

ASTRAZENECA PLC

Interim Financial Statements

30 September 2008

Registered number 2723534



PROFIT AND LOSS ACCOUNT
for the period/year ended

	Notes	30 September 2008 \$m	31 December 2007 \$m
Turnover		-	-
Operating costs		(7)	(11)
Operating loss		(7)	(11)
Income from shares in subsidiary undertakings	2	2,522	9,411
Other income		-	1
Profit on ordinary activities before interest		2,515	9,401
Net interest	3	4	17
Profit on ordinary activities before taxation		2,519	9,418
Taxation		1	(11)
Net profit for the period/year		2,520	9,407


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period/year ended


	30 September 2008 \$m	31 December 2007 \$m
Net profit for the period/year	2,520	9,407
Cash flow hedge in anticipation of debt issue	1	(21)
Total recognised gains for the period/year	2,521	9,386

BALANCE SHEET

	Notes	30 September 2008 \$m	Restated 31 December 2007 \$m
Fixed assets			
Fixed asset investments	5	29,347	31,128
Current assets			
External debtors - other		1	1
Debtors – amounts owed by subsidiaries	6	6,321	6,984
		6,322	6,985
Total assets		35,669	38,113
Creditors due within one year			
Short-term borrowings	7	(1,708)	(4,123)
Loans	8	(649)	-
Other creditors		(209)	(206)
Amounts owed to subsidiaries		(18)	(24)
		(2,584)	(4,353)
Net current assets		3,738	2,632
Total assets less current liabilities		33,085	33,760
Creditors due after more than one year			
Amounts owed to subsidiaries		(283)	(283)
Loans	8	(10,448)	(10,482)
Net assets		22,354	22,995
Capital and reserves			
Called-up share capital	9	362	364
Share premium account	10	2,005	1,888
Capital redemption reserve	10	94	91
Other reserves - share-based payments	10	863	773
Other reserves	10	1,841	1,841
Profit and loss account	10	17,189	18,038
Shareholders' funds - equity interests	11	22,354	22,995

The interim financial statements on pages 1 to 7 were approved by the Board of Directors on 29 October 2008 and were signed on its behalf by


David R Brennan
Director


Simon Lowth
Director

NOTES RELATING TO THE FINANCIAL STATEMENTS

1 Basis of presentation of financial information

These AstraZeneca PLC non-statutory financial statements are presented in accordance with the accounting policies set out in the AstraZeneca Annual Report and Form 20-F Information 2007

During the period, the Company has adopted the requirements of UITF 44 'Group and Treasury Share Transactions' as the Company awards share options to employees of its subsidiaries. The effect of adoption has been to increase the investments in subsidiaries and to recognise an other reserve in respect of share-based payments. For the year ended 31 December 2007 this has had the effect of increasing shareholders' funds and investments by \$773m

These financial statements do not constitute statutory accounts of the Company within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2007 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 Income from shares in subsidiary undertakings

	30 September 2008	31 December 2007
Dividends received from subsidiary undertakings	2,522	9,411

3 Net interest

	30 September 2008 \$m	31 December 2007 \$m
Interest payable and similar charges		
Payable to subsidiary undertakings	(15)	(20)
External interest payable	(549)	(489)
Net exchange and hedge losses	-	(8)
	(564)	(517)
Interest receivable and similar income		
Receivable from subsidiary undertakings	568	534
Net exchange and hedge gains	-	-
	568	534
Net interest	4	17

NOTES RELATING TO THE FINANCIAL STATEMENTS (continued)

4 Dividends to shareholders

	30 Sep 2008 per share	31 Dec 2007 per share	30 Sep 2008 \$m	31 Dec 2007 \$m
2 nd interim/final	\$1 35	\$1 23	1,967	1,885
1 st interim	\$0 55	\$0 52	800	773
	\$1 90	\$1 75	2,767	2,658

5 Fixed asset investments

	Shares \$m	Loans \$m	Total \$m
Cost			
At beginning of year	15,286	15,069	30,355
Prior year adjustment on adoption of UITF 44 (see Note 1)	773	-	773
Restated at beginning of year	16,059	15,069	31,128
Additions	14,790	787	15,577
Disposals	(14,700)	-	(14,700)
Transfer to current assets (Floating Rate Note 2009)	-	(649)	(649)
Exchange (Euro and GBP bonds)	-	(178)	(178)
Amortisation	-	6	6
Repayment of loan	-	(1,837)	(1,837)
At end of period	16,149	13,198	29,347

On 11 March 2008, the Company sold its wholly owned subsidiary, AstraZeneca UK Limited, to its wholly owned subsidiary, AstraZeneca Intermediate Holdings Limited, in consideration for the issue of further shares in AstraZeneca Intermediate Holdings Limited. There has been no overall net change in ownership of AstraZeneca UK Limited and consequently the Company will hold the investment at its pre-transfer carrying amount of \$14,700m.

