

AstraZeneca PLC
Notice of Annual General Meeting 2006
and Shareholders' Circular

LETTER FROM THE CHAIRMAN

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS YOU SHOULD CONSULT YOUR INDEPENDENT FINANCIAL ADVISER. IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR ASTRAZENECA ORDINARY SHARES YOU SHOULD SEND THIS COMPLETE DOCUMENT WITH THE PROXY FORM TO THE PURCHASER OR TRANSFEREE OR TO THE STOCKBROKER, BANK OR OTHER AGENT THROUGH WHOM THE SALE OR TRANSFER WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.

DEAR SHAREHOLDER

On behalf of the Board of AstraZeneca PLC (“Company”), I enclose various documents concerning your shareholding in the Company. These are:

- 1 A Shareholders’ Circular incorporating the formal Notice of the Annual General Meeting of the Company to be held on Thursday, 27 April 2006 (“AGM”).
- 2 A Proxy Form and Attendance Card for the AGM. This also includes an Option Card for use if you wish to receive the full Annual Report and Form 20-F Information next year.

As in previous years, the principal meeting place for the AGM will be in London. There will be one satellite meeting place, in Stockholm. An audio-visual link will enable shareholders and their proxies attending the AGM at each venue to see and hear the business being conducted, ask questions and vote. English/Swedish translation facilities will be available at each venue.

The business to be conducted at the AGM is summarised below.

Item 5: Directors: Biographical details of those presenting themselves for election or re-election are given in the Shareholders’ Circular. Dame Bridget Ogilvie will not be seeking re-election this year and will retire from the Board at the AGM. Dame Bridget has served the Company as a Non-Executive Director for nine years and worked as a member of various Board committees including, most recently, the Audit Committee and the Science Committee. On behalf of the whole Board, I would like to express our gratitude for her contribution to AstraZeneca’s success and wish her well as she leaves us.

The Board is proposing Professor Dame Nancy Rothwell for election as a new Non-Executive Director at this year’s AGM. Professor Rothwell’s biographical details are set out in Appendix 1 to the Shareholders’ Circular. As you can see, she is a distinguished research scientist and is currently Vice-President for Research at the University of Manchester. We are delighted that she has agreed to join the Board of AstraZeneca and sincerely recommend that you vote in favour of her appointment.

In December 2005, the annual review of how the Board operates and the assessment of the individual performance of Directors took place. The Board concluded that it was performing effectively, both as a whole and in respect of its committees and individual members. The Board also considered the independence of the Non-Executive Directors under the UK’s Combined Code on Corporate Governance. With the exception of myself as Chairman, Håkan Mogren and Marcus Wallenberg for

the reasons explained in the Directors’ Report for 2005, the Board concluded that all are independent. The Directors’ Report can be found in the Company’s Annual Report and Form 20-F Information 2005 which is available on our website, astrazeneca.com, or by request from the Company if you have not already received a copy.

In addition to the ordinary business of the meeting under Items 1 to 6, shareholders will be asked for their approval of the following matters:

Item 7: Political Donations: As in previous years, this ordinary resolution seeks authority from shareholders to enable the Company or its subsidiaries to make donations or incur expenditure in the European Union (“EU”), up to an aggregate limit of \$150,000, which it would otherwise be prohibited from making or incurring because of the Political Parties, Elections and Referendums Act 2000 in the UK (“the Act”).

The Company has no intention of changing its current practice of not making donations to political parties in the EU and it will not do so without the specific endorsement of its shareholders. However, the Act defines ‘political organisation’ widely to include, amongst other things, an organisation which carries on activities which are capable of being reasonably regarded as intended to influence public support for a political party in any EU member state or to influence voters in relation to any referendum in any EU member state.

As a result, it is possible that EU political organisations may include, for example, interest groups or lobbying organisations concerned with the review of government policy or law reform. It may, depending upon the issue, be in the Company’s interest to support or participate in such groups or organisations and the purpose of this resolution is to enable the Company or its subsidiaries to do so without inadvertently breaching the Act.

Item 8: Allotment of New Shares: This ordinary resolution, if approved by shareholders, would enable the Directors to continue to exercise their existing power under the Company’s Articles to allot new shares in the capital of the Company. As specified in the resolution, the Directors’ authority will only be valid until the conclusion of the AGM in 2007 or 30 June 2007, whichever is earlier. It would be limited to the allotment of a maximum of 525,458,672 Ordinary Shares representing 33.33% of the total Ordinary Share capital of the Company in issue at 28 February 2006 (known as the Section 80 amount). The limit of 33.33% is derived from guidelines issued by the Association of British Insurers (“ABI”) which, for public companies listed in the UK, effectively limit the maximum amount of share

LETTER FROM THE CHAIRMAN CONTINUED

capital that can be authorised for allotment to one third of a company's issued Ordinary Share capital.

As at 28 February 2006, no shares in the Company were held as treasury shares.

Other than the allotment of Ordinary Shares for the purposes of fulfilling the Company's obligations under its various share plans, the Directors have no present intention of allotting any of the authorised share capital of the Company which has not yet been allotted.

For information, during 2005, the Directors used equivalent authorities, given to them by shareholders at previous AGMs, for the purposes of fulfilling the Company's obligations under its various share plans. In total, 3,500,109 new Ordinary Shares were allotted in 2005 which represented 0.2214% of the total Ordinary Share capital of the Company at 31 December 2005. The number of new Ordinary Shares allotted during 2005, the percentage of the Company's share capital they represented at 31 December 2005 and the share plans in respect of which they were allotted were as follows:

Zeneca 1994 Executive Share Option Scheme*	1,258,894	0.0796%
AstraZeneca Share Option Plan	1,052,773	0.0666%
AstraZeneca Savings-Related Share Option Scheme* and AstraZeneca Savings-Related Share Option Plan	428,736	0.0271%
AstraZeneca All-Employee Share Plan†	759,706	0.0481%
Total allotted in 2005	3,500,109	0.2214%

* No further options are being granted under this scheme.

† UK Share Incentive Plan approved by HM Revenue & Customs, offering free shares and partnership shares.

No other new shares were allotted during 2005.

Item 9: Pre-Emption Rights: This special resolution renews the authority of the Directors to allot shares of the Company and to sell treasury shares for cash as if the pre-emption provisions of Section 89 of the Companies Act 1985 do not apply. Under Section 89, when new shares are allotted or treasury shares are sold for cash, they must first be offered to existing shareholders pro rata to their holdings. This provision was designed to prevent the holdings of existing shareholders being diluted against their wishes by the allotment of new shares. Shareholders may waive this right of pre-emption. The authority contained in this resolution would be limited to the allotment of shares or the sale of treasury shares for cash having an aggregate nominal value of \$19,704,700 which represents 5.00% of the total Ordinary Share capital of the Company in issue at 28 February 2006 (known as the Section 89 amount). The limit of 5.00% is also derived from the ABI guidelines mentioned above. This authority will expire at the conclusion of the AGM in 2007 or 30 June 2007, whichever is earlier.

Item 10: Purchase of Own Shares by the Company: This special resolution renews the authority of the Directors to purchase, in the market, the Company's own shares, for the purposes of Section 166 of the Companies Act 1985. The authority limits the total number of shares that could be purchased and sets minimum and maximum prices.

In accordance with the policy stated last year, the Board intends to continue its practice of growing dividends in line with earnings (maintaining dividend cover in the two to three times range) whilst substantially distributing the balance of cash flow via share re-purchases. In 2005, \$4.7 billion was distributed from free cash flow of \$6.1 billion via dividends and share re-purchases. The Board intends to continue this policy, but firmly believes that the first call on free cash flow is business need and, having fulfilled that, will return surplus cash flow to shareholders. The primary business need is to build the research pipeline by supporting internal and external opportunities. On this basis, in 2006 the Board intends to re-purchase shares at around the same level as 2005.

During 2005, the Company re-purchased and cancelled 67.7 million Ordinary Shares with a nominal value of \$0.25 each at a total cost of \$3 billion. As at 28 February 2006, since the beginning of the original re-purchase programme in 1999, the Company has purchased in total 216.9 million of its own Ordinary Shares with a nominal value of \$0.25 each for an aggregate cost of \$9.5 billion. This number of shares represents 13.76% of the Company's total issued share capital at

28 February 2006. Following the purchase of these shares, they were all cancelled and not used for any other purpose.

The authority being sought under this resolution would permit any shares so purchased to either be cancelled or held as treasury shares. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the best interests of shareholders generally. The Company will continue to purchase its own shares in the market in the usual way under this resolution, with the present intention of cancelling them. In order to maximise its opportunities for access to the market, the Company may also consider using the same authority from shareholders to give irrevocable instructions to banks to enable the share re-purchases to continue during the close periods ahead of the quarterly publication of its results. If this were done, appropriate announcements would be made at the time.

As at 28 February 2006, the total number of options over shares that were outstanding under all of the Company's share option plans was 57,280,573 representing 3.63% of the Company's issued share capital at that date. This number of outstanding options could potentially represent 4.30% of the issued capital of the Company, if the Company were to purchase its own shares to the fullest possible extent of its authority from shareholders (existing and being sought).

This authority will only be valid until the conclusion of the AGM in 2007 or 30 June 2007, whichever is earlier.

