7)

* Gross Margin reflects Gross Profit derived from Product Sales, divided by Product Sales.

Investment Costs
Core R&D investment costs were up 24% to $1,280m, principally as a result of the lower base in the first quarter of 2014, the recent acceleration in the late-stage pipeline, and additional costs incurred on assets acquired through business and corporate development activities. The Company anticipates a lower growth rate over the full year.

Core SG&A investments costs were up 10% to $2,368m, reflecting a relatively low base in the first quarter of 2014. The increase reflected the investment in Sales, Marketing and Medical activities that grew year-on-year as the Company approached the anniversary of the acquisition of BMS's share of the global diabetes alliance. Additional investments were made in the quarter to support recent brand launches, including Farxiga/Forxiga and Lynparza, as well as for pre and post-launch activities for Movantik/Moventig. Investment was also maintained in the pre-launch activities for the late-stage pipeline, including the oncology portfolio.

For the full year, the Company is committed to reducing Core SG&A investment costs versus the prior year and a number of programmes designed to meet this target have commenced and will accelerate over the year. These initiatives include a focus on sales and marketing effectiveness, including the leveraging of marketing programmes on a global basis. Other programmes are focused on delivering savings across procurement and support functions, including IT and further footprint optimisation.

Other Operating Income
Core Other Operating Income reached $426m in the quarter primarily reflecting gains on disposals including Myalept ($193m) and other disposals amounting to $109m, including the US rights to Tenormin.

Profit
Core Operating Profit was down 4% to $1,805m. Core Operating Margin was down 1.4 percentage points to 29.8% of Total Revenue as the Company continued to invest in the pipeline and the growth platforms. Core Earnings Per Share were down 3% to $1.08, a marginally favourable performance versus Core Operating Profit. Reported Operating Profit of $933m was 15% higher than the first quarter of 2014. Reported EPS was up by 10% at $0.44.

Productivity
Restructuring charges of $213m were taken in the quarter. The Company continues to make good progress in implementing the fourth phase of restructuring announced in the first quarter of 2013 and the expansion of this programme announced in the first half of 2014. In addition to costs of this programme, the restructuring charge for the quarter included $53m incurred as a consequence of the decision to exit the Westborough site in the US and costs of other initiatives identified since the announcement of the fourth wave of restructuring. The Company also began construction of its new Global R&D Centre and Corporate Headquarters on the Cambridge Biomedical Campus in the quarter.

Finance Income and Expense
Core net finance expense was $118m versus $126m in the first quarter of 2014. Reported net finance expense of $250m included a charge of $132m relating to the discount unwind on contingent consideration creditors recognised on business combinations, principally relating to the acquisition of BMS's share of the global diabetes alliance last year.

Taxation

Both the Reported and Core tax rates for the quarter ended 31 March 2015 were around 19%. The cash tax paid for the quarter was $245m which is 36% of Reported Profit Before Tax and 15% of Core Profit Before Tax. The Reported and Core tax rates for the quarter ended 31 March 2014 were 21% and 19% respectively.

Cash Flow

The Company generated a cash outflow from operating activities of $72m in the quarter, compared with an inflow of $1,187m in the first quarter of 2014. Net cash outflows from investing activities were $556m compared with $3,777m in the first quarter of 2014, mainly reflecting higher upfront payments on business acquisitions in the first quarter of 2014. Net cash distributions to shareholders were $2,342m through dividends of $2,357m, offset by proceeds from the issue of shares of $15m due to the exercise of stock options.

Debt and Capital Structure

At 31 March 2015, outstanding gross debt (interest-bearing loans and borrowings) was $10,569m (31 March 2014: $10,340m). Of the gross debt outstanding at 31 March 2015, $2,299m was due within one year (31 March 2014: $2,787m).

The Company's net debt position at 31 March 2015 was $6,373m (31 March 2014: $4,833m).

Shares in Issue

During the quarter, 0.4 million shares were issued in respect of share option exercises for a consideration of $15m. The total number of shares in issue at 31 March 2015 was 1,264 million.

