

AstraZeneca 

**A New Force in
World Pharmaceuticals**

Tom McKillop

**Chief Executive Officer
AstraZeneca PLC**

Momentum

- **Market shares increased**
- **Profits increased**
- **Merger completed in record time**
- **Group restructuring**
- **R & D programmes progressing**

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Financial highlights

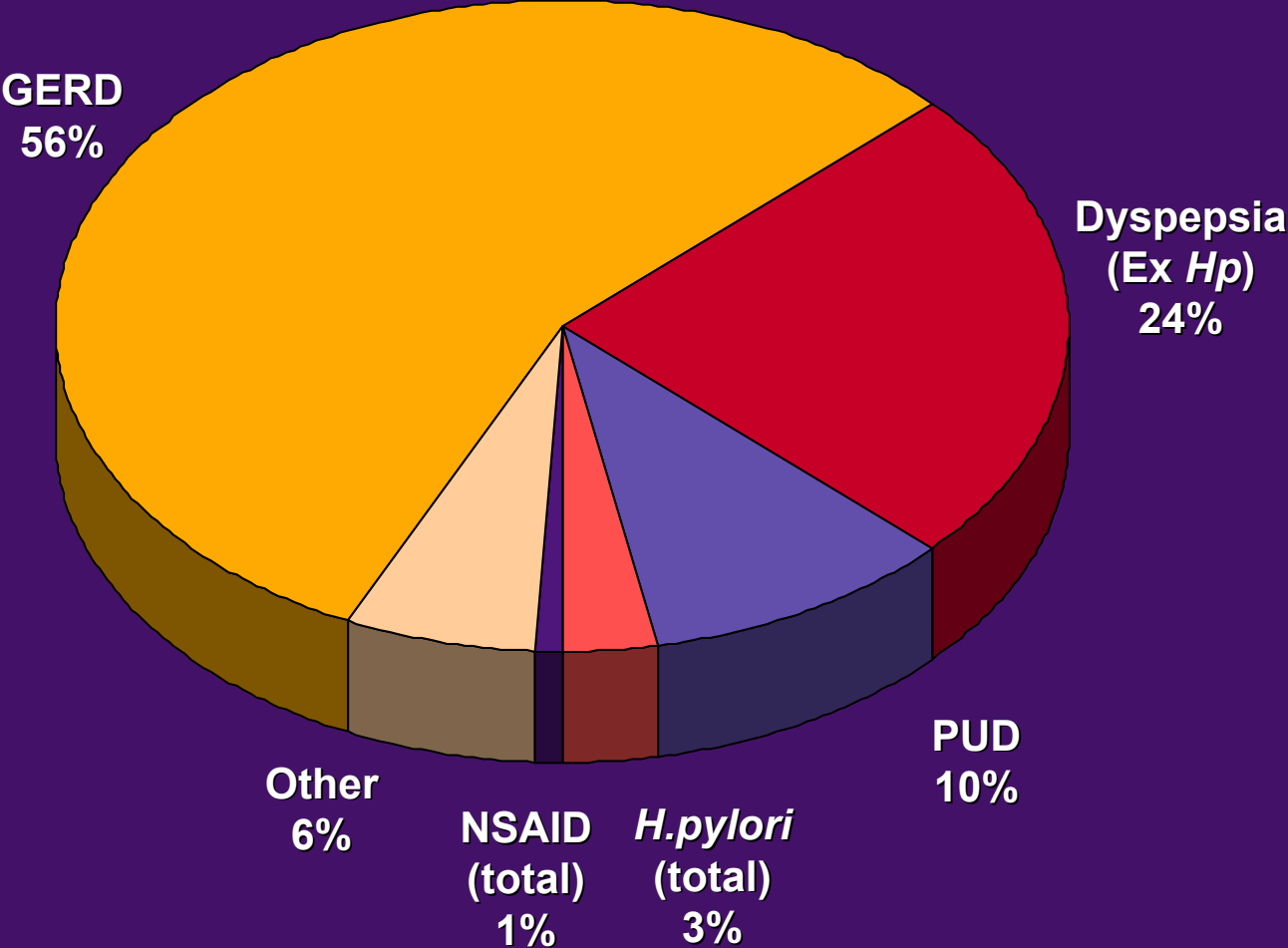
Continuing operations

	1st Half 98	1st Half 99		Constant Currency
	\$m	\$m	%	%
Sales				
Group	8,096	9,043	+12	+12
Healthcare	6,360	7,382	+16	+16
Operating Profit				
Group	1,938	2,091	+ 8	+ 9
Healthcare	1,610	1,822	+13	+13
Profit before Tax	1,934	2,059	+ 6	+ 7
EPS before Excep Items	\$0.75	\$0.81	+ 8	n/a
Dividends per Share	\$0.23	\$0.23	-	