In accordance with the Company's Articles, a poll vote will be held for the special resolutions. All other resolutions will also be put to a poll vote. This means that the votes of all shareholders, including the majority of our shareholders who cannot attend the meeting but who submit a Proxy Form, are counted. A poll vote allows the entire shareholder base to express its views.

The Directors unanimously recommend that you vote in favour of all the resolutions and ask you to complete the Proxy Form and return it as soon as possible. You may, if you wish, register the appointment of your proxy electronically either via the internet or, if you hold your shares through CREST, using the CREST electronic proxy appointment service. Please refer to the notes in the Notice of AGM on page 8 for details. The appointment of a proxy will not prevent you from also attending the AGM and voting in person. All shareholders or proxies attending the AGM are asked to bring the Attendance Card with them.

Please note that if you wish to receive the full Annual Report and Form 20-F Information next year, you must return the Option Card by 31 October 2006. If you do not, you will receive the shorter Annual Review only.

Yours sincerely



LOUIS SCHWEITZER
Chairman
AstraZeneca PLC

Registered in England No. 2723534

Registered Office: 15 Stanhope Gate,
London W1K 1LN

17 March 2006

Note:

In order to update you since the publication of the Company's Annual Report and Form 20-F Information 2005, please note:

- > On 28 February 2006, the proportion of Ordinary Shares represented by American Depositary Shares was 9.93% of the Ordinary Share capital of the Company in issue on that date.
- > The number of registered holders of Ordinary Shares on 28 February 2006 was 146,465 (of which 831 were in the US) and the number of record holders of American Depositary Receipts on the same date was 2,711 (of which 2,671 were in the US).
- > On 28 February 2006, there were options outstanding to subscribe over 57,280,573 Ordinary Shares of the Company, with subscription prices in the range of 1337-3487 pence (weighted average subscription price 2625 pence) and normal expiry dates from 2006 to 2015.
- > During the period 1 January 2006 to 28 February 2006, no Director exercised any options.
- > As disclosed in the Annual Report and Form 20-F Information 2005, on 23 January 2006, Håkan Mogren ceased to have an interest in an option over 9,826 Ordinary Shares on the expiry of the option.
- > On 24 February 2006, three Directors acquired an interest in the Company's Ordinary Shares as a result of the previously disclosed arrangements relating to the payment of annual bonuses for 2005 whereby each individual is required to defer a portion of the bonus earned into Ordinary Shares for a period of three years. David Brennan was allocated 6,352 Ordinary Shares, Jonathan Symonds was allocated 7,534 Ordinary Shares and John Patterson was allocated 6,623 Ordinary Shares. The allocation price was 2639 pence per share and the individuals will become beneficially entitled to these Ordinary Shares on 24 February 2009. After this allocation, Mr Symonds has, in total, an interest in 66,784 Ordinary Shares of the Company and Dr Patterson in 49,071 Ordinary Shares.
- > On 24 February 2006, David Brennan also received a scheduled distribution out of the AstraZeneca US Executive Deferral Plan, a unitised stock fund established in 2000, in which Mr Brennan, in common with other participating US executives, is deemed to have a notional interest in American Depositary Shares (ADSs) calculated by reference to the fund value and the closing price of AstraZeneca ADSs. One ADS equals one Ordinary Share. Following this scheduled distribution on 24 February 2006, Mr Brennan had a notional interest in 70,387 ADSs within the AstraZeneca US Executive Deferral Plan by reference to the closing price on 24 February 2006 of US\$46.14.

On 27 February 2006, Mr Brennan purchased, on his own account, additional ADSs to be held within the AstraZeneca US Executive Deferral Plan bringing his notional interest in ADSs held within the AstraZeneca US Executive Deferral Plan as at 27 February 2006 to 75,955 ADSs based on that day's closing price of US\$46.58.

In total, Mr Brennan now has an interest in 6,352 Ordinary Shares and 172,088 AstraZeneca ADSs, including the notional interest in ADSs in the AstraZeneca US Executive Deferral Plan referred to above.

NOTICE OF ANNUAL GENERAL MEETING OF ASTRAZENECA PLC AND SHAREHOLDERS' CIRCULAR

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Notice is hereby given that the Annual General Meeting of AstraZeneca PLC ("Company") will be held on Thursday, 27 April 2006 in the Champagne Suite at Novotel London West, 1 Shortlands, London W6 8DR at 11.00 am (BST), with an audio-visual link to a satellite meeting place at the Hotel Rival, Mariatorget 3, Stockholm at 12.00 noon (local time) for the following purposes:

- 1 To receive the Company's Accounts and the Reports of the Directors and Auditor for the year ended 31 December 2005.
- 2 To confirm the first interim dividend of \$0.38 (21.9 pence, SEK2.99) per Ordinary Share and to confirm as the final dividend for 2005 the second interim dividend of \$0.92 (51.8 pence, SEK7.02) per Ordinary Share.
- 3 To re-appoint KPMG Audit Plc, London as Auditor.
- 4 To authorise the Directors to agree the remuneration of the Auditor.
- 5 To elect or re-elect the following as Directors:

A separate vote will be taken in respect of the election or re-election of each person. In accordance with Article 65 of the Company's Articles of Association, all of the Directors will retire at the Annual General Meeting in 2007 and may present themselves for re-election.

LOUIS SCHWEITZER (63)

Non-Executive Chairman.

Chairman of the Nomination Committee.

Appointed as a Director 11 March 2004. Non-Executive Chairman of Renault SA since April 2005. Chairman and Chief Executive Officer of Renault SA 1992-2005. President of the Management Board of Renault-Nissan BV 2002-2005. Chief Financial Officer and Executive Vice-President 1988-1992 and President and Chief Operating Officer 1990-1992, Renault SA. Non-Executive Director of BNP Paribas, Electricité de France, Philips Electronics NV, Veolia Environnement, Volvo AB and L'Oréal.

HÅKAN MOGREN KBE (61)

Non-Executive Deputy Chairman.

Member of the Nomination Committee.

Appointed as a Director 6 April 1999. Formerly Chief Executive Officer and a Director of Astra AB (appointed 18 May 1988). Vice-Chairman of Gambro AB. Member of the Board of Directors of Investor AB, Rémy Cointreau SA, Groupe Danone and Norsk Hydro ASA. Director of the Marianne and Marcus Wallenberg Foundation.

DAVID R BRENNAN (52)

Executive Director and Chief Executive Officer.

Appointed as a Director 14 March 2005. Member of the Executive Board of the Pharmaceutical Research and Manufacturers of America (PhRMA). Chairman of the Board of the Southeastern Chapter of the American Heart Association. General Manager of Chibret International, France (a subsidiary of Merck & Co., Inc.) 1990-1992. Vice-President Astra Merck, Inc., and then Astra Pharmaceuticals LP 1992-1999. Senior Vice-President AstraZeneca Pharmaceuticals LP 1999-2001. Executive Vice-President, North America, AstraZeneca PLC 2001-2005.

JONATHAN SYMONDS (47)

Executive Director and Chief Financial Officer.

Appointed as a Director 1 October 1997. Also has overall responsibility for Strategic Planning, Business Development and Information Services. Non-Executive Director of Diageo plc. Member of the UK Accounting Standards Board.

NOTICE OF ANNUAL GENERAL MEETING OF ASTRAZENECA PLC AND SHAREHOLDERS' CIRCULAR CONTINUED

JOHN PATTERSON FRCP (58)

Executive Director, Development.

Appointed as a Director 1 January 2005. Fellow of the Royal College of Physicians. Director of the British Pharma Group. Non-Executive Director of Cobham plc. Non-Executive Director of Amersham plc 2001-2004. President of the Association of the British Pharmaceutical Industry 2002-2004. Member of the Supervisory Board of the UK Medicines Control Agency 1990-1994. Executive Vice-President, Product Strategy & Licensing and Business Development, AstraZeneca PLC 1999-2004.

SIR PETER BONFIELD CBE, FREng (61)

Senior Non-Executive Director.

Chairman of the Remuneration Committee.

Member of the Nomination Committee.

Appointed as a Director 1 January 1995. Fellow of the Royal Academy of Engineering. Non-Executive Director of Telefonaktiebolaget LM Ericsson, Mentor Graphics Corporation, Taiwan Semiconductor Manufacturing Company Ltd., Sony Corporation, Japan and Actis Capital LLP. Vice-President of The British Quality Foundation. Member of the Citigroup International Advisory Board. Member of the Sony Corporation Advisory Board. Non-Executive Director, Corporate Board of the Department for Constitutional Affairs.

JOHN BUCHANAN (62)

Non-Executive Director.

Chairman of the Audit Committee.

Member of the Remuneration Committee.

Appointed as a Director 25 April 2002. Executive Director and Group Chief Financial Officer of BP p.l.c. 1996-2002. Member of the UK Accounting Standards Board 1997-2001. Senior Independent Director of BHP Billiton Plc. Non-Executive Director of Vodafone Group Plc. Chairman designate of Smith & Nephew plc.

JANE HENNEY (58)

Non-Executive Director. Member of the Audit Committee, the Nomination Committee and the Science Committee.

