

## Consolidated Profit & Loss Account For Ongoing Operations Before Exceptional Items

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	Year 1999 \$m	Year 1998 \$m
<b>Sales</b>	3,916	3,692	15,134	11,318
Cost of sales	(1,045)	(939)	(4,087)	(2,651)
Distribution costs	(57)	(57)	(230)	(201)
Research and development	(711)	(632)	(2,472)	(2,103)
Selling, general and administrative expenses	(1,349)	(1,319)	(4,915)	(3,936)
Other operating income	42	61	140	119
<b>Group operating profit</b>	796	806	3,570	2,546
Share of joint ventures' and associates' operating profits	(14)	(15)	(10)	534
Net interest	20	6	(4)	47
<b>Profit on ordinary activities before taxation</b>	802	797	3,556	3,127
Taxation	(240)	(212)	(1,048)	(903)
<b>Profit on ordinary activities after taxation</b>	562	585	2,508	2,224
Attributable to minorities	2	(2)	-	(3)
<b>Net profit for the period</b>	564	583	2,508	2,221
Earnings per Ordinary Share	\$0.32	\$0.33	\$1.41	\$1.25
Diluted earnings per Ordinary Share	\$0.32	\$0.33	\$1.41	\$1.24
Weighted average number of Ordinary Shares in issue (millions)	1,777	1,779	1,776	1,779
Diluted average number of Ordinary Shares in issue (millions)	1,779	1,783	1,779	1,783

Statutory Consolidated Profit and Loss Accounts including operations to be discontinued, discontinued operations and exceptional items for the years ended 31 December 1999 and 1998 are provided on pages 13 and 14, respectively. For the year ended 31 December 1998, a Pro Forma Consolidated Profit and Loss Account is provided on Page 15.

## Consolidated Profit and Loss Account

	Continuing Operations			Discontinued operations	Total
	Ongoing operations \$m	Operations to be discontinued \$m	Exceptional items \$m	\$m	\$m
<b>For the year ended 31 December 1999</b>					
<b>Sales</b>	15,134	2,657	-	654	18,445
Cost of sales	(4,087)	(1,510)	(37)	(403)	(6,037)
Distribution costs	(230)	(84)	-	(29)	(343)
Research and development	(2,472)	(297)	(110)	(44)	(2,923)
Selling, general and administrative expenses	(4,915)	(545)	(1,015)	(110)	(6,585)
Other operating income	140	46	-	3	189
<b>Group operating profit</b>	<b>3,570</b>	<b>267</b>	<b>(1,162)</b>	<b>71</b>	<b>2,746</b>
Share of joint ventures' and associates' operating profits	(10)	2	-	1	(7)
Profits less losses on sale and closure of operations	-	-	-	237	237
Merger costs	-	-	(1,013)	-	(1,013)
Net interest	(4)	-	-	-	(4)
<b>Profit on ordinary activities before taxation</b>	<b>3,556</b>	<b>269</b>	<b>(2,175)</b>	<b>309</b>	<b>1,959</b>
Taxation	(1,048)	(93)	448	(122)	(815)
<b>Profit on ordinary activities after taxation</b>	<b>2,508</b>	<b>176</b>	<b>(1,727)</b>	<b>187</b>	<b>1,144</b>
Attributable to minorities	-	(1)	-	-	(1)
<b>Net profit for the financial year</b>	<b>2,508</b>	<b>175</b>	<b>(1,727)</b>	<b>187</b>	<b>1,143</b>
Dividends to Shareholders					(1,242)
<b>Loss retained for the financial year</b>					<b>(99)</b>
Earnings per Ordinary Share before exceptional items	\$1.41	\$0.10	-	\$0.03	\$1.54
Earnings per Ordinary Share	\$1.41	\$0.10	(\$0.97)	\$0.10	\$0.64
Diluted earnings per Ordinary Share	\$1.41	\$0.10	(\$0.97)	\$0.10	\$0.64
Weighted average number of Ordinary Shares in issue (millions)					1,776
Diluted average number of Ordinary Shares in issue (millions)					1,779

