

AstraZeneca PLC

First Quarter Results 2002

“Good first quarter results, EPS up 22 percent.

Earnings targets raised for full year.”

Financial Highlights (before Exceptional Items)

Group (Continuing operations*)	1st Quarter 2002 \$m	1st Quarter 2001* \$m	Constant Currency %
Sales	4,421	3,991	+13
Operating Profit	1,297	1,055	+22
Profit before Tax	1,318	1,110	+19
Earnings per Share			
Group	\$0.55	\$0.45	+22
Group (Statutory FRS3)	\$0.55	\$0.44	

* Restated to be on a consistent basis under FRS19. See note on page 11 for further information.

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

- Nexium™ achieved sales of \$356 million in the first quarter. Nexium™ share of new prescriptions in US PPI market increased to 18.8 percent.
- Symbicort™ sales were \$54 million in the first quarter. Regulatory package for use in Chronic Obstructive Pulmonary Disease (COPD) submitted in European Union.
- Excellent progress with Arimidex™ in adjuvant treatment of early breast cancer; promotion already started in Japan; FDA has granted six-month priority review, and the European file was submitted on 8 April.
- Casodex™ sNDA for early prostate cancer granted Priority Review Status by FDA on 20 February.
- Seroquel™ sales were \$336 million in the quarter, an increase of 79 percent, resulting from strong underlying demand combined with some wholesaler stocking.
- FDA response to Crestor™ NDA now expected by end of June.

Tom McKillop, Chief Executive, said: "This is a good set of results. The transformation of our portfolio continues, with strong performances from Nexium™, Symbicort™, Atacand™, Seroquel™ and our range of cancer medicines. The regulatory reviews for Crestor™ and Iressa™ are ongoing in major markets, and we will be filing for marketing approval for Exanta™ in Europe in the third quarter."

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Business Highlights *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated.*

Sales in the first quarter increased by 13 percent, and operating profits by 22 percent. Exchange rate movements against the US dollar reduced reported sales growth by 2 percent, but had a favourable impact on operating profits by 1 percent. Earnings per share (before exceptional items) rose by 22 percent to \$0.55.

Sales grew by double digits in all major regions, including a 14 percent increase in the US. Sales growth in the US was broadly in line with underlying demand, as speculative buying around announced or anticipated price changes affected the first quarter 2002 and the first quarter 2001 to a similar degree. Trade inventories increased by some \$200 million in both periods, although it was mostly the Cardiovascular and CNS products that were affected in 2002, whilst it was chiefly Prilosec™ in the first quarter 2001. The company expects normal unwinding of these inventories over the next two quarters, and there should be no impact on achievement of our full year targets.

GI franchise sales were up by 1 percent in the quarter. The strong growth of Nexium™ continues. Sales in the quarter were \$356 million, including \$293 million in the US. Sales of Losec™ outside the US were broadly unchanged. In the US Prilosec™ sales were down by 26 percent, in line with the decline in prescriptions, as Nexium™ continues to represent a growing proportion of AstraZeneca's PPI franchise. Total prescriptions for AstraZeneca PPI products in the US (Prilosec™ and Nexium™) are 15 percent ahead of last year.

The Prilosec™ patent infringement cases against four generic companies continues to be heard in the US District Court in New York. To date there have been no generic omeprazole products introduced in the US market.

Excluding GI products, sales growth in the first quarter was 20 percent.

Other developments since the beginning of 2002 included regulatory submissions in the US and Europe for Arimidex™ in the adjuvant treatment of early breast cancer.

In CNS products, February marked the launch of Zomig™ Nasal Spray in Sweden, its first market, as well as the regulatory submission in the US. Zomig™ Rapimelt™ tablets received approval in Japan on 15 March.

The Iressa™ NDA in Japan for use as monotherapy in treatment of advanced non-small cell lung cancer (NSCLC) was submitted on 28 January. The rolling submission of data in the US to support the fast track review for this indication continues, and the company is planning for launches in both of these major markets in the second half of the year. Completion, validation, and analysis of the pivotal trials for the use in combination with cytotoxic agents in NSCLC is expected in the second half of this year; regulatory submissions for this indication, including first submissions in Europe for Iressa™, are now expected in fourth quarter 2002.

The regulatory review of Crestor™ in the US is ongoing and, whilst AstraZeneca does not normally comment on the progress of regulatory reviews, the company has been informed by FDA that it will not complete its response to the Crestor™ NDA by 26 April*, but expects to do so before the end of June. Additional information and analyses are being generated to support the use of Crestor™ at higher doses. AstraZeneca is confident in the profile of Crestor™ and looks forward to a positive outcome. The precise timing of the US launch awaits completion of the review, but is unlikely to be in the third quarter.

Based on the excellent results achieved in the European EXPRESS study of Exanta™ for the prevention of blood clots following orthopaedic surgery (which will not be published in detail until later this year) the company confirms its intention to submit for European marketing approval in the third quarter of this year.