Guidance

The Company reiterates the guidance provided on 6 March 2015:

- FY 2015 Total Revenue is expected to decline by mid single-digit percent at CER
- Core EPS is expected to increase by low single-digit percent at CER

The Company also provides the following non-guidance information related to currency sensitivity:

- Based on current exchange rates1, Total Revenue is expected to decline by low double-digit percent
- Core EPS is expected to be broadly in line with FY 2014. For additional currency sensitivity information, please see below:

		Average Exchange Rates Versus USD			Impact Of 5% Weakening In Exchange Rate Versus USD ($m)2	
Currency	Primary Relevance	2014	YTD March 20151	Change %	Total Revenue	Core Operating Profit
EUR	Product Sales	0.75	0.89	(15)	(225)	(138)
JPY	Product Sales	105.87	119.15	(11)	(119)	(84)
CNY	Product Sales	6.16	6.24	(1)	(115)	(49)
SEK	Costs	6.86	8.32	(18)	(6)	114
GBP	Costs	0.61	0.66	(8)	(37)	112
Other3					(242)	(139)

1Based on average daily spot rates YTD to the end of March 2015
2Based on 2014 actual average exchange rates and group currency exposures
3Other important currencies include AUD, BRL, CAD, KRW and RUB

Condensed Consolidated Statement of Comprehensive Income

	2015	Restated 2014
For the quarter ended 31 March	$m	$m
Product sales	5,748	6,416
Externalisation revenue	309	44
Total revenue	6,057	6,460
Cost of sales	(1,269)	(1,453)
Gross profit	4,788	5,007
Distribution costs	(77)	(72)
Research and development expense	(1,356)	(1,200)
Selling, general and administrative expense	(2,799)	(2,726)
Other operating income and expense	377	(173)
Operating profit	933	836
Finance income	11	15
Finance expense	(261)	(213)
Share of after tax losses of joint ventures	(5)	-
Profit before tax	678	638
Taxation	(126)	(132)
Profit for the period	552	506
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit pension liability	(17)	(25)
Tax on items that will not be reclassified to profit or loss	4	6
	(13)	(19)
Items that may be reclassified subsequently to profit or loss		
Foreign exchange arising on consolidation	(449)	55
Foreign exchange arising on designating borrowings in net investment hedges	(408)	(1)
Fair value movements on derivatives designated in net investment hedges	21	(9)
Net available for sale gains taken to equity	19	2
Tax on items that may be reclassified subsequently to profit or loss	100	(7)
	(717)	40
Other comprehensive income for the period, net of tax	(730)	21
Total comprehensive income for the period	(178)	527
Profit attributable to:		
Owners of the Parent	550	504
Non-controlling interests	2	2
	552	506
Total comprehensive income attributable to:		
Owners of the Parent	(179)	531

Non-controlling interests	1	(4)
	(178)	527
Basic earnings per $0.25 Ordinary Share	$0.44	$0.40
Diluted earnings per $0.25 Ordinary Share	$0.44	$0.40
Weighted average number of Ordinary Shares in issue (millions)	1,263	1,260
Diluted weighted average number of Ordinary Shares in issue (millions)	1,265	1,262

Condensed Consolidated Statement of Financial Position

	At 31 Mar 2015 $m	At 31 Dec 2014 $m	At 31 Mar 2014 $m
ASSETS			
Non-current assets			
Property, plant and equipment	5,913	6,010	6,173
Goodwill	11,387	11,550	11,601
Intangible assets	20,319	20,981	21,532
Derivative financial instruments	491	465	352
Investments in joint ventures	52	59	-
Other investments	490	502	297
Other receivables	977	1,112	1,430
Deferred tax assets	1,381	1,219	1,463
	41,010	41,898	42,848
Current assets			
Inventories	1,968	1,960	2,163
Trade and other receivables	6,704	7,232	8,579
Other investments	493	795	777
Derivative financial instruments	37	21	8
Income tax receivable	297	329	636
Cash and cash equivalents	3,192	6,360	4,379
	12,691	16,697	16,542
Total assets	53,701	58,595	59,390
LIABILITIES			
Current liabilities			
Interest-bearing loans and borrowings	(2,299)	(2,446)	(2,787)
Trade and other payables	(10,510)	(11,886)	(10,626)
Derivative financial instruments	(17)	(21)	(8)
Provisions	(602)	(623)	(776)
Income tax payable	(2,330)	(2,354)	(3,316)
	(15,758)	(17,330)	(17,513)
Non-current liabilities			
Interest-bearing loans and borrowings	(8,270)	(8,397)	(7,553)
Derivative financial instruments	-	-	(1)
Deferred tax liabilities	(1,611)	(1,796)	(2,760)
Retirement benefit obligations	(2,506)	(2,951)	(2,357)
Provisions	(424)	(484)	(586)

