

Consolidated Profit & Loss Account For Continuing Operations

For the six months ended 30 June	2001 \$m	2000 \$m
Sales	8,090	7,863
Cost of sales	(2,186)	(2,084)
Distribution costs	(60)	(120)
Research and development	(1,341)	(1,210)
Selling, general and administrative expenses	(2,660)	(2,474)
Other operating income	208	71
Operating profit before exceptional items	2,051	2,046
Exceptional items charged to operating profit	(81)	(179)
Operating profit	1,970	1,867
Share of joint ventures' and associates' operating profits	-	19
Profit on sale of fixed assets	10	-
Net interest and dividend income	78	34
Profit on ordinary activities before taxation	2,058	1,920
Profit before taxation before exceptional items	2,129	2,099
Exceptional items charged to profit before taxation	(71)	(179)
Taxation	(565)	(575)
Profit on ordinary activities after taxation	1,493	1,345
Attributable to minorities	(5)	(5)
Net profit for the period	1,488	1,340
Dividends to Shareholders	(405)	(406)
Profit retained for the period	1,083	934
Earnings per Ordinary Share before exceptional items	\$0.87	\$0.84
Earnings per Ordinary Share	\$0.84	\$0.75
Diluted earnings per Ordinary Share	\$0.84	\$0.75
Weighted average number of Ordinary Shares in issue (millions)	1,764	1,771
Diluted average number of Ordinary Shares in issue (millions)	1,766	1,773

The interim financial statements on pages 9 to 19 were approved by the Board on 26 July 2001.

Consolidated Profit & Loss Account For Continuing Operations

For the quarter ended 30 June	2001 \$m	2000 \$m
Sales	4,099	3,971
Cost of sales	(1,112)	(1,012)
Distribution costs	(30)	(57)
Research and development	(669)	(613)
Selling, general and administrative expenses	(1,339)	(1,256)
Other operating income	47	37
Operating profit before exceptional items	996	1,070
Exceptional items charged to operating profit	(56)	(96)
Operating profit	940	974
Share of joint ventures' and associates' operating profits	-	(3)
Profit on sale of fixed assets	-	-
Net interest and dividend income	23	15
Profit on ordinary activities before taxation	963	986
Profit before taxation before exceptional items	1,019	1,082
Exceptional items charged to profit before taxation	(56)	(96)
Taxation	(255)	(305)
Profit on ordinary activities after taxation	708	681
Attributable to minorities	(2)	(3)
Net profit for the period	706	678
Dividends to Shareholders	(405)	(406)
Profit retained for the period	301	272
Earnings per Ordinary Share before exceptional items	\$0.42	\$0.43
Earnings per Ordinary Share	\$0.40	\$0.37
Diluted earnings per Ordinary Share	\$0.40	\$0.37
Weighted average number of Ordinary Shares in issue (millions)	1,762	1,769
Diluted average number of Ordinary Shares in issue (millions)	1,764	1,771

Consolidated Balance Sheet

	30 June 2001 \$m	30 June 2000 \$m
Fixed assets		
Tangible fixed assets	4,925	6,015
Goodwill and intangible assets	2,661	3,503
Fixed asset investments	16	187
	<u>7,602</u>	<u>9,705</u>
Current assets		
Stocks	2,063	2,370
Debtors	3,932	4,930
Cash and short-term investments	4,233	2,953
	<u>10,228</u>	<u>10,253</u>
Total assets	<u>17,830</u>	<u>19,958</u>
Creditors due within one year		
Short-term borrowings and current instalments of loans	(263)	(444)
Other creditors	(5,980)	(6,356)
	<u>(6,243)</u>	<u>(6,800)</u>
Net current assets	<u>3,985</u>	<u>3,453</u>
Total assets less current liabilities	<u>11,587</u>	<u>13,158</u>
Creditors due after more than one year		
Loans	(638)	(749)
Other creditors	(258)	(451)
Provisions for liabilities and charges	(1,101)	(1,278)
	<u>(1,997)</u>	<u>(2,478)</u>
Net assets	<u>9,590</u>	<u>10,680</u>
Capital and reserves		
Shareholders' funds - equity interests	9,560	10,636
Minority equity interests	30	44
Shareholders' funds and minority interests	<u>9,590</u>	<u>10,680</u>

Statement of Total Recognised Gains and Losses

	2001 \$m	2000 \$m
For the six months ended 30 June		
Net profit for the period - from continuing operations	1,488	1,340
- from discontinued operations	-	208
Exchange adjustments on net assets	(796)	(432)
Translation differences on foreign currency borrowings	43	(5)
Tax on translation differences on foreign currency borrowings	(5)	1
Other movements	3	(6)
Total recognised gains and losses relating to the period	<u>733</u>	<u>1,106</u>

