

Second Quarter Results to June 30, 2012

Shire plc
August 1, 2012

Angus Russell
Chief Executive Officer

Sylvie Grégoire
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Therapies

Graham Hetherington
Chief Financial Officer

Kevin Rakin
President, Regenerative
Medicine



Our purpose

We enable people with life-altering conditions to lead better lives.

THE “SAFE HARBOR” STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements included herein that are not historical facts are forward-looking statements. Such forward-looking statements involve a number of risks and uncertainties and are subject to change at any time. In the event such risks or uncertainties materialize, the Company’s results could be materially adversely affected. The risks and uncertainties include, but are not limited to, risks associated with: the inherent uncertainty of research, development, approval, reimbursement, manufacturing and commercialization of the Company’s Specialty Pharmaceuticals, Human Genetic Therapies and Regenerative Medicine products, as well as the ability to secure new products for commercialization and/or development; government regulation of the Company’s products; the Company’s ability to manufacture its products in sufficient quantities to meet demand; the impact of competitive therapies on the Company’s products; the Company’s ability to register, maintain and enforce patents and other intellectual property rights relating to its products; the Company’s ability to obtain and maintain government and other third-party reimbursement for its products; and other risks and uncertainties detailed from time to time in the Company’s filings with the Securities and Exchange Commission.

Agenda

- **Business highlights & growth drivers** | Angus Russell

- **Financial review** | Graham Hetherington

- **Concluding remarks** | Angus Russell

- **Q & A** | All

Business highlights & growth drivers

We delivered strong results in the second quarter, with product sales up 16% and Non GAAP operating income up 23%.

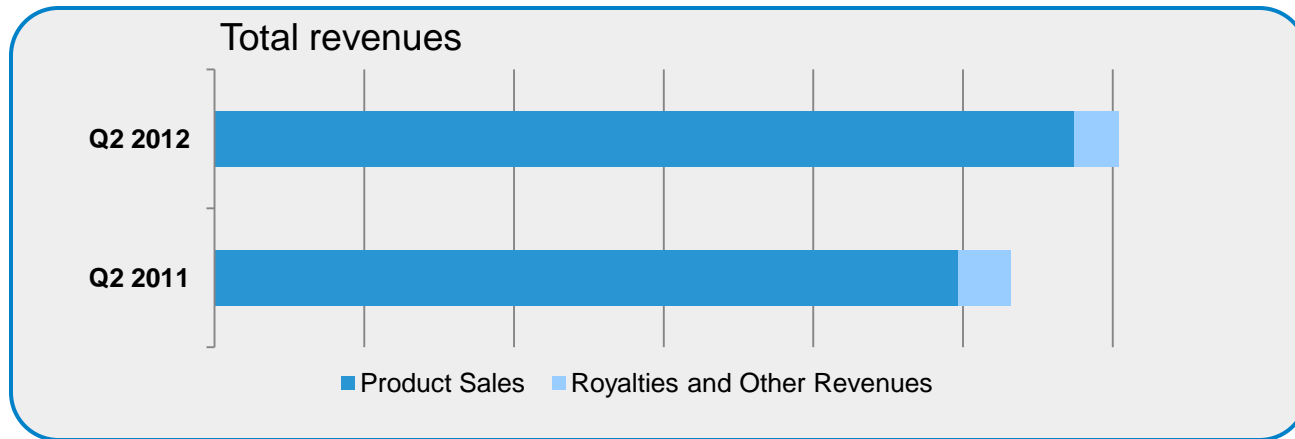
Angus Russell
Chief Executive Officer



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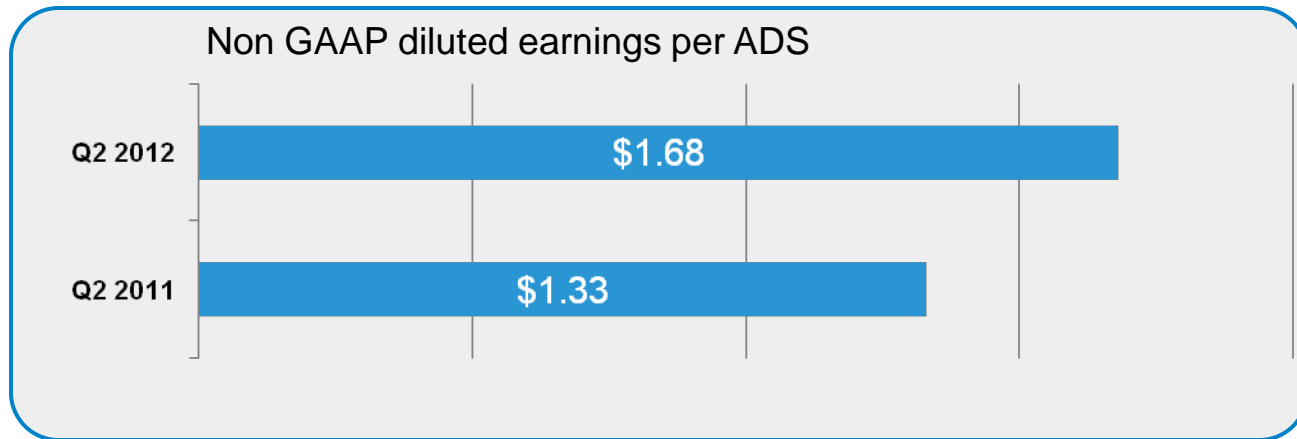
Balanced product portfolio continues to deliver growth



