

## Consolidated Income Statement

For the <b>Quarter ended</b> 31 March	<b>2006</b> \$m	<b>2005</b> \$m
<b>Sales</b>	6,180	5,743
Cost of sales	(1,251)	(1,410)
Distribution costs	(54)	(50)
Research and development	(861)	(865)
Selling, general and administrative expenses	(2,115)	(2,007)
Other operating income	77	42
<b>Operating profit</b>	1,976	1,453
Finance income	200	119
Finance expense	(132)	(86)
<b>Profit before tax</b>	2,044	1,486
Taxation	(620)	(443)
<b>Profit for the period</b>	1,424	1,043
<b>Attributable to:</b>		
Equity holders of the Company	1,425	1,040
Minority interests	(1)	3
	1,424	1,043
Basic earnings per \$0.25 Ordinary Share	\$0.90	\$0.63
Diluted earnings per \$0.25 Ordinary Share	\$0.90	\$0.63
Weighted average number of Ordinary Shares in issue (millions)	1,579	1,640
Diluted average number of Ordinary Shares in issue (millions)	1,582	1,640

# Consolidated Balance Sheet

As at	31 March 2006 \$m	31 December 2005 \$m
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	7,031	6,985
Intangible assets	3,062	2,712
Other investments	243	256
Deferred tax assets	1,307	1,117
	11,643	11,070
<b>Current assets</b>		
Inventories	2,180	2,206
Trade and other receivables	5,158	4,778
Other investments	3,111	1,624
Income tax receivable	103	183
Cash and cash equivalents	2,954	4,979
	13,506	13,770
<b>Total assets</b>	25,149	24,840
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Interest bearing loans and borrowings	(93)	(90)
Trade and other payables	(5,499)	(5,466)
Income tax payable	(1,547)	(1,283)
	(7,139)	(6,839)
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	(1,078)	(1,111)
Deferred tax liabilities	(1,291)	(1,112)
Retirement benefit obligations	(1,575)	(1,706)
Provisions	(280)	(309)
Other payables	(74)	(72)
	(4,298)	(4,310)
<b>Total liabilities</b>	(11,437)	(11,149)
<b>Net assets</b>	13,712	13,691
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders</b>		
Share capital	395	395
Share premium account	1,051	692
Other reserves	1,837	1,831
Retained earnings	10,335	10,679
	13,618	13,597
<b>Minority equity interests</b>	94	94
<b>Total equity and reserves</b>	13,712	13,691

## Consolidated Cash Flow Statement

For the <b>Quarter ended</b> 31 March	<b>2006</b> \$m	<b>2005</b> \$m
<b>Cash flows from operating activities</b>		
Operating profit before taxation	1,976	1,453
Depreciation and amortisation	282	309
Increase in working capital	(365)	(111)
Other non-cash movements	41	170
Cash generated from operations	1,934	1,821
Interest paid	(12)	(6)
Tax paid	(410)	(306)
<b>Net cash inflow from operating activities</b>	<b>1,512</b>	<b>1,509</b>
<b>Cash flows from investing activities</b>		
Acquisition of business	(203)	-
Movement in short term investments and fixed deposits	(1,524)	158
Purchases of property, plant and equipment	(181)	(213)
Disposals of property, plant and equipment	12	8
Purchase of intangible assets	(108)	(19)
Purchase of non-current asset investments	(14)	(2)
Disposals of non-current asset investments	54	-
Interest received	65	43
Dividends paid by subsidiaries to minority interests	(4)	(4)
<b>Net cash outflow from investing activities</b>	<b>(1,903)</b>	<b>(29)</b>
<b>Net cash (outflow)/inflow before financing activities</b>	<b>(391)</b>	<b>1,480</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	362	4
Repurchase of shares	(564)	(481)
Dividends paid	(1,442)	(1,079)
Movement in short term borrowings	2	(2)
<b>Net cash outflow from financing activities</b>	<b>(1,642)</b>	<b>(1,558)</b>
<b>Net decrease in cash and cash equivalents in the period</b>	<b>(2,033)</b>	<b>(78)</b>
Cash and cash equivalents at the beginning of the period	4,895	3,927
Exchange rate effects	7	(10)
<b>Cash and cash equivalents at the end of the period</b>	<b>2,869</b>	<b>3,839</b>
<b>Cash and cash equivalents consist of:</b>		
Cash and cash equivalents	2,954	3,905
Overdrafts	(85)	(66)
	<b>2,869</b>	<b>3,839</b>

