

NOTES TO THE COMPANY FINANCIAL STATEMENTS**1 FIXED ASSET INVESTMENTS**

	Investments in subsidiaries		
	Shares \$m	Loans \$m	Total \$m
Cost and net book value at 1 January 2007	6,715	12,403	19,118
Additions	8,571	9,692	18,263
Repayment of loan	–	(7,069)	(7,069)
Exchange	–	40	40
Amortisation	–	3	3
Cost and net book value at 31 December 2007	15,286	15,069	30,355

2 OTHER DEBTORS

	2007 \$m	2006 \$m
Other debtors	1	1
Deferred tax asset	–	8
	1	9

3 NON-TRADE CREDITORS

	2007 \$m	2006 \$m
Amounts due within one year		
Short term borrowings (unsecured)	4,123	7
Other creditors	206	12
Amounts owed to subsidiaries	24	14
	4,353	33

4 LOANS

	Repayment dates	2007 \$m	2006 \$m
Amounts owed to subsidiaries (unsecured)			
US dollars			
7.2% Loan	2023	283	283
Interest bearing loans and borrowings (unsecured)			
US dollars			
Floating Rate Note	2009	649	–
5.4% Callable bond	2012	1,741	–
5.4% Callable bond	2014	747	747
5.9% Callable bond	2017	1,741	–
6.45% Callable bond	2037	2,715	–
Euros			
4.625% Non-callable bond	2010	1,099	–
5.125% Non-callable bond	2015	1,099	–
Pounds sterling			
5.75% Non-callable bond	2031	691	–
		10,765	1,030
Loans or instalments thereof are repayable:			
After five years from balance sheet date		7,276	1,030
From two to five years		2,840	–
From one to two years		649	–
Total unsecured		10,765	1,030
Total due within one year		–	–
		10,765	1,030

With the exception of the floating rate note, all loans are at fixed interest rates. Accordingly the fair values of the loans will change as market rates change. However, since the loans are held at amortised cost, changes in interest rates and the credit rating of the Company do not have any effect on the Company's net assets.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

5 RESERVES

	Share premium account \$m	Capital redemption reserve \$m	Other reserves \$m	Profit and loss account \$m	2007 Total \$m	2006 Total \$m
At beginning of year	1,671	71	1,841	15,480	19,063	23,778
Profit for the year	–	–	–	9,407	9,407	652
Dividends	–	–	–	(2,658)	(2,658)	(2,217)
Cash flow hedge in anticipation of debt issue	–	–	–	(21)	(21)	–
Share re-purchases	–	20	–	(4,170)	(4,150)	(4,129)
Share premiums	217	–	–	–	217	979
At end of year	1,888	91	1,841	18,038	21,858	19,063
Distributable reserves at end of year	–	–	1,841	13,978	15,819	6,063

As permitted by section 230 of the Companies Act 1985, the Company has not presented its profit and loss account.

At 31 December 2007 \$4,060m (31 December 2006 \$11,129m) 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. During 2007, \$7,069m (2006: \$5,738m) of the profit was realised by repayment. Subsequent to the year end, a further \$377m was repaid on 18 January 2008, resulting in additional distributable reserves not included in the figures above. Included in other reserves is a special reserve of \$157m, arising on the redenomination of share capital in 1999.

6 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 \$m	2006 \$m
Shareholders' funds at beginning of year	19,446	24,173
Net profit for the financial year	9,407	652
Dividends	(2,658)	(2,217)
Cash flow hedge in anticipation of debt issue	(21)	–
Issues of AstraZeneca PLC Ordinary Shares	218	985
Re-purchase of AstraZeneca PLC Ordinary Shares	(4,170)	(4,147)
Net increase/(reduction) in shareholders' funds	2,776	(4,727)
Shareholders' funds at end of year	22,222	19,446

7 SHARE CAPITAL

	Authorised 2007 \$m	Allotted, called-up and fully paid 2007 \$m	2006 \$m
Issued Ordinary Shares (\$0.25 each)	364	364	383
Unissued Ordinary Shares (\$0.25 each)	236	–	–
Redeemable Preference Shares (£1 each – £50,000)	–	–	–
	600	364	383

The total authorised number of Ordinary Shares at 31 December 2007 was 2,400,000,000, of which 1,457,000,853 Ordinary Shares were in issue.

The Redeemable Preference Shares carry limited class voting rights and no dividend rights. This class of shares is capable of redemption at par at the option of the Company on the giving of seven days' written notice to the registered holder of the shares.

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

	No. of shares (million)	\$m
At 1 January 2007	1,532	383
Issues of shares	5	1
Re-purchase of shares	(80)	(20)
At 31 December 2007	1,457	364