Gastrointestinal Sales up 15 per cent

- **Losec: \$2,848 million**
 - up 15 per cent
 - US sales up 11 per cent
 - European sales up 29 per cent
 - strong growth in France, Sweden and the UK

Losec Sales split by indication



Based on 1998 sales

Cardiovascular Sales up 17 per cent

- **Zestril: \$602 million**
 - up 18 per cent

Zestril

- **Outpacing the market - MAT Q1/99 (IMS)**

Zestril	14%	Class	5%
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Zestoretic	17%	Class	10%
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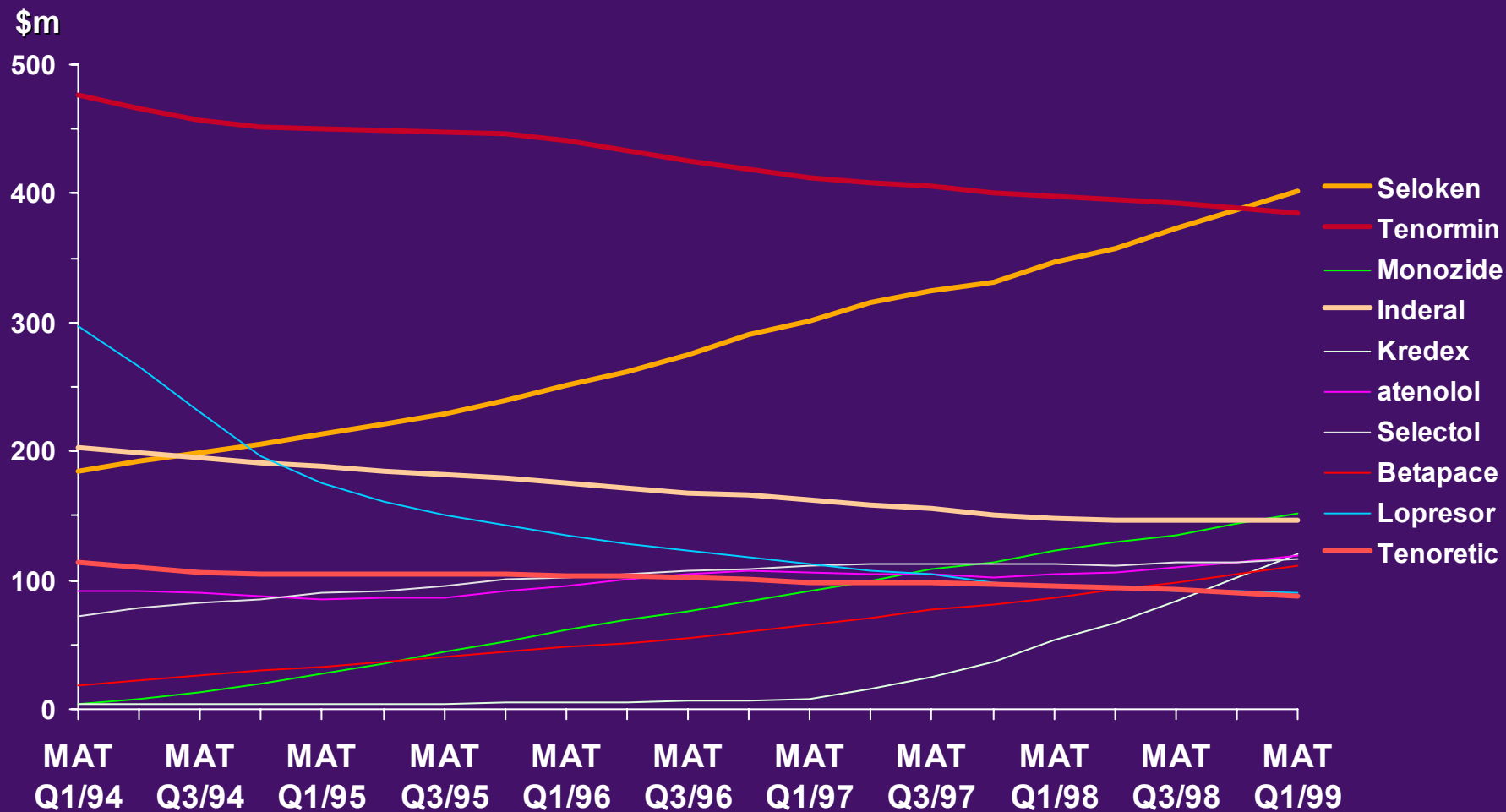
- **US prescription share now 23.7%**
- **Diabetic complication indications approved in 17 countries**
- **Increasing use of high dose in CHF (Atlas)**

Cardiovascular Sales up 17 per cent

- Zestril: \$602 million
 - up 18 per cent
- **Seloken: \$257 million**
 - up 24 per cent