Appointed as a Director 24 September 2001. Currently Senior Vice-President and Provost for Health Affairs, University of Cincinnati Medical Center, appointed April 2003. Prior appointments include Deputy Director, US National Cancer Institute; Vice-Chancellor of Health, University of Kansas Medical Center; Deputy Commissioner for Operations, US Food and Drug Administration and Commissioner of Food and Drugs, US Food and Drug Administration. Non-Executive Director of AmerisourceBergen Corporation and CIGNA Corporation. Other board appointments include The Commonwealth Fund, China Medical Board, OMERIS and BIO/START.

MICHELE HOOPER (54)

Non-Executive Director.

Member of the Audit Committee.

Appointed as a Director 1 July 2003. President and Chief Executive Officer of Stadlander Drug Company 1998-1999. Corporate Vice-President and President, International Businesses of Caremark International Inc. 1992-1998. Non-Executive Director of PPG Industries, Inc. and Warner Music Group Corp.

JOE JIMENEZ (46)

Non-Executive Director. Member of the Remuneration Committee and the Nomination Committee.

Appointed as a Director 1 July 2003. Executive Vice-President of H J Heinz Company and President and Chief Executive Officer of Heinz Europe since 2002. Corporate Vice-President then Senior Vice-President and President of Heinz North America 1998-2002. Non-Executive Director of Blue Nile, Inc.

ERNA MÖLLER (66)

Non-Executive Director. Member of the Remuneration Committee and the Science Committee.

Appointed as a Director 6 April 1999. Formerly a Director of Astra AB (appointed 15 May 1995). Executive Director of the Knut and Alice Wallenberg Foundation. Professor of Clinical Immunology and of Transplantation Immunology, and Vice-Chairman of the Nobel Assembly, Karolinska Institutet. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Science.

MARCUS WALLENBERG (49)

Non-Executive Director.

Appointed as a Director 6 April 1999. Formerly a Director of Astra AB (appointed 18 May 1989). Chairman of Skandinaviska Enskilda Banken AB. Non-Executive Vice-Chairman of Saab AB and Telefonaktiebolaget LM Ericsson. Non-Executive Director of Electrolux AB, Stora Enso Oyj and the Knut and Alice Wallenberg Foundation. Acting Chairman of the International Chamber of Commerce.

DAME NANCY ROTHWELL FRS (50)

Proposed Non-Executive Director.

Biographical details for Professor Rothwell are set out in Appendix 1.

6 To approve the Directors' Remuneration Report for the year ended 31 December 2005 set out in Appendix 2.

7 To consider and, if thought fit, pass the following as an ordinary resolution:

"That the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates be and is hereby authorised for the purposes of Part XA of the Companies Act 1985 to make Donations to EU Political Organisations or incur EU Political Expenditure during the period ending on the date of the Company's Annual General Meeting in 2007 provided that any such donations and expenditure made by the Company together with those made by any subsidiary company while it is a subsidiary of the Company shall not exceed in aggregate \$150,000 during that period. For the purposes of this resolution, the expressions 'Donations', 'EU Political Organisations' and 'EU Political Expenditure' have the meanings set out in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000)."

8 To consider and, if thought fit, pass the following as an ordinary resolution:

"That the authority and power to allot new shares conferred on the Directors by Article 7.1 of the Company's Articles of Association be renewed for the period commencing on the date of this Annual General Meeting and ending on the date of the Annual General Meeting of the Company in 2007 or, if earlier, on 30 June 2007, and for such period the Section 80 amount shall be US dollars 131,364,668."

9 To consider and, if thought fit, pass the following as a special resolution:

"That the power conferred on the Directors by Article 7.2 of the Company's Articles of Association be renewed for the period commencing on the date of this Annual General Meeting and ending on the date of the Annual General Meeting of the Company in 2007 or, if earlier, on 30 June 2007, and for such period the Section 89 amount shall be US dollars 19,704,700."

10 To consider and, if thought fit, pass the following as a special resolution:

“That the Company be and is hereby unconditionally and generally authorised for the purposes of Section 166 of the Companies Act 1985 to make market purchases (as defined in Section 163 of that Act) of Ordinary Shares of \$0.25 each in the capital of the Company provided that:

- (a) the maximum number of shares which may be purchased is 10% of the Company’s share capital then in issue;
- (b) the minimum price which may be paid for each share is \$0.25;
- (c) the maximum price which may be paid for a share is an amount equal to 105% of the average of the middle market values of the Company’s Ordinary Shares as derived from the London Stock Exchange Limited Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and
- (d) this authority shall expire at the conclusion of the Annual General Meeting of the Company held in 2007 or, if earlier, on 30 June 2007 (except in relation to the purchase of shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry).”

By order of the Board:

G H R MUSKER

Group Secretary and Solicitor
AstraZeneca PLC

Registered in England No. 2723534

Registered Office: 15 Stanhope Gate,
London W1K 1LN

17 March 2006

Note: An explanation of Items 7 to 10 is given in the letter from the Chairman accompanying this Notice of Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING OF ASTRAZENECA PLC AND SHAREHOLDERS' CIRCULAR CONTINUED

NOTES:

Entitlement to attend and vote and deadline for receipt of Proxy Form

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only holders of Ordinary Shares entered in the register of members of the Company at 6.00 pm on Tuesday, 25 April 2006 (or their duly appointed proxies) are entitled to attend or vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the register of members after 6.00 pm on Tuesday 25 April 2006 shall be disregarded in determining the rights of any person to attend or vote at the AGM.

To be effective, the Proxy Form (or electronic appointment of a proxy) must be received by the AstraZeneca Registrar, Lloyds TSB Registrars, not less than 48 hours before the time for holding the AGM. The appointment of a proxy will not prevent a shareholder from attending and voting in person at the meeting.

Appointment of proxies through Sharevote and Shareview websites

A shareholder may appoint one or more proxies (whether shareholders or not) to attend and vote in his or her place. Shareholders who have not elected to receive shareholder documents electronically have been sent a Proxy Form containing notes on completion and use. Shareholders who would prefer to register the appointment of their proxy electronically via the internet can do so through the Sharevote website, www.sharevote.co.uk, using their personal Authentication Reference Number (this is the series of 24 numbers printed under the shareholder's name on the Proxy Form). Alternatively, shareholders who have already registered with Lloyds TSB Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk and clicking on 'Company Meetings'. Full details and instructions on these electronic proxy facilities are given on the websites.

Appointment of proxies through CREST

CREST members who wish to appoint a proxy or proxies for the AGM, including any adjournment(s) thereof, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given for a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Lloyds TSB Registrars (ID 7RA01) by the latest time for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Lloyds TSB Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the

responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Documents available for inspection

The following information may be inspected during business hours at the Company's registered office and at the R&D headquarters of the Company, S-151 85 Södertälje, Sweden and will on the day of the AGM be available for inspection at Novotel London West, 1 Shortlands, London W6 8DR from 10.45 am (BST) and at the Hotel Rival, Mariatorget 3, Stockholm from 11.45 am (local time) until the conclusion of the AGM: (1) a statement of the interests and transactions of Directors and their families in the share capital of the Company and any of its subsidiaries; and (2) copies of all contracts of service and letters of appointment under which Directors of the Company are employed by the Company or any of its subsidiaries.

APPENDIX 1: BIOGRAPHICAL DETAILS FOR PROFESSOR DAME NANCY ROTHWELL FRS, PROPOSED FOR ELECTION AS A NON-EXECUTIVE DIRECTOR

Professor Dame Nancy Rothwell obtained a first class degree in physiology in 1976, a PhD in 1978 and a DSc in 1987 from the University of London. Her early research identified mechanisms of energy balance regulation, obesity and cachexia. In 1984, she was awarded a Royal Society Research Fellowship and relocated to Manchester in 1987. Professor Rothwell was awarded a Chair in physiology in 1994, then a prestigious Medical Research Council Research Chair in 1998. Her current research focuses on the role of inflammation in brain disease and has identified the role of the cytokine interleukin-1 (IL-1) in diverse forms of brain injury. Her recent studies have begun to elucidate the mechanisms regulating IL-1 release and its action, and her group has conducted the first early clinical trial of an IL-1 inhibitor in stroke. She has recently served as President of the British Neuroscience Association and a Council member of the Medical Research Council.

Professor Rothwell currently oversees a research group of about 20 scientists, with significant external funding and is Vice-President for Research at the University of Manchester. She is a trustee of Cancer Research UK, the Campaign for Medical Progress, the Academy of Medical Sciences and a Council member of the Biotechnology and Biological Sciences Research Council. In 2003, she won the prestigious Pfizer Research Prize, in 2004 was elected a Fellow of the Royal Society and in 2005 was honoured with a DBE.

Professor Rothwell takes a strong and active interest in public communication of science and regularly gives talks to schools and the public and contributes to television, radio and press, particularly on sensitive issues in science. In 1998, she delivered the Royal Institution Christmas Lectures, televised by the BBC.

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

At the Annual General Meeting ("AGM") on Thursday 27 April 2006, a resolution will be proposed to approve the Directors' Remuneration Report.

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- > External appointments and retention of fees
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- > Gains by Directors on exercise of share options

REMUNERATION COMMITTEE

The members of the Remuneration Committee are Sir Peter Bonfield (Chairman of the Committee), John Buchanan, Erna Möller and Joe Jimenez. They are all Non-Executive Directors. The Board considers them all to be independent. (Independence of Non-Executive Directors is discussed in more detail in the Directors' Report for 2005.)

