

AstraZeneca PLC

First Half Results 2000

'Profit before tax up 19 per cent; EPS up 18 per cent'

Financial Highlights (before Exceptional Items)

Group (incl Agrochemicals)	1st Half 2000 \$m	1st Half 1999* \$m	Constant Currency %
Sales	9,544	9,043	+ 8
Operating Profit	2,389	2,103	+16
Profit before Tax	2,442	2,092	+19
Earnings per Share			
Group	\$0.96	\$0.83	+18
Group (Statutory FRS3)	\$0.87	\$0.47	

* Excluding Specialties

All narrative in this section refers to growth rates at constant exchange rates (CER)

- Sales up 8 per cent; Agrochemicals sales up 8 per cent
- Operating profit up 16 per cent; Agrochemicals operating profit up 23 per cent
- Profit before Tax of \$2,442 million, up 19 per cent
- EPS up 18 per cent
- Strength of US Dollar versus Euro reduced reported sales and operating profit by 2 per cent

Ongoing (excl Agrochemicals)	1st Half 2000 \$m	1st Half 1999 \$m	Constant Currency %
Sales	7,863	7,431	+ 8
Operating Profit	2,046	1,820	+15
Earnings per Share	\$0.84	\$0.72	+19

All narrative in this section refers to growth rates for ongoing operations at constant exchange rates (CER)

- Sales up 8 per cent; US Healthcare sales up 12 per cent
- Operating profit up 15 per cent
- EPS up 19 per cent
- Healthcare operating margin increased to 26.4 per cent
- Strength of US Dollar versus Euro reduced reported sales by 2 per cent and operating profit by 3 per cent
- Synergy benefits of \$265 million achieved in the half year; exceptional charge of \$179 million related to the ongoing integration and synergy programmes

AstraZeneca PLC

Second Quarter Results 2000

Financial Highlights (before Exceptional Items)

Group (incl Agrochemicals)	2nd Quarter 2000 \$m	2nd Quarter 1999* \$m	Constant Currency %
Sales	4,946	4,729	+ 7
Operating Profit	1,312	1,155	+16
Profit before Tax	1,324	1,121	+21
Earnings per Share			
Group	\$0.52	\$0.44	+21
Group (Statutory FRS3)	\$0.46	\$0.07	

* Excluding Specialties

All narrative in this section refers to growth rates at constant exchange rates (CER)

- Sales up 7 per cent; Agrochemicals sales up 5 per cent
- Operating profit up 16 per cent; Agrochemicals operating profit up 20 per cent
- Profit before Tax of \$1,324 million, up 21 per cent
- EPS up 21 per cent
- Strength of US Dollar versus Euro reduced reported sales and operating profit by 2 per cent

Ongoing (excl Agrochemicals)	2nd Quarter 2000 \$m	2nd Quarter 1999 \$m	Constant Currency %
Sales	3,971	3,780	+ 7
Operating Profit	1,070	943	+15
Earnings per Share	\$0.43	\$0.36	+21

All narrative in this section refers to growth rates for ongoing operations at constant exchange rates (CER)

- Sales up 7 per cent; Healthcare sales up 8 per cent; US Healthcare sales up 8 per cent
- Operating profit up 15 per cent
- EPS up 21 per cent
- Healthcare operating margin increased to 27.2 per cent
- Strength of US Dollar versus Euro reduced reported sales and operating profit by 2 per cent
- Synergy benefits of \$145 million achieved in the quarter; exceptional charge of \$96 million related to the ongoing integration and synergy programmes

Tom McKillop, Chief Executive Officer, said: "In the first half of 2000, the business has performed in line with our expectations and we are positioned to deliver the targets of double digit sales growth and good double digit profits growth set for the year. The strength of the US dollar versus the Euro has reduced sales and profits by two per cent and if currencies remain at current levels we expect a similar effect on the full year results.

"Sales for Healthcare grew by eight per cent. Sales from Atacand[®] (for heart disease), Arimidex[®] (for breast cancer), Casodex[®] (for prostate cancer), Seroquel[®] (for schizophrenia) and Zomig[®] (for migraine) - our five current most important drivers of growth - contributed strongly. Future prospects for all these products are excellent as new indications and markets are brought on stream throughout the rest of the year. Further lifecycle plans are in place to realise the potential of these important products.