Seloken

Sales development of top 10 beta blockers



Cardiovascular Sales up 17 per cent

- Zestril: \$602 million
 - up 18 per cent
- Seloken: \$257 million
 - up 24 per cent
- **Atacand: \$73 million**
 - **good growth in several major markets**

Cardiovascular Sales up 17 per cent

- **Zestril: \$602 million**
 - up 18 per cent
- **Seloken: \$257 million**
 - up 24 per cent
- **Atacand: \$73 million**
 - good growth in several major markets
- **Exciting development projects**
 - **superstatin and anti-thrombotics**

Respiratory

Sales up 11 per cent

- **Pulmicort: \$370 million**
 - up 9 per cent
 - steady growth in US market
- **Rhinocort: \$99 million**
 - up 24 per cent due to strong US demand
- **Accolate: \$74 million**
 - sales unchanged
 - sign of recent pick-up of prescriptions in the US

Oncology

Sales up 14 per cent

- **Casodex: \$166 million**
 - up 44 per cent
 - first launch of 150mg monotherapy in UK
- **Zoladex: \$331 million**
 - up 9 per cent
 - new indication for combination treatment with radiotherapy in early prostate cancer
- **Nolvadex: \$287 million**
 - up 8 per cent
 - beneficial effect of new indications in the US
- **Arimidex: \$63 million**
 - up 9 per cent
 - European growth exceeding 30 per cent

Hospital/Specialist Care Sales up 21 per cent

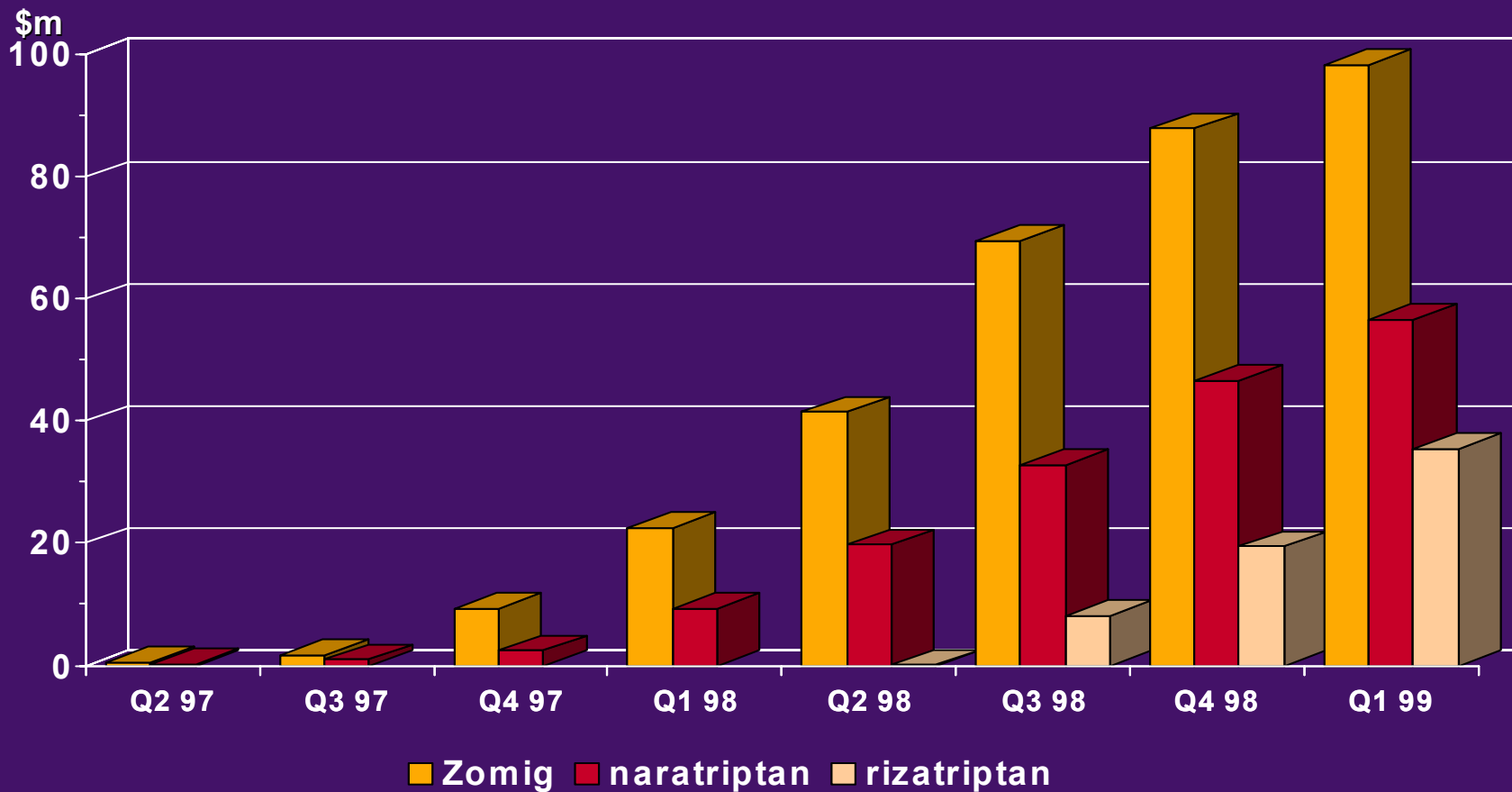
- **Seroquel: \$95 million**
 - **brand firmly establishing itself in the US due to good tolerability profile**