## Consolidated Profit and Loss Account

For the year ended 31 December 1998	Continuing Operations			Discontinued operations	Total
	Ongoing operations \$m	Operations to be discontinued \$m	Exceptional items \$m	\$m	\$m
<b>Sales</b>	11,318	2,790	-	1,294	15,402
Cost of sales	(2,651)	(1,511)	-	(799)	(4,961)
Distribution costs	(201)	(107)	-	(59)	(367)
Research and development	(2,103)	(286)	-	(84)	(2,473)
Selling, general and administrative expenses	(3,936)	(588)	(72)	(216)	(4,812)
Other operating income	119	61	163	10	353
<b>Group operating profit</b>	<b>2,546</b>	<b>359</b>	<b>91</b>	<b>146</b>	<b>3,142</b>
Share of joint ventures' and associates' operating profits	534	1	-	4	539
Profits less losses on sale and closure of operations	-	-	-	(46)	(46)
Profits on sale of fixed assets	-	-	17	-	17
Net interest	47	-	-	-	47
<b>Profit on ordinary activities before taxation</b>	<b>3,127</b>	<b>360</b>	<b>108</b>	<b>104</b>	<b>3,699</b>
Taxation	(903)	(126)	(16)	(41)	(1,086)
<b>Profit on ordinary activities after taxation</b>	<b>2,224</b>	<b>234</b>	<b>92</b>	<b>63</b>	<b>2,613</b>
Attributable to minorities	(3)	1	-	-	(2)
<b>Net profit for the financial year</b>	<b>2,221</b>	<b>235</b>	<b>92</b>	<b>63</b>	<b>2,611</b>
Dividends to Shareholders					(1,061)
<b>Profit retained for the financial year</b>					<b>1,550</b>
Earnings per Ordinary Share before exceptional items	\$1.25	\$0.13	-	\$0.06	\$1.44
Earnings per Ordinary Share	\$1.25	\$0.13	\$0.05	\$0.04	\$1.47
Diluted earnings per Ordinary Share	\$1.24	\$0.13	\$0.05	\$0.04	\$1.46
Weighted average number of Ordinary Shares in issue (millions)					1,779
Diluted average number of Ordinary Shares in issue (millions)					1,783

## Pro Forma\* Consolidated Profit and Loss Account

	Continuing Operations			Discontinued operations	Total
	Ongoing operations \$m	Operations to be discontinued \$m	Exceptional items \$m	\$m	\$m
<b>For the year ended 31 December 1998</b>					
<b>Sales</b>	13,033	2,790	-	1,294	17,117
Cost of sales	(3,302)	(1,511)	-	(799)	(5,612)
Distribution costs	(209)	(107)	-	(59)	(375)
Research and development	(2,181)	(286)	-	(84)	(2,551)
Selling, general and administrative expenses	(4,458)	(588)	(72)	(216)	(5,334)
Other operating income	119	61	163	10	353
<b>Group operating profit</b>	<b>3,002</b>	<b>359</b>	<b>91</b>	<b>146</b>	<b>3,598</b>
Share of joint ventures' and associates' operating profits	(2)	1	-	4	3
Profits less losses on sale and closure of operations	-	-	-	(46)	(46)
Profits on sale of fixed assets	-	-	17	-	17
Net interest	(60)	-	-	-	(60)
<b>Profit on ordinary activities before taxation</b>	<b>2,940</b>	<b>360</b>	<b>108</b>	<b>104</b>	<b>3,512</b>
Taxation	(856)	(126)	(16)	(41)	(1,039)
<b>Profit on ordinary activities after taxation</b>	<b>2,084</b>	<b>234</b>	<b>92</b>	<b>63</b>	<b>2,473</b>
Attributable to minorities	(3)	1	-	-	(2)
<b>Net profit for the financial year</b>	<b>2,081</b>	<b>235</b>	<b>92</b>	<b>63</b>	<b>2,471</b>
Dividends to Shareholders					(1,061)
<b>Profit retained for the financial year</b>					<b>1,410</b>
Earnings per Ordinary Share before exceptional items	\$1.17	\$0.13	-	\$0.06	\$1.36
Earnings per Ordinary Share	\$1.17	\$0.13	\$0.05	\$0.04	\$1.39
Diluted earnings per Ordinary Share	\$1.17	\$0.13	\$0.05	\$0.04	\$1.39
Weighted average number of Ordinary Shares in issue (millions)					1,779
Diluted average number of Ordinary Shares in issue (millions)					1,783

\* See Basis of Pro Forma Figures described in Note 2.