Consolidated Cash Flow Statement

For the six months ended 30 June	2001 \$m	2000 \$m
Cash flow from operating activities		
Operating profit before exceptional items:		
- from continuing operations	2,051	2,046
- from discontinued operations	-	343
Depreciation	296	354
Amortisation	128	159
Increase in working capital	(254)	(655)
Other non-cash movements	6	32
Net cash inflow from operating activities before exceptional items	2,227	2,279
Outflow related to exceptional items	(181)	(445)
Net cash inflow from operating activities	2,046	1,834
Returns on investments and servicing of finance	71	27
Tax paid	(522)	(419)
Capital expenditure and financial investment		
Net cash expenditure on fixed assets	(628)	(636)
New fixed asset investments	(5)	(3)
	(633)	(639)
Acquisitions and disposals	(45)	-
Equity dividends paid to Shareholders	(830)	(820)
Net cash inflow/(outflow) before management of liquid resources and financing	87	(17)
Management of liquid resources		
Movement in short-term investments and fixed deposits (net)	(451)	667
Financing	(169)	(274)
(Decrease)/increase in cash in the period	(533)	376
Net cash funds		
Net cash inflow/(outflow) before management of liquid resources and financing	87	(17)
AstraZeneca PLC Ordinary Shares		
Issued for cash	55	5
Repurchased for cash	(344)	(353)
Outflow of net cash funds in the period	(202)	(365)

Independent Review Report to AstraZeneca PLC by KPMG Audit Plc

Introduction

We have been instructed by the Company to review the financial information for the six month period ended 30 June 2001 set out on pages 9 and 11 to 19 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts, in which case any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 (Review of Interim Financial Information) issued by the Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2001.

KPMG Audit Plc
Chartered Accountants
London

26 July 2001

Notes to the Interim Financial Statements

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited results for the six months ended 30 June 2001 have been prepared in accordance with UK generally accepted accounting principles. The accounting policies applied are those set out in AstraZeneca PLC's 2000 Annual Report and Form 20-F. In 2001, the continued standardisation of accounting treatments across AstraZeneca has led certain subsidiaries to classify as cost of sales some elements of expense recorded as distribution costs in previous periods. The effect of this change in the current half year period is to reclassify approximately \$60m of costs. Previous periods have not been restated.

Continuing operations comprises the ongoing business of AstraZeneca and the comparative Profit and Loss Account figures for 2000 exclude the results of the Agrochemicals business which was demerged on 13 November 2000. The full comparative Profit and Loss Account for first half 2000 is detailed in note 3 below.

The statements are unaudited but have been reviewed by the auditors and their report is set out above. The statements do not comprise the statutory accounts of the group. Statutory accounts for AstraZeneca PLC for the year ended 31 December 2000 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

2 JOINT VENTURES AND ASSOCIATES

The group's share of joint ventures' sales for the half year to 30 June 2001 amounted to \$163m and \$158m for the comparative period. Share of joint ventures' operating profits for the half year to 30 June 2001 amounted to nil, and for the comparative period \$19m.

3 CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2000

	Continuing Operations \$m	Discontinued Operations \$m	Total \$m
Sales	7,863	1,681	9,544
Cost of sales	(2,084)	(913)	(2,997)
Distribution costs	(120)	(54)	(174)
Research and development	(1,210)	(132)	(1,342)
Selling, general and administrative expenses	(2,474)	(260)	(2,734)
Other operating income	71	21	92
Operating profit before exceptional items	2,046	343	2,389
Exceptional items charged to operating profit	(179)	-	(179)
Operating profit	1,867	343	2,210
Share of joint ventures' and associates' operating profits	19	-	19
Net interest	34	-	34
Profit on ordinary activities before taxation	1,920	343	2,263
Taxation	(575)	(133)	(708)
Profit on ordinary activities after taxation	1,345	210	1,555
Attributable to minorities	(5)	(2)	(7)
Net profit for the period	1,340	208	1,548
Dividends to Shareholders	(406)	-	(406)
Profit retained for the period	934	208	1,142
Earnings per Ordinary Share before exceptional items	\$0.84	\$0.12	\$0.96
Earnings per Ordinary Share	\$0.75	\$0.12	\$0.87
Diluted earnings per Ordinary Share	\$0.75	\$0.12	\$0.87