Total revenues **↑ 14%** to \$1,208 million

Product sales **↑ 16%** to \$1,148 million

Revenue growth drives 26% increase in Non GAAP earnings

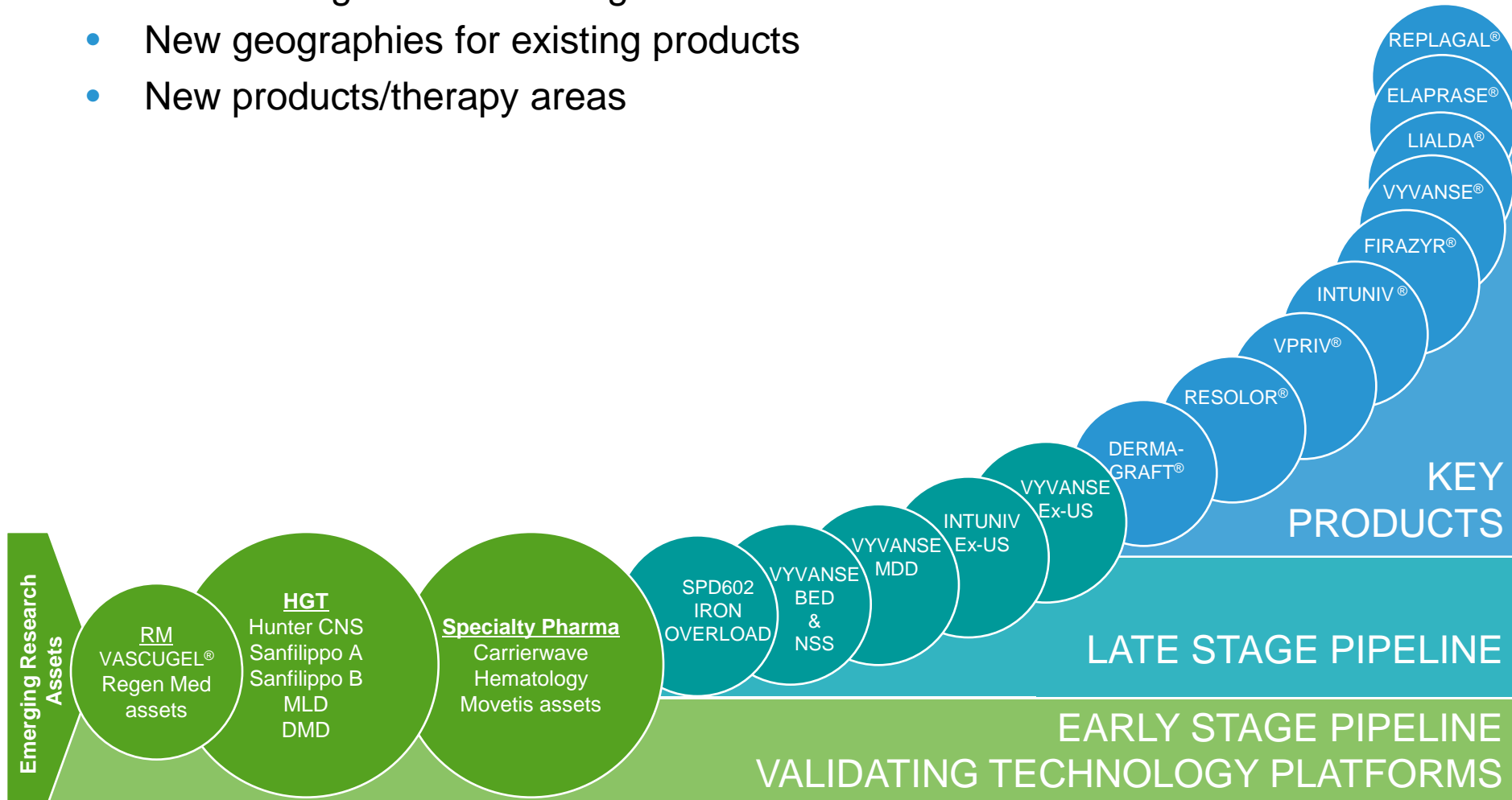


Q2 2012 Non GAAP operating income  **23%** to \$420 million

Q2 2012 Non GAAP diluted earnings per ADS  **26%** to \$1.68

Multiple drivers for future growth

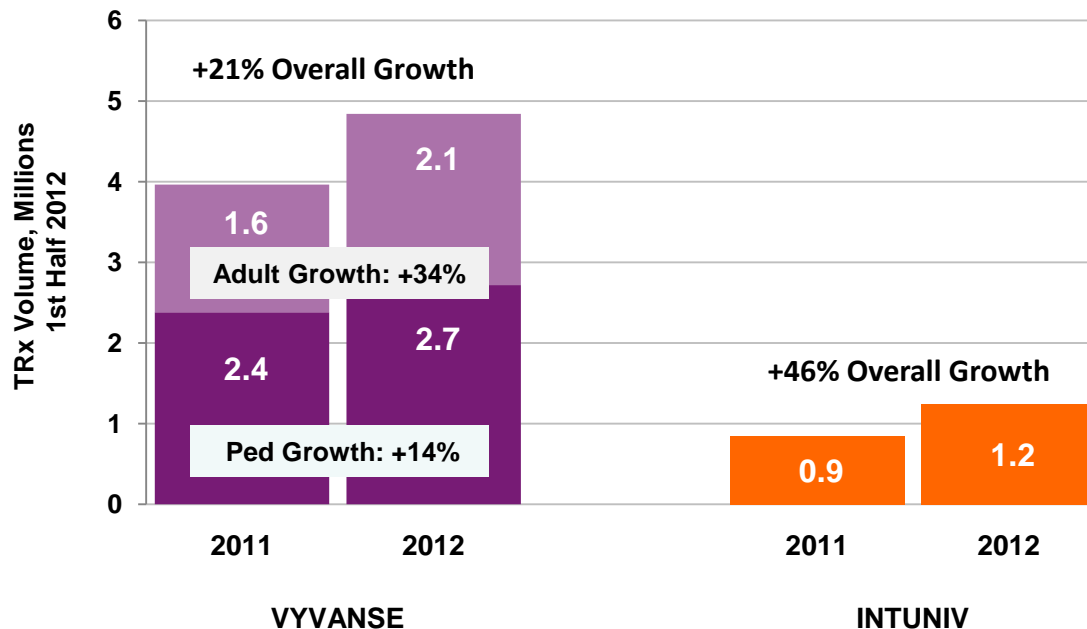
- Continued growth in existing markets
- New geographies for existing products
- New products/therapy areas





Behavioral Health - Significant global platforms for growth

- The worldwide ADHD market is > \$8 billion per year
- The ADHD Market continues to be one of the fastest growing therapeutic categories
 - 9% volume growth in the US YTD 2012
 - Double-digit growth in Europe, Canada, and Brazil
- Shire's key brands are growing faster than the market



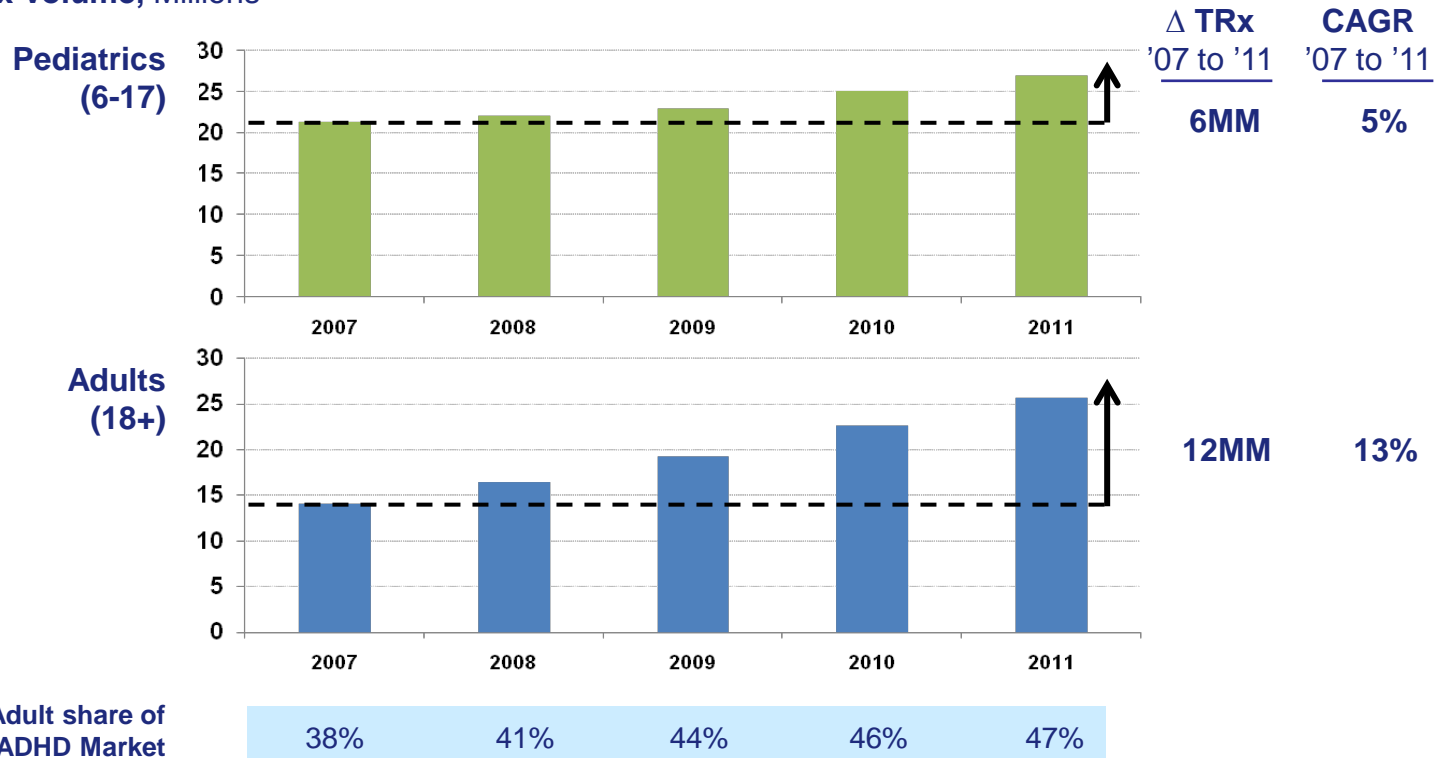
To be as brave as the people we help.