## Consolidated Balance Sheet

At 31 December	1999 \$m	1998 \$m
<b>Fixed assets</b>		
Tangible fixed assets	5,981	6,281
Goodwill and intangible assets	3,736	2,440
Fixed asset investments	185	353
	<u>9,902</u>	<u>9,074</u>
<b>Current assets</b>		
Stocks	2,156	2,029
Debtors	4,470	3,963
Cash and short-term investments	3,288	3,412
	<u>9,914</u>	<u>9,404</u>
<b>Total assets</b>	<u>19,816</u>	<u>18,478</u>
<b>Creditors due within one year</b>		
Short-term borrowings and current instalments of loans	(378)	(377)
Other creditors	(6,641)	(5,273)
	<u>(7,019)</u>	<u>(5,650)</u>
<b>Net current assets</b>	<u>2,895</u>	<u>3,754</u>
<b>Total assets less current liabilities</b>	<u>12,797</u>	<u>12,828</u>
<b>Creditors due after more than one year</b>		
Loans	(739)	(761)
Other creditors	(463)	(40)
<b>Provisions for liabilities and charges</b>	(1,253)	(1,045)
	<u>(2,455)</u>	<u>(1,846)</u>
<b>Net assets</b>	<u>10,342</u>	<u>10,982</u>
<b>Capital and reserves</b>		
Shareholders' funds - equity interests	10,302	10,929
Minority equity interests	40	53
<b>Shareholders' funds and minority interests</b>	<u>10,342</u>	<u>10,982</u>

## Consolidated Cash Flow Statement

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	Year 1999 \$m	Year 1998 \$m
<b>Cash flow from operating activities</b>				
Operating profit before exceptional items	789	841	3,908	3,051
Depreciation	204	186	756	680
Amortisation	84	51	313	141
Decrease/(increase) in working capital	356	233	(219)	77
Other non-cash movements	27	7	(59)	(132)
<b>Net cash inflow from operating activities before exceptional items</b>				
	1,460	1,318	4,699	3,817
(Outflow)/inflow related to exceptional items	(475)	83	(1,586)	15
<b>Net cash inflow from operating activities</b>				
	985	1,401	3,113	3,832
<b>Dividends received from joint ventures and associates</b>				
	-	-	3	262
<b>Returns on investments and servicing of finance</b>				
	57	22	29	103
<b>Tax paid</b>				
	(335)	(255)	(1,020)	(775)
<b>Capital expenditure and financial investment</b>				
Net cash expenditure on fixed assets	(562)	(347)	(2,725)	(1,351)
New fixed asset investments	-	-	(6)	(18)
	(562)	(347)	(2,731)	(1,369)
<b>Acquisitions and disposals</b>				
	31	25	1,978	(2,013)
<b>Equity dividends paid to Shareholders</b>				
	(416)	(223)	(1,216)	(995)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>				
	(240)	623	156	(955)
<b>Management of liquid resources</b>				
Movement in short-term investments and fixed deposits (net)			(254)	974
<b>Financing</b>				
			(182)	(205)
<b>Decrease in cash in the period</b>				
			(280)	(186)

## Statement of Total Recognised Gains and Losses

<b>For the year ended 31 December</b>	<b>1999 \$m</b>	<b>1998 \$m</b>
Net profit for the financial year	1,143	2,611
Exchange adjustments on net assets	(740)	(178)
Translation differences on foreign currency borrowings	132	(7)
Tax on translation differences on foreign currency borrowings	(22)	2
Other movements	-	2
<b>Total recognised gains and losses for the financial year</b>	<b>513</b>	<b>2,430</b>

# Notes to the Preliminary Announcement

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This preliminary announcement has been prepared using the merger method of accounting in relation to the merger of Zeneca Group PLC and Astra AB which became effective on 6 April 1999. Under merger accounting, the results and cash flows of Zeneca Group PLC and Astra AB are combined from the beginning of the financial period in which the merger occurred and their assets and liabilities combined at the amounts at which they were previously recorded after adjusting to achieve consistency of accounting policies. Profit and loss account, balance sheet and cash flow comparatives are restated on the combined basis.

Following completion of the merger, AstraZeneca PLC's share capital has been redenominated from sterling into US dollars and AstraZeneca has elected to report its results in US dollars. Convenience translations of key information into sterling and Swedish kronor are provided on page 25.

The results for the year ended 31 December 1999 have been prepared in accordance with UK generally accepted accounting principles. The accounting policies applied are those set out in AstraZeneca PLC's (formerly Zeneca Group PLC) 1998 Annual Report and Form 20-F, except that during the current period AstraZeneca adopted Financial Reporting Standard No. 12 "Provisions, Contingent Liabilities and Contingent Assets" (FRS 12). The adoption of FRS 12 had no impact on the group's net assets at 1 January 1999.