The remit of the Remuneration Committee is, primarily, to recommend for decision by the Board the fundamental remuneration policy for the Company and to ensure the proper operation of all plans for employees involving the Company's shares. More particularly, it makes specific proposals in respect of the remuneration packages of individual Executive Directors and the Company's most senior executives. A copy of the Remuneration Committee's remit is available on the Company's website: astrazeneca.com.

The Remuneration Committee met four times in 2005. Each meeting was attended by all of its members, except that other commitments prevented Erna Möller from attending the meeting on 21 March and Joe Jimenez from attending the meeting on 18 November.

At the request of the Remuneration Committee, Sir Tom McKillop (Chief Executive), Tony Bloxham (Executive Vice-President, Human Resources) and Peter Brown (Vice-President, Global Compensation and Benefits) as well as the Secretary of the Remuneration Committee, Graeme Musker, attended all of its meetings in 2005, except when their own remuneration

was being discussed. They provided advice and services that materially assisted the Remuneration Committee during the year. In doing so, Mr Brown drew on various sources of data concerning directors' and executives' salaries, bonus levels and other incentives including general pharmaceutical industry reports and surveys, as well as surveys specifically carried out for the Company. These included certain surveys prepared for the Company by Towers Perrin. During 2005, ExcellerateHRO (formed from the merger of Towers Perrin and EDS) also provided global share plan administration services to the Company and consultancy services to the Company's US business.

During 2005, Ms Carol Arrowsmith of Deloitte & Touche was again appointed to provide the Remuneration Committee with independent advice on all matters being considered by it. During 2005, Deloitte & Touche also provided taxation advice and other non-audit services to the Company.

OVERALL REMUNERATION POLICY AND PURPOSE

The Company is committed to maintaining a dynamic performance culture, in which every employee champions the growth of shareholder value, is clear about the Company's objectives, and knows how their work impacts on those objectives and that they will benefit from achieving high levels of performance.

The Board has confirmed that the Company's overall remuneration policy and purpose are to:

- > Attract and retain people of the quality necessary to sustain the Company as one of the best pharmaceutical companies in the world.
- > Motivate them to achieve the level of performance necessary to create sustained growth in shareholder value.

In order to achieve this, remuneration policy and practice are designed to:

- > Closely align individual and team reward with business performance at each level.
- > Encourage employees to perform to their fullest capacity.
- > Encourage employees to align their interests with those of shareholders.
- > Support managers' responsibility to achieve business performance through people and to recognise superior performance, in the short and longer term.
- > Be as locally focused and flexible as is practicable and beneficial.

- > Be as internally consistent as is practicable and beneficial, taking due account of market need.
- > Be competitive and cost-effective in each of the relevant employment markets.

The cost and value of the components of the remuneration package are considered as a whole and are designed to:

- > Ensure a proper balance of fixed and variable performance-related components, linked to short and longer term objectives.
- > Reflect market competitiveness, taking account of the total value of all of the benefit components.

PRINCIPAL COMPONENTS OF EMPLOYEE REMUNERATION

Throughout 2005, the principal components contained in the total remuneration package, for employees as a whole, were:

- > Annual salary – based on conditions in the relevant geographic market, with provision to recognise, in addition, the value of individuals' sustained personal performance, resulting from their ability and experience.
- > Annual bonus – a lump sum payment related to the targeted achievement of corporate, functional and individual goals, measured over a year and contained within a specific plan. The corporate goals are derived from the annual financial targets set by the Board and take into account external expectations of performance. The functional goals are agreed by the Remuneration Committee at the start of, and are monitored throughout, the year.
- > Longer term incentive – for selected groups, targeted at the achievement of strategic objectives closely aligned with the interests of shareholders, namely the AstraZeneca Share Option Plan described on pages 12 and 13 and, for some individuals potentially, the AstraZeneca Performance Share Plan described on pages 13 and 14.
- > Pension arrangements appropriate to the relevant national market.
- > Other benefits, such as holidays and sickness benefit, which are cost-effective and compatible with relevant national welfare arrangements.
- > Share participation – various plans provide the opportunity for employees to take a personal stake in the Company's wealth creation as shareholders.

The way in which these elements are combined and applied varies depending, for example, on market need and practice in various countries.

REVIEW OF EXECUTIVE REMUNERATION IN 2004

In the 2004 Annual Report we described the review of the Company's executive remuneration practice that took place in 2004.

As a result of the review, which included consultation with shareholders, a number of changes were proposed, including the introduction of the AstraZeneca Performance Share Plan. These changes were summarised in the Directors' Remuneration Report for 2004 and details were provided with the 2005 Notice of AGM.

The changes were intended to:

- > Make the overall remuneration of AstraZeneca's most senior executives more competitive, benchmarking against predominantly UK-based, global companies.
- > Link their reward more closely to the achievement of demanding performance conditions.
- > Increase the variable elements of reward as a proportion of the overall remuneration package, when compared to the fixed reward elements.

The changes were approved by shareholders at the 2005 AGM.

The Company's revised approach to senior executive reward for Executive Directors and members of the Senior Executive Team (SET) is closely aligned to current best practice and includes:

- > An annual bonus opportunity linked to a wide-ranging assessment of performance, together with a requirement for the SET members to defer a portion of their bonus earned into shares for a period of three years. As a result of the 2004 consultation with shareholders, the basis of determining the annual bonus for the SET members was changed. For 2005 and beyond:
 - 50% is determined by earnings per share.
 - 25% by measures relating to the individual's particular area of responsibility (or, in the case of the Chief Executive, the average of these individual outcomes for the other members of the SET).
 - 25% by a balance of qualitative and quantitative measures that address the quality of business performance.

The Remuneration Committee reserves the right to modify the bonus outcome if it believes it does not reflect the underlying performance of the business.

- > Performance conditions on exercise of options granted under the AstraZeneca Share Option Plan, with no re-test facility, in line with best practice. (This means that the options lapse if any performance condition is not met when the option first becomes exercisable.)
- > A requirement to hold shares equivalent to one-times annual salary, and to retain the net number of shares acquired under the AstraZeneca Share Option Plan for at least six months after the option is exercised.
- > A performance share plan, based on the Company's total shareholder return relative to a global industry peer group (see separate section below).

The Board and the Remuneration Committee believe that bringing bonus and long term incentive opportunities closer to the market for other major UK-based, global companies, subject to demanding performance conditions, will appropriately rebalance the proportion of reward, so that variable, performance-related pay is dominant, and that it will significantly improve the Company's ability to attract and retain executives of the quality necessary to lead AstraZeneca in the future.

EXECUTIVE DIRECTORS' REMUNERATION

In 2005, for each Executive Director, the individual components were:

- > Annual salary – the actual salary for each Executive Director determined by the Remuneration Committee on behalf of the Board and established in sterling, with the exception of David Brennan's 2005 salary, which was established in US dollars. These salaries reflect the experience and sustained performance of the individuals to whom they apply, as judged annually by the Remuneration Committee, taking account also of market competitiveness and the level of increases applicable to all other employees. David Brennan's salary with effect from 1 January 2006 is established in sterling at £870,000 per annum and all of David Brennan's terms and conditions will be UK-based, apart from his pension arrangements, which are described below.

> Short term bonus:

- The Chief Executive was eligible for an annual bonus related to performance against the criteria described above. The bonus payable was on a scale of 0-180% of salary, with 90% of salary payable for the achievement of target performance. The bonus was not pensionable. Sir Tom McKillop's bonus for 2005 amounts to £1,251,000.
- The Chief Financial Officer was eligible for an annual bonus related to performance against the criteria described above. The bonus payable was on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. The bonus was not pensionable. Jonathan Symonds' bonus for 2005 amounts to £597,000.
- The Executive Director, Development was eligible for an annual bonus related to performance against the criteria described above. The bonus payable was on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. The bonus was not pensionable. John Patterson's bonus for 2005 amounts to £525,000.
- The Executive Director, North America was eligible for an annual bonus related to performance against the criteria described above. The bonus payable was on a scale of 0-150% of salary, with 75% of salary payable for the achievement of target performance. The bonus was not pensionable. David Brennan's bonus for 2005 amounts to \$689,000.

- > Longer term incentive – Executive Directors are also rewarded for improvement in the share price performance of the Company over a period of years by the grant of share options under the AstraZeneca Share Option Plan. The grant of such options is determined by the Remuneration Committee, as are the performance targets that apply and whether they apply to the grant and/or exercise of options - this is described in more detail below. As of 2005, Executive Directors are also now eligible to participate in the AstraZeneca Performance Share Plan described below.

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 CONTINUED

> Pension arrangements – the table on page 16 gives details of the changes in the value of the Executive Directors' accrued pensions during 2005.

- UK Executive Directors' pension arrangements – the Chief Executive and the Executive Director, Development are members of the Company's main UK defined benefit pension plan. The normal pension age under this plan is 62. However, a member's accrued pension is available from age 60 without any actuarial reduction. In addition, the accrued pension is available, unreduced, from age 57 if the Company consents to a request for early retirement and from age 50 if the retirement is at the Company's request.

