

Governors Jack Markell and Martin O'Malley Issue Joint Letters of Concern on Potential Acquisition of AstraZeneca

Letters underscore concerns about job retention, and impact on R&D in both states

Dover, DE –Governors Martin O'Malley (MD) and Jack Markell (DE) sent a letter today to Ian Read, chairman and Chief Executive Officer of Pfizer, Inc., expressing deep concerns about the potential acquisition of AstraZeneca PLC. The letter highlights the potentially significant impact on good, family-sustaining jobs in both Maryland and Delaware, and expresses concern about the company's open interest in gaining access to offshore funds and "tax-efficient" operations.

AstraZeneca employs approximately 3,100 people in Maryland, and approximately 2,600 people in Delaware, prompting the two governors to seek answers about the company's potential future in the two states.

The two governors also sent letters expressing concern to several federal executive branch officials, including Attorney General Eric Holder, Secretary of State John Kerry, Secretary of Commerce Penny Pritzker, FDA Commissioner Margaret A. Hamburg, and SEC Chair Mary Jo White, as well as to a number of members of Congress – including Speaker of the House John Boehner, Democratic Leader Nancy Pelosi, several congressional committees, Chairs Representative Kevin Brady and Senator Amy Klobuchar of the U.S. Joint Economic Committee, and members of both the Maryland and Delaware Congressional delegations.

The governors also highlighted Pfizer's assurances to British Prime Minister David Cameron on job retention, potential relocation, as well as employment guarantees for workers in the United Kingdom, and noted that Pfizer has yet to provide any commitment to Maryland or Delaware.

The letter requests responses from Pfizer regarding the potential impact on thousands of residents in both states as well as a number of other issues, including: the potential number of jobs to be eliminated upon acquisition; commitments Pfizer is prepared to make to current AstraZeneca employees; future interest in investments in R&D and maintenance of innovation efforts; and answers to questions about potential redistribution of assets.

In order to preserve and protect American jobs and the future of families affected in the two states, both governors indicated that they intend to continue to pursue their concerns with the White House, members of the Obama Administration, and the U.S. Congress.

The full text of the letter to Pfizer is below.

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Letter to Pfizer Chairman and CEO

Dear Mr. Read:

The states of Delaware and Maryland are leaders in research and development in the pharmaceutical, life sciences, and biotech industries. As such, we are very concerned by Pfizer, Inc.'s efforts to acquire AstraZeneca PLC. As you know, AstraZeneca employs approximately 3,100 people in Maryland and 2,600 people in Delaware in good jobs in manufacturing, research and development, and many other related positions that contribute to innovation and economic growth in our states.

Widespread media reports indicate that Pfizer has made assurances to British Prime Minister David Cameron about retaining jobs in the United Kingdom should this transaction occur. Pfizer has committed to: (i) moving the combined company's corporate and tax residence to England; (ii) basing key scientific leadership in the United Kingdom; (iii) keeping 20% of the combined company's R&D workforce in the United Kingdom; and (iv) actively looking to locate manufacturing opportunities in the United Kingdom.

We are concerned because, despite our requests, we have received no corresponding assurances about retaining jobs and research and development in our states. Our concern is exacerbated by Pfizer's history of closing U.S. research facilities, including sites in Michigan and Illinois, after closing on previous corporate transactions.

It is also concerning that Pfizer is seeking to complete an acquisition involving jobs supporting thousands of families in our states in order to achieve tax advantages. In describing the reason for a proposed takeover, Pfizer's Chief Financial Officer was quoted as saying, "that would still allow me to access the offshore funds and do it in a tax-efficient way." While we understand your desire to operate efficiently, relocating your corporate and tax residence outside of the United States is not only detrimental to the United States, but potentially comes at a direct cost to our states and our constituents.

Our states have invested substantially to make AstraZeneca a success in our communities. Elected officials and the public have a right to know Pfizer's intentions with respect to the key U.S. operations of AstraZeneca and the thousands of employees in our states whose jobs may be jeopardized by Pfizer's desire to reduce its tax liabilities.

We are, therefore, seeking additional information to help us understand how the proposed acquisition of AstraZeneca will

affect our states and the leading role they play in research and development and the pharmaceutical industry generally. Thus, we would appreciate if you could provide responses to the following questions.

1. How many jobs in Maryland and Delaware do you estimate will potentially be eliminated or relocated outside of our states or the United States if Pfizer acquires AstraZeneca?

2. As you have done in the United Kingdom, what binding commitments can Pfizer make to continued investment in Maryland and Delaware? What would be the level of such investment?

3. What commitments can you make regarding AstraZeneca's North American headquarters in Wilmington, Delaware; its research and development center in Gaithersburg, Maryland; its manufacturing facility in Newark, Delaware; or any other facilities?

4. Media reports have noted Pfizer's intent to merge the assets and potentially then split off separate businesses or business units. What are Pfizer's intentions in this respect, and what are the details, timeline, and likely impacts on our states?

5. What binding commitments can Pfizer provide regarding maintaining its investment in the research and discovery of biopharmaceutical products based on its proposed acquisition of AstraZeneca? What binding commitments can you make to maintain the pace of innovation?

6. What other commitments can Pfizer make regarding the effect of the transaction on jobs in the United States in general, and in Maryland and Delaware specifically?

Your cooperation in providing this information is very much appreciated. Time is of the essence, as are American jobs and the livelihood of American families. We appreciate your prompt

attention to this matter, as we are actively engaging our federal partners in the White House and its individual Cabinet agencies and in the U.S. Congress to join us in protecting these jobs and the families they support.

Sincerely,

Martin O'Malley

Governor

State of Maryland

Jack Markell

Governor

State of Delaware

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