

## AstraZeneca PLC

### Full Year Results 2000

***'Profit before tax up 16 per cent; EPS up 18 per cent'***

#### Financial Highlights (before Exceptional Items)

<b>Group</b> <b>(Continuing operations*)</b>	<b>Full Year</b> <b>2000</b> <b>\$m</b>	<b>Full Year</b> <b>1999</b> <b>\$m</b>	<b>Constant</b> <b>Currency</b> <b>%</b>
Sales	15,804	15,134	+8
Operating Profit	3,984	3,570	+14
Profit before Tax	4,110	3,556	+16
Earnings per Share			
Group	\$1.64	\$1.41	+18
Group (Statutory FRS3)	\$1.44	\$0.64	

*\* Excluding Specialties and Agrochemicals from both periods*

*All narrative in this section refers to growth rates at constant exchange rates (CER)*

- Sales up 8 per cent; US Pharmaceuticals up 12 per cent
- Operating profit up 14 per cent; EPS up 18 per cent
- Strength of US Dollar reduced reported sales by 4 per cent and operating profit by 2 per cent
- Important growth products up 50 per cent; Life cycle initiatives fuel growth of Atacand<sup>®</sup>, Casodex<sup>®</sup>, Arimidex<sup>®</sup>, Zomig<sup>®</sup>, and Seroquel<sup>®</sup>
- Continued good progress with the new product pipeline, with fourteen high quality candidate drugs nominated for development, ahead of target
- The statutory accounts for the Group include the results of Specialties through 30 June 1999, and for Agrochemicals through 13 November 2000. Including the results of these discontinued operations the Group had reported sales of \$18,103 million (\$18,445 million in 1999), operating profit (pre exceptional items) of \$4,330 million (\$3,908 million in 1999), and EPS of \$1.44 (\$0.64 in 1999)

**Tom McKillop, Chief Executive Officer, said:** "Significant progress was made last year. Following the demerger of Agrochemicals, we became one of the most focused pharmaceutical companies in the industry; AstraZeneca is operating successfully as a single unified global organisation, and our exciting R&D pipeline made strong progress. These are important achievements which give us confidence that we will deliver sustained growth in shareholder value."

# AstraZeneca PLC

## Fourth Quarter Results 2000

### Financial Highlights (before Exceptional Items)

<b>Group</b> <b>(Continuing operations*)</b>	<b>4th Quarter</b> <b>2000</b> <b>\$m</b>	<b>4th Quarter</b> <b>1999</b> <b>\$m</b>	<b>Constant</b> <b>Currency</b> <b>%</b>
Sales	4,144	3,916	+13
Operating Profit	971	796	+22
Profit before Tax	1,034	802	+23
Earnings per Share			
Group	\$0.42	\$0.32	+25
Group (Statutory FRS3)	\$0.19	\$(0.10)	

\* Excluding Specialties and Agrochemicals from both periods

All narrative in this section refers to growth rates at constant exchange rates (CER)

- Sales up 13 per cent; US Pharmaceuticals up 22 per cent
- Operating profit up 22 per cent
- EPS up 25 per cent
- Strength of US Dollar reduced reported sales by 7 per cent and operating profit by 1 per cent
- The statutory accounts for the Group include the results of Agrochemicals through 13 November 2000. Including the results of these discontinued operations the Group had reported sales of \$4,265 million (\$4,493 million in 1999), operating profit (pre exceptional items) of \$965 million (\$789 million in 1999), and EPS of \$0.19 (\$(0.10) in 1999).

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Photographs of the AstraZeneca annual results conference are available from newscast at [www.newscast.co.uk](http://www.newscast.co.uk) from 1pm (UK time) today.

**Business Highlights 2000** *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated*

Healthcare sales in the fourth quarter returned to double digit growth (up 13 per cent) bringing sales for the year in line with our revised projection of 8 per cent. Group operating profits increased by 22 per cent for the quarter, and 14 per cent for the full year. The strength of the dollar reduced reported operating profits by 1 per cent for the quarter and by 2 per cent for the full year. Earnings per share (before exceptional items) grew by 25 per cent in the quarter and by 18 per cent for the year. The Board has recommended a second interim dividend of \$0.47 (32.1 pence, SEK 4.49) which will be paid on 9 April 2001.

The key growth products grew by 50 per cent in aggregate, fuelled by important life cycle initiatives. These included launches of Atacand® Plus/Atacand® HCT, Casodex® for monotherapy of advanced prostate cancer, Arimidex® for first line treatment of advanced breast cancer, Zomig® Rapimelt® tablets, and a further twenty country launches for Seroquel®.

For Losec®/Prilosec® it was another year of good growth. Reported sales for Prilosec® in the USA finished somewhat ahead of prescription growth in a highly competitive PPI market that grew by 21 per cent.

The rollout of Nexium® is underway, with launches in nine European markets to date. We are still planning for a first quarter launch in the USA and are moving to closure on the last few significant issues with the FDA.

It was another productive year for the R&D organisation. The Discovery group delivered fourteen new high quality candidate drugs into development, exceeding their target. The strength of our research programmes, the calibre of the scientists, the depth of the enabling technologies, and the world class laboratory facilities that support their efforts were the focus of the 12 December 2000 R&D presentation at Mölndal.

Throughout the year, the progressive unveiling of major clinical data for Nexium®, Viozan™, the Oral Direct Thrombin Inhibitor, Iressa™ and Crestor™ has reinforced the promising product profiles which underpin our commercial ambitions. As the year ended, this promise was beginning to be translated into performance in the market, with the first launches of Nexium® and Symbicort®. The early information emerging from tracking the progress of these launches is very encouraging, and we look forward to continued progress in the coming year.

**Future Prospects** *All narrative in this section refers to growth rates at constant exchange rates (CER) unless otherwise indicated*

The next two years will be challenging as we shift our reliance on hugely successful, yet maturing products, like Losec® and Zestril®, to the equally exciting new generation of medicines with high potential that will form the basis for future growth. In the short term, the aim is to balance investment in new product launches to fuel our future growth, whilst delivering acceptable returns to shareholders.