On death in retirement, the accrued pension is guaranteed payable for the first five years of retirement and then reduces to two-thirds of this amount should there be a surviving spouse or other dependent. Any member may choose higher or lower levels of survivor's pensions at retirement, subject to HM Revenue & Customs limits, in return for an adjustment to their own pension of equivalent actuarial value. Pensions are also payable to dependent children. In the event of a senior employee becoming incapacitated, then a pension is payable immediately as if such person had reached normal retirement age (subject to a maximum of 10 years' additional service), based on current pensionable salary. In the event of a member's death prior to retirement, dependents are entitled to a pension of two-thirds of the pension that would have been earned had the deceased remained in service to age 62, plus a capital sum of four times pensionable pay. Pensions in payment are increased annually in line with inflation, as measured by the UK Retail Prices Index, up to a maximum of 5%.

In respect of UK Executive Directors whose pensionable earnings are capped by the earnings limit imposed by the Finance Act 1989, unapproved defined contribution schemes are made available. Currently, only the Chief Financial Officer is affected by this limit. The Company has agreed to pay annually 50% of base salary in excess of the statutory earnings cap for the pension and associated tax liability, with the intention of providing equivalence of benefits with non-capped UK Executive Directors. If this does not provide equivalence, the Company has agreed to make up the difference.

The benefits derived from equivalence are shown in the table on page 16 as if the scheme were a defined benefit arrangement. The Company contribution in 2005 in respect of the pension element was £130,000 (\$238,000).

- US Executive Directors' pension arrangements – David Brennan (as the Executive Director, North America during 2005 and as the Chief Executive Officer from 2006 onwards) is a member of the AstraZeneca US Defined Benefit Pension Plan, under a schedule applicable to legacy Astra Merck employees. Benefits for members of this plan are delivered on a tax-qualified basis, with accrued benefits that exceed specific limits under the plan's formula and the US Tax Code being delivered through a supplementary, non-qualified pension plan. The normal pension age under both plans is 65. The tax-qualified plan has unreduced, early retirement benefits payable at age 62, or earlier if:
 - combined age and service at retirement equals or exceeds 85; and
 - at 1 July 1996, combined age and service was equal to or exceeded 60; and
 - the member was categorised as a non-highly compensated employee.

Similar early retirement terms apply to the supplementary, non-qualified plan, as it relates to highly compensated employees.

The US Defined Benefit Pension Plan and the supplementary, non-qualified pension plan have a service cap at 35 years' service, after which no further service accrual is earned.

On death in retirement, there is a pension payable to the surviving spouse or other dependent if the member so elects prior to retirement. The pension plan provides for continuation of service credit in the event of disability until age 65, death or commencement of benefit. In the event of death prior to retirement, pre-survivor retirement benefits are payable under the pension plan and under the insurance plans available to all US employees.

Members and surviving spouses/dependents can elect to take pensions in lump-sum form based on actuarial valuation.

> Other customary benefits (such as a car and health benefits) are also made available through participation in the Company's flexible benefits arrangements, which extend to the vast majority of the Company's UK, Swedish and US employees.

Performance targets and measurement

Each year, as referred to above, both shorter-term and longer-term objectives are agreed with the Board and regularly monitored, in respect of both individual business functions and integrated corporate strategy, in the business performance report. Performance against these objectives determines functional bonuses and, separately, whether or not share options will be granted.

In respect of bonuses in 2005, relevant factors again included financial results ahead of expectations and excellent progress in key areas. Earnings per share increased by 41% compared to 2004; global sales increased by 10% overall and by 27% for key growth products (all at constant exchange rates). A supplemental New Drug Application was submitted to the FDA for a new indication for *Seroquel*. The development pipeline was strengthened, with four new chemical entities entering phase 3 development, and further augmented by three licensing transactions and the acquisition of KuDOS Pharmaceuticals. These achievements were underpinned by a continuing emphasis on cost discipline, improved productivity and performance management. Bonus outcomes reflected overall corporate and relevant functional performance in 2005 against clear objectives. In addition, the Remuneration Committee took into account a balance of measures addressing the quality of these annual results to ensure that the bonus outcomes reflected the underlying performance and strategic direction of the business.

ASTRAZENECA SHARE OPTION PLAN

The AstraZeneca Share Option Plan was approved at the AGM in 2000 following prior consultation with major shareholders. Its design took account of the overall competitiveness of the Company's remuneration arrangements for senior executives and US employees in the context of the Company's peers in the pharmaceutical industry.

The plan, as approved at that time and operated subsequently, required that the Remuneration Committee must, before agreeing the grant of options to Executive Directors and others, be satisfied that both the most recent and the underlying performance of the Company justify each grant; in addition, it must be satisfied that each individual to whom options are proposed to be granted has achieved the necessary performance.

In agreeing grants of options for 2005, the Remuneration Committee took into account that, in the four years prior to the date of grant, AstraZeneca's share price had consistently outperformed the market; in 2004, profits had increased by 15% over 2003; earnings per share had increased by 18% and were above market expectations; and the dividend increased by 18%. In addition, Group sales increased in 2004 by 9% at constant exchange rates, with a 30% increase for the key growth products of *Nexium*, *Seroquel* and *Symbicort*. Although sales of *Crestor* in 2004 had been adversely affected by allegations regarding the product's safety, in March 2005 the FDA denied a request that *Crestor* be withdrawn from the market and stated that data supported the conclusion that "for any degree of LDL-lowering, [*Crestor*] is as safe, and may well be safer than, any other marketed statin with regard to muscle toxicity", providing encouragement for future sales prospects. Strong sales growth continued in emerging markets, for example 34% in China. With regard to R&D, at the end of 2004 there were 40% more projects in clinical development than at the end of the previous year and 20% more projects in pre-clinical testing. All these improvements took place against a background of strict cost control in all commercial, operational and service functions.

In addition to these performance considerations taken into account at the point of granting options, the Remuneration Committee decided to introduce testing performance conditions in respect of the exercise of such granted options for members of the Senior Executive Team, as referred to on page 11.

The Remuneration Committee also sought and received assurances that all individuals proposed for a grant of options had been performing in a manner that justified a grant to them. It was noted that there was some variation in the level of grants being proposed between individuals, to reflect differing levels of performance.

The dilutive effect of the proposed grants of options on the Company's issued share capital was also considered by the Remuneration Committee, in accordance with its commitment that the percentage of the issued share capital that could be allocated under all of the Company's employee share plans over a period of 10 years should be under 10%. This commitment is applied by the Remuneration Committee in practice as a limit, on average, of under 1% per annum. The Remuneration Committee concluded that a grant of options to those plan participants and individual Executive Directors proposed for a grant was appropriate given the level of performance achieved.

For the grants of options since 2004 to members of the Senior Executive Team, the Remuneration Committee has included a condition to the effect that, if an event occurs which causes material reputational damage to the Company, such that it is not appropriate for the options to vest and become exercisable, the Remuneration Committee can make a determination to that effect.

ASTRAZENECA PERFORMANCE SHARE PLAN

As mentioned above, one of the changes announced by the Company following the 2004 review of executive remuneration was the introduction of a new AstraZeneca Performance Share Plan (the "Plan"). Details of the Plan were contained in the 2005 Notice of AGM and were presented to, and approved by, shareholders at the April 2005 AGM.

Grant and vesting of Awards

The Plan provides for the grant of performance share awards ("Awards") in respect of Ordinary Shares in AstraZeneca PLC ("Shares") (which may be delivered in the form of American Depositary Shares in the US). Save in exceptional circumstances, vesting of Awards is contingent on the satisfaction of specified performance targets and continued employment with the AstraZeneca Group. Awards are not pensionable and may not be assigned or transferred (except on a participant's death, when they may be assigned to the participant's personal representatives).

Basis of participation

The Remuneration Committee is responsible for agreeing any Awards under the Plan and for setting the policy for the way in which the Plan should be operated, including agreeing performance targets and which employees should be invited to participate in the Plan. All employees of the Company and its subsidiaries, including Executive Directors, are eligible to participate, although an employee may not be granted an Award if he or she is within six months from retirement. In practice, participation will be highly selective and performance-driven.

Generally, Awards can be granted at any time, but not during a close period of the Company. The first grant of Awards was made on 29 June 2005 (the "Initial Award"), details of which are shown in the table on page 18. Thereafter, the majority of Awards are likely to be made at or around the same time as options are granted under the AstraZeneca Share Option Plan. No payment is required for the grant of Awards.

Performance period

An Award may not generally vest before the third anniversary of its date of grant nor unless the specified performance target(s) have been

met at the end of a three year period. In the case of the Initial Award, the performance target relates to the three year period commencing on 1 January 2005.

Performance targets

For the Initial Award, the performance target will be the Company's Total Shareholder Return ("TSR") over the three year period commencing on 1 January 2005 compared to the TSR of a selected peer group of 12 other pharmaceutical companies for the same period. These companies are:

Abbott Laboratories, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Merck, Novartis, Pfizer, Roche, Sanofi-Aventis, Schering-Plough and Wyeth.

Awards will vest on the basis of the Company's TSR ranking and the vesting schedule set out below:

TSR ranking of the Company	Vesting percentage of shares under Award
Below median	0%
Median	30%
Upper quartile	100%
Between median and upper quartile	Pro rata

To alleviate any short term volatility, the return index is averaged in the TSR calculations for each company over the three months prior to the start and end of the performance period.