The results for the year ended 1999 presented in this preliminary announcement are extracted from, and are consistent with, those in the group's audited financial statements for the year ended 31 December 1999 and those financial statements will be delivered to the Registrar of Companies following the Company's annual general meeting. The information in this preliminary announcement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 1998 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 BASIS OF 1998 PRO FORMA FIGURES

In addition to presenting the comparative information for 1998 on a statutory basis, pro forma profit and loss and pro forma sales information have been provided. The unaudited pro forma profit and loss figures for 1998 reflect two adjustments to the statutory figures to illustrate the effect on the sales and profits as if the Astra Merck Restructuring and the merger related payments to Merck had occurred at the beginning of 1998 (rather than July 1998 and April 1999 respectively).

The pro forma figures incorporate sales of \$1,715m for 1998 related to the Astra Merck joint venture which are excluded from the statutory consolidation. Changes in the cost base which arise from the Astra Merck Restructuring have also been back dated to 1 January 1998. The net effect of these pro forma adjustments is to reduce 1998 reported profits by \$55m, before tax relief of \$23m.

A pro forma amortisation cost of \$12m per quarter and notional interest cost of \$21m per quarter on the payments due to Merck on completion of the merger have also been provided for 1998. These charges are offset by tax relief of \$6m per quarter. Pro forma adjustments of this size would also apply to quarter one 1999, but because of their immaterial amount, in the context of the year as a whole, no pro forma figures have been presented for 1999.

Further details on the basis of the pro forma adjustments are included in the Merger Document and AstraZeneca's Circular to Shareholders relating to the merger, both dated 21 January 1999, and in AstraZeneca's Registration Statement on Form F-4 filed with the US Securities and Exchange Commission.

## 3 JOINT VENTURES AND ASSOCIATES

The group's share of joint ventures' sales for the year ended 31 December 1999 amounted to \$208m and \$1,080m for the comparative period. Share of joint ventures' and associates' operating (loss)/profits for the year to 31 December 1999 amounted to (\$9)m and \$2m respectively, and for the comparative period \$538m and \$1m, respectively. Prior to 1 July 1998, the operations of Astra Merck, Inc. were accounted for as a joint venture.

## 4 EXCEPTIONAL ITEMS

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	Year 1999 \$m	Year 1998 \$m
<b>Exceptional items included in the profit and loss account</b>				
Integration and synergy costs	(532)	-	(864)	-
Astra Pharmaceuticals L.P. restructuring costs	(4)	(63)	(28)	(72)
Salick Health Care impairment and rationalisation costs	(145)	-	(145)	-
Agrochemicals restructuring costs	(125)	-	(125)	-
Granting of US Imdur marketing rights	-	163	-	163
<b>Exceptional items included in operating profits</b>	(806)	100	(1,162)	91
Gain on disposal of Specialties business (after charging \$406m of goodwill previously written off to reserves)	-	-	237	-
Loss on closure of organophosphate intermediates business	-	-	-	(46)
Profit on sale of fixed assets	-	17	-	17
<b>Profit/(loss) on sale and closure of operations and assets</b>	-	17	237	(29)
Merck 'Trigger Event' payment and related costs	(96)	-	(809)	-
Other merger costs	-	-	(204)	-
<b>Merger costs</b>	(96)	-	(1,013)	-
<b>Total exceptional items before taxation</b>	(902)	117	(1,938)	62
Net taxation credit	166	(20)	351	(4)
	(736)	97	(1,587)	58

	4th Quarter 1999 \$m	Year 1999 \$m
<b>Current period cash flow related to exceptional items and merger related payments, before associated tax charge/relief</b>		
Merck 'Trigger Event' payment	-	(713)
Pharmaceuticals other merger, integration and synergy costs	(129)	(527)
Salick Health Care rationalisation	12	12
Agrochemicals restructuring	(20)	(20)
Costs relating to the disposal of Specialties business	(338)	(338)
Outflow related to exceptional charges	(475)	(1,586)
Proceeds from the disposal of Specialties business (included in 'Acquisitions and disposals')	19	1,956
<b>Exceptional item cash flow</b>	(456)	370
'First Option' payment to Merck (included in 'Net cash expenditure on fixed assets')	-	(967)
<b>Exceptional and merger related cash outflow</b>	(456)	(597)