Adult segment driving market growth

- Remains largely untapped

- VYVANSE poised for continued success in adults and adolescents, backed by:
 - Maintenance of effect data
 - Adult consumer focused campaigns
 - Head-to-head studies vs. CONCERTA⁽¹⁾, currently enrolling

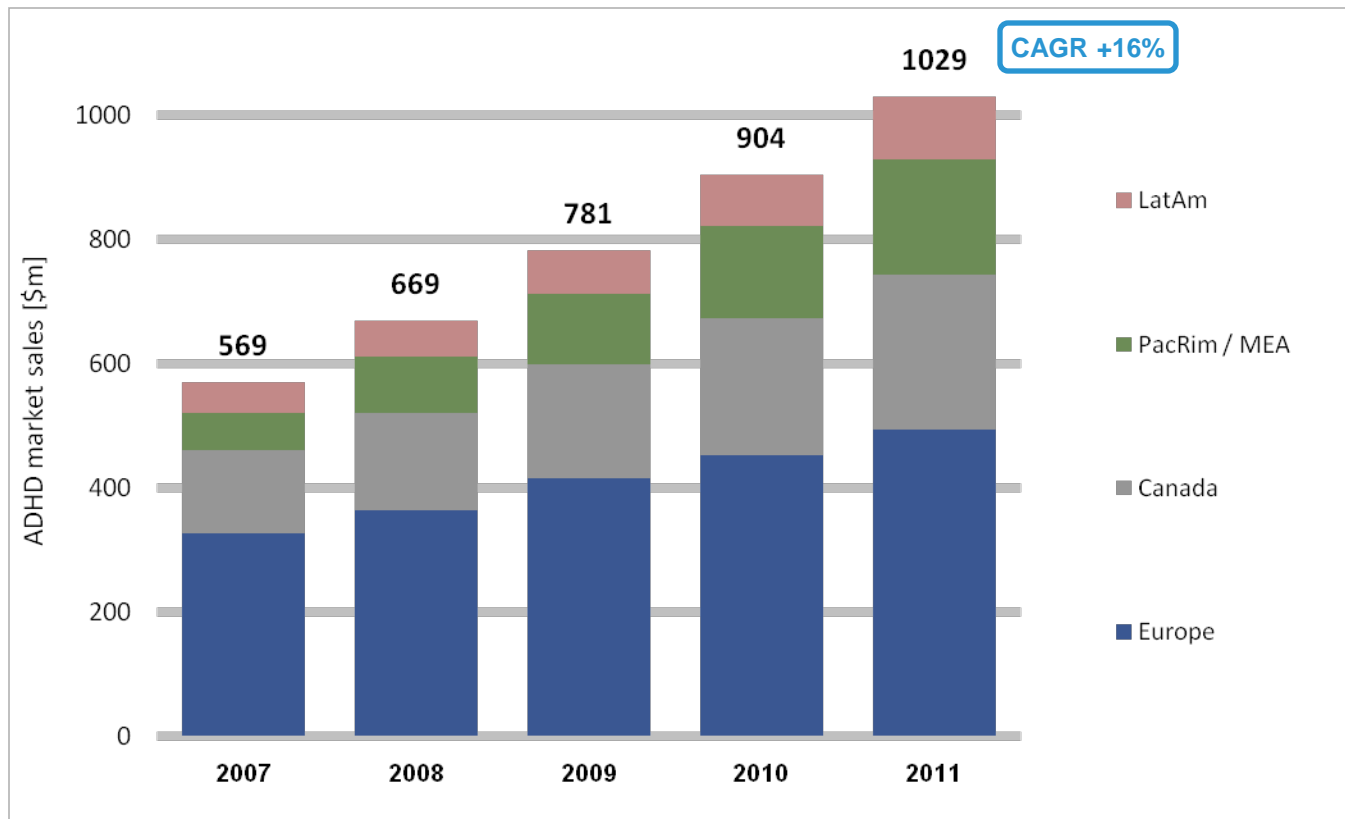
TRx Volume, Millions



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International ADHD is a \$1 billion market, EU represents about 50%

- VYVANSE/VENVANSE growing share in Brazil and Canada
 - On track for launch in Europe in Q1 2013
- Development underway in Japan with partner Shionogi

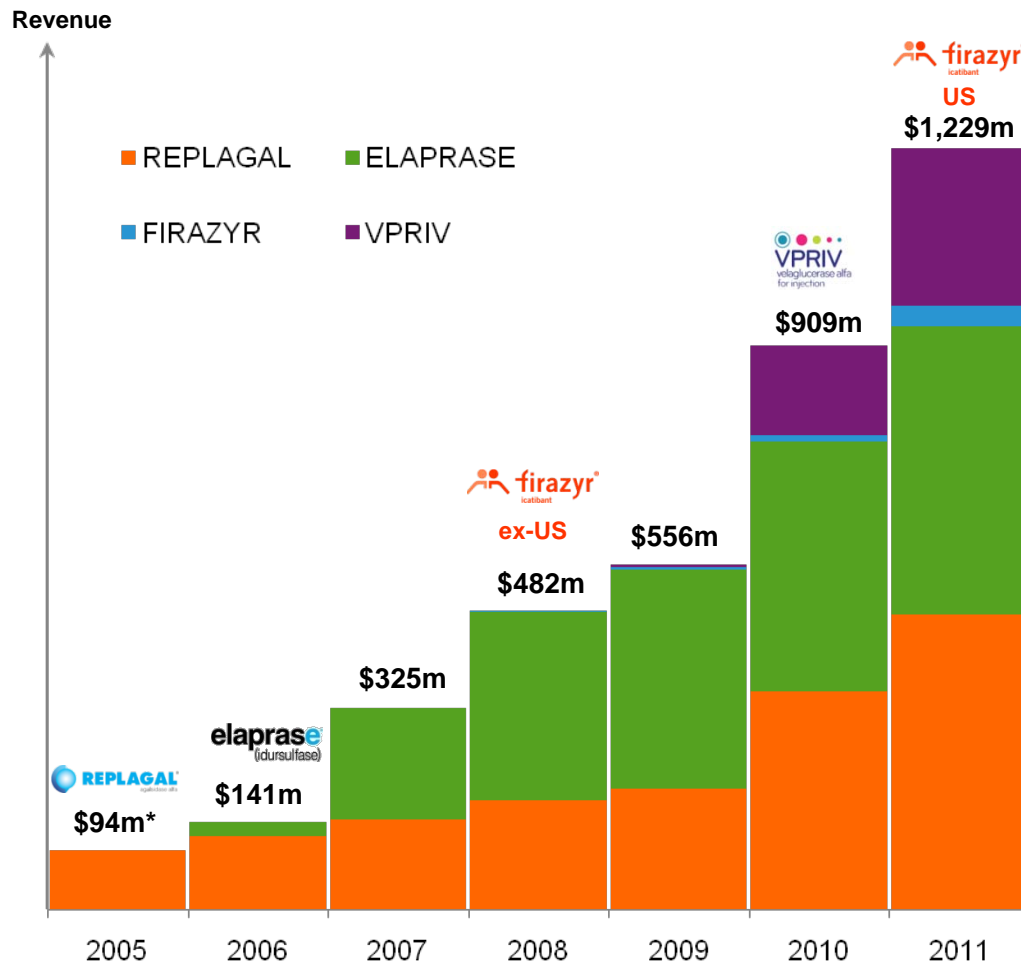


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Vyvanse New Uses – Opportunities to significantly benefit patients globally