"Losec[®]/Prilosec[®] grew by seven per cent in the half year. While it is retaining its share of the total anti-secretory market in the USA, it has lost share in the PPI sector as new entrants compete on price ahead of the launch of Nexium[®].

"Our synergy programme is realising benefits even more quickly than expected and we have increased our target for 2000 by \$100 million, to \$600 million, while maintaining the overall target of \$1.1 billion of annual synergies. \$265 million of benefits were realised in the first half of the year.

"Looking at our development portfolio of new products I am pleased to say that all key projects remain on track, particularly those products we identified at the beginning of the year as being potential Megabrands'. Nexium[®], our next generation Proton Pump Inhibitor (PPI) for the treatment of acid-related disease; ZD4522, our superstatin for lowering cholesterol; H376/95, the first ODTI (Oral Direct Thrombin Inhibitor) for treatment of thrombosis; Iressa[™] for the treatment of a range of solid tumours; and Viozan[™] for the treatment of COPD (Chronic Obstructive Pulmonary Disease). During the second quarter the clinical data on all these compounds presented to medical audiences, and communicated as promised to investors, enhanced our confidence in the opportunities these products offer and underpinned our decision to expand our US primary care field force.

"Agrochemical sales grew by eight per cent, a good performance in the still difficult agrochemical market. Profits grew by 23 per cent benefiting in part from the cost saving initiatives introduced last year. Plans for the spin-off and merger of the business with the agrochemicals and seeds activities of Novartis to form Syngenta, the world's largest dedicated agribusiness, are progressing well. Approval for the planned merger was received from the European Commission on 26 July following the agreement of both AstraZeneca and Novartis to divest or license certain of their crop protection products which in aggregate represent less than five per cent of Syngenta's unaudited proforma 1999 sales. Clearance from the FTC in the USA is still awaited but the plan to launch Syngenta in the final quarter of this year remains on track.

"Earnings per share for the Group (including Agrochemicals) increased by 21 per cent in the quarter and by 18 per cent to \$0.96 for the half year (and by 19 per cent for the ongoing business). In line with our stated dividend policy the Board has declared a first interim dividend of \$0.23 (15.3 pence, SEK 2.10). Our cash position remains strong with \$1.8 billion of net cash funds at the end of June. During the first six months, 9.4 million shares were purchased for cancellation for an aggregate cost of \$353 million.

"The exciting opportunities now available to us provide good prospects of enhanced sales growth and the management team is focused on realising these while balancing the short, medium and long-term financial performance. Our targets for the full year of double digit sales growth and good double digit profit growth, in constant currency, remain unchanged. For the longer-term we shall be driving to realise the increased sales potential while maintaining our previously announced margin target of 27 per cent. The pace of development across our whole portfolio gives us the confidence to plan for ambitious launch programmes in all major markets including our initiative to increase the size of our US field force by 1,300. Supporting this programme will be a sustained strategy of tight financial management and rigorous resource prioritisation, aided by the earlier delivery of synergies."

London, 1 August 2000

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Healthcare

Except where stated, all narrative in this section refers to the second quarter. Growth rates are at constant exchange rates (CER).

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Sales	3,945	3,752	+ 8	7,806	7,382	+ 8
Sales (ex Losec®/Prilosec®)	2,566	2,318	+13	4,839	4,534	+10
Operating Profit	1,073	954	+14	2,058	1,834	+14
ROS	27.2%	25.4%		26.4%	24.8%	

Gastrointestinal

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Losec®/Prilosec®	1,379	1,434	- 1	2,967	2,848	+ 7
Total	1,390	1,446	-	2,989	2,872	+ 7

- Prilosec® maintained its prescription market share of the US total anti-secretory market but sales in the quarter were adversely affected by wholesaler destocking following the March price rise
- The PPI class has continued to grow in the USA and its market share has expanded to 59.7 per cent (MAT June)
- In Europe Losec® sales grew by five per cent mainly due to strong growth in France (up 16 per cent) with continued good performance in both GERD and NSAID prophylaxis indications
- Monthly sales of Losec® in Germany have stabilised following the introduction of generics last year but sales in the UK are being adversely affected by pricing pressure from competitor products
- The first launch of Nexium® is due to take place to specialists on 14 August in Sweden. Launches in a further five European markets, including the UK and Germany will take place later in the third quarter and in the fourth quarter respectively.