## 5 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 \$m	1998 \$m
Shareholders' funds at beginning of year	10,929	9,552
Net profit for the financial year	1,143	2,611
Dividends	(1,242)	(1,061)
	(99)	1,550
Issues of AstraZeneca PLC Ordinary Shares	19	12
Repurchase of AstraZeneca PLC Ordinary Shares	(183)	-
Astra AB minority interest buy out	(142)	-
Foreign currency adjustments	(630)	(183)
Goodwill written back	410	-
Other movements	(2)	(2)
Net (reduction in)/addition to Shareholders' funds	(627)	1,377
Shareholders' funds at end of year	10,302	10,929

## 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 1 Jan 1999 \$m	Cash flow \$m	Acquisitions & disposals \$m	Other non-cash movements \$m	Exchange movements \$m	At 31 Dec 1999 \$m
Loans due after 1 year	(761)	(27)	-	30	19	(739)
Current instalments of loans	(30)	28	-	(30)	(2)	(34)
Finance leases	(20)	6	12	-	-	(2)
Total loans and lease finance	(811)	7	12	-	17	(775)
Short-term investments	2,702	254	-	-	(97)	2,859
Cash	710	(249)	-	-	(32)	429
Overdrafts	(144)	(31)	-	-	8	(167)
Short-term borrowings, excluding overdrafts	(203)	14	-	-	12	(177)
	3,065	(12)	-	-	(109)	2,944
<b>Net cash funds</b>	2,254	(5)	12	-	(92)	2,169
Net purchase of shares		164				
Issue of shares by subsidiaries to minorities		(3)				
<b>Net cash inflow before management of liquid resources and financing</b>		156				

## 7 SEGMENT ANALYSIS

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	Year 1999 \$m	Year 1998 \$m
<b>Sales by class of business</b>				
Healthcare	3,894	3,662	15,042	11,223
Pharmaceuticals	3,850	3,607	14,834	11,015
Salick Health Care	44	55	208	208
Other trading	22	30	92	95
Ongoing operations	3,916	3,692	15,134	11,318
Agrochemicals (to be discontinued)	553	532	2,657	2,790
Continuing operations	4,469	4,224	17,791	14,108
Specialties (discontinued)	24	320	654	1,294
Total Operations	4,493	4,544	18,445	15,402
<b>Operating profit/(loss) before exceptional items</b>				
Healthcare	803	815	3,595	2,573
Pharmaceuticals	805	823	3,603	2,587
Salick Health Care	(2)	(8)	(8)	(14)
Other trading	(7)	(9)	(25)	(27)
Ongoing operations	796	806	3,570	2,546
Agrochemicals (to be discontinued)	(11)	(5)	267	359
Continuing operations	785	801	3,837	2,905
Specialties (discontinued)	4	40	71	146
Total Operations	789	841	3,908	3,051
<b>Operating profit/(loss) before exceptional items as a percentage of sales</b>				
	%	%	%	%
Healthcare	20.6	22.3	23.9	22.9
Pharmaceuticals	20.9	22.8	24.3	23.5
Salick Health Care	(4.5)	(14.5)	(3.8)	(6.7)
Ongoing operations	20.3	21.9	23.6	22.5
Agrochemicals (to be discontinued)	(2.0)	(0.9)	10.0	12.9
Continuing operations	17.6	19.0	21.6	20.6
Specialties (discontinued)	16.7	12.5	10.9	11.2
Total Operations	17.6	18.5	21.2	19.8