We have clearly signalled our intention to realise the full potential of the strong pipeline, including further investment in sales and marketing as the new products roll out, and also in research and development, particularly in post launch studies. The realisation of the full synergy benefits, efficient deployment of resources and firm prioritisation of the portfolio will be essential in achieving this.

Delivery of our current plans for 2001 would result in mid single digit sales growth and earnings per share growth slightly ahead of this.

**Disclosure Notice:** The preceding forward looking statements relating to expectations for earnings and business prospects for the Company are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the forward looking statements. These include, but are not limited to: the timing of the launch of generic omeprazole in the USA, the successful registration and launch of new products (in particular Nexium® and Crestor™), continued growth of currently marketed products, the growth in costs and expenses, the amount of net interest income earned on the Group's cash balances, exchange rate fluctuations, and further improvements in the tax rate. For further details on these and other risks and uncertainties, see the Company's Securities and Exchange commission filings, including the 1999 annual report on Form 20-F.

## Healthcare

All narrative in this section refers to the fourth quarter unless otherwise indicated. Growth rates are at constant currency

Sales grew by 13 per cent; operating profits were up 22 per cent.

### Gastrointestinal

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
Losec®/Prilosec®	1,728	1,522	+19	6,260	5,909	+9
Nexium®	13	-	-	17	-	-
Total	1,752	1,534	+20	6,322	5,957	+9

- Prilosec® sales in the USA for the quarter were 26 per cent ahead of last year indicating some inventory building in the distribution channels. For the full year, this amounts to around 2 of the 10 percentage points of growth. Market share in the antisecretory market held steady at around 31 per cent, but continued to come under some pressure from new entrants within the PPI segment which showed continued strong growth (up 21 per cent).
- The paediatric clinical trial programme for Prilosec® was completed in the fourth quarter, and the data were submitted to FDA for review.
- Pre-trial proceedings are essentially complete for the first four defendants in the US patent litigation for Prilosec® in the USA. The parties await rulings on summary judgement motions and further scheduling decisions as to the timing and venue for trial proceedings.
- Outside of the USA, Losec® sales increased by 7 per cent in the quarter, with strong performances in France and Italy more than offsetting sales declines elsewhere in some other European markets.
- With launches in nine European markets, Nexium® is off to an excellent start. Early market tracking from the UK and Germany indicate market acceptance rivalling the best launches ever seen in these markets.
- The broad GP launch of Nexium® in Sweden, as well as a further 20 launches, is anticipated this year, including the USA.

### Cardiovascular

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
Zestril®	228	297	-17	1,188	1,221	+1
Atacand®	97	55	+92	293	171	+82
Seloken®/Toprol-XL®	172	122	+50	577	531	+13
Plendil®	127	124	+10	480	452	+11
Total	842	870	+5	3,477	3,416	+6

- As expected, sales of Zestril® were down in the quarter. Continued inventory de-stocking in the USA led to a 30 per cent decline in reported sales vs the fourth quarter 1999; coupled with rebate-related price variances on performance contracts recorded earlier in the year, this resulted in a 2 per cent growth in the USA for the year. This masks good underlying prescription growth of nearly 10 per cent, and sales are anticipated to be more in line with prescription trends this year.
- A strong fourth quarter, particularly in the USA, brought Seloken®/Toprol-XL® full year growth rate more in line with the growing demand for the product.
- Atacand® showed continued strong growth for the quarter and the year, supported by the roll outs of Atacand® Plus in many major markets. Atacand® HCT was launched in the USA in the fourth quarter.

Respiratory

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
Pulmicort®	193	191	+13	705	730	+5
Accolate®	21	47	-55	152	156	-2
Rhinocort®	56	30	+97	221	167	+37
Oxis®	32	24	+58	116	87	+48
Total	348	347	+11	1,372	1,339	+10

- In the USA sales of Pulmicort® increased by 168 per cent in the quarter and by 76 per cent for the year. The successful launch of Pulmicort® Respules® as well as a nearly 40 per cent increase in prescriptions for the Turbuhaler® drove this performance. Competitor inroads in the mature markets resulted in a more modest worldwide sales increase.
- Rhinocort® performance benefited from the successful US launch of Rhinocort® Aqua®.
- Continued wholesaler de-stocking and a declining prescription trend resulted in a weak quarter for Accolate® in the USA, which more than offset the modest growth seen in other markets.
- Symbicort® received its first approval in Sweden. Since its launch in late August market response has been encouraging, with an 8.2 per cent share of the inhaled steroid and fixed combination market achieved in four months. Further European launches in the first half of this year will follow the December approval through the EU Mutual Recognition Procedure.

Oncology

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
Casodex®	119	95	+33	433	340	+31
Arimidex®	39	40	+10	156	140	+19
Nolvadex®	171	144	+21	576	573	+1
Zoladex®	181	194	+1	734	686	+10
Total	518	480	+15	1,929	1,764	+12

- Good growth continued for Casodex®, with a particularly strong performance in Japan. The monotherapy claim for locally advanced prostate cancer has now been launched in 9 markets, with notable uptake seen in the UK and Sweden. We plan to submit registrations for the treatment of early prostate cancer later this year. The submission for the 150 mg tablet for use in advanced disease was withdrawn in the USA; this dosage form will now be submitted in conjunction with the early prostate filing.
- US sales of Arimidex® for the year were slightly behind the 14 per cent increase in prescriptions; inventory building seen in the fourth quarter last year makes for a difficult comparison. Whilst competition is intensifying in the aromatase inhibitor market, the year-end approval in Japan, and the continued global roll-out of the first-line indication underpin our near-term aspirations, ahead of the eagerly awaited reports from the adjuvant trial program in early disease.
- Nolvadex® sales in the USA in the fourth quarter rebounded from the de-stocking that marked the first nine month's results. The year-end growth rate still trails the 7 per cent growth in prescriptions.
- Regulatory filings for Faslodex® will commence in the first quarter of 2001, with the submission in the USA for second-line treatment of advanced breast cancer. European and Japanese registrations will await the first line data, with filings anticipated in the first quarter 2002.

