

In April 1999, Astra AB and Zeneca Group PLC merged to form AstraZeneca, one of the world's leading pharmaceutical and agrochemical companies, which provides innovative, effective products to improve health, nutrition and quality of life worldwide. The company is research and technology intensive, with extensive international development and marketing skills. Its healthcare business is strategically focused on seven major therapeutic areas: gastrointestinal, oncology, pain control and anaesthesia, cardiovascular, central nervous system, respiratory and infection. Zeneca Agrochemicals provides crop protection products designed to improve crop yields and food quality.

GROUP STRATEGY

As a research and development based company dedicated to improving health and the quality of life, AstraZeneca will serve the best interests of its shareholders by effectively meeting the needs of its customers and, in particular, patients.

During 1999, AstraZeneca took the actions necessary to optimise the future development of each of its businesses. Zeneca Specialties was sold in a buyout jointly financed by Cinven and Investcorp, putting that business in a better position to achieve future growth within its own sector. Plans have also been announced to spin off and merge Zeneca Agrochemicals with the agrochemicals and seeds business of Novartis to form Syngenta, which will become the world's largest, free-standing, agribusiness.

This will leave AstraZeneca positioned as a pure healthcare company with a primary focus on pharmaceuticals. AstraZeneca's pharmaceuticals' sales of \$14.8 billion in 1999 made it one of the world's largest pharmaceutical companies. Its research investment of \$2.5 billion also places it amongst the largest in the industry. The company has the products and pipeline required to build for the future.

The core of AstraZeneca's strategy is the application of science and technology to deliver a continuous flow of effective new products, designed to meet the needs of healthcare providers and patients: products which deliver true value in the treatment of disease.

AstraZeneca intends to use its leading position in many important areas of medicine to make a difference to the lives of patients and the healthcare professionals who treat them. The company will strive to be first with new ideas and innovative in all areas of the business in order to create value for its customers, shareholders, employees and the communities in which it works.

AstraZeneca's business priorities are:

Customer focus

In all aspects of the company's enterprise, the needs of the customer will be paramount.

Fast, effective integration

AstraZeneca is committed to the completion of the work required to integrate its two predecessor companies into a single, coherent new organisation. It is creating an efficient, effective company, capable of competing with the best and delivering the synergy benefits promised at the time of the merger.

Growth through key products

The growth of the business through the next decade will be fuelled by ensuring optimal market shares for AstraZeneca's range of existing products, coupled with the successful introduction of the new products in late stage development.

Winning in the US

Such is the importance of the US market that special focus is being given to the growth of the US business as a critical, integrated part of the global organisation. The strategy includes major investments in R&D in the US.

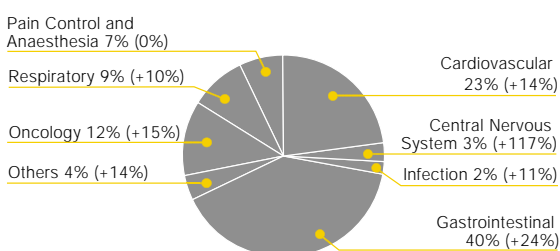
Secure the flow of new products

Increasing efforts are being devoted to the application of leading-edge science and technology to improve the quality and efficiency of the drug discovery process, thereby providing a strong flow of high potential candidates for development as new medicines. AstraZeneca's in-house work is complemented by an extensive network of collaborations with leading academic centres and biotechnology companies in addition to an active in-licensing programme.

Build the talent base

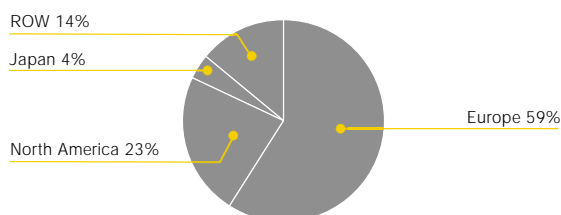
The company aims to attract and retain the best talent. This will be done by building a culture which values, recognises and rewards outstanding performance in all aspects of its business.

ASTRAZENECA 1999: PHARMACEUTICAL SALES BY THERAPEUTIC AREA
Value: \$14.8 billion (+18%)



Figures in brackets show sales growth at constant exchange rates.