Program	Patients	Program Status
MDD	<ul style="list-style-type: none"> • ~ 60% of patients do not experience clinical remission • >5 MM patients have inadequate control of symptoms (US) 	<ul style="list-style-type: none"> • Ph3 ongoing • H/L data anticipated 2H 2013
BED	<p>No approved medical treatments</p> <ul style="list-style-type: none"> • ~4 MM adults with BED (US) 	Potential initiation of Ph3 Q4 2012/1H 2013 pending outcome of discussions with Regulatory authorities
NSS	<ul style="list-style-type: none"> • No pharmacotherapy available • Unique and complex market with hospitals, community mental health centers at core • ~ 1.5 MM patients (US) 	Potential initiation of next clinical study 1H 2013 pending outcome of discussions with Regulatory authorities
EDS	Program de-prioritized	

HGT provides a strong foundation for sustained future growth



FUTURE GROWTH DRIVERS

- **FIRAZYR US** for HAE and potential additional indications
- **VPRIV** global growth driven by highly competitive product profile
- **REPLAGAL** market leadership and Fabry market growth
- **ELAPRASE** penetration in newer markets
- Pipeline and early stage collaborations provide opportunities for long term growth
- Programs ongoing in Hunter CNS, Sanfilippo A&B & MLD



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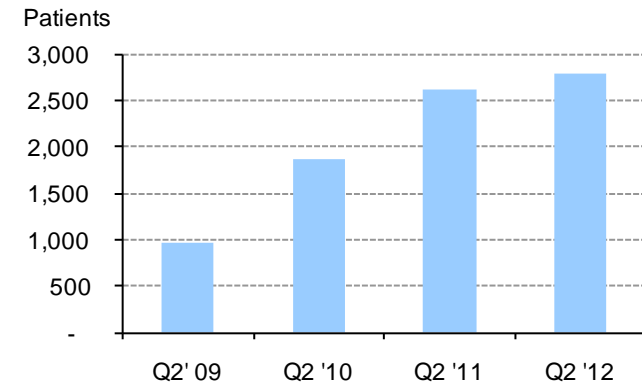
HGT Q2 highlights



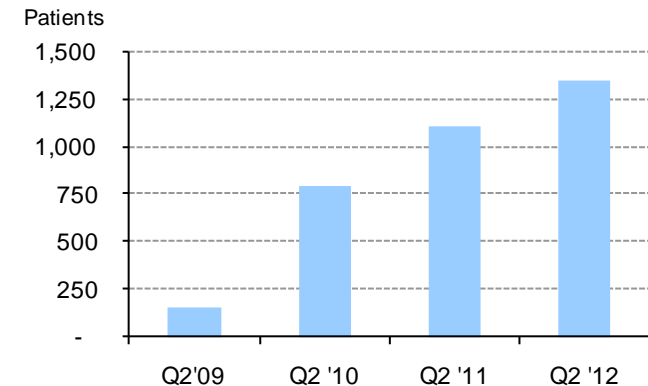
- Growth in US patient numbers and usage continues
- ~1,000 start forms received from 450 treating physicians
- ~25% of diagnosed US HAE patients have received therapy



- Ex-US market share >80%
- Long term efficacy data supports leadership
- Underlying market growth 5-8% per annum



- Global market share > 25%; US market share ~40%
- Can meet all anticipated demand for VPRIV
- Expect full response to FDA and re-inspection of Lexington facility before year end



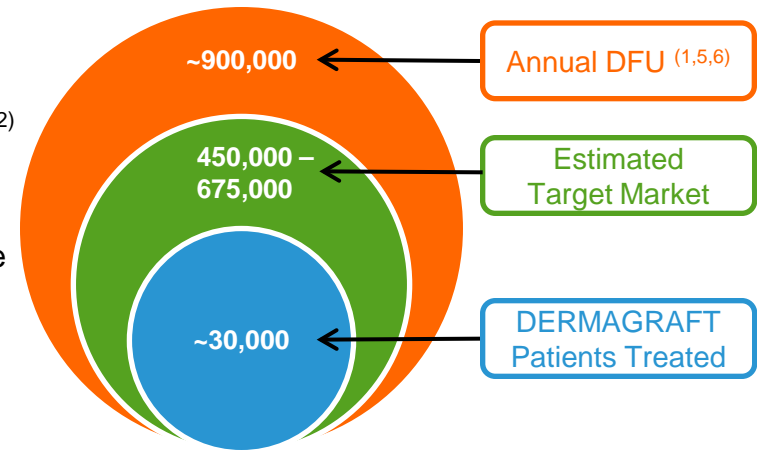
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Regenerative Medicine: long term growth potential

Grow DERMAGRAFT



- 26m US residents had diabetes in 2010 ⁽¹⁾
- Prevalence of diabetes is increasing worldwide ⁽²⁾
- For diabetics, up to 25% lifetime risk for developing a DFU ⁽³⁾
- We estimate 50-75% of DFU market are suitable candidates for therapy with DERMAGRAFT
- ~ 14,000 patients have been treated with DERMAGRAFT in the first half of 2012



Invest in the Future

- Investment in new Regenerative Medicine campus, including new manufacturing facilities, in La Jolla underscores long term growth potential

Expand Through Partnering/ Acquisition

- Position Shire Regenerative Medicine as the partner of choice for late stage development and commercial opportunities
- Acquisition of Pervasis/VASCUGEL is first example and expands pipeline opportunity



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Financial review

Graham Hetherington
Chief Financial Officer



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Q2 2012 Performance summary

	Q2 2012 \$m	Q2 2011 \$m	Reported Growth	Like for Like Growth ⁽¹⁾
Product sales	1,148	993	+16%	+18%
Royalties and other revenues	60	70	-14%	-13%
Total revenues	1,208	1,063	+14%	+16%
EBITDA ⁽²⁾	448	371	+21%	+22%
EBITDA % of product sales ⁽²⁾⁽³⁾	34%	30%	+345bp	
EPS - ADS ⁽²⁾	\$1.68	\$1.33	+26%	
Cash generation ⁽²⁾	520	440	+18%	

(1) 'Like for Like Growth' excludes movements in exchange rates by applying Q2 2011 exchange rates to Q2 2012 results.