Specialist/Hospital

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
Seroquel®	131	71	+89	424	232	+85
Zomig®	59	54	+18	237	189	+31
Merrem®	48	39	+33	170	153	+18
Diprivan®	114	144	-15	507	608	-14
Xylocaine®	63	65	+3	238	249	-3
Marcaïne®	25	25	+4	92	88	+8
Astra Tech	29	29	+17	114	111	+13
Salick Health Care	41	44	-7	176	208	-15
Total	658	663	+5	2,598	2,566	+5

- Seroquel® had an excellent year, with prescription growth of around 75 per cent in the USA, and its share of new prescriptions exceeded 12 per cent in December. We are also beginning to see some contribution from the 20 new launches in 2000, including encouraging uptake in Germany and Italy. Registration was achieved in Japan in December.
- Zomig® sales advanced on continued market share gains, helped by the launch of Zomig® Rapimelt® tablets in 14 markets. This formulation was filed for US approval in June. Zomig® sales increased 33 per cent for the year in the USA where it gained nearly 3 percentage points in market share in an otherwise sluggish triptan market.
- Diprivan® sales exceeded a half billion dollars for the year despite the availability of generic propofol in the US market, helped by continued strong growth in Japan (up 28 per cent).

#### Geographic (Pharmaceuticals)

	Fourth Quarter		CER %	Full Year		CER %
	2000	1999		2000	1999	
USA	2,136	1,749	+22	7,977	7,156	+12
Europe	1,267	1,421	+6	5,064	5,310	+6
Japan	244	242	+3	825	710	+8
RoW	430	438	+6	1,656	1,658	+2

- In the USA the growth rate in the fourth quarter rebounded sharply from the depressed third quarter levels. Prilosec® increased 26 per cent for the quarter, and the rest of the portfolio also turned in solid growth of 17 per cent (28 per cent if the abnormally weak Zestril® sales are excluded).
- In Europe, sales in Germany (generics) and the UK (price reductions) were down, while strong demand was seen in France and Italy.
- Sales growth in Japan for the full year was again ahead of the market. Growth was driven by Casodex®, Zoladex®, and Diprivan®. Expansion of the Losec® label and launches of the recently approved Arimidex®, Accolate® and Seroquel® feature prominently in this year's outlook.

## Operating Profit

Healthcare operating profit before exceptional items grew by 22 per cent to \$978 million for the quarter; and for the year reached \$4,011 million, up 14 per cent.

The operating margin increased from 20.6 per cent in the fourth quarter of 1999 to 23.7 per cent, partly due to synergy benefits and a gain of \$56 million on the disposal of the antiseptics product range. For the full year the operating margin was 25.6 per cent, ahead of the target of 25 per cent set for the year.

Synergy benefits of \$225 million were recorded in the fourth quarter bringing the total benefits to date to \$650 million, which is \$150 million ahead of the original target. Approximately \$500 million of the benefits are in the Selling, General and Administrative area. Exceptional items of \$100 million related to the ongoing integration and synergy programmes were charged in the quarter, bringing the total programme to \$1,186 million. The balance of approximately \$150 million will be charged in 2001.

The fourth quarter was influenced by currency volatility, particularly through the weakened Euro. Healthcare sales and profits were reduced in the quarter by 7 per cent and 1 per cent respectively. For the full year, exchange rate movements reduced sales by 4 per cent (approximately \$600 million) and operating profits by 2 per cent (approximately \$75 million). For 2001, if current spot rates stay constant for the remainder of the year, we would estimate a further adverse impact of around 2 per cent on sales and profits, or 2 cents on earnings per share.

## Agrochemicals

The demerger of the Agrochemicals business and the creation of Syngenta were completed on 13 November and shares in the new company were distributed to shareholders on the basis of one Syngenta share for every 40.237651 of AstraZeneca shares held. The amount of this dividend in specie is recorded in the Group accounts at the book value of the net assets which were deconsolidated, \$2,059 million, together with \$813 million of related goodwill which had previously been written off to reserves, less debt and liabilities assumed by Zeneca Agrochemicals, \$1,203 million. Following a refinancing, Syngenta repaid \$909 million of debt in cash.

The costs related to the demerger, which have been booked as an exceptional charge, amounted to \$150 million, together with a net tax cost of \$50 million. The Group has also taken an exceptional charge of \$88 million to provide for the impairment of its 50% interest in the seed company Advanta, and to write off \$49 million of related goodwill which had previously been taken to reserves.

## Interest

The Group net interest income of \$135 million (1999 net cost of \$4 million) includes one-time exchange gains of \$46 million, equivalent to \$0.02 cents per share. The improvement in the Group's net interest position reflects its strong positive cash flow and the cash received from Syngenta.

## Taxation

The effective tax rate for the full year was 33.8 per cent compared to 41.6 per cent last year. Excluding exceptional items, the effective rate for the full year for the Group is 29.8 per cent (29.9 per cent last year), and for continuing operations 29.0 per cent (29.5 per cent last year).

## Cash Flow

Cash generated from operating activities before exceptional items amounted to \$5.0 billion for the full year. This was used to pay dividends to shareholders (\$1.2 billion), to fund capital expenditures and acquisition of minority interests of \$1.6 billion, exceptional items costs of \$0.8 billion and to pay taxes of \$0.6 billion. Net cash inflow for the year before financing transactions and the share repurchase programme was \$1.6 billion, including \$0.9 billion net debt repayment from Syngenta. At 31 December 2000 the Group had net funds of \$3.6 billion.

## **Share Repurchase Programme**

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No further share repurchases were made during the fourth quarter of 2000: 9.4 million shares were repurchased during the year at a cost of \$353 million. We expect the programme of share buybacks to continue as part of a structured process of balance sheet management and shareholder return.