*April 26th marks the end of the ten-month review period by which FDA targets a response for seventy percent of filings under the PDUFA agreement.

Future Prospects *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated.*

As stated in the year end 2001 results announcement, the short term outlook for sales and profits could vary depending on product approvals, launch timings, and entry of generic competition for Prilosec™ and other mature products. At the time of that announcement, the range of market expectations for earnings was between \$1.51 and \$1.66 per share, and the company anticipated earnings per share in the middle of this range. Based upon the company's current views on these variables, earnings per share are now expected to be around the top of this range.

Disclosure Notice: The preceding forward looking statements relating to expectations for earnings and business prospects for AstraZeneca PLC are subject to risks and uncertainties, which may cause results to differ materially from those set forth. These include, but are not limited to: the timing of the launch of generic omeprazole in the US, the successful registration and launch of new products (in particular Nexium™ and Crestor™), continued growth of currently marketed products, the growth in costs and expenses, the amount of net interest income earned on the Group's cash balances, exchange rate fluctuations, and further improvements in the tax rate. For further details on these and other risks and uncertainties, see AstraZeneca PLC's Securities and Exchange Commission filings, including the 2001 annual report on Form 20-F.

Sales

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

Gastrointestinal

	First Quarter		CER %
	2002	2001	
Lossec [™] /Prilosec [™]	1,218	1,495	-18
Nexium [™]	356	81	n/m
Total	1,587	1,588	+1

- Nexium[™] sales continued their strong growth. Sales in the US reached \$293 million in the quarter. Nexium[™] share of new prescriptions in the US retail PPI market was 18.8 percent in March, up 2.5 points since year end.
- Nexium[™] achieved sales outside of the US of \$63 million, with market share gains across the board. Market share in Europe is now over 9 percent. Nexium[™] was launched in France at the end of March, and launches in Italy and Belgium, among others, will follow later this year.
- Sales of Lossec[™] outside the US were broadly unchanged (down 1 percent) with good growth reported in France, Italy, and Japan.
- In the US, Prilosec[™] sales were down by 26 percent, broadly in line with the trend in prescriptions, as Nexium[™] continues to represent a growing proportion of AstraZeneca's PPI franchise.
- The Prilosec[™] patent infringement cases against four generic companies continues to be heard in the US District Court in New York.

Cardiovascular

	First Quarter		CER %
	2002	2001	
Zestril [™]	283	294	-3
Atacand [™]	151	83	+84
Seloken [™] / Toprol-XL [™]	236	151	+57
Plendil [™]	108	106	+4
Total	961	835	+17

- Sales of Atacand[™] Plus/Atacand[™] HCT and Atacand[™] grew strongly in all major markets. Sales outside the US were up 43 percent. Total prescriptions in the US were up 35 percent. Reported sales growth (up 170 percent) was well ahead of prescriptions, a result of inventory building this year versus wholesaler de-stocking in the first quarter 2001.
- Sales of Seloken[™]/Toprol-XL[™] continue to grow on the strength of the performance of Toprol-XL[™] in the US. Aided by the congestive heart failure indication launched last April, total prescriptions are up 37 percent. Wholesaler stocking lifted the reported sales increase in the US to 100 percent.
- Sales of Zestril[™] declined slightly, chiefly on generic competition outside the US.

Respiratory

	First Quarter		CER %
	2002	2001	
Pulmicort™	229	200	+17
Accolate™	33	49	-31
Rhinocort™	64	56	+14
Oxis™	31	32	-3
Symbicort™	54	3	n/m
Total	446	381	+19

- The Symbicort™ launch in Europe continues to make good progress, with particularly strong penetration of the combination segment in France, Germany, and the Scandinavian markets. As planned, the regulatory submission for COPD treatment was made in Europe in the quarter.
- Despite competitive pressures on Pulmicort™ sales outside the US, overall sales grew by 17 percent, driven by the strong US performance for Pulmicort™ Respules™ (up 128 percent) and some stock building on Pulmicort™ Turbuhaler™.
- In the US, Rhinocort™ Aqua continues to increase its share of the aqueous intranasal steroid segment of the rhinitis market, up over 4 points in the last twelve months to 12.7 percent in March. Total prescriptions are up over 55 percent over the first quarter 2001.

Oncology

	First Quarter		CER %
	2002	2001	
Casodex™	124	115	+12
Arimidex™	66	43	+55
Nolvadex™	143	139	+5
Zoladex™	190	160	+23
Total	528	464	+17

- Sales of Casodex™ outside the US grew by 49 percent, reflecting strong growth in Europe (up 55 percent) and in Japan (up 39 percent). This growth was partially offset by the 37 percent decline in the US, as significant wholesaler de-stocking following the price increase in early January masked underlying prescription growth of around 7 percent. The supplemental NDA for the treatment of early prostate cancer with Casodex™ was granted Priority Review Status by FDA on 20 February.
- The growth in Arimidex™ sales resulted from a balanced performance, with strong sales growth in the US (up 69 percent) and in markets outside the US (up 48 percent). The US sales increase tracked the underlying demand; new prescription share in the growing aromatase inhibitor market has shot up to 62.6 percent in March, an increase of nearly 9 points in the last three months.
- Promotion of Arimidex™ for the adjuvant treatment of early breast cancer has begun in Japan. Regulatory submissions for this important new indication have been made in Europe and the US, with the US granting Priority Review Status for the application earlier this month.

