



Wayne, PA, July 2, 1998

**ASTRA COMPLETE AGREEMENT WITH MERCK
TO RESTRUCTURE RELATIONSHIP
-- ASTRA PHARMACEUTICALS BEGINS OPERATIONS --**

Astra AB (NYSE:A) has completed the previously announced restructuring with Merck & Co., Inc. (NYSE:MRK) whereby the businesses of Astra Merck, Inc. and Astra's wholly owned subsidiary, Astra USA, Inc., have been combined to create a new U.S. limited partnership, Astra Pharmaceuticals, L.P. Astra Pharmaceuticals is managed by Astra as its general partner.

Astra Pharmaceuticals, with headquarters in Wayne, PA, and production and development facilities in Westborough, MA, had pro forma 1997 sales of approximately \$2.7 billion, representing about 40 percent of Astra Group sales. The new company has approximately 3,800 employees, including a 2,200-person sales force.

Carl-Gustaf Johansson, President and CEO of Astra Pharmaceuticals, said, "Under this new structure, Astra Group's presence in the U.S., the world's largest pharmaceutical market, has been substantially enhanced. Over the long-term we expect to capture revenue synergies through the efficient marketing of products in our current portfolio and the

compounds that will emerge from our R&D pipeline. We are well-positioned to enter the U.S. market as the leading pharmaceutical company in the gastrointestinal area, and also with an established presence in the cardiovascular field, as well as a rapidly expanding respiratory business.”

Astra and Merck began their collaboration in the U.S. in 1982 and formally commenced their 50-50 joint venture, Astra Merck, in 1994.

Astra is an international pharmaceutical company, based in Sweden, with subsidiaries in some 40 countries. The company, a leader in the development of gastrointestinal, cardiovascular, respiratory and pain control products with 1997 revenues of \$5.9 billion, has been one of the fastest-growing pharmaceutical companies over the past decade.

This press release contains “forward-looking statements,” as that term is defined in the Private Securities Litigation Reform Act of 1995. No forward-looking statements can be guaranteed and actual results may differ materially from those indicated as a result of various important factors. Additional, detailed information concerning certain such factors and other risks are set forth in Astra’s filings with the Securities and Exchange Commission, including its annual report on Form 20-F for the fiscal year ended December 31, 1997. A copy of Astra’s Form 20-F is available upon request to Astra’s Office of Investor Relations.

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