4 ANALYSIS OF EXCEPTIONAL ITEMS CHARGED TO OPERATING PROFIT

The following are the components of the exceptional charges to operating profits from continuing operations which relate to the integration and synergy programme commenced after the AstraZeneca merger:

For the six months ended 30 June	2001 \$m	2000 \$m
Cost of sales	5	3
Research and development	22	26
Selling, general and administrative expenses	54	150
	81	179

5 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the six months ended 30 June	2001 \$m	2000 \$m
Shareholders' funds at beginning of period	9,521	10,302
Net profit for the period - from continuing operations	1,488	1,340
- from discontinued operations	-	208
Dividends to Shareholders	(405)	(406)
	1,083	1,142
Issue of AstraZeneca PLC Ordinary Shares	55	5
Repurchase of AstraZeneca PLC Ordinary Shares	(344)	(353)
Foreign currency adjustment	(758)	(436)
Minority interest buy out	-	(18)
Other movements	3	(6)
Net addition to Shareholders' funds	39	334
Shareholders' funds at end of period	9,560	10,636

6 NET CASH FUNDS

The table below provides an analysis of net cash funds and a reconciliation of net cash flow to movement in net cash funds.

	At 31 Dec 2000 \$m	Cash flow \$m	Other Non-cash \$m	Exchange Movements \$m	At 30 June 2001 \$m
Loans due after 1 year	(631)	(8)	-	1	(638)
Current instalments of loans	(88)	(111)	-	1	(198)
Total loans	(719)	(119)	-	2	(836)
Short-term investments	3,429	451	(1)	(69)	3,810
Cash	1,021	(582)	-	(16)	423
Overdrafts	(113)	49	-	13	(51)
Short-term borrowings, excluding overdrafts	(13)	(1)	-	-	(14)
	4,324	(83)	(1)	(72)	4,168
Net cash funds	3,605	(202)	(1)	(70)	3,332
Issue of AstraZeneca PLC Ordinary Shares		(55)			
Repurchase of AstraZeneca PLC Ordinary Shares		344			
Net cash inflow before management of liquid resources and financing		87			

7 HALF YEAR PRODUCT SALES ANALYSIS

	World				US	
	1 st Half 2001 \$m	1 st Half 2000 \$m	Actual Growth %	Constant Currency Growth %	1 st Half 2001 \$m	Actual Growth %
Gastrointestinal:						
Losec	2,866	2,967	(3)	-	1,876	(4)
Nexium	127	-	n/m	n/m	80	n/m
Others	21	22	(5)	4	-	-
Total Gastrointestinal	3,014	2,989	1	4	1,956	-
Cardiovascular:						
Zestril	644	661	(3)	-	412	1
Seloken	350	261	34	39	209	73
Plendil	212	233	(9)	(3)	77	(5)
Tenormin	213	253	(16)	(9)	35	(29)
Atacand	196	124	58	67	76	69
Imdur	45	49	(8)	-	6	(14)
Others	175	203	(14)	(7)	27	(27)
Total Cardiovascular	1,835	1,784	3	8	842	13
Respiratory:						
Pulmicort	409	353	16	23	142	141
Rhinocort	130	114	14	18	81	29
Accolate	95	114	(17)	(15)	72	(27)
Oxis	65	56	16	27	-	-
Bricanyl	55	66	(17)	(9)	-	-
Symbicort	14	-	n/m	n/m	-	-
Others	26	26	-	15	-	-
Total Respiratory	794	729	9	15	295	34
Oncology:						
Zoladex	344	364	(5)	2	102	-
Nolvadex	286	275	4	7	210	9
Casodex	244	220	11	18	97	(11)
Arimidex	92	82	12	19	32	(3)
Others	15	15	-	7	-	-
Total Oncology	981	956	3	9	441	1
CNS:						
Seroquel	357	204	75	77	301	61
Zomig	154	132	17	21	100	15
Other CNS	3	18	(83)	(83)	3	(63)
Total CNS	514	354	45	48	404	43

7 HALF YEAR PRODUCT SALES ANALYSIS (CONTINUED)

	World				US	
	1 st Half 2001 \$m	1 st Half 2000 \$m	Actual Growth %	Constant Currency Growth %	1 st Half 2001 \$m	Actual Growth %
Pain, Infection and Other Pharma:						
Diprivan	215	284	(24)	(19)	87	(36)
Merrem	106	78	36	45	22	340
Xylocaine	103	117	(12)	(5)	26	(10)
Marcaine	41	45	(9)	(2)	12	(14)
Naropin	29	27	7	14	5	(17)
Other Pharma Products	248	295	(16)	(9)	71	(16)
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Total Pain, Infection and Other Pharma	742	846	(12)	(6)	223	(19)
Salick Health Care	95	90	6	6	95	6
Astra Tech	62	58	7	17	3	50
Marlow Foods	53	47	13	24	-	-
Other	-	10	-	-	-	-
	210	205	2	7	98	7
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Total	8,090	7,863	3	8	4,259	6