Cardiovascular

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Zestril®	385	301	+30	661	602	+12
Atacand®	68	41	+73	124	73	+78
Seloken® / Toprol-XL®	155	145	+10	261	257	+ 5
Tenormin®	134	123	+8	253	247	+3
Plendil®	118	108	+12	233	216	+11
Total	990	855	+18	1,784	1,670	+10

- The strong sales growth of Zestril® in the quarter has brought the half year trend into line with the underlying growth rate
- Atacand® sales growth continued to out-pace the class in the USA and a number of European markets with growth in Germany and France stimulated by the launch of Atacand® Plus and the 16mg dose. The publication of data showing Atacand® to be more effective than a key competitor (losartan) and the US launch of Atacand® Plus, scheduled for the fourth quarter, will provide further growth opportunities

Respiratory

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Pulmicort®	179	180	+ 5	353	370	+ 1
Accolate®	59	46	+28	114	74	+55
Rhinocort®	73	56	+32	114	99	+18
Oxis®	29	21	+48	56	41	+47
Total	384	350	+15	729	686	+11

- Sales of Pulmicort® grew strongly in the USA with sales in the first half reaching \$59 million as the supply position improves. Sales in Europe, however, continue to be adversely affected by the introduction of new competitive products
- The launch of Pulmicort® Respules® in the USA later this year will boost growth
- Accolate® sales growth in the USA continued to be influenced by wholesaler buying and stock levels are high
- The successful launch of Rhinocort® Aqua® in the US market has resulted in market share gains. At the end of June the total and new prescription share of the aqueous nasal inhaler market were 5.8 per cent and 7.1 per cent respectively, just five months after launch. Rhinocort® is already the third most prescribed nasal steroid in the US market

Oncology

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Casodex®	105	75	+41	220	166	+35
Arimidex®	45	36	+31	82	63	+36
Nolvadex®	136	144	- 8	275	287	- 5
Zoladex®	197	166	+19	364	331	+11
Total	491	426	+15	956	859	+12

- Casodex® sales continued to grow strongly with market leadership positions maintained across the world. The monotherapy indication has been launched in three markets and is contributing to strong growth with Casodex® now the fastest growing hormonal agent for the treatment of prostate cancer. US approval for this indication is expected at the end of the year
- Arimidex® continued to hold its leadership position across all markets in spite of aggressive marketing pressure from a new competitor. Early launches in the first line treatment of breast cancer in Europe will take place during the second half of the year
- Sales of Zoladex® in the USA benefited from the implementation of new contracts and from some quarter on quarter phasing
- Prescriptions for Nolvadex® (tamoxifen) continued to grow but destocking has led to a reduction in reported sales

Specialist/Hospital

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Seroquel®	122	48	+156	204	95	+116
Zomig®	67	47	+ 47	132	86	+ 58
Merrem®	42	39	+ 18	78	77	+ 9
Diprivan®	120	178	- 31	284	327	- 11
Xylocaine®	63	67	- 7	117	128	- 11
Marcaine®	24	22	+ 9	45	42	+ 9
Astra Tech	30	28	+ 14	58	55	+ 12
Salick Health Care	45	58	- 22	90	118	- 24
Total	690	675	+ 4	1,348	1,295	+ 6

- An enlarged Seroquel® US salesforce has capitalised on the increasing acceptance of the product and market share has continued to grow, achieving 9.2 per cent and 10.5 per cent of total and new prescriptions respectively at the end of June
- The launches of Seroquel® in Germany (March) and Italy (May) have gone well
- Zomig® consolidated its position as the lead second generation triptan benefiting from the continued expansion of the triptan market in the USA. In Europe first launches of the Rapimelt™ formulation have contributed to sales growth by providing excellent product differentiation
- Marketing of Merrem® resumed in the USA in April following the resolution of manufacturing constraints and this will lead to renewed sales growth
- The competitive environment for Diprivan® in the USA has stabilised with only one other propofol product on the market and many accounts returning to Diprivan®. However, comparison with a strong second quarter in 1999 and the stocking patterns in the first quarter of this year adversely affected the reported result