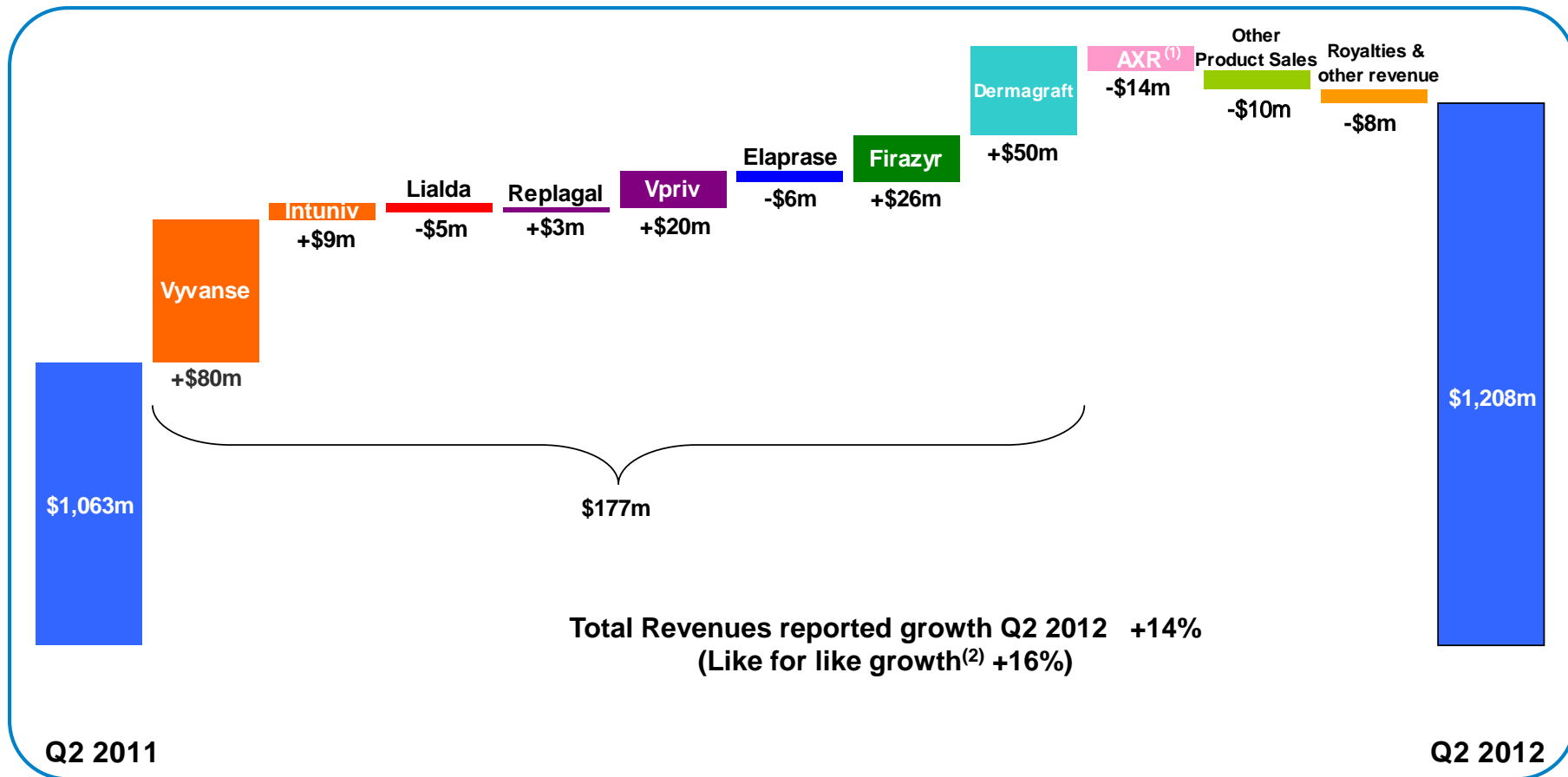
(2) These are Non GAAP financial measures. See appendix for a list of items excluded from the US GAAP equivalent used to calculate these measures.

(3) Excluding royalties and other revenues



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Growth from diversified portfolio drives \$145m increase in Total Revenues



(1) Product sales (-\$13m) and royalties (-\$1m)

(2) 'Like for Like Growth' excludes movements in exchange rates by applying Q2 2011 exchange rates to Q2 2012 results

Operating leverage – Key financial ratios

Year on Year:	2012 YTD	2011 YTD
Product sales	+20%	+27%
R&D⁽¹⁾	+15%	+27%
SG&A⁽¹⁾	+15%	+21%
Combined R&D and SG&A⁽¹⁾	+15%	+23%

Ratios:

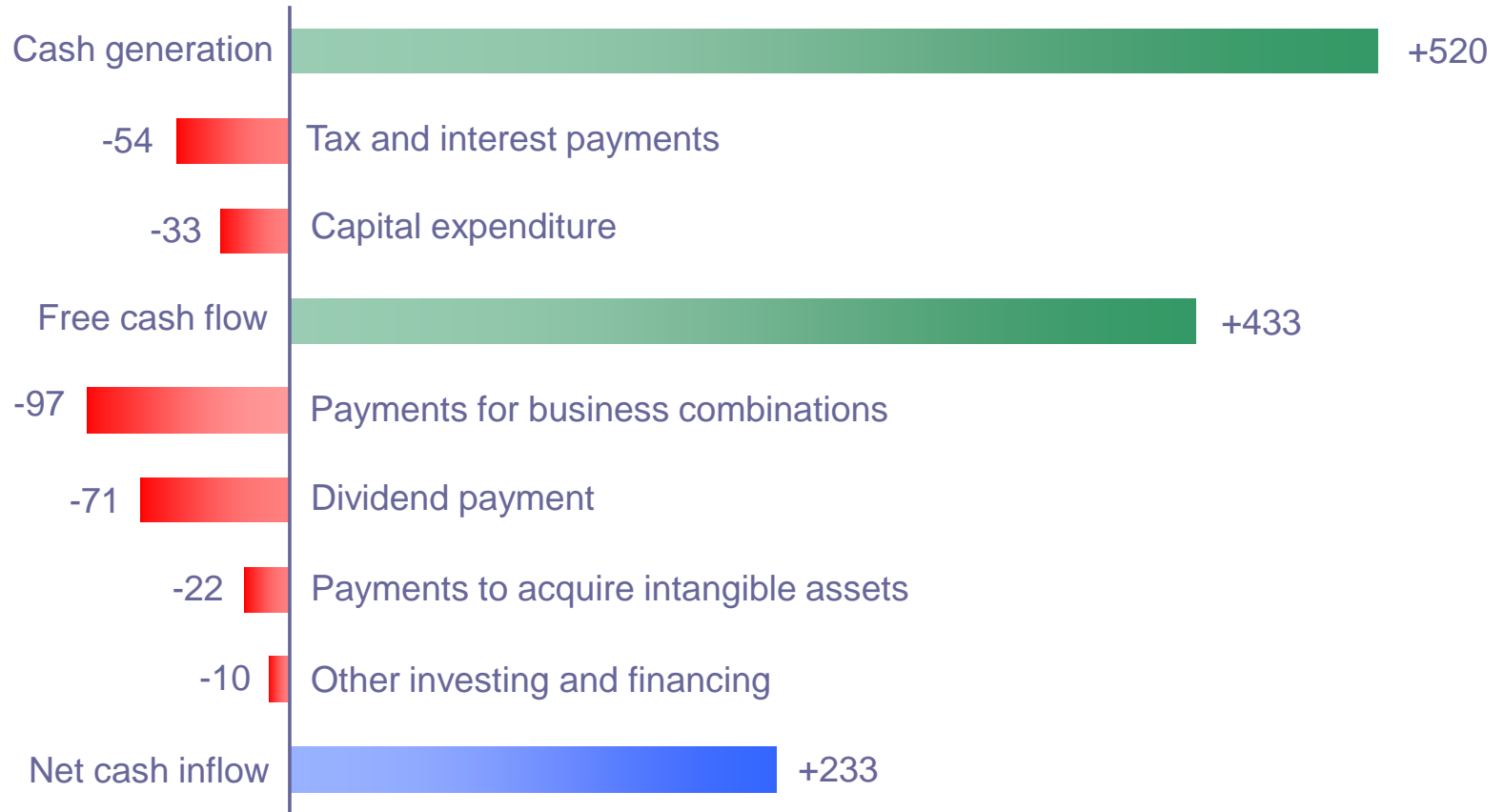
% of product sales		
Gross margin⁽¹⁾	86.8%	86.8%
R&D⁽¹⁾	18%	18%
SG&A⁽¹⁾	38%	39%
EBITDA^{(1) (2)}	32%	29%

(1) These are Non GAAP financial measures. See appendix for a list of items excluded from the US GAAP equivalents used to calculate these measures.