Hospital/Specialist Care Sales up 21 per cent

- **Seroquel: \$95 million**
 - brand firmly establishing itself in the US due to good tolerability profile
- **Zomig: \$86 million**
 - strong growth in US and France
 - triptan market developing in US

Zomig

Outselling naratriptan/rizatriptan



Source: IMS Health 1999, MAT
Countries: USA, UK, Germany, Holland, Sweden, Finland & Mexico

Hospital/Specialist Care

Sales up 21 per cent

- **Seroquel: \$95 million**
 - brand firmly establishing itself in the US due to good tolerability profile
- **Zomig: \$86 million**
 - strong growth in US and France
 - triptan market developing in US
- **Diprivan: \$327 million**
 - up 2 per cent
 - good growth in Japan due to new ICU indications
 - generic competition in US
- **Local anaesthetics: up 15 per cent**
- **Merrem: \$77 million**
 - up 26 per cent

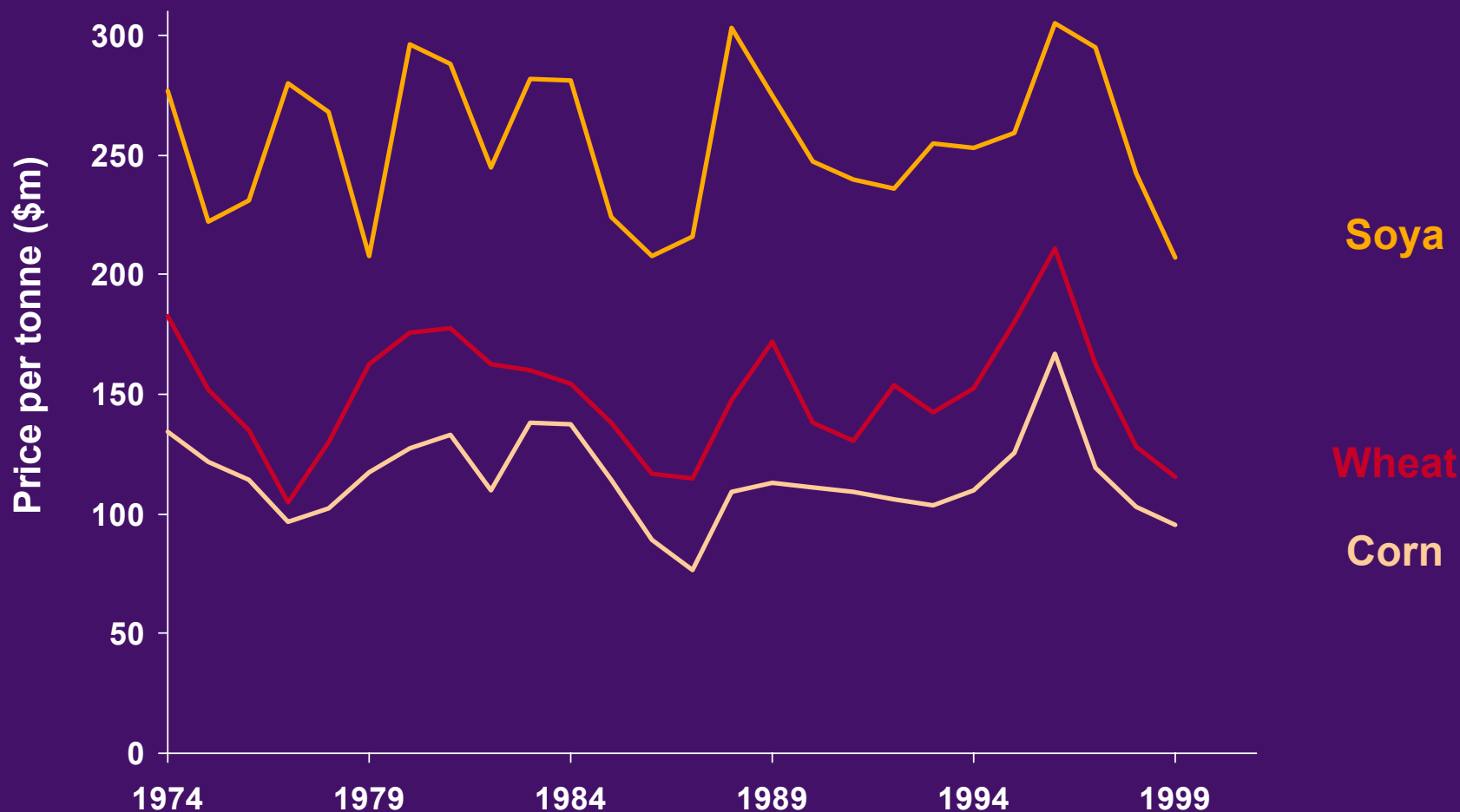
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Michael Pragnell