The total number of shares repurchased for cancellation since the start of the programme in December 1999 stands at 13.7 million at an aggregate cost of \$536 million. The total number of shares in issue (as at 31 December 2000) was 1,766 million.



## Upcoming Milestones and Key Dates

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18-21 March	American College of Cardiology, Orlando, Florida: Crestor™ Phase III data
First Quarter	Faslodex® NDA submission for second line advanced breast cancer
26 April	First Quarter Results and Annual General Meeting
Second Quarter	Crestor™ NDA/MAA submissions
26 July	Half Year Results

Tom McKillop  
Chief Executive Officer

## Consolidated Profit & Loss Account For Continuing Operations Before Exceptional Items

	4th Quarter 2000 \$m	4th Quarter 1999 \$m	Year 2000 \$m	Year 1999 \$m
<b>Sales</b>	4,144	3,916	15,804	15,134
Cost of sales	(1,136)	(1,045)	(4,181)	(4,087)
Distribution costs	(42)	(57)	(210)	(230)
Research and development	(778)	(711)	(2,620)	(2,472)
Selling, general and administrative expenses	(1,317)	(1,349)	(5,032)	(4,915)
Other operating income	100	42	223	140
<b>Group operating profit</b>	971	796	3,984	3,570
Share of joint venture and associates' operating profits/(losses)	(19)	(14)	(12)	(10)
Net interest and dividend income	82	20	138	(4)
<b>Profit on ordinary activities before taxation</b>	1,034	802	4,110	3,556
Taxation	(300)	(240)	(1,192)	(1,048)
<b>Profit on ordinary activities after taxation</b>	734	562	2,918	2,508
Attributable to minorities	1	2	(9)	-
<b>Net profit for the period</b>	735	564	2,909	2,508
Earnings per Ordinary Share	\$0.42	\$0.32	\$1.64	\$1.41
Diluted earnings per Ordinary Share	\$0.42	\$0.32	\$1.64	\$1.41
Weighted average number of Ordinary Shares in issue (millions)	1,766	1,777	1,768	1,776
Diluted average number of Ordinary Shares in issue (millions)	1,768	1,779	1,770	1,779

Statutory Consolidated Profit and Loss Accounts including discontinued operations and exceptional items for the years ended 31 December 2000 and 1999 are provided on pages 10 and 11, respectively.

## Consolidated Profit and Loss Account

For the year ended 31 December 2000	Continuing operations \$m	Discontinued operations \$m	Exceptional items \$m	Total \$m
<b>Sales</b>	15,804	2,299	-	18,103
Cost of sales	(4,181)	(1,299)	(11)	(5,491)
Distribution costs	(210)	(76)	-	(286)
Research and development	(2,620)	(222)	(51)	(2,893)
Selling, general and administrative expenses	(5,032)	(399)	(260)	(5,691)
Other operating income	223	43	-	266
<b>Group operating profit</b>	3,984	346	(322)	4,008
Share of joint venture and associates' operating profits/(losses)	(12)	-	(137)	(149)
Profits less losses on sale, closure, or demerger of operations	-	-	(150)	(150)
Net interest and dividend income	138	-	-	138
<b>Profit on ordinary activities before taxation</b>	4,110	346	(609)	3,847
Taxation	(1,192)	(135)	28	(1,299)
<b>Profit on ordinary activities after taxation</b>	2,918	211	(581)	2,548
Attributable to minorities	(9)	(1)	-	(10)
<b>Net profit for the financial year</b>	2,909	210	(581)	2,538
Dividends to Shareholders				
Cash				(1,236)
Dividend in specie - demerger of Zeneca Agrochemicals				(1,669)
<b>Loss retained for the financial year</b>				(367)
Earnings per Ordinary Share	\$1.64	\$0.12	\$(0.32)	\$1.44
Diluted earnings per Ordinary Share	\$1.64	\$0.12	\$(0.32)	\$1.44
Weighted average number of Ordinary Shares in issue (millions)				1,768
Diluted average number of Ordinary Shares in issue (millions)				1,770

## Consolidated Profit and Loss Account

For the year ended 31 December 1999	Continuing operations \$m	Discontinued operations \$m	Exceptional items \$m	Total \$m
<b>Sales</b>	15,134	3,311	-	18,445
Cost of sales	(4,087)	(1,913)	(37)	(6,037)
Distribution costs	(230)	(113)	-	(343)
Research and development	(2,472)	(341)	(110)	(2,923)
Selling, general and administrative expenses	(4,915)	(655)	(1,015)	(6,585)
Other operating income	140	49	-	189
<b>Group operating profit</b>	3,570	338	(1,162)	2,746
Share of joint venture and associates' operating profits/(losses)	(10)	3	-	(7)
Profits less losses on sale and closure of operations	-	-	237	237
Merger costs	-	-	(1,013)	(1,013)
Net interest	(4)	-	-	(4)
<b>Profit on ordinary activities before taxation</b>	3,556	341	(1,938)	1,959
Taxation	(1,048)	(118)	351	(815)
<b>Profit on ordinary activities after taxation</b>	2,508	223	(1,587)	1,144
Attributable to minorities	-	(1)	-	(1)
<b>Net profit for the financial year</b>	2,508	222	(1,587)	1,143
Dividends to Shareholders				(1,242)
<b>Loss retained for the financial year</b>				(99)
Earnings per Ordinary Share	\$1.41	\$0.13	\$(0.90)	\$0.64
Diluted earnings per Ordinary Share	\$1.41	\$0.13	\$(0.90)	\$0.64
Weighted average number of Ordinary Shares in issue (millions)				1,776
Diluted average number of Ordinary Shares in issue (millions)				1,779