Other payables	(8,176)	(7,991)	(7,143)
	(20,987)	(21,619)	(20,400)
Total liabilities	(36,745)	(38,949)	(37,913)
Net assets	16,956	19,646	21,477
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	316	316	316
Share premium account	4,276	4,261	4,179
Other reserves	2,039	2,021	1,967
Retained earnings	10,305	13,029	14,992
	16,936	19,627	21,454
Non-controlling interests	20	19	23
Total equity	16,956	19,646	21,477

Condensed Consolidated Statement of Cash Flows

	2015	2014
For the quarter ended 31 March	$m	$m
Cash flows from operating activities		
Profit before tax	678	638
Finance income and expense	250	198
Share of after tax losses of joint ventures	5	-
Depreciation, amortisation and impairment	849	712
(Increase)/decrease in working capital and short-term provisions	(664)	30
Non-cash and other movements	(703)	207
Cash generated from operations	415	1,785
Interest paid	(242)	(231)
Tax paid	(245)	(367)

We have no experience as a public company.Our inability to operate as a public company could be the basis of your losing your entire investment in us.

We have never operated as a public company. We have no experience in complying with the various rules and regulations which are required of a public company. As a result, we may not be able to operate successfully as a public company, even if our operations are successful. We plan to comply with all of the various rules and regulations which are required of a public company. However, if we cannot operate successfully as a public company, your investment may be materially adversely affected. Our inability to operate as a public company could be the basis of your losing your entire investment in us.

There are factors beyond our control which may adversely affect us. An investor could lose his entire investment.

Our operations may also be affected by factors which are beyond our control, principally general market conditions and changing client preferences. Any of these problems, or a combination thereof, could have affect on our viability as an entity. We may never become profitable, fail as an organization, and our investors could lose some or all of their investment.

Our ability to grow our business depends on relationships with others. We have no established relationships at this time. We may never develop such relationships. Further, if we were to lose those relationships, we could lose our

ability to sell certain of our promotional products and marketing services. If we lose enough clients, we could go out of business.

All of our revenue and gross profit are expected to come from the sale of promotional products and marketing services. While our relationships will change from time to time, we must rely upon our clients for our success. At the present time, we do not have a limited number of clients and cannot guarantee we will ever develop sufficient numbers of clients to be profitable. If we do develop such clients, we risk that a given client will change its marketing strategy and de-emphasize its use of our products and services. Our ability to generate revenue from the sale of promotional products and marketing services would diminish. If we lose enough clients, we could go out of business.

We are a relatively small company with limited resources compared to some of our current and potential competitors, which may hinder our ability to compete effectively.

Some of our current and potential competitors have longer operating histories, significantly greater resources, broader name recognition, and a larger installed base of clients than we have. As a result, these competitors may have greater credibility with our existing and potential clients. They also may be able to adopt more aggressive pricing policies and devote greater resources to the development, promotion and sale of their products than we can to ours, which would allow them to respond more quickly than us to new or emerging changes in client requirements. In addition, some of our current and potential competitors have already established supplier or joint development relationships with decision makers at our potential clients.

We may need to substantially invest in marketing efforts in order to grow our business, which will be expensive.

In order to grow our business, we will need to develop and maintain widespread recognition and acceptance of our company, our business model, our services and our products. We have not presented our service and product offering to the potential market. We plan to rely primarily on word of mouth from our existing contacts we develop personally through industry events to promote and market ourselves. In order to successfully grow our company, we may need to significantly increase our financial commitment to creating awareness and acceptance of our company among potential clients, which would be expensive. To date, marketing and advertising expenses have been negligible. If we fail to successfully market and promote our business, we could lose potential clients to our competitors, or our growth efforts may be ineffective. If we incur significant expenses promoting and marketing ourselves, it could delay or completely forestall our profitability.

Our business is not diversified, which could result in significant fluctuations in our operating results.A downturn in that sector may reduce our stock price, even if our business is successful.

We are a full service, brand marketing organization, and, accordingly, dependent upon trends in that business sector. Downturns in that sector could adversely effect on our business. A downturn in that sector may reduce our stock price, even if our business is successful.

Our success will be dependent upon our management's efforts. We cannot sustain profitability without the efforts of our management. An investor could lose his entire investment.

Our success will be dependent upon the decision making of our directors and executive officers. These individuals intend to commit as much time as necessary to our business, but this commitment is no assurance of success. The loss of any or all of these individuals, particularly Mr. Quam, our President, and Ms. Kochis, our Secretary, could have a material, adverse impact on our operations. We have no written employment agreements with any officers and directors, including Mr. Quam and Ms. Kochis. We have not obtained key man life insurance on the lives of any of our officers or directors.