6 Debtors – amounts owed by subsidiaries

	30 September 2008 \$m	31 December 2007 \$m
AstraZeneca Treasury Limited	6,198	6,873
AstraZeneca UK Limited	123	111
	6,321	6,984

NOTES RELATING TO THE FINANCIAL STATEMENTS (continued)

7 Short-term borrowings

	30 September 2008 \$m	31 December 2007 \$m
External debt – commercial paper issues	1,695	4,112
Unclaimed dividends	13	11
	1,708	4,123

8 Loans

	Repayment dates	30 September 2008 \$m	31 December 2007 \$m
Creditors due within one year			
US dollars			
Floating rate note	2009	649	-
		649	-
Creditors due after more than one year			
US dollars			
Floating rate note	2009	-	649
5 4% bond	2012	1,742	1,741
5 4% bond	2014	748	747
5 9% bond	2017	1,742	1,741
6 45% bond	2037	2,715	2,715
Euros			
4 625% bond	2010	1,078	1,099
5 625% bond	2010	719	-
5 125% bond	2015	1,077	1,099
Pounds sterling			
5 75% bond	2031	627	691
		10,448	10,482

With the exception of the floating rate note, all loans are at fixed interest rates

9 Called-up share capital

	Authorised	Allotted, called-up and fully paid	
	30 Sep 2008 \$m	30 Sep 2008 \$m	31 Dec 2007 \$m
Ordinary Shares (\$0 25 each)	362	362	364
Unissued Ordinary Shares (\$0 25 each)	238	-	-
Redeemable Preference Shares (£50,000)	-	-	-
	600	362	364

NOTES RELATING TO THE FINANCIAL STATEMENTS (continued)

9 Called-up share capital (continued)

The movements in share capital during the period can be summarised as follows

	No. shares (millions)	\$m
At 1 January 2008	1,457	364
Issues of shares	3	1
Re-purchase of shares	(13)	(3)
At 30 September 2008	1,447	362

10 Reserves

	Share premium account	Capital redemption reserve	Other reserves - share- based payments	Other reserves	Profit and loss account	Total 30 Sep 2008	Total 31 Dec 2007
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
At beginning of year	1,888	91	-	1,841	18,038	21,858	19,063
Prior year adjustment - UITF 44	-	-	773	-	-	773	624
Restated opening reserves	1,888	91	773	1,841	18,038	22,631	19,687
Profit for the period/year	-	-	-	-	2,520	2,520	9,407
Dividends	-	-	-	-	(2,767)	(2,767)	(2,658)
Cash flow hedge in anticipation of debt issue	-	-	-	-	1	1	(21)
Share-based payment	-	-	90	-	-	90	149
Share re-purchases	-	3	-	-	(603)	(600)	(4,150)
Share premiums	117	-	-	-	-	117	217
At end of period	2,005	94	863	1,841	17,189	21,992	22,631
Distributable reserves at end of period	-	-	-	1,841	14,966	16,807	15,819

A 30 September 2008, \$2,223m (31 December 2007 \$4,060m) of the profit and loss account reserve was not available for distribution. The majority of this non-distributable amount relates to profit arising on the sale of Astra AB to a subsidiary in 1999, which becomes distributable as the underlying receivable is settled in cash. During the period \$1,837m of the profit was released by repayment. Included in other reserves is a special reserve of \$157m, arising on the redenomination of share capital in 1999.

During the period, the Company adopted the provisions of UITF 44 'Group and Treasury Share Transactions' (see Note 1) with the effect of introducing an other reserve in respect of share-based payments as a prior year adjustment.

NOTES RELATING TO THE FINANCIAL STATEMENTS (continued)

11 Reconciliation of movements in shareholders' funds

	30 September 2008 \$m	31 December 2007 \$m
Opening shareholders' funds as previously stated	22,222	19,446
Prior year adjustment on adoption of UITF 44	773	624
Restated opening shareholders' funds	22,995	20,070
Profit for the period/year	2,520	9,407
Dividends	(2,767)	(2,658)
Cash flow hedge in respect of anticipated debt issue	1	(21)
	(246)	6,728
Issues of AstraZeneca PLC Ordinary Shares	118	218
Re-purchase of AstraZeneca PLC Ordinary Shares	(603)	(4,170)
Share-based payment	90	149
Net (reduction)/increase in shareholders' funds	(641)	2,925
Shareholders' funds at end of period/year	22,354	22,995

12 Commitments and contingent liabilities

Average wholesale price class action litigation

As previously disclosed, in May 2007 AstraZeneca reached a proposed settlement agreement resolving the Class 1 claims in the Boston, Massachusetts litigation brought on behalf of a putative class of plaintiffs alleged to have overpaid for *Zoladex* as a result of inflated wholesale list prices. In October 2008, the Court issued an order approving the settlement on the condition that the parties agree to apportion a greater percentage of the settlement funds to individual claimants rather than to charities. The Court did not alter the total amount of payments under the settlement. The parties are considering how to respond to the Court's order.

In September 2008, the Boston Court granted, in part, the plaintiffs' motion for certification of multi-state versions of Class 2 and Class 3 relating to *Zoladex*. AstraZeneca believes the decision to be in error and will seek leave for an immediate appeal.

Pain pump litigation

As previously disclosed, AstraZeneca entities have been named in lawsuits in various US jurisdictions alleging injuries caused by the use of local anaesthetic products with third-party pain pumps. There have now been more than 30 such lawsuits filed, involving approximately 40 plaintiffs, although 14 plaintiffs have voluntarily dismissed, or are in the process of voluntarily dismissing, their cases against the AstraZeneca defendants. AstraZeneca also tendered an additional 5 cases to Abraxis Biosciences, Inc.

It was previously reported that plaintiffs moved to consolidate the federal pain pump cases under the Multi-District Litigation process. The Judicial Panel on Multi-District Litigation denied that motion on 11 August 2008. The cases will accordingly continue as individual lawsuits in the jurisdictions where they were filed. AstraZeneca intends to vigorously defend these cases.