# Consolidated Balance Sheet

At 31 December	2000 \$m	1999 \$m
<b>Fixed assets</b>		
Tangible fixed assets	4,957	5,981
Goodwill and intangible assets	2,951	3,736
Fixed asset investments	11	185
	<u>7,919</u>	<u>9,902</u>
<b>Current assets</b>		
Stocks	2,105	2,156
Debtors	3,960	4,470
Cash and short-term investments	4,450	3,288
	<u>10,515</u>	<u>9,914</u>
<b>Total assets</b>	<u>18,434</u>	<u>19,816</u>
<b>Creditors due within one year</b>		
Short-term borrowings and current instalments of loans	(214)	(378)
Other creditors	(6,683)	(6,641)
	<u>(6,897)</u>	<u>(7,019)</u>
<b>Net current assets</b>	<u>3,618</u>	<u>2,895</u>
<b>Total assets less current liabilities</b>	<u>11,537</u>	<u>12,797</u>
<b>Creditors due after more than one year</b>		
Loans	(631)	(739)
Other creditors	(296)	(463)
<b>Provisions for liabilities and charges</b>	<u>(1,068)</u>	<u>(1,253)</u>
	<u>(1,995)</u>	<u>(2,455)</u>
<b>Net assets</b>	<u>9,542</u>	<u>10,342</u>
<b>Capital and reserves</b>		
Shareholders' funds - equity interests	9,521	10,302
Minority equity interests	21	40
<b>Shareholders' funds and minority interests</b>	<u>9,542</u>	<u>10,342</u>

## Consolidated Cash Flow Statement

For the year ended 31 December	Year 2000 \$m	Year 1999 \$m
<b>Cash flow from operating activities</b>		
Operating profit before exceptional items	4,330	3,908
Depreciation and amortisation	988	1,069
Increase in working capital	(340)	(219)
Other non-cash movements	14	(59)
<b>Net cash inflow from operating activities before exceptional items</b>	4,992	4,699
Outflow related to exceptional items	(809)	(1,586)
<b>Net cash inflow from operating activities</b>	4,183	3,113
Dividends received from joint ventures and associates	-	3
Returns on investments and servicing of finance	19	29
Tax paid	(648)	(1,020)
Capital expenditure and financial investment	(1,426)	(2,731)
Acquisitions and disposals	(169)	1,978
Net repayment of debt by Zeneca Agrochemicals	909	-
Equity dividends paid to Shareholders	(1,220)	(1,216)
<b>Net cash inflow before management of liquid resources and financing</b>	1,648	156
<b>Management of liquid resources</b>		
Movement in short-term investments and fixed deposits (net)	(608)	(254)
<b>Financing</b>	(400)	(182)
<b>Increase/(decrease) in cash in the period</b>	640	(280)

## Statement of Total Recognised Gains and Losses

For the year ended 31 December	2000 \$m	1999 \$m
Net profit for the financial year	2,538	1,143
Exchange adjustments on net assets	(1,038)	(740)
Translation differences on foreign currency borrowings	154	132
Tax on translation differences on foreign currency borrowings	(42)	(22)
<b>Total recognised gains and losses for the financial year</b>	1,612	513

# Notes to the Preliminary Announcement

## 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 December 2000 have been prepared in accordance with UK generally accepted accounting principles. The accounting policies applied are those set out in AstraZeneca PLC's 1999 Annual Report and Form 20-F, except that during the current period AstraZeneca adopted Financial Reporting Standard No. 15 "Tangible Fixed Assets" (FRS15) and Financial Reporting Standard No. 16 "Current Tax" (FRS 16). The adoption of these standards had no material impact on the Group's results or net assets.

On 13 November 2000 AstraZeneca demerged Zeneca Agrochemicals, which was merged with the agribusiness of Novartis to form Syngenta. The impact of the demerger on the AstraZeneca financial statements is shown in Note 3 below. The business, together with the Zeneca Specialties business, which was sold in 1999, is reported as discontinued in the financial statements.

The results for the year ended 2000 presented in this preliminary announcement are extracted from, and are consistent with, those in the Group's audited financial statements for the year ended 31 December 2000 and those financial statements will be delivered to the Registrar of Companies following the Company's annual general meeting. The information in this preliminary announcement does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 1999 have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985.

## 2 JOINT VENTURES AND ASSOCIATES

The Group's share of joint venture sales for the year ended 31 December 2000 amounted to \$195m and \$208m for the comparative period. Share of joint venture and associates' operating (loss)/profits for the year to 31 December 2000 amounted to \$(149)m and \$nil respectively, and for the comparative period \$(9)m and \$2m, respectively. Joint venture losses reflect operational losses of \$12m, together with an exceptional charge of \$88m to provide for impairment of the 50% interest in the seed company Advanta, and write-off of \$49m of related goodwill which had previously be taken to reserves.

## 3 ZENECA AGROCHEMICALS DEMERGER

The contribution of Zeneca Agrochemicals to Syngenta was treated in the financial statements as a dividend in specie. Shares in Syngenta were distributed to shareholders on the basis of 1 Syngenta share for every 40.237651 AstraZeneca shares held. The impact of the demerger is set out below.

		\$m
Fixed assets		1,491
Current assets		2,130
Creditors due within one year		(1,306)
Creditors due after more than one year and provisions		(246)
Book value of Zeneca Agrochemicals net assets disposed		2,069
Minority interest share of net assets		(10)
Goodwill previously charged to reserve written back		813
		2,872
Repayment of debt by Zeneca Agrochemicals		
Net repayment of debt per Cash Flow Statement	(909)	
Net financial liabilities demerged	(294)	(1,203)
Dividend in specie		1,669





