

## Consolidated Profit & Loss Account

For the <b>six months</b> ended 30 June	<b>2003</b> <b>\$m</b>	<b>2002</b> <b>\$m</b>
<b>Sales</b>	9,171	8,658
Cost of sales	(2,237)	(2,154)
Distribution costs	(75)	(65)
Research and development	(1,597)	(1,420)
Selling, general and administrative expenses	(3,163)	(2,869)
Other operating income	62	211
<b>Operating profit</b>	<b>2,161</b>	<b>2,361</b>
Net interest and dividend income	53	22
Profit on ordinary activities before taxation	2,214	2,383
Taxation	(609)	(644)
<b>Profit on ordinary activities after taxation</b>	<b>1,605</b>	<b>1,739</b>
Attributable to minorities	(7)	(6)
<b>Net profit for the period</b>	<b>1,598</b>	<b>1,733</b>
Dividends to shareholders	(436)	(398)
<b>Retained profit for the period</b>	<b>1,162</b>	<b>1,335</b>
Earnings per Ordinary Share	\$0.93	\$1.00
Diluted earnings per Ordinary Share	\$0.93	\$1.00
Weighted average number of Ordinary Shares in issue (millions)	1,714	1,741
Diluted average number of Ordinary Shares in issue (millions)	1,716	1,743

## Consolidated Profit & Loss Account

For the <b>quarter</b> ended 30 June	2003 \$m	2002 \$m
<b>Sales</b>	4,436	4,312
Cost of sales	(1,102)	(1,060)
Distribution costs	(40)	(35)
Research and development	(815)	(723)
Selling, general and administrative expenses	(1,637)	(1,485)
Other operating income	47	55
<b>Operating profit</b>	889	1,064
Net interest and dividend income	32	1
Profit on ordinary activities before taxation	921	1,065
Taxation	(253)	(288)
<b>Profit on ordinary activities after taxation</b>	668	777
Attributable to minorities	(2)	(2)
<b>Net profit for the period</b>	666	775
Dividends to shareholders	(436)	(398)
<b>Retained profit for the period</b>	230	377
Earnings per Ordinary Share	\$0.39	\$0.45
Diluted earnings per Ordinary Share	\$0.39	\$0.45
Weighted average number of Ordinary Shares in issue (millions)	1,712	1,736
Diluted average number of Ordinary Shares in issue (millions)	1,714	1,738

## Consolidated Balance Sheet

	30 June 2003 \$m	30 June 2002 \$m
<b>Fixed assets</b>		
Tangible fixed assets	7,005	6,079
Goodwill and intangible assets	2,863	2,748
Fixed asset investments	47	22
	9,915	8,849
<b>Current assets</b>		
Stocks	2,765	2,460
Debtors	5,479	4,648
Cash and short-term investments	3,987	4,247
	12,231	11,355
<b>Total assets</b>	22,146	20,204
<b>Creditors due within one year</b>		
Short-term borrowings and current instalments of loans	(55)	(476)
Other creditors	(7,047)	(6,646)
	(7,102)	(7,122)
<b>Net current assets</b>	5,129	4,233
<b>Total assets less current liabilities</b>	15,044	13,082
<b>Creditors due after more than one year</b>		
Loans	(323)	(337)
Other creditors	(42)	(153)
Provisions for liabilities and charges	(1,922)	(1,547)
	(2,287)	(2,037)
<b>Net assets</b>	12,757	11,045
<b>Capital and reserves</b>		
Shareholders' funds - equity interests	12,696	10,994
Minority equity interests	61	51
<b>Shareholders' funds and minority interests</b>	12,757	11,045

## Statement of Total Recognised Gains and Losses

	2003 \$m	2002 \$m
For the <b>six months</b> ended 30 June		
Net profit for the period	1,598	1,733
Exchange adjustments on net assets	647	797
Translation differences on foreign currency borrowings	-	(5)
Tax on translation differences on foreign currency borrowings	-	-
Other movements	-	3
<b>Total recognised gains and losses relating to the period</b>	2,245	2,528