The vesting date for the Initial Award is the third anniversary of the 29 June 2005 grant date.

In addition to the TSR performance target being met for the Initial Award as set out above, the Remuneration Committee also has to satisfy itself that achievement of the TSR performance target is a genuine reflection of the Company's underlying financial performance.

The Remuneration Committee has the discretion to award Shares up to a further 25% over and above the Shares subject to the Award, if the Company's TSR performance is substantially better than that of the upper quartile of the comparator group.

The Remuneration Committee may vary or waive these performance target(s) to take account of events that lead the Remuneration Committee, acting fairly and reasonably, to believe the performance target(s) to be no longer appropriate. Any variation to the performance target(s) made by the Remuneration Committee will not result in the revised performance target(s) being, in the opinion of the Remuneration Committee, more difficult or easier to satisfy than the initial performance target(s).

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 CONTINUED

Individual limit

In respect of any financial year, the maximum market value of Shares that may be put under Award in respect of an employee is 500% of that employee's basic salary. This limit excludes the above 25% maximum additional Shares that may vest, at the sole discretion of the Remuneration Committee, if the Company's TSR performance is substantially above that of the upper quartile of the comparator group.

The actual individual limits that apply under the Plan are set by the Remuneration Committee from time to time.

Cessation of employment before an Award has vested

If a participant ceases employment with the AstraZeneca group before an Award has vested at the end of the relevant period, his or her Award(s) will generally lapse. However, if a participant dies or leaves employment in certain circumstances such as ill health, injury, disability, retirement, redundancy or his or her employing business being sold or transferred outside the AstraZeneca group, the Award will, absent additional action by the Remuneration Committee, vest pro rata to the time elapsed between the date of grant of the Award and the date of cessation of employment, at the end of the relevant performance period, subject to the satisfaction of the performance target(s) measured over the relevant performance period.

In view of Sir Tom McKillop's retirement on 31 December 2005, the Award granted to him in 2005 will be appropriately pro-rated and will vest in 2008 subject to the satisfaction of the performance target measured over the whole performance period. Having left the Company six months after the start of the 36 month vesting period, Sir Tom will receive Shares representing approximately one sixth of the value of the Award (if any) when it vests in 2008.

Performance under the AstraZeneca Performance Share Plan in 2005

As mentioned above, the Initial Award was made under the Plan on 29 June 2005 and is listed in the table on page 18. TSR looks at share price increase and dividends re-invested in respect of a notional number of shares, from the beginning of the performance period to the end of it, and ranks the companies in the selected comparator group by reference to the TSR achieved over that period. The rank which the Company's TSR achieves over the performance

period will determine how many Shares will vest under the Initial Award, as per the vesting schedule shown in the table on page 13.

The "Peer Group Graph" on page 17 shows how the Company's TSR performance has compared with the TSR for the companies in the comparator group from 1 January 2005 (the first day of the performance period) to 31 December 2005 and how the Company ranks against those other companies on this basis. We will continue to report on the performance of each Award against the relevant performance target(s) during the relevant vesting period.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The service contracts of the current Executive Directors provide for a notice period of one year. For new Executive Directors, the Board would aim to negotiate a one year notice period. In exceptional circumstances, the initial notice period may be for longer than one year. In those circumstances, the Board would explain to shareholders the reasons why it believed a longer notice period was necessary and it would be the Board's intention that it should be reduced to one year subsequently. At the time of the AGM on 27 April 2006, the unexpired term of Executive Directors' service contracts will be a maximum of one year. The details of the Executive Directors' individual service contracts are set out in the table below. In the event of the termination of an Executive Director's service contract, depending upon the circumstances, the Company may be liable to provide compensation to the Executive Director equivalent to the benefits which he or she would have received during the contractual notice period. For current Executive Directors, it is the Company's expectation that any such liability would be calculated on the basis of one year's base salary, target bonus and other benefits. The Company's policy in the event of the termination of an Executive Director's service contract is to avoid any liability to the Executive Director in excess of his or her contractual entitlement and aim to ensure that any liability is mitigated to the fullest extent possible.

ARRANGEMENTS FOR ÅKE STAVLING

Åke Stavling, formerly an Executive Director, left the Company at the end of January 2003. Mr Stavling's leaving arrangements were fully disclosed in the Directors' Remuneration Report for 2003. Under these arrangements,

Mr Stavling received monthly compensation from the Company until the end of January 2005. The sum received by Mr Stavling in January 2005 is included in the disclosure of Directors' emoluments on page 15. These arrangements have now ceased.

POSITION OF THE NON-EXECUTIVE DIRECTORS

None of the Non-Executive Directors has a service contract. They are not eligible for performance-related bonuses or the grant of share options. No pension contributions are made on their behalf. The fees payable to the Non-Executive Directors are set by a committee of the Board comprising the Executive Directors.

EXTERNAL APPOINTMENTS AND RETENTION OF FEES

With the specific approval of the Board in each case, Executive Directors may accept external appointments as non-executive directors of other companies and retain any related fees paid to them.

Sir Tom McKillop is a Non-Executive Director of BP p.l.c. and was appointed as Deputy Chairman of The Royal Bank of Scotland Group PLC with effect from 1 September 2005. In respect of each position, he retained the fees paid to him for his services. In 2005, the total amount of such fees paid to him in respect of these services was £156,000.

John Patterson was appointed as a Non-Executive Director of Cobham plc on 1 November 2005. In respect of such position, he retained the fees paid to him for his services. In 2005, the total amount of such fees paid to him in respect of these services was £5,000.

Jonathan Symonds is a Non-Executive Director and Chairman of the Audit Committee of Diageo plc. In respect of such position, he retained the fees paid to him for his services. In 2005, the total amount of such fees paid to him in respect of these services was £80,000. Mr Symonds also receives and retains fees of £15,000 per annum for his position as a member of the UK Accounting Standards Board.

DIRECTORS' EMOLUMENTS IN 2005

The Directors' emoluments in 2005 are disclosed on page 15.

DIRECTORS' INTERESTS IN SHARES

Details of the Directors' interests in the Company's Ordinary Shares are disclosed on pages 17 to 20.

AUDIT

The Directors' emoluments in 2005 and the details of the Directors' interests in the Company's Ordinary Shares disclosed on pages 15 to 20 have been audited by the Company's external auditor.

Table showing details of Executive Directors' service contracts at 31 December 2005

Executive Director	Date of service contract	Unexpired term at 31 December 2005	Notice period
Sir Tom McKillop	11 January 1996	Retired 31 December 2005	One year
David R Brennan	1 January 2006	One year	One year
John Patterson	1 January 2005	One year	One year
Jonathan Symonds	20 May 1998	One year	One year

DIRECTORS' EMOLUMENTS IN 2005

The aggregate remuneration, excluding pension contributions and the value of share options and performance share plan awards, paid to or accrued for all Directors and officers of the Company for services in all capacities during the year ended 31 December 2005 was £11 million (\$19 million). Remuneration of individual Directors is set out below in sterling and US dollars. All salaries, fees, bonuses and other benefits for Directors are established in sterling, save for David Brennan's salary, which for 2005 was established in US dollars.

Sterling	Salary and fees £'000	Bonuses		Taxable benefits £'000	Other £'000	Total 2005 £'000	Total 2004 £'000	Total 2003 £'000
		Cash £'000	Shares ⁶ £'000					
Louis Schweitzer	260	–	–	–	–	260	31 ⁴	N/A
Sir Tom McKillop	997	834	417	2	3 ¹	2,253	1,411	1,790
David R Brennan	337 ⁵	251 ⁵	125 ⁵	84 ⁵	22 ⁵	819 ⁵	N/A	N/A
John Patterson	469	350	175	7	48	1,049	N/A	N/A
Jonathan Symonds	577	398	199	8	87 ²	1,269	970	1,071
Sir Peter Bonfield	82	–	–	–	–	82	76	74
John Buchanan	69	–	–	–	–	69	61	53
Jane Henney	57	–	–	–	–	57	54	49
Michele Hooper	49	–	–	–	–	49	43	19 ⁴
Joe Jimenez	49	–	–	–	–	49	43	19 ⁴
Håkan Mogren	100	–	–	–	–	100	479 ³	1,246
Erna Möller	57	–	–	–	–	57	54	49
Dame Bridget Ogilvie	57	–	–	–	–	57	54	49
Marcus Wallenberg	49	–	–	–	–	49	46	46
Former Directors								
Åke Stavling	–	–	–	–	36 ⁷	36 ⁷	435 ⁷	489
Others	–	–	–	–	–	–	269	305
Total	3,209	1,833	916	101	196	6,255	4,026	5,259

US dollars	Salary and fees \$'000	Bonuses		Taxable benefits \$'000	Other \$'000	Total 2005 \$'000	Total 2004 \$'000	Total 2003 \$'000
		Cash \$'000	Shares ⁶ \$'000					
Louis Schweitzer	476	–	–	–	–	476	56 ⁴	N/A
Sir Tom McKillop	1,825	1,527	763	4	6 ¹	4,125	2,566	2,886
David R Brennan	617 ⁵	459 ⁵	230 ⁵	154 ⁵	39 ⁵	1,499 ⁵	N/A	N/A
John Patterson	858	640	320	12	88	1,918	N/A	N/A
Jonathan Symonds	1,056	728	364	14	159 ²	2,321	1,764	1,726
Sir Peter Bonfield	150	–	–	–	–	150	138	119
John Buchanan	126	–	–	–	–	126	111	86
Jane Henney	104	–	–	–	–	104	98	79
Michele Hooper	90	–	–	–	–	90	78	31 ⁴
Joe Jimenez	90	–	–	–	–	90	78	31 ⁴
Håkan Mogren	183	–	–	–	–	183	871 ³	2,008
Erna Möller	104	–	–	–	–	104	98	79
Dame Bridget Ogilvie	104	–	–	–	–	104	98	79
Marcus Wallenberg	90	–	–	–	–	90	84	74
Former Directors								
Åke Stavling	–	–	–	–	66 ⁷	66 ⁷	791 ⁷	788
Others	–	–	–	–	–	–	490	492
Total	5,873	3,354	1,677	184	358	11,446	7,321	8,478

¹ Relates to final payments of relocation allowances.