## 4 EXCEPTIONAL ITEMS

Exceptional items included in the profit and loss account	4th Quarter 2000 \$m	4th Quarter 1999 \$m	Year 2000 \$m	Year 1999 \$m
Integration and synergy costs	(100)	(532)	(322)	(864)
Astra Pharmaceuticals L.P. restructuring costs	-	(4)	-	(28)
Salick Health Care impairment and rationalisation costs	-	(145)	-	(145)
Agrochemicals restructuring costs*	-	(125)	-	(125)
<b>Exceptional items included in operating profits</b>	<b>(100)</b>	<b>(806)</b>	<b>(322)</b>	<b>(1,162)</b>
Impairment of investment in Advanta B.V. (after charging \$49m of goodwill previously written off to reserves)	(137)	-	(137)	-
Costs related to the demerger of Zeneca Agrochemicals and formation of Syngenta*	(150)	-	(150)	-
Gain on disposal of Specialties business (after charging \$406m of goodwill previously written off to reserves)*	-	-	-	237
<b>Profit/(loss) on sale and closure of operations and assets</b>	<b>(287)</b>	<b>-</b>	<b>(287)</b>	<b>237</b>
Merck 'Trigger Event' payment and related costs	-	(96)	-	(809)
Other merger costs	-	-	-	(204)
<b>Merger costs</b>	<b>-</b>	<b>(96)</b>	<b>-</b>	<b>(1,013)</b>
<b>Total exceptional items before taxation</b>	<b>(387)</b>	<b>(902)</b>	<b>(609)</b>	<b>(1,938)</b>
Net taxation (charge)/credit	(15)	166	28	351
	<b>(402)</b>	<b>(736)</b>	<b>(581)</b>	<b>(1,587)</b>

\* These items relate to discontinued operations

Current period cash flow related to exceptional items and merger related payments, before associated tax charge/relief	Year 2000 \$m	Year 1999 \$m
Merck 'Trigger Event' payment	(93)	(713)
Merger, integration and synergy costs	(532)	(527)
Salick Health Care rationalisation	(11)	12
Agrochemicals restructuring	(46)	(20)
Costs relating to the disposal of Specialties business	(62)	(338)
Demerger of Zeneca Agrochemicals and formation of Syngenta		(65) -
Outflow related to exceptional charges	(809)	(1,586)
Proceeds from the disposal of Specialties business (included in 'Acquisitions and disposals')	-	1,956
Repayment of debt by Zeneca Agrochemicals	909	-
<b>Exceptional item cash flow</b>	<b>100</b>	<b>370</b>
'First Option' payment to Merck (included in capital expenditure and financial investment)	-	(967)
<b>Exceptional and merger related cash flow</b>	<b>100</b>	<b>(597)</b>

## 5 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 \$m	1999 \$m
Shareholders' funds at beginning of year	10,302	10,929
Net profit for the financial year	2,538	1,143
Dividends - cash	(1,236)	(1,242)
- dividend in specie	(1,669)	-
	(367)	(99)
Issues of AstraZeneca PLC Ordinary Shares	19	19
Repurchase of AstraZeneca PLC Ordinary Shares	(353)	(183)
Astra AB minority interest buy out	(8)	(142)
Goodwill written back	862	410
Foreign currency adjustments, net of tax	(926)	(630)
Other movements	(8)	(2)
Net reduction in Shareholders' funds	(781)	(627)
Shareholders' funds at end of year	9,521	10,302

## 6 NET CASH FUNDS

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

	At 1 Jan 2000 \$m	Cash flow \$m	Acquisitions* & disposals \$m	Other non-cash movements \$m	Exchange movements \$m	At 31 Dec 2000 \$m
Loans due after 1 year	(739)	(28)	25	99	12	(631)
Current instalments of loans	(34)	25	11	(97)	7	(88)
Finance leases	(2)	2	-	-	-	-
Total loans and lease finance	(775)	(1)	36	2	19	(719)
Short-term investments	2,859	608	(1)	46	(83)	3,429
Cash	429	613	-	-	(21)	1,021
Overdrafts	(167)	27	-	-	27	(113)
Short-term borrowings, excluding overdrafts	(177)	67	92	-	5	(13)
	2,944	1,315	91	46	(72)	4,324
<b>Net cash funds</b>	2,169	1,314	127	48	(53)	3,605
Issue of shares		(19)				
Repurchase of shares		353				
<b>Net cash inflow before management of liquid resources and financing</b>		1,648				

\* Excluding cash and overdrafts

## 7 SEGMENT ANALYSIS

	4th Quarter 2000 \$m	4th Quarter 1999 \$m	Year 2000 \$m	Year 1999 \$m
<b>Sales by class of business</b>				
Healthcare	4,118	3,894	15,698	15,042
Other trading	26	22	106	92
Continuing operations	4,144	3,916	15,804	15,134
Agrochemicals (discontinued)	121	553	2,299	2,657
Specialties (discontinued)	-	24	-	654
Group	4,265	4,493	18,103	18,445
<b>Operating profit/(loss) before exceptional items</b>				
Healthcare	978	803	4,011	3,595
Other trading	(7)	(7)	(27)	(25)
Continuing operations	971	796	3,984	3,570
Agrochemicals (discontinued)	(6)	(11)	346	267
Specialties (discontinued)	-	4	-	71
Group	965	789	4,330	3,908
<b>Operating profit/(loss) before exceptional items as a percentage of sales</b>	%	%	%	%
Healthcare	23.7	20.6	25.6	23.9
Continuing operations	23.4	20.3	25.2	23.6

