

AstraZeneca PLC

The dividend of Syngenta shares: A summary for UK shareholders

Dividend

On 13 November 2000, AstraZeneca declared a dividend. This dividend was in addition to the two regular, interim dividends declared in respect of 2000.

This dividend was *not* paid in cash, as usually happens with dividends. Instead, it was paid in the form of shares in Syngenta AG. This is why the dividend was referred to as a dividend in kind or a dividend in specie.

As payment of the dividend, the Syngenta shares were transferred into your name without cost to you. You did not "buy" the Syngenta shares; they were distributed to you free of charge by AstraZeneca¹. At the commencement of trading, these shares were valued at £33.80 each.

The ratio 1 : 40.237651 determined how many Syngenta shares you received. For every 40.237651 AstraZeneca shares held on 10 November 2000, you were entitled to receive one Syngenta share.

Entitlements to Fractions of a Syngenta Share

The ratio 1 : 40.237651 meant that most shareholders were entitled to receive a fraction of a Syngenta share, as well as a number of whole Syngenta shares. Fractions of Syngenta shares could not be distributed and therefore were not transferred to you. Instead, all of the fractions were amalgamated and the resulting number of Syngenta shares were sold at a price of £33.08 per Syngenta share. The proceeds of sale, net of broker's commission of 7 pence per Syngenta share, were paid to you in proportion to your entitlement to a fraction of a Syngenta share².

The Syngenta Share Dealing Service

On behalf of Syngenta AG, Lloyds TSB offered a low cost share dealing service which enabled shareholders with 2,500 AstraZeneca shares or less, who wanted to sell their Syngenta shares immediately, to do so at a relatively low cost.

Lloyds TSB sold these Syngenta shares on behalf of shareholders who opted to use this facility at a price of £33.08 per Syngenta share. This price reflected the market price of Syngenta shares at the time of the sale. If you used the share dealing facility, the proceeds of sale, net of broker's commission of 0.5% (or a minimum of £4.75), were paid to you by cheque³.

Documents Received by Shareholders

¹ Statement of Entitlement dated 13 November 2000 showing the number of whole Syngenta shares (in the form of CREST Depository Interests, or CDIs) received by you. **NOTE:** If you sold your Syngenta shares immediately using the Syngenta share dealing service provided by Lloyds TSB, you will *not* have received a Statement of Entitlement.

² Cheque dated 20 November 2000 for the proceeds of sale of the fractional entitlement to a Syngenta share.

³ Cheque dated 16 November 2000 for the proceeds of sale of the Syngenta shares and a contract note relating to the sale. **NOTE:** If you did *not* use the Syngenta share dealing facility to sell your Syngenta shares immediately, you will *not* have received a cheque or contract note.

If you need any of the above documents and have not received them, please telephone Lloyds TSB Registrars on 0870 600 3956. Please note that if you are a non-tax payer, you do not need a tax voucher.

UK Income Tax: General

The dividend of Syngenta shares is an income distribution for UK tax purposes. This means that the Syngenta shares which you received are treated as "income" in your hands and, consequently, for some shareholders, a liability to UK income tax arises (see further below).

For income tax purposes, the value of the dividend including any fractional entitlement (sometimes referred to as the declared cash amount of the dividend) is 84 pence per AstraZeneca share, equivalent to £33.80 per Syngenta share.

AstraZeneca sent a tax voucher to you showing the value of the dividend for tax purposes and the associated tax credit⁴. No cheques were attached to the tax voucher, nor were any payments made into your bank account, because the dividend was not paid in cash.

Income Tax: Non-Tax Payers

For non-tax payers, no repayment can be claimed for the tax credit shown on the tax voucher.

Income Tax: Basic Rate Tax Payers

For basic rate income tax payers, no additional UK income tax liability arises in respect of the declared dividend.

Income Tax: Higher Rate Tax Payers

For higher rate income tax payers, additional UK income tax liability does arise in respect of the dividend in the form of Syngenta shares received by you. The effective rate of tax is 25% of the declared cash amount of the dividend; as stated above, the declared cash amount of the dividend is 84 pence per AstraZeneca share, equivalent to £33.80 per Syngenta share.

Income Tax: Trustees of Discretionary Trusts

For trustees of certain types of trust, including discretionary and accumulation trusts, which are chargeable to tax at the Schedule F trust rate, a UK income tax liability arises in respect of the dividend received in the form of Syngenta shares. The effective rate is 16.67% of the declared cash amount of the dividend; as stated above, the declared cash amount of the dividend is 84 pence per AstraZeneca share, equivalent to £33.80 per Syngenta share.

Capital Gains Tax: AstraZeneca Shares

AstraZeneca shares were not affected at all, for capital gains tax purposes, by the dividend in the form of Syngenta shares. There was *no* change to the acquisition cost of AstraZeneca shares for capital gains tax purposes.

Capital Gains Tax: Syngenta Shares

The acquisition cost of the Syngenta shares (including fractional entitlements) for capital gains tax purposes was the declared cash amount of the dividend; as stated above, the declared cash amount of the dividend was 84 pence per AstraZeneca share, equivalent to £33.80 per Syngenta share.

Upon the disposal of the Syngenta shares, depending upon your personal circumstances, any gain may be subject to capital gains tax. A loss on disposal may be capable of being set against other taxable capital gains.

Capital Gains Tax: Sale of Fractional Entitlements to Syngenta Shares

The sale of your fractional entitlement to Syngenta shares was a disposal for capital gains tax purposes. The sale price was £33.08 per whole Syngenta share. This price reflected the market price of Syngenta shares at the time of the sale. For capital gains tax purposes, a loss of 72 pence per Syngenta share arose on this disposal which, together with the disposal costs, may be capable of being set against other taxable capital gains.

Capital Gains Tax: Sale of Syngenta Shares Using the Syngenta Share Dealing Service

If you used the Syngenta share dealing service to sell all of your Syngenta shares, the sale was a disposal for capital gains tax purposes. The sale price was £33.08 per Syngenta share. This price reflected the market price of Syngenta shares at the time of the sale. For capital gains tax purposes, a loss of 72 pence per Syngenta share arose on this disposal which, together with the disposal costs, may be capable of being set against other taxable capital gains.

⁴ Tax voucher dated 27 November 2000 showing the value of the dividend for income tax purposes. **NOTE:** All UK shareholders were sent a tax voucher which should be retained for inclusion as dividend income in your self-assessment tax return for 2000-2001, if applicable.

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