² Payment for pension-related tax liabilities.

³ Comprises compensation payment of £450,000 (\$818,000) and part-year Non-Executive Director's fee of £29,000 (\$53,000).

⁴ Part year only.

⁵ Part year only as only appointed as a Director on 14 March 2005. Mr Brennan's emoluments for the whole of 2005 totalled £916,000 (\$1,677,000).

⁶ These figures represent that portion of the bonus required to be deferred into shares for a three year period as explained on page 11.

⁷ Compensation payment.

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 CONTINUED

In the tables on page 15, salaries have been converted between sterling and US dollars at the average exchange rate for the year in question. These rates were:

	GBP/USD
2003	0.62
2004	0.55
2005	0.55

Some Directors and officers were also granted options to subscribe for Ordinary Shares under the Company's share option plans and awards under the AstraZeneca Performance Share Plan (or, in the case of David Brennan, the AstraZeneca US Executive Performance Share Plan). Details of share options granted to, and exercised by, Directors and the aggregate of gains realised on exercised options, and of awards under the above performance share plans, in the year are given on pages 18 to 20.

No Director or officer has a family relationship with any other Director or officer.

PENSIONS

Pensions are payable to Directors in sterling. For ease of understanding, the table below has been presented in both sterling and dollars using the exchange rates for 2005 set out above.

Executive Directors' Pension Arrangements

(per annum)	Sir Tom McKillop £'000	David R Brennan £'000	John Patterson £'000	Jonathan Symonds £'000	Sir Tom McKillop \$'000	David R Brennan \$'000	John Patterson \$'000	Jonathan Symonds \$'000
Defined Benefit Arrangements								
1. Accrued pension at 1 January 2005	602	420	222	234	1,102	768	406	428
2. Increase in accrued pension during year as a result of inflation	16	–	6	7	29	–	11	13
3. Adjustment to accrued pension as a result of salary increase relative to inflation	8	17	53	3	15	32	97	5
4. Increase in accrued pension as a result of additional service	13	4	10	12	24	8	18	22
5. Accrued pension at 31 December 2005	639	441	291	256	1,170	808	532	468
6. Employee contributions during year	–	–	–	21	–	–	–	38
7. Transfer value of accrued pension at 31 December 2004	11,585	3,128	3,746	2,190	21,206	5,725	6,857	4,009
8. Transfer value of accrued pension at 31 December 2005	12,652	3,700	5,449	2,593	23,159	6,773	9,974	4,746
9. Change in transfer value during the period less employee contributions	1,067	572	1,703	382	1,953	1,048	3,117	699
10. Age at 31 December 2005	62½	52½	57½	46½	62½	52½	57½	46½
11. Pensionable service (years)	36½	30	30½	25½	36½	30	30½	25½

In advance of the changes to the tax treatment of pensions in the UK, which will take effect from 6 April 2006, the Remuneration Committee considered the impact those changes may have on UK Executive Directors' pension arrangements. The Remuneration Committee has endorsed the offer of a cash allowance in lieu of future pension, payable at the election of each individual Executive Director. The cash allowance will be consistent with the cost of the alternative gross pension benefit.

This approach was considered in the context of:

- > The Company's desire to offer employees flexibility and choice in their reward packages.
- > The Company's policies of funded, defined contribution pension provision.
- > The Company's desire to ensure it does not respond to tax changes in a way that would effectively deliver a guaranteed 'net' pension promise.
- > The requirement that any alternative to pension should be cost-neutral to the Company.

Any resulting impact of this on the presentation of the Executive Directors' pension arrangements will be provided in the Directors' Remuneration Report for 2006.

TRANSACTIONS WITH DIRECTORS

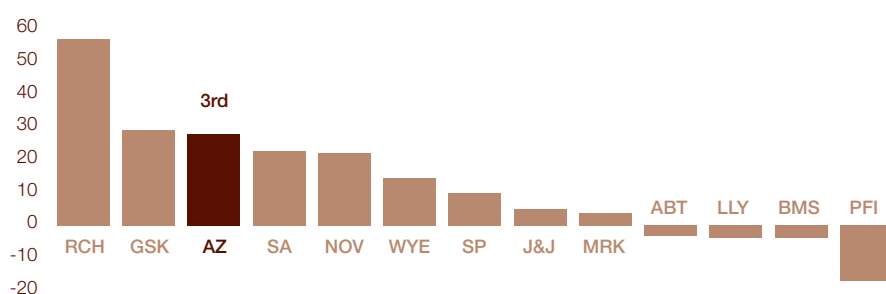
There were no material recorded transactions between the Company and the Directors during 2005 or 2004.

TOTAL SHAREHOLDER RETURN GRAPHS

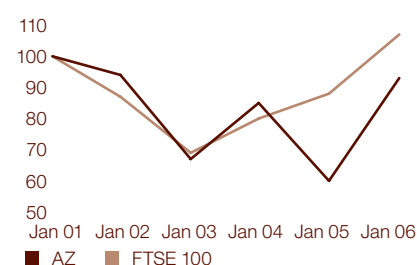
The UK Directors' Remuneration Report Regulations 2002 require the inclusion in the Directors' Remuneration Report of a graph showing total shareholder return (TSR) over a five year period in respect of a holding of the Company's shares, plotted against TSR in respect of a hypothetical holding of shares of a similar kind and number by reference to which a broad equity market index is calculated. The Company is a member of the FTSE 100 Index and consequently, for the purposes of this graph which is set out below, we have selected the FTSE 100 Index as the appropriate index. This graph is re-based to 100 at the start of the rolling five year period.

The AstraZeneca Performance Share Plan (the "Plan") summarised on pages 13 and 14 requires that the total shareholder return (TSR) in respect of a holding of the Company's shares over the relevant performance period be compared with the TSR of a peer group of 12 other pharmaceutical companies. The graph below shows how the Company's TSR performance has compared with the TSR for the companies in the comparator group from 1 January 2005 (the first day of the current three year performance period) to 31 December 2005 and how the Company ranks against those other companies on this basis. To alleviate any short term volatility, the return index is averaged in the TSR calculations for each company over the three months prior to the start of the performance period (as stipulated in the Plan) and, for the purposes of this interim snapshot, over the last three months of 2005.

Total Shareholder Return: AstraZeneca compared with peer group 1 Jan 05 to 31 Dec 05*



Total Shareholder Return: AstraZeneca compared with FTSE 100 over five years*



* Source: Thomson Financial Datastream

DIRECTORS' INTERESTS IN SHARES

The table below shows the interests at 31 December 2005 or on the date of resignation (if earlier) of the persons who on that date were Directors (including the interests of their families) in shares and debentures of AstraZeneca PLC. All such interests were beneficial except as otherwise stated. However, interests in Ordinary Shares or American Depositary Shares (ADSs) that are the subject of awards under the AstraZeneca Performance Share Plan or the AstraZeneca US Executive Performance Share Plan discussed below, are not included in the table immediately below but are shown on page 18. None of the Directors has a beneficial interest in the shares of any of the Company's subsidiaries.

Director	Interest in Ordinary Shares at 1 Jan 2005 or appointment date	Net shares acquired/(disposed)	Interest in Ordinary Shares at 31 Dec 2005 or resignation date
Louis Schweitzer	4,000	–	4,000
Sir Tom McKillop ⁵	77,835	(62,994)	14,841 ²
David R Brennan ⁴	52,160 ^{1,3}	28,452 ¹	80,612 ¹
John Patterson ⁵	353 ³	150	503
Jonathan Symonds ⁵	10,929	598	11,527
Sir Peter Bonfield	500	–	500
John Buchanan	500	2,000	2,500
Jane Henney	500	–	500
Michele Hooper	500	–	500
Joe Jimenez	500	–	500
Håkan Mogren	62,164	–	62,164
Erna Möller	2,718	–	2,718
Dame Bridget Ogilvie	500	–	500
Marcus Wallenberg	70,882	(3,618)	67,264

¹ Numbers of ADSs. One AstraZeneca ADS represents one AstraZeneca PLC Ordinary Share.

² Shareholding at date of retirement.

³ Shareholding at date of appointment.

⁴ Shareholding includes ADSs held in the AstraZeneca Executive Deferral Plan, the AstraZeneca Deferred Compensation Plan and the AstraZeneca Savings and Security Plan (see page 18). Does not include interests in ADSs that are the subject of awards under the AstraZeneca US Executive Performance Share Plan (see page 18).