## Consolidated Statement of Recognised Income and Expense

For the <b>Quarter ended</b> 31 March	<b>2006</b> <b>\$m</b>	<b>2005</b> <b>\$m</b>
Profit for the period	1,424	1,043
Foreign exchange adjustments on consolidation	87	(381)
Available for sale gains/(losses) taken to equity	18	(15)
Actuarial gain for the period	151	20
Tax on items taken directly to reserves	(33)	(14)
<b>Total recognised income and expense for the period</b>	<b>1,647</b>	<b>653</b>
<b>Attributable to:</b>		
Equity holders of the Company	1,647	650
Minority interests	-	3

## Notes to the Interim Financial Statements

### 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited financial statements for the quarter ended 31 March 2006 have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union (EU). Details of the accounting policies applied are those set out in AstraZeneca PLC's Annual Report and Form 20-F Information 2005. These accounting policies reflect the adoption in the second quarter of 2005 of the amendment to IAS39 'Financial Instruments: Recognition and Measurement – The Fair Value Option'; the comparative information in these interim financial statements has been restated accordingly. The effect of adoption on the comparative results was not significant.

The information contained in Note 3 updates the disclosures concerning legal proceedings and contingent liabilities in the Company's Annual Report and Form 20-F Information 2005.

These interim financial statements do not constitute statutory accounts of the Group within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2005 will be filed with the Registrar of Companies following the Company's Annual General Meeting. The auditors' report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

### 2 NET FUNDS

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

	1 Jan 2006 \$m	Cash flow \$m	Non-cash movements \$m	Exchange movements \$m	At 31 March 2006 \$m
Loans due after 1 year	(1,111)	-	33	-	(1,078)
Total loans	(1,111)	-	33	-	(1,078)
Other investments - current	1,624	1,524	(38)	1	3,111
Cash and cash equivalents	4,979	(2,032)	-	7	2,954
Overdrafts	(84)	(1)	-	-	(85)
Short term borrowings	(6)	(2)	-	-	(8)
	6,513	(511)	(38)	8	5,972
<b>Net funds</b>	5,402	(511)	(5)	8	4,894

Non-cash movements in the period consist of fair value adjustments under IAS 39.

### 3 LEGAL PROCEEDINGS AND CONTINGENT LIABILITIES

#### **Losec™ / Prilosec™ (omeprazole)**

In February 2006, in the legal proceedings in Canada involving Apotex described in AstraZeneca's Annual Report and Form 20-F Information 2005, the Canadian Federal Court of Appeal upheld a lower court decision that precludes the issuance of a notice of compliance (marketing approval) in Canada for Apotex's generic omeprazole magnesium tablet product until the expiry of an AstraZeneca formulation patent relating to omeprazole in December 2008. This decision does not affect the continuing proceedings in the Supreme Court of Canada in which Apotex is appealing a lower court decision to quash Apotex's notice of compliance (marketing approval) for its generic omeprazole capsule product, nor does it affect the stay allowing Apotex to continue selling its omeprazole capsules in Canada pending a decision by the Supreme Court on Apotex's appeal.

#### **Nexium™ (esomeprazole)**

As previously disclosed, in March 2006 AstraZeneca commenced wilful infringement patent litigation in the US District Court for the District of New Jersey against IVAX Corporation and its affiliates in response to an Abbreviated New Drug Application filed by IVAX with the US Food and Drug Administration regarding IVAX's intent to market a generic version of Nexium™ in the US prior to the expiration of five AstraZeneca patents: 5,714,504; 5,877,192; 6,369,085; 6,428,810; and 6,875,872. The expiration dates for these patents range from 2014 through to 2019.

AstraZeneca has full confidence in and will continue vigorously to defend and enforce its intellectual property rights protecting Nexium™.