n/m not meaningful

8 SECOND QUARTER PRODUCT SALES ANALYSIS

	World				US	
	2 nd Quarter 2001 \$m	2 nd Quarter 2000 \$m	Actual Growth %	Constant Currency Growth %	2 nd Quarter 2001 \$m	Actual Growth %
Gastrointestinal:						
Losec	1,371	1,379	(1)	3	873	-
Nexium	46	-	n/m	n/m	17	n/m
Others	9	11	(18)	-	-	-
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Total Gastrointestinal	1,426	1,390	3	7	890	2
Cardiovascular:						
Zestril	350	385	(9)	(6)	230	(8)
Seloken	199	155	28	32	126	52
Plendil	106	118	(10)	(4)	35	(13)
Tenormin	115	134	(14)	(7)	22	(12)
Atacand	113	68	66	73	49	96
Imdur	24	26	(8)	-	4	-
Others	93	104	(11)	(5)	13	(24)
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Total Cardiovascular	1,000	990	1	6	479	8

8 SECOND QUARTER PRODUCT SALES ANALYSIS (CONTINUED)

	World				US	
	2 nd Quarter 2001 \$m	2 nd Quarter 2000 \$m	Actual Growth %	Constant Currency Growth %	2 nd Quarter 2001 \$m	Actual Growth %
Respiratory:						
Pulmicort	209	179	17	24	79	114
Rhinocort	74	73	1	4	47	2
Accolate	46	59	(22)	(20)	36	(28)
Oxis	33	29	14	24	-	-
Bricanyl	27	32	(16)	(10)	-	-
Symbicort	11	-	n/m	n/m	-	-
Others	13	12	8	25	-	-
Total Respiratory	413	384	8	14	162	22
Oncology:						
Zoladex	184	197	(7)	-	53	(2)
Nolvadex	147	136	8	12	105	17
Casodex	129	105	23	32	48	12
Arimidex	49	45	9	16	16	(16)
Others	8	8	-	13	-	-
Total Oncology	517	491	5	12	222	8
CNS:						
Seroquel	168	122	38	40	138	23
Zomig	88	67	31	35	60	40
Other CNS	1	10	(90)	(90)	1	(80)
Total CNS	257	199	29	32	199	24
Pain, Infection and Other Pharma:						
Diprivan	108	120	(10)	(5)	44	-
Merrem	57	42	36	46	13	160
Xylocaine	56	63	(11)	(3)	15	(6)
Marcaine	22	24	(8)	-	7	(13)
Naropin	14	14	-	7	2	(33)
Other Pharma Products	121	153	(21)	(11)	36	(25)
Total Pain, Infection and Other Pharma	378	416	(9)	(1)	117	(6)
Salick Health Care	50	45	11	11	50	11
Astra Tech	32	30	7	17	1	-
Marlow Foods	26	22	18	27	-	-
Other	-	4	n/m	n/m	-	-
	108	101	7	12	51	11
Total	4,099	3,971	3	8	2,120	7

n/m not meaningful

9 HALF YEAR TERRITORIAL SALES ANALYSIS

	1 st Half 2001 \$m	1 st Half 2000 \$m	% Growth	
			Actual	Constant Currency
USA	4,259	4,010	6	6
Japan	389	374	4	18
France	482	450	7	18
Germany	348	353	(1)	8
Italy	337	319	6	16
Sweden	142	172	(17)	(5)
UK	370	391	(5)	3
Rest of World	1,763	1,794	(2)	7
Total	8,090	7,863	3	8

10 SECOND QUARTER TERRITORIAL SALES ANALYSIS

	2 nd Quarter 2001 \$m	2 nd Quarter 2000 \$m	% Growth	
			Actual	Constant Currency
USA	2,120	1,989	7	7
Japan	211	218	(3)	12
France	244	219	11	22
Germany	180	178	1	11
Italy	187	166	13	21
Sweden	75	85	(12)	4
UK	198	207	(4)	5
Rest of World	884	909	(3)	6
Total	4,099	3,971	3	8

Information for US Investors

RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES

The profit and loss accounts and balance sheet set out on pages 9, 11 and 14 are prepared in accordance with generally accepted accounting principles in the United Kingdom (UK GAAP) which differ in certain material respects from those generally accepted in the United States (US GAAP). The differences as they apply to AstraZeneca PLC are explained in the 2000 Annual Report and Form 20-F. The approximate effects on income and shareholders' equity of the GAAP differences are shown below.