## Consolidated Cash Flow Statement

For the <b>six months</b> ended 30 June	<b>2003</b> \$m	<b>2002</b> \$m
<b>Cash flow from operating activities</b>		
Operating profit	2,161	2,361
Depreciation	417	328
Amortisation	141	131
(Increase)/decrease in working capital	(346)	251
Other non-cash movements	100	78
<b>Net cash inflow from operating activities before exceptional items</b>	<b>2,473</b>	<b>3,149</b>
Outflow related to exceptional items	(381)	(55)
<b>Net cash inflow from operating activities</b>	<b>2,092</b>	<b>3,094</b>
<b>Returns on investments and servicing of finance</b>	<b>33</b>	<b>3</b>
<b>Tax paid</b>	<b>(762)</b>	<b>(415)</b>
<b>Capital expenditure and financial investment</b>		
Net cash expenditure on fixed assets	(673)	(632)
Cash expenditure on fixed asset investments	-	(1)
	(673)	(633)
<b>Acquisitions and disposals</b>	<b>80</b>	<b>-</b>
<b>Equity dividends paid to Shareholders</b>	<b>(770)</b>	<b>(820)</b>
<b>Net cash inflow before management of liquid resources and financing</b>	<b>-</b>	<b>1,229</b>
<b>Management of liquid resources</b>		
Movement in short-term investments and fixed deposits (net)	487	(428)
<b>Financing</b>	<b>(604)</b>	<b>(815)</b>
<b>Decrease in cash in the period</b>	<b>(117)</b>	<b>(14)</b>
<b>Net cash funds</b>		
Net cash inflow before management of liquid resources and financing	-	1,229
AstraZeneca PLC Ordinary Shares		
Issued for cash	26	26
Repurchased for cash	(311)	(748)
<b>(Outflow)/inflow of net cash funds in the period</b>	<b>(285)</b>	<b>507</b>

# Independent Review Report by KPMG Audit Plc to AstraZeneca PLC

## Introduction

We have been engaged by the Company to review the financial information for the six month period ended 30 June 2003 set out on pages 10 and 12 to 16 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.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

## Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules which 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 for use in the United Kingdom. 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 2003.

KPMG Audit Plc  
Chartered Accountants  
8 Salisbury Square  
London

24 July 2003

## Notes to the Interim Financial Statements

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited financial statements for the six months ended 30 June 2003 have been prepared in accordance with UK generally accepted accounting principles. The accounting policies applied are those set out in AstraZeneca PLC's 2002 Annual Report and Form 20-F.

The financial statements are unaudited but have been reviewed by the auditors and their report is set out above. These interim financial statements do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2002 have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

As part of AstraZeneca's objective to align with best accounting practice, cash discounts arising from prompt payments of invoices were reclassified from cost of sales to sales for the year ended 31 December 2002. Comparatives were reclassified and additional detail at product and territorial level are available on the AstraZeneca website. Both sales and cost of sales were reduced by \$145m in the first half 2002. Neither profits nor net assets were affected.

### 2 JOINT VENTURES AND ASSOCIATES

The group's share of joint ventures' sales for the half year to 30 June 2003 amounted to \$174m and \$173m for the comparative period. Share of joint ventures' operating profits for the half year to 30 June 2003, and for the comparative period, were \$nil.

### 3 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

For the <b>six months</b> ended 30 June	<b>2003</b> \$m	<b>2002</b> \$m
Shareholders' funds at beginning of period	11,172	9,586
Net profit for the period	1,598	1,733
Dividends to Shareholders	(436)	(398)
	1,162	1,335
Issue of AstraZeneca PLC Ordinary Shares	26	26
Repurchase of AstraZeneca PLC Ordinary Shares	(311)	(748)
Foreign currency adjustment	647	792
Other movements	-	3
Net addition to Shareholders' funds	1,524	1,408
Shareholders' funds at end of period	12,696	10,994

### 4 NET CASH FUNDS

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

	At 31 Dec 2002 \$m	Cash flow \$m	Other Non-cash \$m	Exchange Movements \$m	At 30 June 2003 \$m
Loans due after 1 year	(328)	-	5	-	(323)
Current instalments of loans	(314)	319	(5)	-	-
Total loans	(642)	319	-	-	(323)
Short-term investments	3,962	(487)	-	28	3,503
Cash	726	(264)	-	22	484
Overdrafts	(202)	147	-	-	(55)
	4,486	(604)	-	50	3,932
<b>Net cash funds</b>	<b>3,844</b>	<b>(285)</b>	<b>-</b>	<b>50</b>	<b>3,609</b>
Issue of AstraZeneca PLC Ordinary Shares		(26)			
Repurchase of AstraZeneca PLC Ordinary Shares		311			
<b>Net cash inflow before management of liquid resources and financing</b>		<b>-</b>			