## 8 PRODUCT AND TERRITORIAL SEGMENT SALES ANALYSIS

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	% Growth Constant Currency	Year 1999 \$m	Pro Forma Year 1998 \$m	Pro Forma % Growth Constant Currency
<b>Gastrointestinal:</b>						
Losec	1,522	1,366	14%	5,909	4,799	24%
Others	12	13	0%	48	46	11%
<b>Total Gastrointestinal</b>	<b>1,534</b>	<b>1,379</b>	<b>14%</b>	<b>5,957</b>	<b>4,845</b>	<b>24%</b>
<b>Cardiovascular:</b>						
Zestril	297	347	-12%	1,221	1,126	9%
Tenormin	141	141	2%	509	502	2%
Seloken	122	122	3%	531	450	19%
Plendil	124	99	28%	452	367	24%
Imdur	24	37	-30%	109	121	-8%
Ramace	17	17	12%	68	64	9%
Atacand	55	19	215%	171	43	312%
Others	90	90	3%	355	344	4%
<b>Total Cardiovascular</b>	<b>870</b>	<b>872</b>	<b>3%</b>	<b>3,416</b>	<b>3,017</b>	<b>14%</b>
<b>Respiratory:</b>						
Pulmicort	191	197	4%	730	691	9%
Accolate	47	28	72%	156	152	4%
Rhinocort	30	39	-18%	167	158	8%
Bricanyl	39	42	-2%	142	154	-5%
Oxis	24	16	69%	87	44	107%
Others	16	16	6%	57	57	-
<b>Total Respiratory</b>	<b>347</b>	<b>338</b>	<b>10%</b>	<b>1,339</b>	<b>1,256</b>	<b>10%</b>
<b>Oncology:</b>						
Zoladex	194	168	14%	686	626	9%
Nolvadex	144	136	4%	573	526	7%
Casodex	95	74	31%	340	245	41%
Arimidex	40	35	20%	140	121	19%
Others	7	8	0%	25	20	30%
<b>Total Oncology</b>	<b>480</b>	<b>421</b>	<b>14%</b>	<b>1,764</b>	<b>1,538</b>	<b>15%</b>
<b>Specialist/Hospital:</b>						
Diprivan	144	196	-25%	608	653	-6%
Xylocaine	65	66	-4%	249	240	2%
Marcaine	25	21	24%	88	80	11%
Naropin	12	10	20%	45	31	48%
Zomig	54	40	40%	189	102	88%
Seroquel	71	22	223%	232	66	254%
Merrem	39	32	31%	153	128	29%
Other Products	180	182	0%	683	674	1%
Astra Tech	29	28	15%	111	100	15%
<b>Total Specialist/Hospital</b>	<b>619</b>	<b>597</b>	<b>6%</b>	<b>2,358</b>	<b>2,074</b>	<b>15%</b>
<b>Total Pharmaceuticals</b>	<b>3,850</b>	<b>3,607</b>	<b>10%</b>	<b>14,834</b>	<b>12,730</b>	<b>18%</b>
Salick Health Care	44	55	-20%	208	208	-
<b>Total Healthcare</b>	<b>3,894</b>	<b>3,662</b>	<b>9%</b>	<b>15,042</b>	<b>12,938</b>	<b>17%</b>

**8 PRODUCT AND TERRITORIAL SEGMENT SALES ANALYSIS (CONTINUED)**

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	% Growth Constant Currency	Year 1999 \$m	Pro Forma Year 1998 \$m	Pro Forma % Growth Constant Currency
<b>Territorial Analysis</b>						
USA:						
Pharmaceuticals	1,749	1,666	5%	7,156	5,834	23%
Salick Health Care	44	55	-20%	208	208	-
<hr/>						
Total USA	1,793	1,721	4%	7,364	6,042	22%
Japan	242	181	13%	710	568	8%
France	246	211	31%	870	714	27%
Germany	207	232	-	850	861	2%
Italy	141	135	18%	579	512	17%
Sweden	96	92	13%	359	348	8%
UK	229	238	-1%	819	808	3%
Rest of World	940	852	19%	3,491	3,085	18%
<hr/>						
Total Healthcare	3,894	3,662	9%	15,042	12,938	17%

Pro Forma constant currency % growth has been calculated as if the Astra Merck Restructuring had occurred on 1 January 1998 and excluding the effects arising from exchange rate movements.

	4th Quarter 1999 \$m	4th Quarter 1998 \$m	% Growth Constant Currency	Year 1999 \$m	Year 1998 \$m	% Growth Constant Currency
<b>Agrochemicals</b>						
<b>Product Analysis</b>						
Herbicides:						
Non-Selective	138	120	13%	671	670	-
Selective	163	139	21%	753	874	-13%
<hr/>						
Total Herbicides	301	259	17%	1,424	1,544	-8%
Insecticides	76	121	-35%	406	504	-19%
Fungicides	154	129	24%	744	651	14%
Others	22	23	-	83	91	-9%
<hr/>						
Total Agrochemicals	553	532	6%	2,657	2,790	-5%
<hr/>						
<b>Territorial Analysis</b>						
North America	95	108	-10%	822	933	-12%
Latin America	151	154	-5%	453	550	-18%
Europe	174	154	25%	929	899	5%
Asia, Africa, Australasia	133	116	12%	453	408	8%
<hr/>						
Total Agrochemicals	553	532	6%	2,657	2,790	-5%

Constant currency % growth has been calculated excluding the effects arising from exchange rate movements.