CNS

	First Quarter		CER %
	2002	2001	
Seroquel™	336	189	+79
Zomig™	93	66	+43
Total	436	257	+71

- The market acceptance for Seroquel™ continues to be reflected in steady growth in demand. Sales outside the US grew by 73 percent. Prescriptions in the US were up 48 percent versus the first quarter last year. New prescription share in March was 16.7 percent, up nearly 4 points versus a year ago; this is the largest share gain among the leading atypical antipsychotics. Sales in the US were up 80 percent, indicating stock building in the distribution channels.
- Zomig™ sales outside the US were up 31 percent, with good growth in France. Sales in the US were up 50 percent, well ahead of the growth in prescriptions (up 11 percent).

Pain, Infection and Other Pharma

	First Quarter		CER %
	2002	2001	
Merrem™	67	49	+39
Diprivan™	113	107	+9
Local anaesthetics	96	104	-4
Total	347	364	-2

- Strong growth in the US (up 67 percent) drove Merrem™ performance. Sales outside the US increased by 33 percent.

Geographic Sales

	First Quarter		CER %
	2002	2001	
USA	2,448	2,139	+14
Europe	1,395	1,291	+10
Japan	172	178	+10
RoW	406	383	+11

- Sales in the US were up by 14 percent in the quarter despite the decline in Prilosec™ sales as more of the PPI franchise migrates to Nexium™. Nexium™ was the key growth driver in the quarter, and underlying demand for key growth products such as Seroquel™, Toprol-XL™, Atacand™, Arimidex™ and Casodex™ was also strong.
- Sales growth in Europe was fuelled by Symbicort™ and Nexium™, as well as by important contributions from Casodex™, Zoladex™, Atacand™ and Seroquel™. France, Italy, and Spain were the fastest growing of the largest markets.
- Sales in Japan continue to grow in double digits, with a strong performance in oncology products and continued good growth in Losec™ leading the quarter's performance.

Operating Profit

Operating profit before exceptional items grew by 22 percent at constant exchange rates to \$1,297 million in the quarter. This was well ahead of sales growth, partly aided by higher wholesaler inventories and favourable phasing of R&D and sales and marketing costs. As highlighted, wholesaler inventories in the US were some \$200 million above normal levels, but at a level similar to the end of first quarter 2001.

Currency had a 1% favourable impact on profit in the first quarter. The continuing benefits of the strong dollar against the Swedish Krona and Pounds Sterling more than offset the adverse effect on the Euro. For 2002, if current spot rates stay constant for the remainder of the year, we would estimate an adverse impact of around 1-2% on earnings per share, consistent with our guidance given in the 2001 results release.

Operating margin for the quarter of 29.3% was nearly three percentage points ahead of 2001. Cost of sales was marginally lower than last year with lower contingent payments to Merck. Research and development costs were 15.8 percent of sales, down from 16.8 percent of sales in 2001, partly through a favourable currency impact, particularly from the Swedish Krona, and also from phasing of project costs. Selling, general and administrative costs were up 5% with increases in selling costs partially offset by a decline in general and administrative costs. Other operating income at \$156 million was similar to 2001 levels and included a gain from the disposal of Sular[™] in the US.

Interest

The group recorded net interest and dividend income of \$21 million in the quarter. The variance against 2001 was caused by lower US interest rates as well as marginally lower cash balances as a result of the share repurchase programme.

Taxation

Excluding exceptional items, the effective tax rate for the first quarter 2002 was 27% compared with 28.4% for 2001. The 2001 tax rate has been restated under FRS19. See Note 1 to the interim financial statements for more detail.

Cash Flow

Cash generated from operating activities amounted to \$1.9 billion in the first quarter aided by a timing benefit in the quarterly payment to Merck. The net increase in net cash funds after capital expenditure, tax and share repurchases was \$1.4 billion in the quarter.

Share Repurchase Programme

During the quarter, 2.8 million ordinary shares were re-purchased (nominal value \$0.25 each) for cancellation at a total cost of \$140.0 million.

The total number of shares re-purchased for cancellation since the start of the programme in December 1999 now stands at 40.0 million at an aggregate cost of \$1,756 million. The total number of shares in issue (as at 31 March 2002) is 1,743 million.

Upcoming Milestones and Key Events

25 April	Annual General Meeting
25 July	Half Year results
Third Quarter	Exanta™ filing in Europe for orthopaedic surgery
24 October	Third Quarter and Nine Month results
Fourth Quarter	Iressa™ filing for combination therapy in NSCLC
7 November	Annual Business Review

Tom McKillop
Chief Executive