### 5 LEGAL PROCEEDINGS

The Company announced on 20 June 2003 a settlement of the US Department of Justice investigation into the US sales and marketing practices for Zoladex (goserelin acetate implant). Under the terms of the settlement, AstraZeneca Pharmaceuticals LP admitted to violating the Prescription Drug Marketing Act by providing free samples of Zoladex to physicians during the period 1993 through 1996, with the understanding that these physicians would bill Medicare for reimbursement. AstraZeneca also settled, without admitting liability, civil claims involving allegations that the Company provided inducements to physicians to purchase Zoladex and for improperly setting and reporting its price. The total payment associated with the settlement is \$355 million, with a portion of the settlement placed in escrow to fund anticipated settlements with the individual states. The settlement also provides for a five-year Corporate Integrity Agreement with the Office of Inspector General (OIG) for the Department of Health and Human Services, under which AstraZeneca Pharmaceuticals LP is required, among other obligations, to keep in place its current Compliance Program and provide periodic reports to the OIG on the status of compliance activities.

## 6 HALF YEAR TERRITORIAL SALES ANALYSIS

	1 <sup>st</sup> Half 2003 \$m	1 <sup>st</sup> Half 2002 \$m	% Growth	
			Actual	Constant Currency
US	4,432	4,597	(4)	(4)
Canada	330	273	21	16
North America	4,762	4,870	(2)	(2)
France	688	533	29	9
UK	274	325	(16)	(24)
Germany	390	329	19	1
Italy	450	379	19	1
Sweden	152	138	10	(7)
Europe others	1,247	1,084	15	(1)
Total Europe	3,201	2,788	15	(1)
Japan	536	412	30	20
Rest of World	672	588	14	19
Total	9,171	8,658	6	-

## 7 SECOND QUARTER TERRITORIAL SALES ANALYSIS

	2 <sup>nd</sup> Quarter 2003 \$m	2 <sup>nd</sup> Quarter 2002 \$m	% Growth	
			Actual	Constant Currency
US	1,962	2,214	(11)	(11)
Canada	174	144	21	13
North America	2,136	2,358	(9)	(10)
France	359	270	33	10
UK	130	147	(12)	(21)
Germany	207	165	25	4
Italy	242	207	17	(3)
Sweden	73	74	(1)	(16)
Europe others	635	538	18	-
Total Europe	1,646	1,401	17	(2)
Japan	293	240	22	11
Rest of World	361	313	15	19
Total	4,436	4,312	3	(4)

## 8 HALF YEAR PRODUCT SALES ANALYSIS

	World				US	
	1 <sup>st</sup> Half 2003 \$m	1 <sup>st</sup> Half 2002 \$m	Actual Growth %	Constant Currency Growth %	1 <sup>st</sup> Half 2003 \$m	Actual Growth %
<b>Gastrointestinal:</b>						
Losec	1,434	2,308	(38)	(42)	607	(56)
Nexium	1,466	811	81	76	1,106	74
Others	35	30	17	7	11	22
<b>Total Gastrointestinal</b>	<b>2,935</b>	<b>3,149</b>	<b>(7)</b>	<b>(11)</b>	<b>1,724</b>	<b>(15)</b>
<b>Cardiovascular:</b>						
Zestril	226	546	(59)	(63)	43	(87)
Seloken	748	437	71	67	576	93
Atacand	358	278	29	20	137	20
Plendil	239	203	18	12	89	24
Tenormin	165	190	(13)	(18)	13	(65)
Crestor	12	-	n/m	n/m	-	n/m
Others	188	181	4	(8)	9	(18)
<b>Total Cardiovascular</b>	<b>1,936</b>	<b>1,835</b>	<b>6</b>	<b>-</b>	<b>867</b>	<b>(1)</b>
<b>Respiratory:</b>						
Pulmicort	490	426	15	9	261	37
Rhinocort	186	144	29	26	136	39
Symbicort	249	122	104	79	-	-
Accolate	56	65	(14)	(16)	38	(16)
Oxis	60	61	(2)	(13)	-	-
Others	74	72	3	(8)	-	-
<b>Total Respiratory</b>	<b>1,115</b>	<b>890</b>	<b>25</b>	<b>16</b>	<b>435</b>	<b>31</b>
<b>Oncology:</b>						
Zoladex	406	382	6	(1)	84	(17)
Casodex	417	271	54	43	132	110
Nolvadex	100	257	(61)	(63)	36	(81)
Arimidex	236	144	64	54	101	66
Iressa	66	-	n/m	n/m	18	n/m
Faslodex	37	8	n/m	n/m	37	n/m
Others	9	11	(18)	(27)	-	-
<b>Total Oncology</b>	<b>1,271</b>	<b>1,073</b>	<b>18</b>	<b>10</b>	<b>408</b>	<b>(3)</b>
<b>CNS:</b>						
Seroquel	714	592	21	18	545	10
Zomig	162	166	(2)	(8)	78	(19)
Others	15	15	-	(13)	2	(33)
<b>Total CNS</b>	<b>891</b>	<b>773</b>	<b>15</b>	<b>11</b>	<b>625</b>	<b>5</b>
<b>Pain, Infection and Other Pharma:</b>						
Diprivan	234	222	5	-	123	13
Merrem	154	141	9	8	25	(22)
Local anaesthetics	223	156	43	34	51	55
Other Pharma Products	135	180	(25)	(31)	31	(44)
<b>Total Pain, Infection and Other Pharma</b>	<b>746</b>	<b>699</b>	<b>7</b>	<b>2</b>	<b>230</b>	<b>-</b>
Salick Health Care	134	113	19	19	134	19
Astra Tech	94	71	32	11	7	40
Marlow Foods	49	55	(11)	(18)	2	100
<b>Total</b>	<b>9,171</b>	<b>8,658</b>	<b>6</b>	<b>-</b>	<b>4,432</b>	<b>(4)</b>