(2) Excluding royalties and other revenues.

Q2 2012 Cash flow

Millions of USD



Note: Shire has a revolving 5 year credit facility of \$1.2bn signed in November 2010 which remained undrawn at June 30, 2012.



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Shire 2012 outlook

Full year 2012 dynamics

Direction
versus
FY 2011

Latest guidance

Previous guidance

Product sales



Growth in the low teens range

Growth in the mid teens range

Royalties



Total royalties and other revenue down 25-35%

Generic erosion (total royalties and other revenue down 15-25%)

Total Revenues



Double digit growth

Growth in the low teens range

Gross margins



Marginal dilution from full year contribution of DERMAGRAFT

Marginal dilution from full year contribution of DERMAGRAFT

R&D and SG&A



Continued investment for sustained future growth (up 10-12%)

Continued investment for sustained future growth (up 12-14%)

Tax rate



18-20% tax rate

20-22% tax rate

Reported EPS-ADS



Double digit earnings growth

Good earnings growth



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Concluding remarks

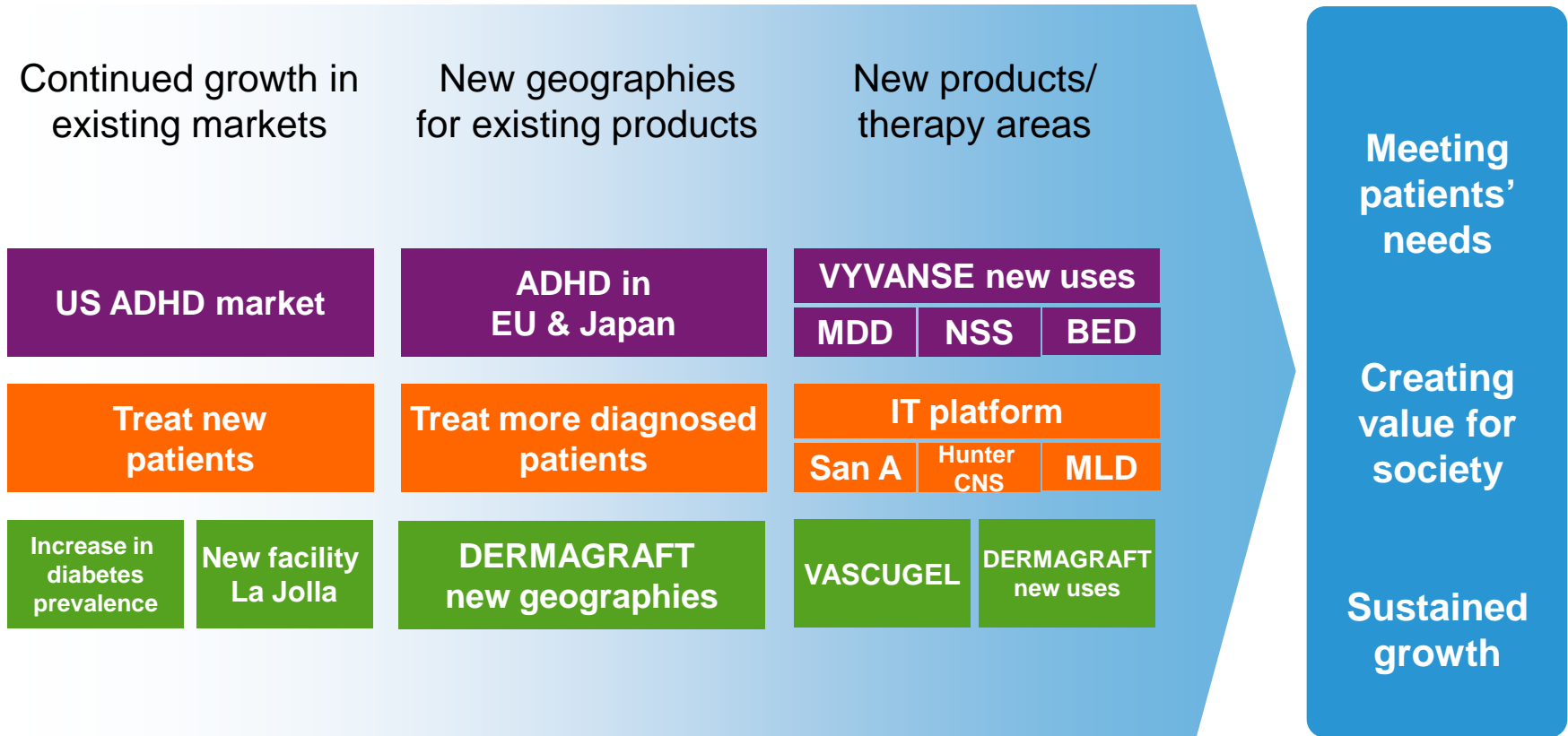
Angus Russell
Chief Executive Officer



Our purpose

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Multiple drivers for future growth



■ Behavioral Health

■ HGT

■ Regenerative Medicine



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Questions and Answers



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APPENDIX



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2012 Portfolio strength and diversity – Q2 product sales

	Q2 2012 \$m	Q2 2011 \$m	Reported Growth	Like for Like Growth ⁽¹⁾
VYVANSE	266	186	+43%	+43%
ADDERALL XR [®]	134	147	-9%	-9%
REPLAGAL	123	120	+3%	+11%
ELAPRASE	122	128	-4%	+2%
LIALDA / MEZAVANT [®]	94	99	-5%	-4%
VPRIV	83	63	+31%	+35%
INTUNIV	69	60	+16%	+16%
PENTASA [®]	64	66	-3%	-3%
DERMAGRAFT	52	2	n/a	n/a
FOSRENOL	43	45	-5%	-1%
FIRAZYR	32	6	+466%	+482%
OTHER	66	71	-10%	-4%
PRODUCT SALES	1,148	993	+16%	+18%

(1) 'Like for Like Growth' excludes movements in exchange rates by applying Q2 2011 exchange rates to Q2 2012 results



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Q2 2012 Royalties & Other revenues

	Q2 2012 \$m	Q2 2011 \$m	Reported Growth
ADDERALL XR	26	27	-5%
FOSRENOL	13	12	+5%
3TC [®] and ZEFFIX [®]	10	11	-6%
REMINYL [®] & Other	7	13	-45%
Royalties	56	63	-11%
Other revenues	4	7	-39%
Royalties & other revenues	60	70	-14%