⁵ Does not include interests in Shares that are the subject of awards under the AstraZeneca Performance Share Plan.

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 CONTINUED

The interests at 31 December 2005, or on the date of resignation (if earlier), of the persons who on that date were Directors, in shares of AstraZeneca PLC that are the subject of Awards under the AstraZeneca Performance Share Plan are not included in the above table but are shown below:

Director	Awards held (target number of shares)		Awards made during 2005 (target number of shares)	Monetary value of Awards made during 2005 ¹ (£)	Date of Award	Date on which Award may vest
	At 1 Jan 2005 or appointment date	At 31 Dec 2005 or resignation date				
Sir Tom McKillop	–	104,417 ³	104,417	2,339,985	29.06.05 ²	29.06.08
John Patterson	–	41,945	41,945	939,987	29.06.05 ²	29.06.08
Jonathan Symonds	–	47,723	47,723	1,069,472	29.06.05 ²	29.06.08

¹ The relevant target percentage of the Director's salary was divided by the price per share at date of grant (2241p) to calculate the target number of shares.

² Initial Award.

³ To be pro-rated as described on page 14.

The interests of David Brennan at 31 December 2005 and on the date of his appointment in ADSs of AstraZeneca PLC that are the subject of awards under the AstraZeneca US Executive Performance Share Plan (established in 2000) are not included in the above tables but are shown below. One ADS equals one AstraZeneca Ordinary Share. The number of ADSs to which Mr Brennan may become unconditionally entitled on the vesting date will be determined by reference to AstraZeneca's total shareholder return compared to that of other companies in the US Pharmaceutical Human Resources Association over the three year performance period.

Director	Awards held (target number of ADSs)		Awards made during 2005 (target number of ADSs)	Monetary value of awards made during 2005 (US\$)	Awards vested during 2005 (number of ADSs)	Monetary value of awards vested during 2005 (US\$)	Awards expired during 2005	Date of award	Date on which award may vest
	At 14 Mar 2005 (appointment date)	At 31 Dec 2005							
David R Brennan	87,163	89,807	27,877	1,124,837 ¹	18,925	749,809 ²	6,308	24.03.05	24.03.08

¹ The award price was US\$40.35.

² The closing price of AstraZeneca ADSs on 28 March 2005 (the date of vesting) was US\$39.62.

Unitised stock plans

David Brennan, in common with other participating US executives, has interests in the following: the AstraZeneca Executive Deferral Plan, the AstraZeneca Executive Deferred Compensation Plan and the AstraZeneca Savings and Security Plan. These are unitised stock plans and participants hold units in each plan. A unit comprises part cash and part ADSs. The overall unit price is determined daily by taking the market value of the underlying ADSs and adding the cash position. The ADSs held within these units carry both voting and dividend rights. Mr Brennan is deemed to have a notional interest in these ADSs, calculated by reference to the fund value and the closing price of AstraZeneca ADSs. As the value of the unit varies the number of ADSs attached to each unit varies. Therefore the number of ADSs held within each unit varies daily.

Unitised stock plan	ADSs held at 14 Mar 2005 (appointment date)	Net ADSs acquired/(disposed)	ADSs held at 31 Dec 2005
AstraZeneca Executive Deferral Plan	46,046	28,407	74,453
AstraZeneca Executive Deferred Compensation Plan ¹	–	–	–
AstraZeneca Savings and Security Plan	5,956	45	6,001

¹ Mr Brennan's interests in this plan do not currently include an interest in any ADSs.

No Director or senior executive beneficially owns, or has options over, 1% or more of the outstanding shares of the Company, nor do they have different voting rights to other shareholders.

SHARE OPTIONS

The interests of Directors and former Directors in options to subscribe for Ordinary Shares of the Company, which include options granted under the AstraZeneca Share Option Plan and the AstraZeneca Savings-Related Share Option Scheme, together with options granted and exercised during the year, are included in the following table:

		No. of shares under option	Exercise price per share ¹	Market price at date of exercise	First day exercisable ²	Last day exercisable ²
Håkan Mogren	At 1 Jan 2005	244,896	2848p		13.12.02	24.03.13
	– market price above option price	–	–		–	–
	– market price below option price	244,896	2848p		13.12.02	24.03.13
	At 31 Dec 2005	244,896	2848p		13.12.02	24.03.13
	– market price above option price	139,530	2499p		13.12.02	24.03.13
	– market price below option price	105,366	3309p		23.08.03	27.03.12
Sir Tom McKillop	At 1 Jan 2005	571,864	2549p		27.03.98	25.03.14
	– market price above option price	79,184	1311p		27.03.98	03.04.07
	– market price below option price	492,680	2748p		26.03.01	25.03.14
	Granted 24 Mar 2005	131,707	2132p		24.03.08	23.03.15
	Exercised 14 Mar 2005	24,513	891p	2176p*	27.03.98	26.03.05
	Exercised 23 May 2005	447	2264p	2325p**	01.12.04	31.05.05
	Expired	130	2971p		01.12.04	31.05.05
	At 31 Dec 2005	678,481	2549p		29.03.99	23.03.15
	– market price above option price	503,827	2251p		29.03.99	23.03.15
	– market price below option price	174,654	3330p		23.08.03	27.03.12
David R Brennan	At appointment date	329,656	\$44.26		16.03.03	25.03.14
	– market price above option price	85,397	\$35.16		25.03.06	24.03.13
	– market price below option price	244,259	\$47.44		16.03.03	25.03.14
	Granted 24 Mar 2005	110,987	\$40.35		24.03.08	23.03.15
	At 31 Dec 2005	440,643	\$43.27		16.03.03	23.03.15
	– market price above option price	364,948	\$41.96		16.03.03	23.03.15
– market price below option price	75,695	\$49.59		28.03.05	27.03.12	
John Patterson	At 1 Jan 2005	144,174	2742p		26.03.01	25.03.14
	– market price above option price	374	1756p		01.12.07	31.05.08
	– market price below option price	143,800	2745p		26.03.01	25.03.14
	Granted 24 Mar 2005	52,908	2132p		24.03.08	23.03.15
	Expired	447	2264p		01.12.04	31.05.05
	At 31 Dec 2005	196,635	2579p		26.03.01	23.03.15
	– market price above option price	146,397	2325p		26.03.01	23.03.15
– market price below option price	50,238	3319p		23.08.03	27.03.12	
Jonathan Symonds	At 1 Jan 2005	252,855	2662p		01.10.00	25.03.14
	– market price above option price	–	–		–	–
	– market price below option price	252,855	2662p		01.10.00	25.03.14
	Granted 24 Mar 2005	60,196	2132p		24.03.08	23.03.15
	Exercised 5 May 2005	298	2264p	2335p**	01.12.04	31.05.05
	Expired	195	2971p		01.12.04	31.05.05
	At 31 Dec 2005	312,558	2560p		01.10.00	23.03.15
	– market price above option price	225,809	2284p		01.10.00	23.03.15
– market price below option price	86,749	3278p		23.08.03	27.03.12	

¹ Exercise prices at 1 January and 31 December are weighted averages.

² First and last exercise dates of groups of options, within which periods there are shorter exercise periods.

* Price at which he sold that same day to meet exercise cost.

** Closing price on day of exercise.

APPENDIX 2: DIRECTORS' REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2005 CONTINUED

In addition to the above, the following Director held options under the Astra Shareholder Value Incentive Plan which were converted into options over AstraZeneca shares on completion of the merger based on an exchange ratio of 0.5045 AstraZeneca options for each Astra option held. No further options have been or will be granted under the scheme:

Astra SVIP Options

		No. of shares under option	Exercise price per share (SEK) ¹	Market price at date of exercise	First day exercisable ²	Last day exercisable ²
Håkan Mogren	At 1 Jan 2005	16,288	429.38		06.04.99	23.01.06
	– market price above option price	–	–		–	–
	– market price below option price	16,288	429.38		06.04.99	23.01.06
	Expired	6,462	410.53		06.04.99	14.01.05
	At 31 Dec 2005	9,826	441.78		06.04.99	23.01.06
	– market price above option price	–	–		–	–
	– market price below option price	9,826	441.78		06.04.99	23.01.06

¹ Exercise prices are weighted averages.

² First and last exercise dates of groups of options, within which periods there are shorter exercise periods.

Gains by Directors on exercise of share options

The aggregate amount of gains made by Directors on the exercise of share options during the year amounted to \$577,795.42 (2004 \$nil, 2003 \$0.5 million) and the gains made by the highest paid Director were \$577,407.91 (2004 \$nil, 2003 \$470,000). The market price of shares trading on the London Stock Exchange at 31 December 2005 was 2829 pence and the range during 2005 was 1861 pence to 2837 pence. The market price of shares trading on the Stockholm Stock Exchange at 31 December 2005 was 388.50 SEK and the range during 2005 was 243.00 SEK to 392.00 SEK. The market price of shares trading on the New York Stock Exchange was \$48.60 at 31 December 2005 and the range during 2005 was \$34.72 to \$49.50. The Register of Directors' Interests (which is open to inspection) contains full details of Directors' shareholdings and options to subscribe for Ordinary Shares.

On behalf of the Board

G H R MUSKER

Group Secretary and Solicitor

2 February 2006

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