**Chief Executive Officer
Zeneca Agrochemicals**

Agrochemicals world market

Low crop prices



Agrochemicals world market

- **Low crop prices**
- **North American impact**
- **Latin American weakness**
- **European setback at 10 per cent**
- **Asian recovery gathering pace**

Zeneca Agrochemicals

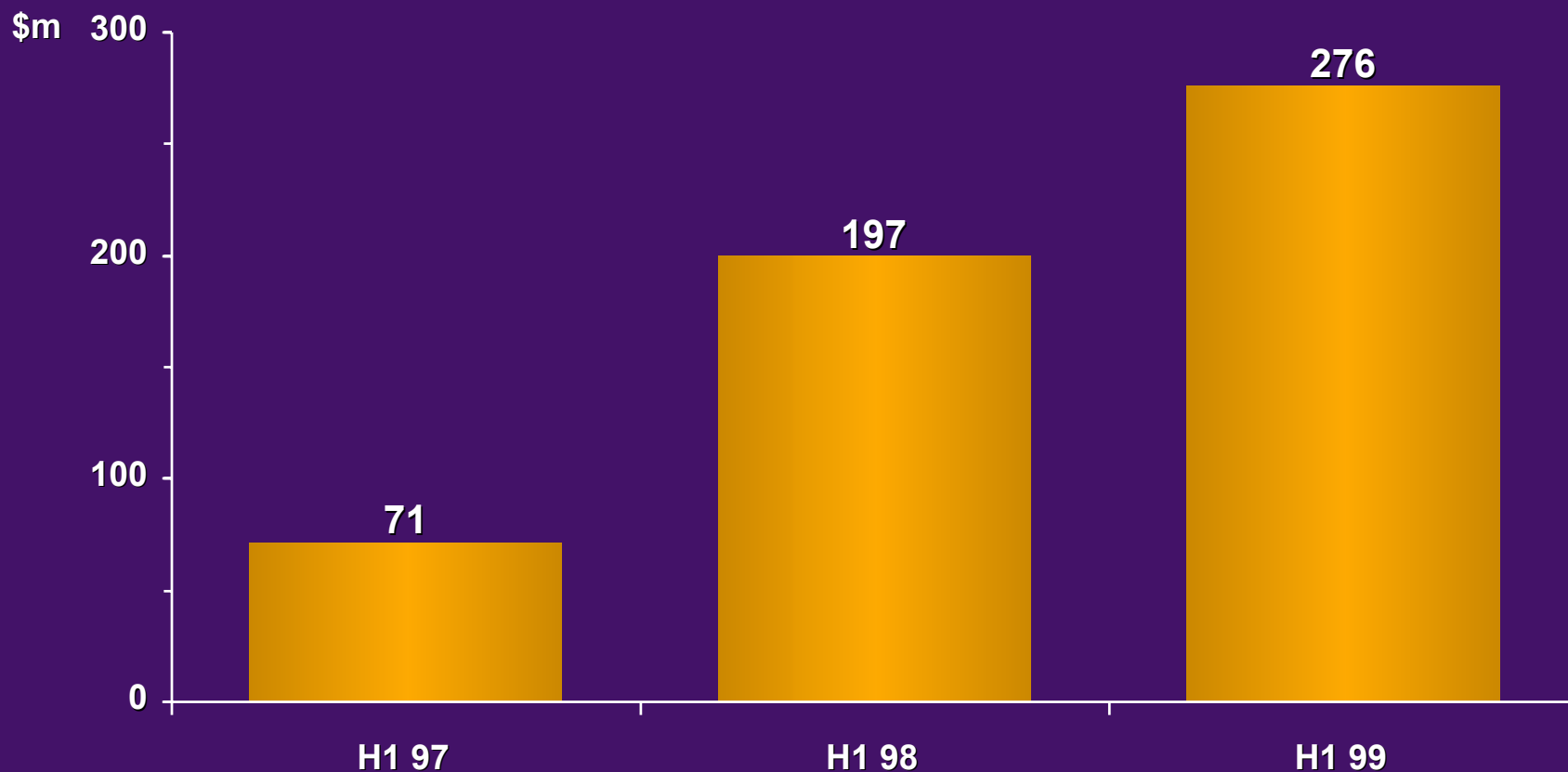
Product performance

- **Selective herbicides**
 - down 19 per cent
 - North America - switching from premium products
- **Touchdown**
 - volume up over 20 per cent
 - US registration on herbicide tolerant soya
- **Insecticides**
 - 13 per cent lower (Force)
 - reduced insect pressure
- **Fungicides**
 - up 16 per cent