2012 Emerging shape of Shire income statement

	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2011 FY	2012 Q1	2012 Q2	Direction V. FY 11	FY 2012 Dynamics Explanations
Total product sales	\$889m	\$993m	\$1,019m	\$1,049m	\$3,950m	\$1,107m	\$1,148m	↑	Growth in the low teens range
<i>versus prior year</i>	+24%	+30%	+28%	+23%	+26%	+24%	+16%		
Royalties & Other revenues	\$83m	\$70m	\$67m	\$93m	\$313m	\$65m	\$60m	↓	Total royalties and other revenue down 25-35%
<i>versus prior year</i>	-15%	-18%	-15%	+17%	-9%	-22%	-14%		
Total Revenues	\$972m	\$1,063m	\$1,086m	\$1,142m	\$4,263m	\$1,172m	\$1,208m	↑	Double digit growth
<i>versus prior year</i>	+19%	+25%	+24%	+23%	+23%	+21%	+14%		
Gross margin ^{(1) (2)}	87%	87%	86%	87%	87%	86%	87%	≈	Marginal dilution from full year contribution of ABH
R&D ⁽²⁾	\$173m	\$171m	\$179m	\$206m	\$729m	\$191m	\$205m	↑	Continued investment for sustained future growth (up 10-12%)
<i>versus prior year</i>	+\$46m	+\$27m	+\$30m	+\$28m	+\$131m	+\$18m	+\$34m		
SG&A ⁽²⁾	\$352m	\$388m	\$390m	\$393m	\$1,523m	\$441m	\$410m	↓	18-20% tax rate
<i>versus prior year</i>	+\$43m	+\$84m	+\$88m	+\$20m	+\$235m	+\$89m	+\$22m		
Tax Rate ⁽²⁾	22%	23%	25%	19%	22%	20%	20%	↓	
EPS - ADS ⁽²⁾	\$1.23	\$1.33	\$1.28	\$1.51	\$5.34	\$1.48	\$1.68	↑	Double digit earnings growth
<i>versus prior year</i>	+22%	+29%	+10%	+47%	+26%	+20%	+26%		

(1) Gross margin calculated as a percentage of product sales.

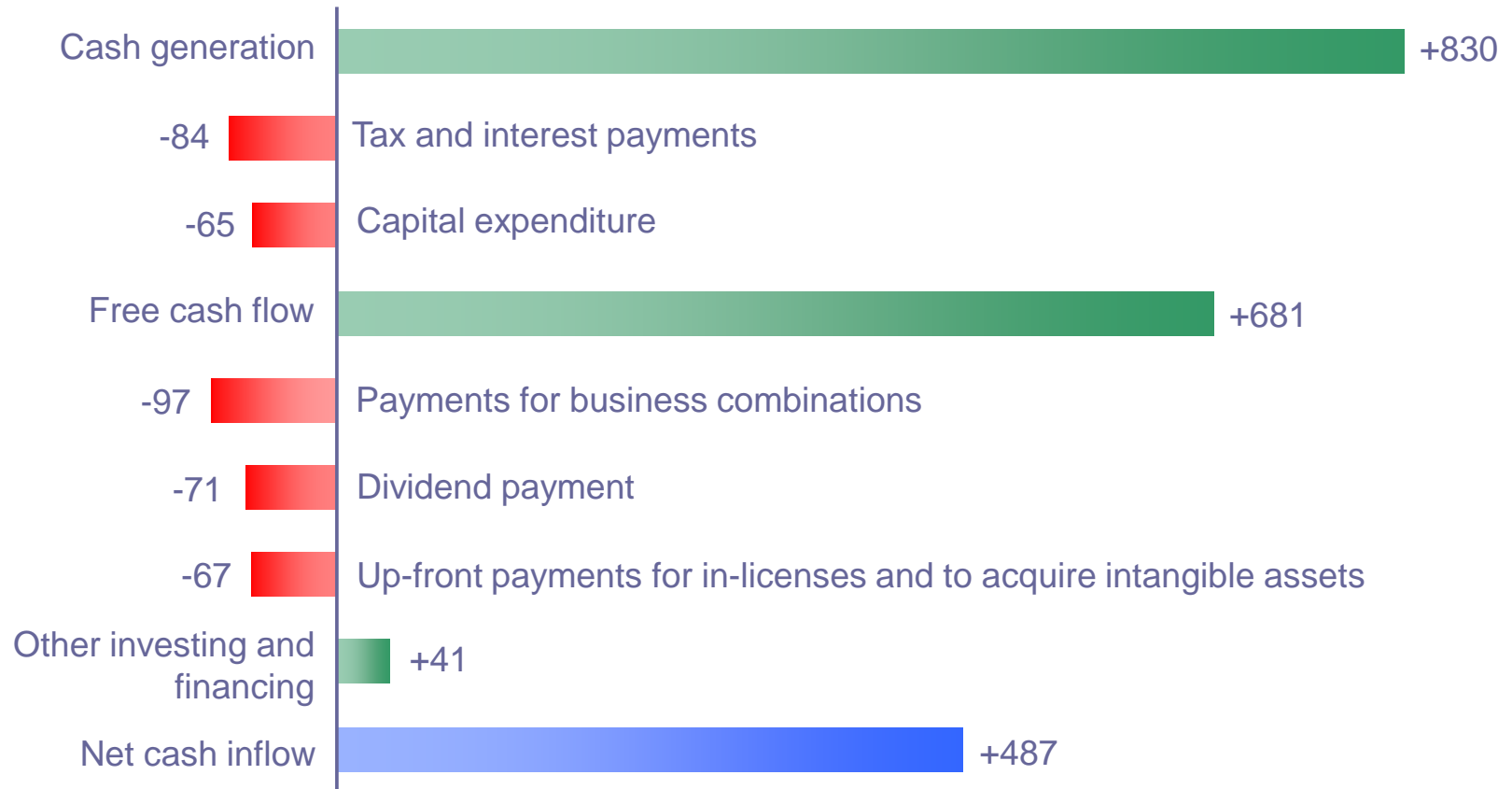
(2) These are Non GAAP financial measures. See appendix for a list of items excluded from the US GAAP equivalents used to calculate these measures.



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YTD 2012 Cash flow

Millions of USD



Note: Shire has a revolving 5 year credit facility of \$1.2bn signed in November 2010 which remained undrawn at June 30, 2012.



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Q2 2012 Non GAAP cash flow measures

Non GAAP cash generation and free cash flow reconciliation	Q2 2012 \$m	Q2 2011 \$m
Non GAAP cash generation⁽¹⁾	520	440
Tax and interest payments, net	(54)	(156)
US GAAP Net cash provided by operating activities	466	284
Capital expenditure	(33)	(49)
Non GAAP free cash flow⁽²⁾	433	235

(1) Non GAAP cash generation represents net cash provided by operating activities, excluding upfront and milestone payments for in-licensed and acquired products, tax and interest payments

(2) Non GAAP free cash flow represents net cash provided by operating activities, excluding upfront and milestone payments for in-licensed and acquired products, but including capital expenditure in the normal course of business



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YTD 2012 Non GAAP cash flow measures

Non GAAP cash generation and free cash flow reconciliation	YTD 2012 \$m	YTD 2011 \$m
Non GAAP cash generation⁽¹⁾	830	648
Tax and interest payments, net	(84)	(163)
Up-front payments in respect of in-licensed and acquired products	(23)	-
US GAAP Net cash provided by operating activities	723	485
Up-front payments in respect of in-licensed and acquired products	23	-
Capital expenditure	(65)	(95)
Non GAAP free cash flow⁽²⁾	681	390