## Convenience Translation of key financial information

For the three months ended 31 December	1999 \$m	1998 \$m	1999 £m	1998 £m	1999 SEKm	1998 SEKm
<b>Total Sales</b>	4,493	4,544	2,776	2,808	38,249	38,683
Ongoing operations	3,916	3,692	2,420	2,281	33,337	31,430
Healthcare	3,894	3,662	2,406	2,263	33,150	31,175
<b>Operating profit before exceptional items (EI)</b>	789	841	487	520	6,717	7,159
Ongoing operations before EI	796	806	492	498	6,776	6,861
Healthcare before EI	803	815	496	504	6,836	6,938
<b>Profit before tax on ongoing operations before EI</b>	802	797	496	492	6,827	6,785
<b>Net (loss)/profit for the period</b>	(173)	700	(107)	432	(1,473)	5,959
<b>Earnings per Ordinary Share pre EI</b>	\$0.32	\$0.34	£0.20	£0.21	SEK2.72	SEK2.89
<hr/>						
For the year ended 31 December	1999 \$m	1998 \$m	1999 £m	1998 £m	1999 SEKm	1998 SEKm
<b>Total Sales</b>	18,445	15,402	11,397	9,517	157,022	131,117
Ongoing operations	15,134	11,318	9,351	6,993	128,836	96,350
Healthcare	15,042	11,223	9,294	6,935	128,053	95,541
<b>Operating profit before exceptional items (EI)</b>	3,908	3,051	2,415	1,885	33,269	25,973
Ongoing operations before EI	3,570	2,546	2,206	1,573	30,391	21,674
Healthcare before EI	3,595	2,573	2,221	1,590	30,604	21,904
<b>Profit before tax on ongoing operations before EI</b>	3,556	3,127	2,197	1,932	30,272	26,620
<b>Net profit for the period</b>	1,143	2,611	706	1,613	9,730	22,227
<b>Basic earnings per Ordinary Share</b>	\$0.64	\$1.47	£0.40	£0.91	SEK 5.45	SEK12.51
<b>Earnings per Ordinary Share pre EI</b>	\$1.54	\$1.44	£0.95	£0.89	SEK13.11	SEK12.26
<b>Dividend per Ordinary Share</b>	\$0.70	n/a	43.3p	n/a	SEK5.90	n/a
<b>Net cash inflow from operating activities</b>	3,113	3,832	1,923	2,368	26,501	32,622
<b>Decrease in cash</b>	(280)	(186)	(173)	(115)	(2,384)	(1,583)
<b>Shareholders' funds - equity</b>						
31 December	10,302	10,929	6,366	6,753	87,701	93,039

Sterling (£) and Swedish Kronor equivalents are shown for convenience and have been calculated using the current period end rates of \$1=£0.6179 and \$1=SEK 8.5130, respectively. Dividend per Ordinary Share is shown as the actual amount payable using the rates at the date of declaration of the dividend.

## Information for US Investors

### RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES

The group profit and loss account and group balance sheet set out on pages 13, 14 and 16 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). For the purposes of US GAAP, the merger has been regarded as a purchase accounting acquisition of Astra by Zeneca. Under purchase accounting, the cost of the investment is calculated at the market value of the shares issued together with other incidental costs and the assets and liabilities of the acquired entity are recorded at fair value. As a result of the fair value exercise, increases in the values of Astra's tangible fixed assets and inventory were recognised and values attributed to their in-process research and development, existing products and assembled work force, together with appropriate deferred taxation effects. The difference between the cost of investment and the fair value of the assets and liabilities of Astra has been recorded as goodwill. The in-process research and development and inventory step up have been taken as a one off charge to net income, together with additional amortisation and depreciation arising as a result of the fair value exercise. Pre-acquisition results of Astra are excluded from net income. Other differences as they apply to AstraZeneca PLC (formerly Zeneca Group PLC) are explained in the group's 1999 Annual Report and Form 20-F. The approximate effects on group income and shareholders' equity of the GAAP differences are shown below.

Income attributable to Shareholders	1999 \$m	1998 \$m
Net income for the period under UK GAAP	1,143	2,611
Pre-acquisition results of Astra	(413)	(1,427)
	730	1,184
Adjustments to conform to US GAAP		
Purchase accounting adjustments, (including goodwill and intangibles):		
- deemed acquisition of Astra		
- in-process research and development	(3,315)	-
- inventory step-up	(826)	-
- amortisation and other acquisition adjustments	(759)	-
- others	(61)	(80)
Divestment of Specialties business	284	-
Impairment of Salick Health Care goodwill	(308)	-
Capitalisation, less disposals and amortisation of interest	5	8
Deferred taxation		
- on fair value of Astra	547	-
- others	117	(28)
Pension expense	(103)	(53)
Post-retirement benefits/plan amendment	4	5
Software costs capitalised	29	-
Restructuring costs	119	-
Unrealised losses on foreign exchange	(2)	-
<b>Net (loss) income in accordance with US GAAP</b>	<b>(3,539)</b>	<b>1,036</b>
Net (loss) income from continuing operations	(4,071)	796
Net income from discontinued operations	108	240
Gain on disposal of Specialties business	424	-
Net (loss) income per Ordinary Share under US GAAP (basic)	(2.26)	1.09
Net (loss) income per Ordinary Share under US GAAP (diluted)	(2.25)	1.09