Geographic Sales

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
USA	1,989	1,849	+ 8	4,010	3,588	+12
Europe	1,318	1,298	+10	2,615	2,668	+ 7
Japan	218	177	+ 7	374	304	+ 8
RoW	420	428	+ 1	807	822	- 1

- In the USA all key growth phase products grew strongly. Sales growth excluding Prilosec® was 19 per cent
- In Europe sales in France continued to be strong (still growing well ahead of the market) and there were good results from Italy and Spain. Governmental pressure to prescribe generics in Germany continued to adversely impact a number of products with Losec® and Zestril® particularly affected. In the UK sales performance has been impacted by increased prescribing of generics and parallel trade.
- Sales in Japan continue to grow ahead of the overall Japanese market with strong contributions from more recently launched products, most notably Casodex®
- RoW sales were affected by the introduction of generic omeprazole in Australia

Operating Profit

- Operating profit grew by 14 per cent, reaching \$1,073 million
- The operating margin increased to 27.2 per cent from 25.4 per cent in the second quarter of 1999. The higher margin is mainly a result of the continued realisation of synergy benefits. The full year operating margin target remains at 25.3 per cent for Pharmaceuticals, 25.0 per cent for Healthcare

- The stronger US dollar compared to the second quarter in 1999 reduced profits by two per cent
- Synergy benefits of \$145 million were realised in the quarter. A majority of the benefits are coming from the selling, general and administrative related areas but research and development related benefits are increasing
- Synergy benefits target for 2000 has been increased to \$600 million
- Exceptional items of \$96 million were charged in the quarter relating to the ongoing integration and synergy programmes

Agrochemicals

All growth rates in this section are at constant exchange rates.

Sales grew eight per cent in the first half, with second quarter growth of five per cent. The increased sales combined with reduced costs produced an improved operating profit at the half year of 23 per cent.

Currency effects decreased reported half year sales by four per cent and operating profit by one per cent, principally due to the weaker Euro.

Product sales

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
Non-Selective Herbicides	275	223	+ 24	468	369	+ 28
Selective Herbicides	290	297	-	450	490	- 5
<i>Total Herbicides</i>	<i>565</i>	<i>520</i>	<i>+ 11</i>	<i>918</i>	<i>859</i>	<i>+ 9</i>
Insecticides	161	130	+ 26	270	230	+ 19
Fungicides	231	272	- 12	457	475	+ 2
Total	975	949	+ 5	1,681	1,612	+ 8

- Strong growth in non-selective herbicides more than offset a reduction in selective herbicide sales; Touchdown[®] continued to develop successfully with substantial growth in all regions, particularly North America, with Gramoxone[®] also showing good growth in Asia Pacific and Latin America
- Insecticide sales recovered to 1998 levels with Karate[®] up 18 per cent on 1999
- After a strong start to the year, fungicide sales were constrained in the second quarter, largely by adverse conditions in the important cereal markets of Western Europe. According to preliminary data, Amistar[®] continued to increase market penetration, with sales increasing by three per cent during the first half

Geographic sales

	Second Quarter		CER %	Half Year		CER %
	2000	1999		2000	1999	
North America	429	405	+ 6	615	576	+ 7
Europe	276	322	- 7	600	633	+ 4
Latin America	134	102	+ 31	209	165	+ 27
RoW	136	120	+ 11	257	238	+ 6
Total	975	949	+ 5	1,681	1,612	+ 8

- First quarter growth in North America continued through the second quarter due to significant sales of Touchdown[®] and insecticides

- Strong second quarter sales in southern and eastern Europe only partially offset the impact of unfavourable weather in northern Europe; overall first half sales increased in most segments
- In Latin America, relatively robust market recovery in Brazil was reflected in strong second quarter sales; Gramoxone[®], Touchdown[®] and Amistar[®] grew across the Region
- Sales in the Rest of World markets increased, due to strong growth in Asia Pacific where non-selective herbicide sales improved significantly; this was partly offset by weak demand in Africa

Research and Development

Restructuring of R&D facilities announced last year reduced costs overall whilst investment in biotechnology research continued to increase; the development of the phase three compounds mesotrione and picoxystrobin is proceeding to plan.