Our stock has no public trading market and there is no guarantee a trading market will ever develop for our securities. You may not able to sell your shares when you want to do so, if at all.

There has been, and continues to be, no public market for our common stock. An active trading market for our shares has not, and may never develop or be sustained. If you purchase shares of common stock, you may not be able to resell those shares at or above the initial price you paid. The market price of our common stock may fluctuate significantly in response to numerous factors, some of which are beyond our control, including the following:

* actual or anticipated fluctuations in our operating results;

* changes in financial estimates by securities analysts or our failure to perform in line with such estimates;

* changes in market valuations of other companies, particularly those that market services such as ours;

* announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;

* introduction of product enhancements that reduce the need for our products;

* departures of key personnel.

Of our total outstanding shares as of May 1, 2009, a total of 19,849,800, or approximately 94.3%, will be restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.

As restrictions on resale end, the market price of our stock could drop significantly if the holders of restricted shares sell them or are perceived by the market as intending to sell them.

Applicable SEC rules governing the trading of “Penny Stocks” limit the liquidity of our common stock, which may affect the trading price of our common stock. You may not able to sell your shares when you want to do so, if at all.

Our common stock is currently not quoted in any market. If our common stock becomes quoted, we anticipate that it will trade well below $5.00 per share. As a result, our common stock is considered a “penny stock” and is subject to SEC rules and regulations that impose limitations upon the manner in which our shares can be publicly traded. These regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock and the associated risks. Under these regulations, certain brokers who recommend such securities to persons other than established customers or certain accredited investors must make a special written suitability determination for the purchaser and receive the written purchaser’s agreement to a transaction prior to purchase. These regulations have the effect of limiting the trading activity of our common stock and reducing the liquidity of an investment in our common stock.

The over-the-counter market for stock such as ours is subject to extreme price and volume fluctuations. You may not able to sell your shares when you want to do so, at the price you want, or at all.

The securities of companies such as ours have historically experienced extreme price and volume fluctuations during certain periods. These broad market fluctuations and other factors, such as new product developments and trends in the our industry and in the investment markets generally, as well as economic conditions and quarterly variations in our operational results, may have a negative effect on the market price of our common stock.

Buying low-priced penny stocks is very risky and speculative. You may not able to sell your shares when you want to do so, if at all.

The shares being offered are defined as a penny stock under the Securities and Exchange Act of 1934, and rules of the Commission. The Exchange Act and such penny stock rules generally impose additional sales practice and disclosure requirements on broker-dealers who sell our securities to persons other than certain accredited investors who are, generally, institutions with assets in excess of $5,000,000 or individuals with net worth in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 jointly with spouse, or in transactions not recommended by the broker-dealer. For transactions covered by the penny stock rules, a broker-dealer must make a suitability determination for each purchaser and receive the purchaser's written agreement prior to the sale. In addition, the broker-dealer must make certain mandated disclosures in penny stock transactions, including the actual sale or purchase price and actual bid and offer quotations, the compensation to be received by the broker-dealer and certain associated persons, and deliver certain disclosures required by the Commission. Consequently, the penny stock rules may affect the ability of broker-dealers to make a market in or trade our common stock and may also affect your ability to resell any shares you may purchase in the public markets.

We do not expect to pay dividends on common stock.

We have not paid any cash dividends with respect to our common stock, and it is unlikely that we will pay any dividends on our common stock in the foreseeable future. Earnings, if any, that we may realize will be retained in the business for further development and expansion.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits
The following financial information is filed as part of this report:

(a) (1) FINANCIAL STATEMENTS

(2) SCHEDULES

(3) EXHIBITS. The following exhibits required by Item 601 to be filed herewith are incorporated by reference to previously filed documents:

Exhibit Number	Description
3.1*	Articles of Incorporation
3.2*	Bylaws
21.1*	List of Subsidiaries
31.1	Certification of CEO/CFO pursuant to Sec. 302
32.1	Certification of CEO/CFO pursuant to Sec. 906

* Previously filed with Form SB-2 Registration Statement, January 22, 2008.

(b) The Company filed no reports on Form 8-K during the three months ended July 31, 2009.

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.

Famous Products, Inc.

Date September 14, 2009	By:	/s/ John Quam John Quam, President, Chief Executive Officer and Chief Financial Officer