## 8 PRODUCT AND TERRITORIAL SEGMENT SALES ANALYSIS

	4th Quarter 2000 \$m	4th Quarter 1999 \$m	% Growth Constant Currency	Year 2000 \$m	Year 1999 \$m	% Growth Constant Currency
Gastrointestinal:						
Losec/Prilosec	1,728	1,522	19%	6,260	5,909	9%
Nexium	13	-	-	17	-	-
Others	11	12	9%	45	48	2%
Total Gastrointestinal	1,752	1,534	20%	6,322	5,957	9%
Cardiovascular:						
Zestril	228	297	-17%	1,188	1,221	1%
Seloken/Toprol-XL	172	122	50%	577	531	13%
Tenormin	108	141	-16%	471	509	-4%
Plendil	127	124	10%	480	452	11%
Atacand	97	55	92%	293	171	82%
Others	110	131	-7%	468	532	-6%
Total Cardiovascular	842	870	5%	3,477	3,416	6%
Respiratory:						
Pulmicort	193	191	13%	705	730	5%
Rhinocort	56	30	97%	221	167	37%
Accolate	21	47	-55%	152	156	-2%
Bricanyl	31	39	-11%	125	142	-6%
Oxis	32	24	58%	116	87	48%
Others	15	16	13%	53	57	2%
Total Respiratory	348	347	11%	1,372	1,339	10%
Oncology:						
Zoladex	181	194	1%	734	686	10%
Nolvadex	171	144	21%	576	573	1%
Casodex	119	95	33%	433	340	31%
Arimidex	39	40	10%	156	140	19%
Others	8	7	14%	30	25	32%
Total Oncology	518	480	15%	1,929	1,764	12%
Specialist/Hospital:						
Diprivan	114	144	-15%	507	608	-14%
Xylocaine	63	65	3%	238	249	-3%
Marcaine	25	25	4%	92	88	8%
Seroquel	131	71	89%	424	232	85%
Zomig	59	54	18%	237	189	31%
Merrem	48	39	33%	170	153	18%
Other Products	148	192	-17%	640	728	-8%
Astra Tech	29	29	17%	114	111	13%
Salick Health Care	41	44	-7%	176	208	-15%
Total Specialist/Hospital	658	663	5%	2,598	2,566	5%
Total Healthcare	4,118	3,894	13%	15,698	15,042	8%

**8 PRODUCT AND TERRITORIAL SEGMENT SALES ANALYSIS (CONT.)**

	4th Quarter 2000 \$m	4th Quarter 1999 \$m	% Growth Constant Currency	Year 2000 \$m	Year 1999 \$m	% Growth Constant Currency
Territorial Analysis						
USA:						
Pharmaceuticals	2,136	1,749	22%	7,977	7,156	12%
Salick Health Care	41	44	-7%	176	208	-15%
Total USA	2,177	1,793	21%	8,153	7,364	11%
Japan	244	242	3%	825	710	8%
France	224	246	10%	886	870	16%
Germany	171	207	-3%	699	850	-7%
Italy	138	141	18%	555	579	9%
Sweden	76	96	-2%	318	359	-4%
UK	191	229	-3%	718	819	-7%
Rest of World	897	940	6%	3,544	3,491	10%
Total Healthcare	4,118	3,894	13%	15,698	15,042	8%

Constant currency % growth has been calculated excluding the effects arising from exchange rate movements.

## Convenience Translation of Key Financial Information

For the three months ended 31 December	2000 \$m	1999 \$m	2000 £m	1999 £m	2000 SEKm	1999 SEKm
<b>Total Sales</b>	4,265	4,493	2,858	3,010	40,684	42,859
Continuing operations	4,144	3,916	2,776	2,624	39,530	37,355
Healthcare	4,118	3,894	2,759	2,609	39,282	37,145
<b>Operating profit before exceptional items (EI)</b>	965	789	647	529	9,205	7,526
Continuing operations before EI	971	796	651	533	9,262	7,593
Healthcare before EI	978	803	655	538	9,329	7,660
<b>Profit before tax on continuing operations before EI</b>	1,034	802	693	537	9,863	7,650
<b>Net profit/(loss) for the period</b>	331	(173)	222	(116)	3,157	(1,650)
<b>Earnings per Ordinary Share pre EI</b>	\$0.42	\$0.32	£0.28	£0.21	SEK4.01	SEK3.05

For the year ended 31 December	2000 \$m	1999 \$m	2000 £m	1999 £m	2000 SEKm	1999 SEKm
<b>Total Sales</b>	18,103	18,445	12,129	12,358	172,685	175,947
Continuing operations	15,804	15,134	10,589	10,140	150,754	144,363
Healthcare	15,698	15,042	10,518	10,078	149,743	143,486
<b>Operating profit before exceptional items (EI)</b>	4,330	3,908	2,901	2,618	41,304	37,278
Continuing operations before EI	3,984	3,570	2,669	2,392	38,003	34,054
Healthcare before EI	4,011	3,595	2,687	2,409	38,261	34,293
<b>Profit before tax on continuing operations before EI</b>	4,110	3,556	2,754	2,383	39,205	33,921
<b>Net profit for the period</b>	2,538	1,143	1,700	766	24,210	10,903
<b>Basic earnings per Ordinary Share</b>	\$1.44	\$0.64	£0.96	£0.43	SEK13.74	SEK6.10
<b>Earnings per Ordinary Share pre EI</b>	\$1.76	\$1.54	£1.18	£1.03	SEK16.79	SEK14.69
<b>Dividend per Ordinary Share</b>	\$0.70	\$0.70	46.9p	46.9p	SEK6.68	SEK6.68
<b>Net cash inflow from operating activities</b>	4,183	3,113	2,803	2,086	39,902	29,695
<b>Increase/(decrease) in cash</b>	640	(280)	429	(188)	6,105	(2,671)
<b>Shareholders' funds - equity interests 31 December</b>	9,521	10,302	6,379	6,902	90,821	98,271

Sterling (£) and Swedish Kronor equivalents are shown for convenience and have been calculated using the current period end rates of \$1=£0.6700 and \$1=SEK 9.5390, respectively. Dividend per Ordinary Share is shown as the actual amount payable using the rates at the date of declaration of the dividend.

## Information for US Investors

### RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES

The Group profit and loss account and Group balance sheet set out on pages 10, 11 and 12 are prepared in accordance with generally accepted accounting principles in the United Kingdom (UK GAAP) which differ in certain material respects from those generally accepted in the United States (US GAAP). For the purposes of US GAAP, the merger of Astra and Zeneca was regarded as a purchase accounting acquisition of Astra by Zeneca. Under purchase accounting, the cost of the investment is calculated at the market value of the shares issued together with other incidental costs and the assets and liabilities of the acquired entity are recorded at fair value. As a result of the fair value exercise, increases in the values of Astra's tangible fixed assets and inventory were recognised and values attributed to their in-process research and development, existing products and assembled work force, together with appropriate deferred taxation effects. The difference between the cost of investment and the fair value of the assets and liabilities of Astra was recorded as goodwill. In 1999 the in-process research and development and inventory step up were taken as a one off charge to net income and pre-acquisition results of Astra were excluded. On an ongoing basis additional amortisation and depreciation arising as a result of the fair value exercise and goodwill are charged to net income less related tax. Other differences as they apply to AstraZeneca PLC are explained in the Group's 1999 Annual Report and Form 20-F. The approximate effects on Group income and shareholders' equity of the GAAP differences are shown below.