n/m not meaningful

## 9 SECOND QUARTER PRODUCT SALES ANALYSIS

	World				US	
	2 <sup>nd</sup> Quarter 2003 \$m	2 <sup>nd</sup> Quarter 2002 \$m	Actual Growth %	Constant Currency Growth %	2 <sup>nd</sup> Quarter 2003 \$m	Actual Growth %
Gastrointestinal:						
Losec	742	1,116	(34)	(39)	320	(52)
Nexium	631	464	36	31	437	25
Others	17	17	-	(12)	3	(40)
<b>Total Gastrointestinal</b>	<b>1,390</b>	<b>1,597</b>	<b>(13)</b>	<b>(18)</b>	<b>760</b>	<b>(25)</b>
Cardiovascular:						
Zestril	118	269	(56)	(61)	23	(86)
Seloken	380	206	84	79	291	112
Atacand	152	129	18	6	35	(19)
Plendil	129	97	33	26	50	72
Tenormin	81	96	(16)	(23)	-	-
Crestor	9	-	n/m	n/m	-	n/m
Others	98	92	7	(6)	5	-
<b>Total Cardiovascular</b>	<b>967</b>	<b>889</b>	<b>9</b>	<b>1</b>	<b>404</b>	<b>3</b>
Respiratory:						
Pulmicort	239	199	20	13	128	51
Rhinocort	96	81	19	17	68	24
Symbicort	127	68	87	61	-	-
Accolate	25	33	(24)	(27)	15	(35)
Oxis	29	30	(3)	(16)	-	-
Others	36	37	(3)	(17)	-	-
<b>Total Respiratory</b>	<b>552</b>	<b>448</b>	<b>23</b>	<b>13</b>	<b>211</b>	<b>29</b>
Oncology:						
Zoladex	213	195	9	-	42	(24)
Casodex	228	148	54	41	72	118
Nolvadex	39	117	(67)	(70)	5	(94)
Arimidex	143	79	81	70	68	94
Iressa	47	-	n/m	n/m	18	n/m
Faslodex	15	8	88	88	15	88
Others	5	6	(17)	(34)	-	-
<b>Total Oncology</b>	<b>690</b>	<b>553</b>	<b>25</b>	<b>15</b>	<b>220</b>	<b>4</b>
CNS:						
Seroquel	270	263	3	(1)	185	(11)
Zomig	54	74	(27)	(35)	9	(76)
Others	7	8	(13)	(38)	-	-
<b>Total CNS</b>	<b>331</b>	<b>345</b>	<b>(4)</b>	<b>(9)</b>	<b>194</b>	<b>(21)</b>
Pain, Infection and Other Pharma:						
Diprivan	98	111	(12)	(17)	42	(25)
Merrem	80	74	8	5	12	(29)
Local anaesthetics	122	60	103	90	31	182
Other Pharma Products	69	112	(38)	(41)	14	(62)
<b>Total Pain, Infection and Other Pharma</b>	<b>369</b>	<b>357</b>	<b>3</b>	<b>(2)</b>	<b>99</b>	<b>(18)</b>
Salick Health Care	69	59	17	17	69	17
Astra Tech	50	37	35	13	4	33
Marlow Foods	18	27	(33)	(37)	1	-
<b>Total</b>	<b>4,436</b>	<b>4,312</b>	<b>3</b>	<b>(4)</b>	<b>1,962</b>	<b>(11)</b>