#### **Seroquel™ (quetiapine fumarate)**

Since 2003, AstraZeneca has been served with approximately 130 lawsuits in the US in which plaintiffs have alleged that they developed diabetes or other allegedly related injuries, and in some cases pancreatitis, as a result of taking Seroquel™ and/or other atypical anti-psychotics made by other pharmaceutical companies. Many of these cases were filed in Missouri in August 2005, days before Missouri's tort reform laws became effective. Eli Lilly, the maker of olanzapine, is a defendant in the majority of the cases served on AstraZeneca. Janssen Pharmaceutica and Bristol-Myers Squibb, the makers of other atypical anti-psychotics, are also defending a number of them.

AstraZeneca has also been served with a putative nationwide class action complaint, which was filed in federal court in the Southern District of Illinois. It is very similar in form and content to the complaint filed in the US District Court for the Middle District of Florida in 2003 (Susan Zehel-Miller et al. v. AstraZeneca [sic], AstraZeneca Pharmaceuticals LP, [sic]) that sought certification of a nationwide class of Seroquel™ users and others, including individuals who were alleged to have developed diabetes as a result of using Seroquel™. The federal court in Florida denied certification of the class in the Zehel-Miller case. In early 2005, after the plaintiffs' efforts in that case to secure appellate relief failed, the plaintiffs agreed to a voluntary dismissal of all of their claims with prejudice.

AstraZeneca is also aware of approximately 360 other cases involving Seroquel™ (and in many instances, other atypical anti-psychotics) and allegations of diabetes or other allegedly related injuries that have been filed in various states, but these have not been served.

Recently, two consortia of plaintiffs' lawyers filed motions with the Judicial Panel on Multidistrict Litigation seeking centralisation of all of the federal court cases alleging that Seroquel™ caused diabetes or other allegedly related injuries. AstraZeneca has opposed this motion. The Panel's decision is not expected before the end of May 2006.

AstraZeneca intends to defend vigorously all of the pending cases relating to Seroquel™.

#### **Toprol-XL™ (metoprolol succinate)**

Following issuance of the summary judgement decision that the Toprol-XL™ patents are invalid and unenforceable, AstraZeneca has been served with several putative class action complaints filed in the US District Court for the District of Delaware, one such action filed in the US District Court for the District of Massachusetts and one such action filed in the US District Court for the Southern District of Florida alleging that AstraZeneca monopolised the market for metoprolol succinate by filing patent litigation against KV Pharmaceutical Company, Andrx Pharmaceuticals LLC and Eon Labs Manufacturing Inc. asserting invalid and unenforceable patents in violation of US anti-trust laws. The complaints include those by plaintiffs purporting to represent the class of distributors who purchased Toprol-XL™ directly from AstraZeneca at allegedly supra-competitive prices and those by plaintiffs purporting to represent the class of consumers and third party payers who are indirect purchasers of Toprol-XL™ at allegedly supra-competitive prices. AstraZeneca has appealed the underlying judgment that the patents are invalid and unenforceable to the US Court of Appeals for the Federal Circuit. AstraZeneca also denies the allegations of the anti-trust complaints and will vigorously defend them.

#### 4 FIRST QUARTER TERRITORIAL SALES ANALYSIS

	1st Quarter 2006 \$m	1st Quarter 2005 \$m	% Growth	
			Actual	Constant Currency
US	2,882	2,500	15	15
Canada	250	248	1	(5)
North America	3,132	2,748	14	13
France	415	451	(8)	2
UK	193	188	3	12
Germany	279	315	(11)	(2)
Italy	314	285	10	22
Sweden	78	80	(3)	11
Europe others	893	846	6	16
Total Europe	2,172	2,165	-	10
Japan	304	337	(10)	1
China	72	62	16	14
Rest of World	500	431	16	15
Total	6,180	5,743	8	12

