AstraZeneca PLC

Second Quarter and First Half Results 2008

- Solid performance with sustained progress on the key priorities.
 - <u>-First half</u> sales increased by 3 percent at constant exchange rates (CER). Core EPS increased by 3 percent at CER to \$2.53.
 - -Second quarter sales increased by 2 percent at CER. Core EPS down 4 percent at CER to \$1.25 on higher net interest expense.
 - <u>-Second quarter</u> sales in Emerging Markets increased by 20 percent at CER and exceeded \$1 billion for the first time in a quarter.
 - -Core EPS target for the full year increased by \$0.15 to reflect good operational and financial performance and further currency benefits realised in the year to date*. Revised target range for Core EPS is \$4.60 to \$4.90.
- Continued progress on strengthening and balancing the pipeline.
 - -Two new Phase III progressions increase late stage development pipeline to twelve projects now in Phase III/registration.
 - -Second major regulatory filing in 2008 accomplished. ONGLYZA™ (saxagliptin) submitted for regulatory approval in US and European Union for the treatment of type 2 diabetes.
- Summary Judgement ruling in US upholds valid intellectual property for Seroquel.
- The Board has recommended a first interim dividend of \$0.55.

Financial Summary

Group	2 nd Quarter	2 nd Quarter	Actual	CER	Half Year	Half Year	Actual	CER
	2008 <u>\$m</u>	2007 <u>\$m</u>	<u>%</u>	<u>%</u>	2008 <u>\$m</u>	2007 <u>\$m</u>	<u>%</u>	<u>%</u>
Sales	7,956	.7,273	+9	+2	15,633	14,239	+10	+3
Reported				•				
Operating Profit	2,473	1,973	+25	+12	4,730	4,143	.+14	+3
Profit before Tax	2,279	1,991	+14	+1 [4,422	4,258	+4	-7
Earnings per Share	\$1.11	\$0.95	+17	+4	\$2.14**	\$1.97	+9	-3
Core***						•		!
Operating Profit	2,737	2,409	÷14	+3 [5,502	4,683	+17	.+7
Profit before Tax	2,543	2,427	+5	-6	5,194	4,798	+8	2
Earnings per Share	\$1.25	\$1.17	+7	-4	\$2.53	\$2.24	+13	+3
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* For the second half of 2008 guidance is based on original assumptions for currency: fourth quarter 2007 average rates.

** Included in Reported EPS for Half Year 2008 is a \$0.12 charge taken in Q1 08 for impairment of intangible assets related to Ethyol.

*** Core financial measures are supplemental non-IFRS measures which management believe useful to understanding the Company's performance; it is upon these measures that financial guidance for 2008 is based. See pages 8 and 9 for a reconciliation of Core to Reported financial measures.

David Brennan, Chief Executive Officer, said: "During the first half of 2008 AstraZeneca has made good progress on three fronts: performance, pipeline and patents. The business is on track to achieve our increased financial target for the year and we continue to strengthen the pipeline. In addition, we have mitigated the biggest near-term financial risks with the Nexium patent settlement and the successful Summary Judgement Motion for Seroquel."

London, 31 July 2008

Continued progress has been made in advancing important life cycle management programmes across the portfolio:

- The US submission for Seroquel XR for use in generalised anxiety disorder was made during the second guarter. The EU filing is on track for submission in the fourth guarter 2008.
- Supplemental NDAs (sNDA) were submitted in the US for Symbicort use in COPD and for paediatric
 asthma in April and June 2008, respectively.
- In May 2008, an sNDA was submitted to the US FDA for Nexium I.V. for injection, seeking approval for
 use in patients with peptic ulcer bleeding following therapeutic endoscopy. This was followed by a
 Marketing Authorisation Application (MAA) submission in the European Union in June, with Sweden as
 Reference Member State.
- In May 2008, an MAA was submitted to the European Medicines Agency seeking approval for Iressa
 as a treatment for locally advanced or metastatic non-small cell lung cancer (NSCLC) in patients who
 have been pre-treated with platinum-containing chemotherapy.
- The Phase III Iressa Pan-Asian Study (IPASS) exceeded its primary objective and demonstrated superior progression-free survival for Iressa compared to intravenous carboplatin/paclitaxel chemotherapy. In addition, Iressa demonstrated a more favourable tolerability profile. IPASS was an open-label, randomised parallel-group study which enrolled 1,217 clinically selected Asian patients with advanced NSCLC who had not received prior chemotherapy, whose tumours had adenocarcinoma histology and who had either never smoked, or were long-term ex-smokers. The study data are still being analysed and more detailed study results will be presented at a forthcoming medical congress.

An updated R&D pipeline table has been issued in conjunction with the publication of this press release. A copy of this table is available on the Company's website, <u>www.astrazeneca.com</u>, under information for investors.

Enhancing Productivity

In the second quarter a further \$131 million in restructuring and synergy costs associated with the Company wide programme to reshape the cost base were charged to the accounts. This brings the cumulative charges since the inception of the programme to \$1,214 million.

The Company remains on track to deliver two-thirds of the total programme benefits of \$1.4 billion per annum by the end of this year, with the full savings to be realised by 2010.

Future Prospects

The Company has increased its target range for Core earnings per share for the full year by \$0.15. Approximately half of the increase reflects the operational and financial performance of the business in the first half and the outlook for the remainder of the year; the balance reflects additional currency benefits realised in the second quarter relative to the currency assumptions upon which the targets were based (i.e. fourth quarter 2007 average exchange rates).

For the remainder of 2008, guidance is based on original assumptions for currency, being fourth quarter 2007 average exchange rates. The new target range is between \$4.60 to \$4.90 per share.

This revised target takes no account of the likelihood that average exchange rates for the remainder of 2008 may differ from the fourth quarter 2007 average rates upon which our guidance is based. The Company's estimate of the sales and earnings sensitivity to movements of our major currencies versus the US dollar was provided in conjunction with the full year 2007 results announcement, and remains available on the AstraZeneca website.

It is not anticipated that the nature of the principal risks and uncertainties that affect the business, and which are set out on pages 193 - 199 of the Annual Report and Form 20-F Information 2007, will change in respect of the second six months of the financial year.