n/m not meaningful

# Information for US Investors

## RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES

The profit and loss account and balance sheet set out on pages 10 to 12 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 2002 Annual Report and Form 20-F. The approximate effects on income and shareholders' equity of the GAAP differences are shown below.

	1 <sup>st</sup> Half 2003 \$m	1 <sup>st</sup> Half 2002 \$m
<b>Income attributable to Shareholders</b>		
<b>Net income for the period under UK GAAP from continuing operations</b>	1,598	1,733
<b>Adjustments to conform to US GAAP</b>		
Purchase accounting adjustments (including goodwill and intangibles):		
- deemed acquisition of Astra (amortisation and other acquisition adjustments)	(461)	(419)
- others	28	26
Capitalisation less amortisation of interest	3	-
Capitalisation less amortisation of software costs	(45)	(42)
Deferred taxation		
- on fair values of Astra	129	115
- others	(49)	(83)
Pension expense	(16)	(27)
Post-retirement benefits/plan amendment	2	2
Share based compensation	(4)	32
Fair value of derivative financial instruments	(11)	37
Deferred income recognition	12	(47)
Unrealised gains on foreign exchange and others	(1)	4
<b>Net income in accordance with US GAAP</b>	1,185	1,331
Net income per Ordinary Share under US GAAP – basic and diluted	\$0.69	\$0.77

## RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES (CONTINUED)

Shareholders' equity	30 June 2003 \$m	30 June 2002 \$m
<b>Shareholders' equity under UK GAAP</b>	12,696	10,994
<b>Adjustments to conform to US GAAP</b>		
Purchase accounting adjustments (including goodwill and intangibles):		
- deemed acquisition of Astra		
- goodwill	13,406	12,355
- tangible and intangible fixed assets	7,658	7,737
- others	114	57
Capitalisation, less disposals and amortisation of interest	241	192
Deferred taxation		
- on fair value of Astra	(2,300)	(2,310)
- others	(218)	(156)
Dividend	436	398
Pension expense	(287)	(189)
Post-retirement benefits/plan amendment	(22)	(26)
Software costs capitalised	19	68
Fair value of derivative financial instruments	101	87
Deferred income recognition	(2)	(122)
Others	96	93
<b>Shareholders' equity in accordance with US GAAP</b>	<b>31,938</b>	<b>29,178</b>

## Shareholder Information

### ANNOUNCEMENTS AND MEETINGS

---

Annual Business Review	2 October 2003
Announcement of third quarter and nine months results	23 October 2003

### DIVIDENDS

---

The record date for the first interim dividend payable on 6 October 2003 (in the UK, Sweden and the US) is 22 August 2003. Ordinary Shares will trade ex-dividend on the London and Stockholm Stock Exchanges from 20 August 2003. 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 in July and paid in October
Second interim	Announced in January and paid in April.

### TRADEMARKS

---

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

**Accolate Arimidex Astra Tech Atacand Casodex Crestor Diprivan Exanta Faslodex Iressa Losec Merrem Nexium Nolvadex Oxis Plendil Prilosec Pulmicort Pulmicort Respules Pulmicort Turbuhaler Rhinocort Rhinocort Aqua Seloken Seroquel Symbicort Tenormin Toprol-XL Zestril Zoladex Zomig**

### ADDRESSES FOR CORRESPONDENCE

---

<b>Registrar and Transfer Office</b>	<b>Depository for ADRs</b>	<b>Registered Office</b>	<b>Swedish Securities Register Centre</b>
The AstraZeneca Registrar Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA Tel: +44 (0)121 433 8000	JPMorgan Chase Bank PO Box 43013 Providence, RI 02940-3013 US Tel: (781) 575 4328	15 Stanhope Gate London W1K 1LN UK Tel: +44 (0)20 7304 5000	VPC AB PO Box 7822 S-103 97 Stockholm Sweden Tel: +46 (0)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, the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition; price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; and the risk of environmental liabilities.