(1) Non GAAP cash generation represents net cash provided by operating activities, excluding upfront and milestone payments for in-licensed and acquired products, tax and interest payments

(2) Non GAAP free cash flow represents net cash provided by operating activities, excluding upfront and milestone payments for in-licensed and acquired products, but including capital expenditure in the normal course of business



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Non GAAP net cash/(debt)

	June, 30 2012 \$m	Dec, 31 2011 \$m
Cash and cash equivalents	1,113	620
Restricted cash	14	20
Convertible bonds	(1,100)	(1,100)
Other	(9)	(8)
Net cash/(debt)	18	(468)

Non GAAP measures

- This presentation contains financial measures not prepared in accordance with US GAAP.
- These Non GAAP financial measures are used by Shire's management to make operating decisions because they facilitate internal comparisons of the Company's performance to historical results and to competitors' results. They should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with US GAAP.
- The following items are excluded from these Non-GAAP financial measures:

Amortization and asset impairments:

- Intangible asset amortization and impairment charges; and
- Other than temporary impairment of investments.

Acquisitions and integration activities:

- Upfront payments and milestones in respect of in-licensed and acquired products;
- Costs associated with acquisitions, including transaction costs, fair value adjustments on contingent consideration and acquired inventory;
- Costs associated with the integration of companies; and
- Non-controlling interest in consolidated variable interest entities.

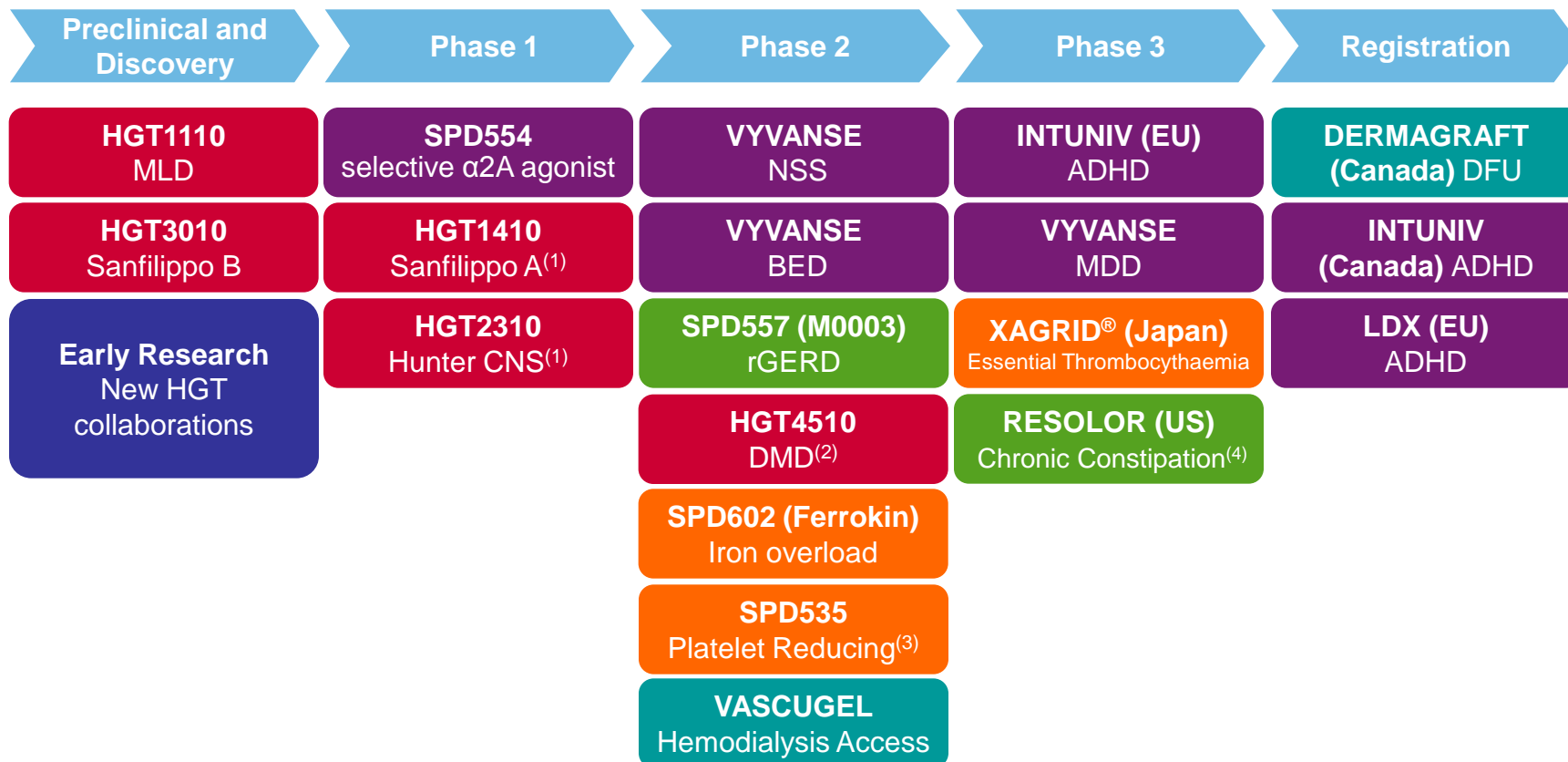
Divestments, re-organizations and discontinued operations:

- Gains and losses on the sale of non-core assets;
- Costs associated with restructuring and re-organization activities;
- Termination costs; and
- Income / (losses) from discontinued operations.

Legal and litigation costs:

- Net legal costs related to the settlement of litigation, government investigations and other disputes (excluding internal legal team costs).

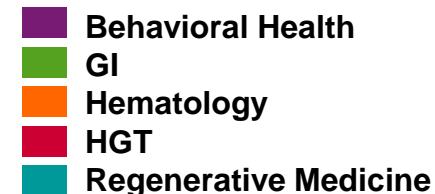
Expanding the pipeline



Changes to the pipeline since Q1 2012

De-prioritized

- Vyvanse EDS



Notes

- (1) HGT1410 and HGT2310 are currently in Phase 1/2 clinical trials
- (2) Currently on clinical hold
- (3) Phase 2 ready
- (4) Phase 3 ready

Sources for slide 15 “Regenerative Medicine: long term growth potential”

- 1) Centers for Disease Control and Prevention. National diabetes fact sheet: national estimates and general information on diabetes and prediabetes in the United States, 2011. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, 2011.
- 2) Wild et al. Global prevalence of diabetes: estimates for the year 2000 and projections for 2030. *Diabetes Care*. 2004 May;27(5):1047-53 or International Diabetes Federation. *IDF Diabetes Atlas*, 4th ed. Brussels, Belgium: International Diabetes Federation, 2009.
- 3) Singh et al. Preventing foot ulcers in patients with diabetes. *JAMA*. 2005;293:217-28.
- 4) Margolis, et al. Healing of diabetic neuropathic foot ulcers receiving standard treatment. A meta-analysis. *Diabetes Care*. 1999; 22:692-695.
- 5) Lavery et al. Diabetic foot syndrome: Evaluating the prevalence and incidence of foot pathology in Mexican Americans and non-Hispanic whites from a diabetes disease management cohort. *Diabetes Care*. 2003;26:1435-8.
- 6) Ramsey et al. Incidence, outcomes, and cost of foot ulcers in patients with diabetes. *Diabetes Care*. 1999;22:382-387.