Zeneca Agrochemicals

Amistar sales

Amistar up 38 per cent on 1998



Zeneca Agrochemicals

Amistar

- Amistar up 38 per cent on 1998
- Increased penetration in all key markets
- Registered in 49 countries on 55 crops
- World's leading fungicide*

Zeneca Agrochemicals

Key Points

- **Wide regional variations**
 - Americas down
 - Asia recovery
 - Europe outstanding
- **Cost reduction to improve competitiveness**
- **New investments**
- **Strong relative market performance**

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Jon Symonds

**Chief Financial Officer
AstraZeneca PLC**

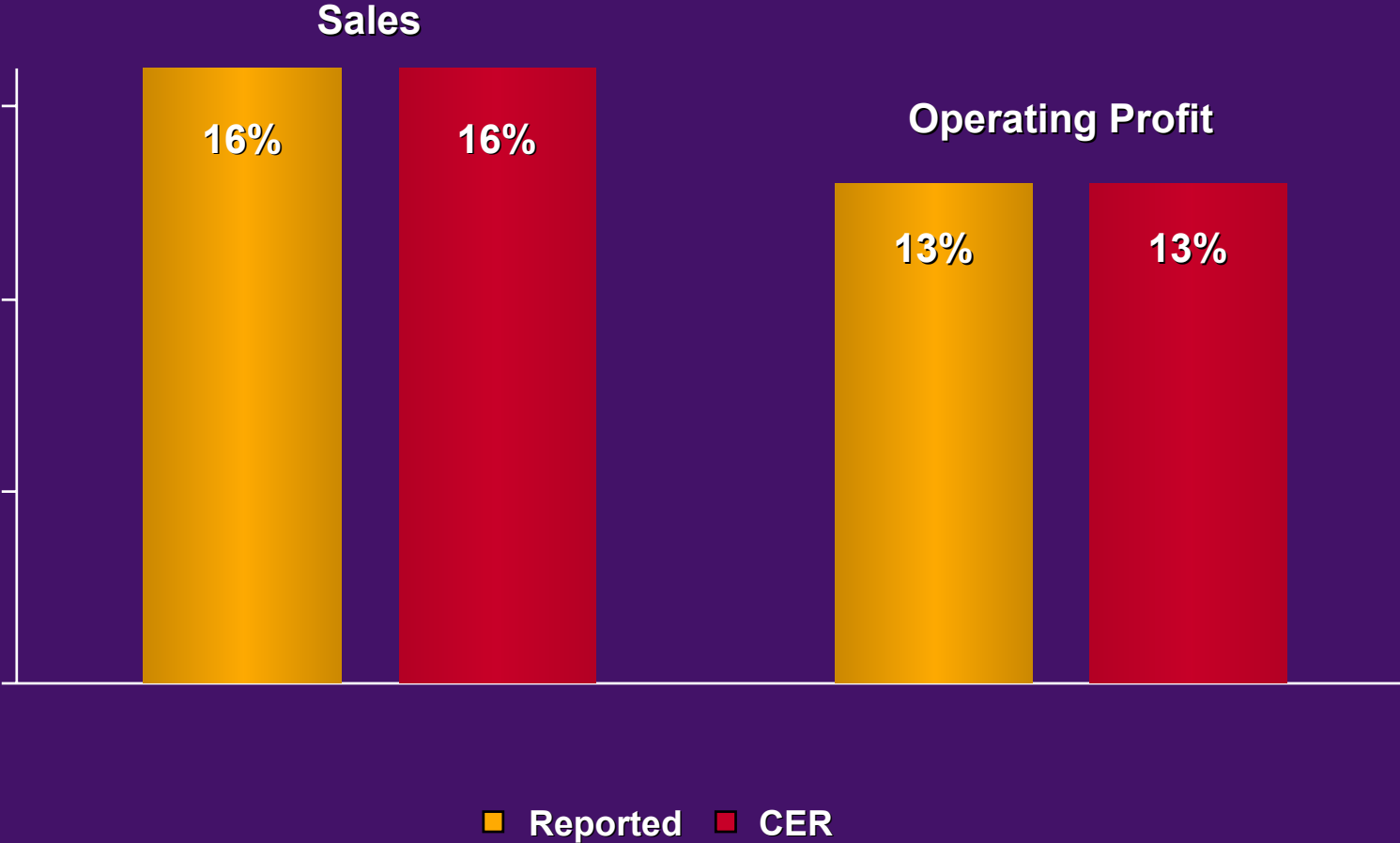
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Financial review