Operating Margin (pre Exceptional Items)

The operating margin improved from 17.6 per cent to 20.4 per cent. The increase in sales, combined with benefits from the 1999 restructuring programme underpinned this improvement.

Exceptional Items

During 1999 Zeneca Agrochemicals undertook a cost restructuring designed to improve profitability. These measures resulted in a charge of \$125 million. At the end of June savings totalling \$25 million have been delivered.

Syngenta

Plans for the spin-off and merger of the Agrochemicals business with the agrochemicals and seeds activities of Novartis to form Syngenta are progressing well.

Approval for the planned merger was received from the European Commission on 26 July following the agreement of both AstraZeneca and Novartis to divest or license certain of their crop protection products which in aggregate represent less than five per cent of Syngenta's unaudited proforma 1999 sales. For Zeneca Agrochemicals this means the divestment of the worldwide acetochlor corn herbicide business and the divestment or licensing of other products as announced on 26 July. Clearance from the FTC in the USA is still awaited but the plan to launch Syngenta in the final quarter of this year remains on track.

It is planned that an Extraordinary General Meeting will be held on Wednesday, 11 October 2000 to enable AstraZeneca shareholders to vote on the proposed transaction relating to the establishment of Syngenta.

The physical separation of the Agrochemicals business from the Healthcare business is well advanced and this will result in an exceptional charge to be taken on final demerger. This charge will cover Information Systems, some tax costs and other costs arising from the restructuring.

Taxation

The effective tax rate for the first half was 31.3 per cent compared to 37.9 per cent. Excluding exceptional items, the effective tax rate for continuing operations is 30.3 per cent (30.0 per cent) and 28.9 per cent (29.1 per cent) in ongoing operations.

Cash Flow

Cash generated from operating activities before exceptional items amounted to \$2.3 billion in the first half year. This was used to settle the 1999 final dividend (\$0.8 billion), and to fund capital expenditure of \$0.6 billion, exceptional item costs of \$0.4 billion and tax payments of \$0.4 billion. The net cash flow was therefore in balance before financing transactions including the share buyback programme.

At 30 June 2000 the group had net cash funds of \$1.8 billion.

Dividends

A first interim dividend of \$0.23 (15.3 pence, SEK 2.10) will be paid on 23 October 2000 to all shareholders on the register on 8 September 2000.

Share Repurchase Programme

During the second quarter 4.5 million Ordinary Shares (nominal value \$0.25 each) were purchased for cancellation, bringing the total for 2000 to 9.4 million shares and \$353 million. This represents 0.25 per cent of the total issued share capital of AstraZeneca.

The total number of shares re-purchased for cancellation since the start of the programme in December now stands at 13.7 million at an aggregate cost of \$531 million. The total number of shares in issue (as at 30 June 2000) is 1,766 million.

Second Half Milestones and Key Dates

3 July	Nolvadex [®] US approval for Ductal Carcinoma in Situ (DCIS)
11 July	Atacand [®] CLAIM study published showing increased benefit over losartan
12 July	Nexium [®] European Mutual Recognition approval received
August	Nexium [®] first European launch in Sweden Symbicort [®] first European approval in Sweden
Third Quarter	Nexium [®] launches in UK & Denmark Seroquel [®] launch in Spain Seroquel [®] approval in Japan Pulmicort [®] Respules [®] approval in the USA
October	Atacand [®] Plus launch in the USA Toprol-XL [®] approval for CHF in the USA
11 October	EGM on proposed transaction for the establishment of Syngenta
25 October	Third Quarter & Nine Months Results
11 November	Additional ZD4522 Phase II data published: American Heart Association, New Orleans
11/12 December	Analyst/investor visit to Mölndal for presentations on Discovery, GI, CV and other novel approaches
Fourth Quarter	Nexium [®] launch in Germany, Norway & Ireland Nexium [®] approval in the USA Arimidex [®] approval for 1 st line treatment of breast cancer in the USA Zomig [®] MAA nasal spray submission Merrem [®] sNDA filed for pneumonia

Development Pipeline Update

A full update of the development portfolio is being published today and is available on AstraZeneca's website (www.astrazeneca.com).

Tom McKillop
Chief Executive Officer