PERCENTAGE OF EMPLOYEES BY GEOGRAPHIC AREA (at end 1999)



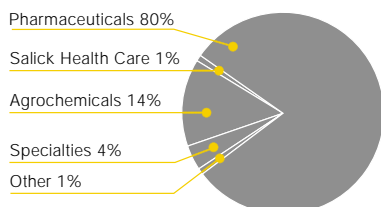
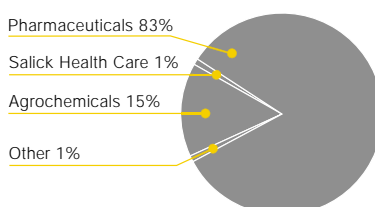
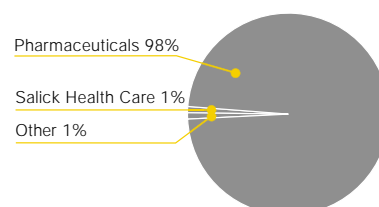
For more information, please visit our website at www.astrazeneca.com

OPERATIONS BEFORE EXCEPTIONAL ITEMS

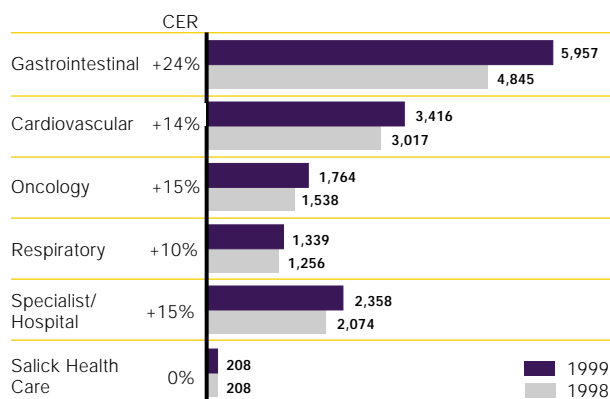
	Actual 1999	Pro Forma 1998	Constant Currency %
Sales \$m			
Group	18,445	17,117	+ 9
Continuing (excluding Specialties) ¹	17,791	15,823	+ 13
Ongoing (excluding Specialties and Agrochemicals) ²	15,134	13,033	+ 17
Operating Profit \$m			
Group	3,908	3,507	+ 12
Continuing (excluding Specialties) ¹	3,837	3,361	+ 15
Ongoing (excluding Specialties and Agrochemicals) ²	3,570	3,002	+ 20
Earnings per share \$			
Group	1.54	1.36	+ 14
Group (Statutory FRS3)	0.64	1.47	
Continuing (excluding Specialties) ¹	1.51	1.30	+ 17
Ongoing (excluding Specialties and Agrochemicals) ²	1.41	1.17	+ 22

¹ Following the completion of the sale of Zeneca Specialties on 30 June 1999, the results for AstraZeneca on a continuing basis exclude the results of Zeneca Specialties.

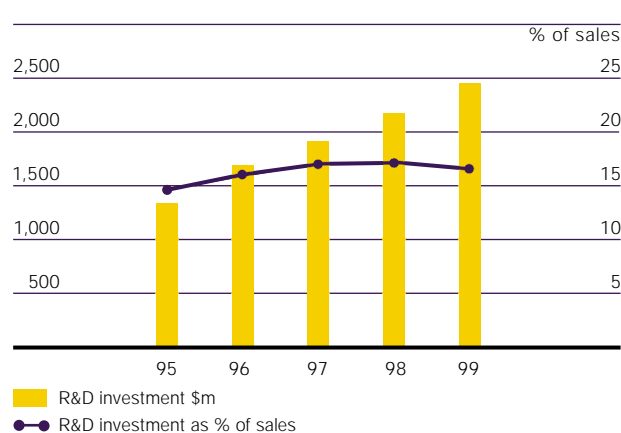
² Following the announcement on 2 December 1999 of the proposed spin-off of Zeneca Agrochemicals and its subsequent merger with the crop protection and seeds activities of Novartis to form Syngenta AG, the results for AstraZeneca on an ongoing basis exclude the results of Zeneca Agrochemicals and Zeneca Specialties.

GROUP SALES 1999

CONTINUING SALES 1999

ONGOING SALES 1999

HEALTHCARE SALES BY THERAPEUTIC AREA \$m

Pro forma combined


PHARMACEUTICAL R&D INVESTMENT \$m

Pro forma combined


SHARE DIVIDEND FOR 1999

	Per share	Payment date
	\$	
First interim dividend	0.23	25 October 1999
Second interim dividend*	0.47	17 April 2000

* Holders of Ordinary Shares and Bearer Warrants in VPC will receive dividends in sterling and Swedish Kronor (29.1 pence and SEK 4.01). These amounts were calculated using the exchange rates at close of business on 23 February 2000.