## 5 FIRST QUARTER PRODUCT SALES ANALYSIS

	World				US	
	1 <sup>st</sup> Quarter 2006 \$m	1 <sup>st</sup> Quarter 2005 \$m	Actual Growth %	Constant Currency Growth %	1 <sup>st</sup> Quarter 2006 \$m	Actual Growth %
Gastrointestinal:						
Nexium	1,189	1,055	13	16	791	14
Losec/Prilosec	344	427	(19)	(15)	55	(8)
Others	18	17	6	12	3	-
<b>Total Gastrointestinal</b>	<b>1,551</b>	<b>1,499</b>	<b>3</b>	<b>6</b>	<b>849</b>	<b>13</b>
Cardiovascular:						
Seloken/Toprol-XL	456	408	12	13	354	21
Crestor	387	273	42	45	220	43
Atacand	254	235	8	14	58	4
Tenormin	76	83	(8)	(2)	7	133
Zestril	75	87	(14)	(8)	6	200
Plendil	72	93	(23)	(20)	6	(73)
Others	70	78	(10)	(4)	1	(50)
<b>Total Cardiovascular</b>	<b>1,390</b>	<b>1,257</b>	<b>11</b>	<b>15</b>	<b>652</b>	<b>23</b>
Respiratory:						
Pulmicort	328	314	4	7	209	20
Symbicort	277	247	12	21	-	-
Rhinocort	85	92	(8)	(7)	61	(9)
Oxis	22	23	(4)	5	-	-
Accolate	18	28	(36)	(36)	12	(43)
Others	35	42	(17)	(10)	-	-
<b>Total Respiratory</b>	<b>765</b>	<b>746</b>	<b>3</b>	<b>8</b>	<b>282</b>	<b>8</b>
Oncology:						
Arimidex	335	256	31	38	128	27
Casodex	274	277	(1)	6	66	6
Zoladex	231	231	-	6	24	(25)
Iressa	50	81	(38)	(34)	4	(87)
Faslodex	44	29	52	55	25	25
Nolvadex	21	28	(25)	(18)	1	-
Others	3	3	-	-	-	-
<b>Total Oncology</b>	<b>958</b>	<b>905</b>	<b>6</b>	<b>12</b>	<b>248</b>	<b>1</b>
Neuroscience:						
Seroquel	807	633	27	29	590	29
Local anaesthetics	132	127	4	10	24	41
Zomig	93	68	37	43	40	344
Diprivan	89	107	(17)	(14)	34	(24)
Others	15	17	(12)	(6)	4	(20)
<b>Total Neuroscience</b>	<b>1,136</b>	<b>952</b>	<b>19</b>	<b>22</b>	<b>692</b>	<b>30</b>
Infection and Other:						
Merrem	141	131	8	13	29	-
Other Products	68	97	(30)	(26)	33	(42)
<b>Total Infection and Other</b>	<b>209</b>	<b>228</b>	<b>(8)</b>	<b>(4)</b>	<b>62</b>	<b>(28)</b>
Aptium Oncology	88	83	6	6	88	6
Astra Tech	83	73	14	25	9	50
<b>Total</b>	<b>6,180</b>	<b>5,743</b>	<b>8</b>	<b>12</b>	<b>2,882</b>	<b>15</b>

## Shareholder Information

### ANNOUNCEMENTS AND MEETINGS

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Annual General Meeting 2006	27 April 2006
Announcement of second quarter and half year 2006 results	27 July 2006
Announcement of third quarter and nine months 2006 results	26 October 2006

### DIVIDENDS

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The record date for the second interim dividend for 2005 paid on 20 March 2006 was 10 February 2006. Ordinary Shares traded ex-dividend on the London and Stockholm Stock Exchanges from 8 February 2006. ADRs traded ex-dividend on the New York Stock Exchange from the same date.

Dividends will normally be paid as follows:

First interim	Announced in July and paid in September
Second interim	Announced in January/February and paid in March

### TRADEMARKS

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

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

### ADDRESSES FOR CORRESPONDENCE

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<b>Registrar and Transfer Office</b>	<b>Depository for ADRs</b>	<b>Registered Office</b>	<b>Swedish Securities Registration Centre</b>
The AstraZeneca Registrar Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA UK	JP Morgan Chase Bank JP Morgan Service Center PO Box 3408 South Hackensack NJ 07606-3408 US	15 Stanhope Gate London W1K 1LN UK	VPC AB PO Box 7822 SE-103 97 Stockholm Sweden
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### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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In order to utilise the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, AstraZeneca is providing the following cautionary statement. This announcement contains forward-looking statements with respect to the financial condition, results of operations and businesses of AstraZeneca. By their nature, forward-looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward-looking statements. These factors include, among other things, the loss or expiration of patents, marketing exclusivity or trade marks; exchange rate fluctuations; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; taxation risks; the risk of substantial product liability claims; the impact of any failure by third parties to supply materials or services; the risk of delay to new product launches; the difficulties of obtaining and maintaining governmental approvals for products; and the risk of environmental liabilities.