- **Sales and profit analysis**
- **Exceptional items**
- **Cash flow**
- **Dividend policy**

Healthcare performance

Pro forma sales and profit growth



Healthcare performance

Key trends

Sales:

- phasing of Prilosec in US
- impact of Schering Plough marketing rights
- Zestril wholesaler stocking and phasing of annual contracts

Operating margins:

	H1 99	FY 98	H1 98
Healthcare Sector	24.8%	23.4%	25.3%
Healthcare ex Salick	25.3%	23.9%	25.8%

- amortisation of Schering Plough acquired intangibles
- phasing of R & D spend and promotional costs

Exceptional items

Integration and synergy costs

\$ million

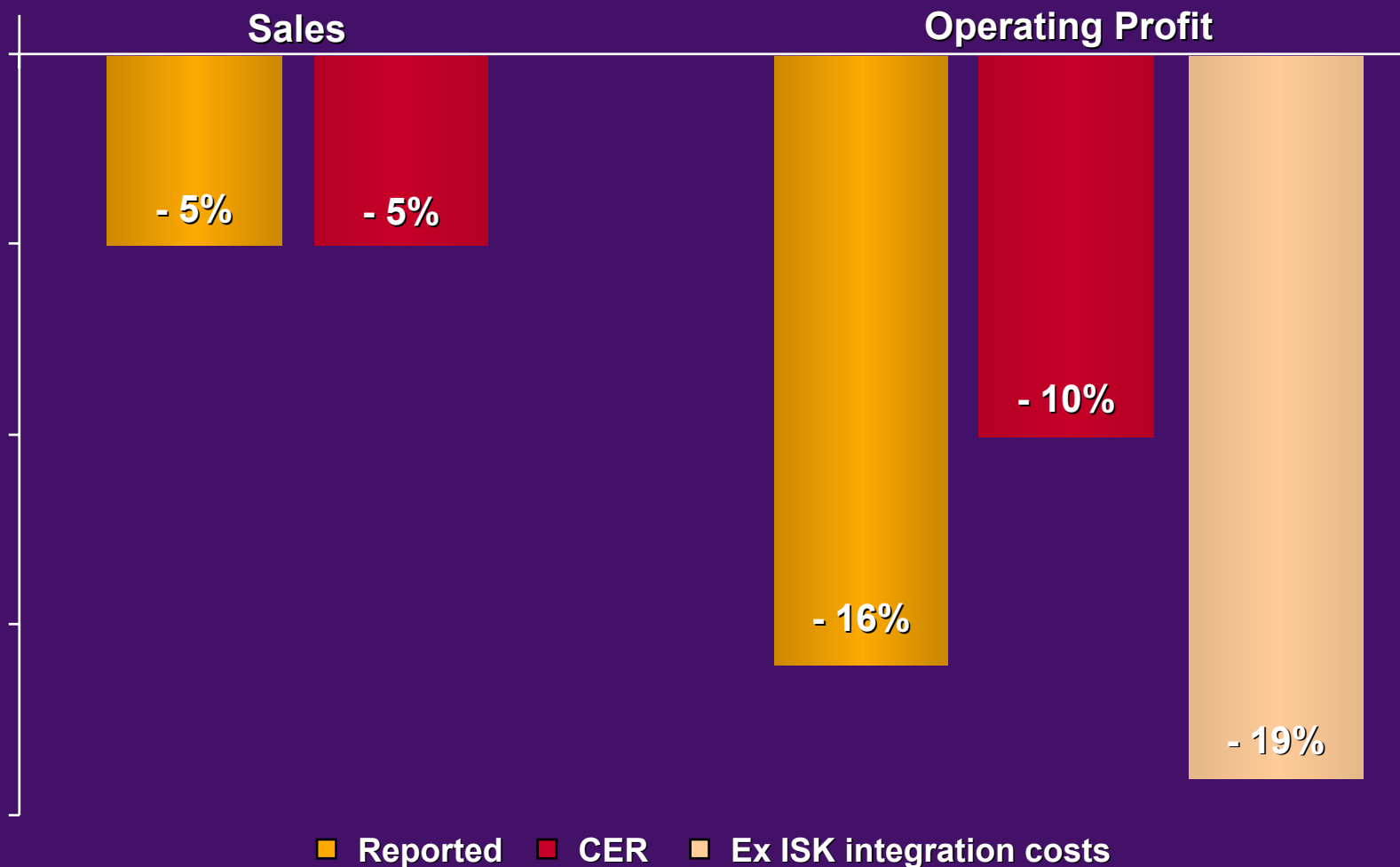
Costs included in operating profit:

- Integration
(including \$12 million from AMI merger) 142
- Significant 1999 charge expected
- 1999 synergy benefits around 10%

Merger costs included below operating costs:

- Transaction 204
- Merck R & D payment 713
- 917

Agrochemicals Sales and profit



Agrochemicals

Margin trends

Operating margins:

	H1 99	H1 98	FY 98
Reported	17.6%	19.8%	12.9%
CER	18.8%		

- Latin American currency impact
- increased investment in biotechnology
- increased manufacturing costs

Exceptional items

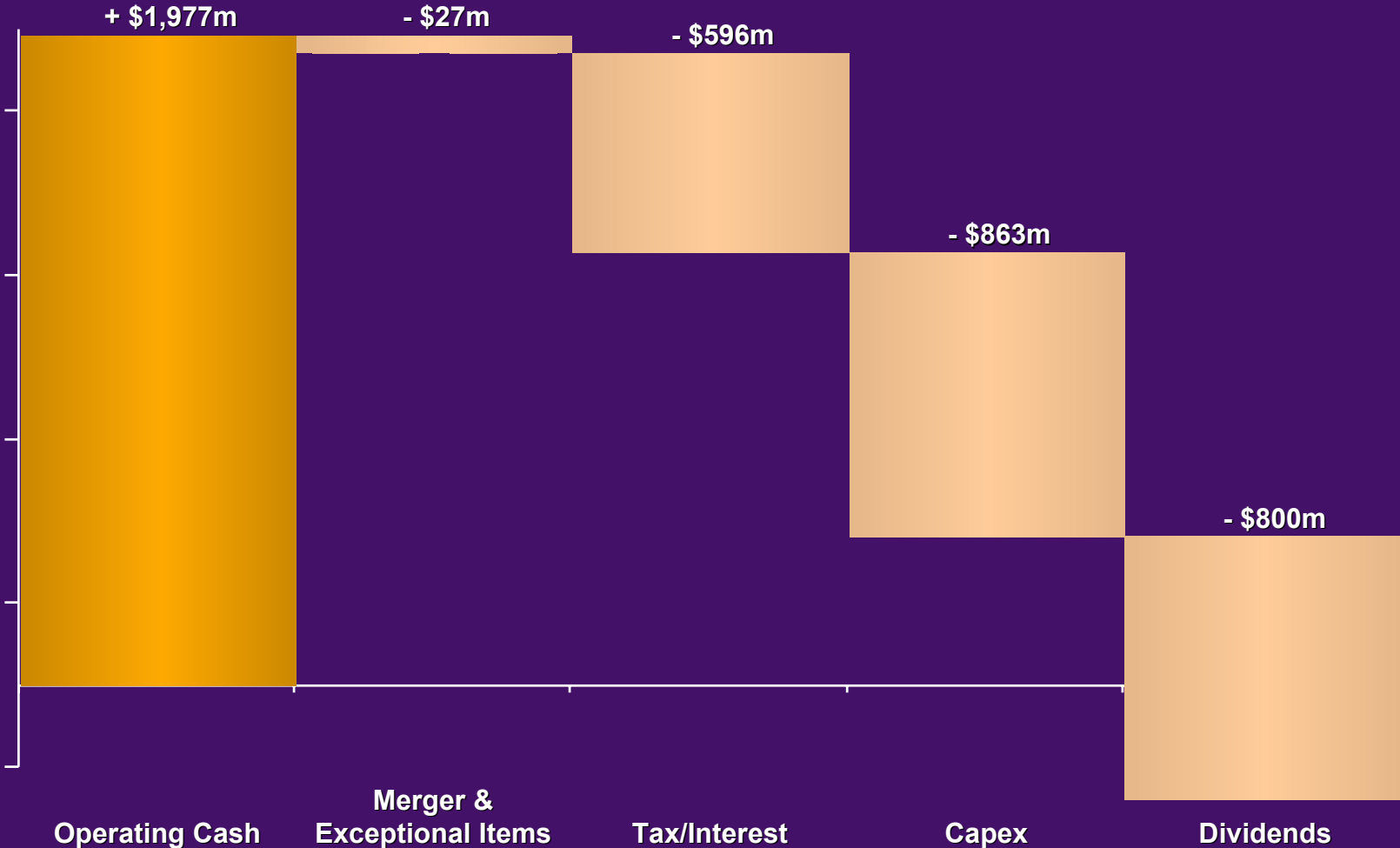
Specialties

\$ million

Disposal of Specialties

- Pre - tax profit
(after goodwill of \$406 million) 237
- Net cash inflow 1,500

Cash flow



Net cash outflow: \$301 million

Dividend policy

- Active balance sheet management
- Changing investor preferences

Target dividend cover ratio 2.0x - 3.0x

combined with

Share repurchases: at least \$2 billion

BUT

First priority is to invest for future growth

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Building momentum

- **Sustain business performance**
- **Fast, effective integration**
- **Deliver synergies**
- **Secure flow of new products**

Focused, performance driven company

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