Income attributable to Shareholders	1st Half 2001 \$m	1st Half 2000 \$m
Net income for the period under UK GAAP from continuing Operations	1,488	1,340
Adjustments to conform to US GAAP		
Purchase accounting adjustments, (including goodwill & intangibles):		
- deemed acquisition of Astra (goodwill amortisation and other acquisition adjustments)	(767)	(878)
- others	-	(6)
Capitalisation less amortisation of interest	19	19
Capitalisation less amortisation of software costs	10	73
Deferred taxation	123	5
Pension expense	(22)	(17)
Post-retirement benefits/plan amendment	2	2
Restructuring costs	(22)	(25)
Unrealised gains on foreign exchange and others	(21)	5
Net income in accordance with US GAAP from continuing Operations	810	518
Net income in accordance with US GAAP from discontinued Operations	-	185
Net income in accordance with US GAAP	810	703
Net income / (loss) per Ordinary Share under US GAAP from continuing operations – basic and diluted	\$0.46	\$0.29
Net income / (loss) per Ordinary Share under US GAAP from discontinued operations – basic and diluted	-	\$0.11

RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES (CONTINUED)

Shareholders' equity	30 June 2001 \$m	30 June 2000 \$m
Shareholders' equity under UK GAAP	9,560	10,636
Adjustments to conform to US GAAP		
Purchase accounting adjustments (including goodwill and intangibles):		
- deemed acquisition of Astra		
- goodwill	11,409	13,374
- tangible and intangible fixed assets	8,404	10,244
- others	31	481
Capitalisation of interest	154	164
Deferred taxation		
- on fair value of Astra	(2,390)	(2,904)
- others	(228)	(388)
Dividend	405	406
Pension expense	(151)	(191)
Post-retirement benefits / plan amendment	(30)	(29)
Software costs capitalised	130	105
Restructuring costs	-	94
Others	52	88
Shareholders' equity in accordance with US GAAP	27,346	32,080

Shareholder Information

ANNOUNCEMENTS AND MEETINGS

Announcement of third quarter and nine month results	24 October 2001
Annual Business Review - London	3 December 2001
- New York	5 December 2001
Announcement of 2001 Full Year Results	31 January 2002

DIVIDENDS

The record date for the first interim dividend payable on 5 October 2001 (in the UK, Sweden and the US) is 24 August 2001. Ordinary Shares will trade ex-dividend on the London and Stockholm Stock Exchanges from 22 August 2001. ADRs will trade ex-dividend on the New York Stock Exchange from the same date.

Future dividends will normally be paid as follows:

First interim	Announced end of July and paid in October.
Second interim	Announced in January and paid in April.

TRADE MARKS

The following brand names used in this interim report are trade marks of the AstraZeneca group of companies:

Accolate Arimidex Astra Tech Atacand Atacand HCT Atacand Plus Bricanyl Casodex Crestor Diprivan Exanta Faslodex Imdur Iressa Losec Marcaine Merrem Naropin Nexium Nolvadex Oxis Plendil Prilosec Pulmicort Pulmicort Respules Rhinocort Rhinocort Aqua Seloken Seroquel Symbicort Tenormin Toprol-XL Viozan Zestril Zoladex Zomig Zomig Rapimelt Zomig ZMT

ADDRESSES FOR CORRESPONDENCE

Registrar and Transfer Office	Depository for ADRs	Registered Office	Swedish Securities Register Centre
The AstraZeneca Registrar Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA Tel: (0870) 600 3956	Morgan Guaranty Trust Company of New York ADR Service Center PO Box 842006 Boston, MA 02284-2006 Tel: (781) 575 4328	15 Stanhope Gate London W1K 1LN Tel: (020) 7304 5000	VPC AB Box 7822 S-103 97 Stockholm Sweden Tel: (8) 402 9000

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

In order to utilise the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, AstraZeneca is providing the following cautionary statement. This Interim Report contains forward-looking statements with respect to the financial condition, results of operations and businesses of AstraZeneca. By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements. These factors include, among other things, exchange rate fluctuations, the risk that research and development will not yield new products that achieve commercial success, the impact of competition, price controls and price reductions, the risk of loss or expiration of patents or trade marks, difficulties of obtaining and maintaining governmental approvals for products, the risk of substantial product liability claims, exposure to environmental liability and the risks related to the difficulty of completing the integration of Astra's and Zeneca's large and complex businesses on a timely basis and realising synergies.