Income attributable to Shareholders	2000 \$m	1999 \$m
Net income for the period under UK GAAP	2,538	1,143
Pre-acquisition results of Astra		(413)
		730
Adjustments to conform to US GAAP		
Purchase accounting adjustments, (including goodwill and intangibles):		
- deemed acquisition of Astra		
- in-process research and development	-	(3,315)
- inventory step-up	-	(826)
- amortisation and other acquisition adjustments	(1,756)	(759)
- others	(20)	(61)
Divestment of Specialties business	-	284
Impairment of Salick Health Care goodwill	-	(308)
Capitalisation, less disposals and amortisation of interest	45	5
Deferred taxation		
- on fair value of Astra	284	547
- others	(146)	117
Pension expense	(50)	(103)
Post-retirement benefits/plan amendment	4	4
Software costs capitalised	98	29
Restructuring costs	(97)	119
Unrealised gains/(losses) on foreign exchange and others	(35)	(2)
<b>Net income/(loss) in accordance with US GAAP</b>	<b>865</b>	<b>(3,539)</b>
Net income/(loss) from continuing operations	907	(4,071)
Net income/(loss) from discontinued operations	(42)	108
Gain on disposal of Specialties business	-	424
Net income/(loss) per Ordinary Share under US GAAP (basic)	0.49	(2.26)
Net income/(loss) per Ordinary Share under US GAAP (diluted)	0.49	(2.26)

**RECONCILIATION TO UNITED STATES ACCOUNTING PRINCIPLES (CONTINUED)**

	31 Dec 2000 \$m	31 Dec 1999 \$m
<b>Shareholders' equity</b>		
Shareholders' equity under UK GAAP	9,521	10,302
Adjustments to conform to US GAAP		
Purchase accounting adjustments, (including goodwill and intangibles):		
- deemed acquisition of Astra		
- goodwill	12,610	14,202
- tangible and intangible fixed assets	9,510	11,174
- others	31	490
Capitalisation, less disposals and amortisation of interest	135	151
Deferred taxation		
- on fair value of Astra	(2,702)	(3,172)
- others	(278)	(247)
Dividend	830	834
Pension expense	(129)	(172)
Post-retirement benefits/plan amendment	(32)	(31)
Software costs capitalised	120	29
Restructuring costs	22	119
Others	69	56
<b>Shareholders' equity in accordance with US GAAP</b>	<b>29,707</b>	<b>33,735</b>



## Shareholder Information

### ANNOUNCEMENTS AND MEETINGS

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Annual General Meeting	26 April 2001
Announcement of first quarter results	26 April 2001
Announcement of second quarter & half year results	26 July 2001
Announcement of third quarter & nine months results	24 October 2001

### DIVIDENDS

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The record date for the second interim dividend payable on 9 April 2001 (in the UK, Sweden and the US) is 23 February 2001. Ordinary Shares will trade ex-dividend on the London and Stockholm Stock Exchanges from 21 February 2001 and ADSs will trade ex-dividend on the New York Stock Exchange from the same date.

Future dividends will normally be paid as follows:

First interim	Announced in July and paid in late October.
Second interim	Announced in February and paid in April.

### TRADEMARKS

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All product or brand names included in Note 8 of this Preliminary Announcement and the following names are trademarks of, or licensed to, AstraZeneca PLC or its subsidiary companies:

**Crestor Faslodex Iressa Prilosec Pulmicort Respules Rhinocort Aqua Symbicort Toprol-XL Turbuhaler Viozan Zomig Rapimelt**

For simplicity, sales are reported under the above lead brand names, whereas some compounds are sold under several brand names to address separate market niches.

### 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 Register Centre</b>
The AstraZeneca Registrar Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA Tel: (01903) 502 541	Morgan Guaranty Trust Company of New York ADR Service Center PO Box 842006 Boston, MA 02284-2006 Tel: (781) 575 4328	15 Stanhope Gate London W1K 1LN Tel: (020) 7304 5000	Vardepapperscentralen VPC AB Box 7822 S-103 97 Stockholm Sweden Tel: (8) 402 9000

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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In order to utilise the "Safe Harbour" provisions of the United States Private Securities Litigation Reform Act of 1995, AstraZeneca is providing the following cautionary statement. This Preliminary Announcement contains certain forward-looking statements about AstraZeneca. We intend to identify the forward-looking statements in this Preliminary Announcement, by using the words "anticipates," "believes," "expects," "intends," and similar expressions in such statements. Although we believe our expectations are based on reasonable assumptions, our forward-looking statements are subject to numerous risks and uncertainties and factors that could cause actual outcomes and results to be materially different from those projected or implied. Important factors that could cause actual results to differ materially from those in our forward-looking statements, certain of which are beyond our control, include, among other things: risk of loss or expiration of patents or trademarks (in particular, the expiration in the near future of patents covering Losec and Zestril); the difficulty of completing the integration of Zeneca's and Astra's large and complex businesses on a timely basis and realizing synergies; the risk that R&D will not yield new products that achieve commercial success; the impact of competition, price controls and price reductions; the difficulties of obtaining governmental regulatory approvals for new products; the risk of substantial product liability claims; exposure to fluctuations in exchange rates for foreign currencies; and exposure to US environmental liabilities. No assurances can be

given that any of the events anticipated by our forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations and financial condition of AstraZeneca.