In addition to the pre-acquisition results of Astra, net income from continuing operations in accordance with US GAAP is depressed by one off charges of \$3,315m to write off acquired in-process research and development and \$826m for the step up in inventory values at acquisition (\$3,800m in total after tax relief of \$341m).

**RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES (CONTINUED)**

	31 Dec 1999 \$m	31 Dec 1998 \$m
<b>Shareholders' equity</b>		
Shareholders' equity under UK GAAP	10,302	10,929
Net assets of Astra before acquisition	-	(6,757)
	10,302	4,172
Adjustments to conform to US GAAP		
Purchase accounting adjustments, (including goodwill and intangibles):		
- deemed acquisition of Astra		
- goodwill	14,202	-
- tangible and intangible fixed assets	11,174	-
- others	490	1,157
Capitalisation, less disposals and amortisation of interest	151	181
Deferred taxation		
- on fair value of Astra	(3,172)	-
- others	(247)	(111)
Dividend	834	442
Pension expense	(172)	(241)
Post-retirement benefits/plan amendment	(31)	(42)
Software costs capitalised	29	-
Restructuring costs	119	-
Others	56	-
<b>Shareholders' equity in accordance with US GAAP</b>	<b>33,735</b>	<b>5,558</b>

## Shareholder Information

### ANNOUNCEMENTS AND MEETINGS

---

Announcement of first quarter results	3 May 2000
Annual General Meeting	26 May 2000

### DIVIDENDS

---

The record date for the second interim dividend payable on 17 April 2000 (in the UK, Sweden and the US) is 10 March 2000. Ordinary Shares will trade ex-dividend on the London Stock Exchange from 6 March 2000 and on the Stockholm Stock Exchange from 8 March 2000. ADSs will trade ex-dividend on the New York Stock Exchange from 8 March 2000.

Future dividends will normally be paid as follows:

First interim	Announced in early August and paid in late October.
Second interim	Announced in February and paid in April.

### TRADEMARKS

---

All product or brand names included in Note 8 of this Preliminary Announcement and the following names are trademarks of, or licensed to, AstraZeneca PLC or its subsidiary companies:

**Amistar Iressa Karate Nexium Prilosec Rhinocort Aqua Surpass Symbicort Touchdown Turbuhaler Viozan**

For simplicity, sales are reported under the above lead brand names, whereas some compounds are sold under several brand names to address separate market niches.

### 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: (01903) 502 541	Morgan Guaranty Trust Company of New York 60 Wall Street New York New York 10260 Tel: (212) 648 3208	15 Stanhope Gate London W1Y 6LN Tel: (0171) 304 5000	Vardepapperscentralen 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 Harbour" provisions of the United States Private Securities Litigation Reform Act of 1995, AstraZeneca is providing the following cautionary statement. This Preliminary Announcement contains certain forward-looking statements about AstraZeneca. We intend to identify the forward-looking statements in this Preliminary Announcement, by using the words "anticipates," "believes," "expects," "intends," and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, our forward-looking statements are subject to numerous risks and uncertainties and factors that could cause actual outcomes and results to be materially different from those projected or implied. Important factors that could cause actual results to differ materially from those in our forward-looking statements, certain of which are beyond our control, include, among other things: risk of loss or expiration of patents or trademarks (in particular, the expiration in the near future of patents covering Losec and Zestril); the difficulty of completing the integration of Zeneca's and Astra's large and complex businesses on a timely basis and realizing synergies; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; the difficulties of obtaining governmental regulatory approvals for new products; the risk of substantial product liability claims; exposure to fluctuations in exchange rates for foreign currencies; exposure to US environmental liabilities and the impact on the Agrochemicals business from the growing importance to agriculture of biotechnology and the use of genetically modified crops. No assurances can be given that any of the events anticipated by our forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations and financial condition of AstraZeneca.