

Fourth quarter and full year results to December 31, 2013

Shire plc
February 13, 2014

Flemming Ornskov, MD
Chief Executive Officer

Graham Hetherington
Chief Financial Officer



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 in this announcement that are not historical facts are forward-looking statements. 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, Shire’s results could be materially adversely affected. The risks and uncertainties include, but are not limited to, that:

- Shire’s products may not be a commercial success;
- revenues from ADDERALL XR are subject to generic erosion and revenues from INTUNIV will become subject to generic competition starting in December 2014;
- the failure to obtain and maintain reimbursement, or an adequate level of reimbursement, by third-party payors in a timely manner for Shire’s products may impact future revenues, financial condition and results of operations;
- Shire conducts its own manufacturing operations for certain of its Rare Diseases products and is reliant on third party contractors to manufacture other products and to provide goods and services. Some of Shire’s products or ingredients are only available from a single approved source for manufacture. Any disruption to the supply chain for any of Shire’s products may result in the Shire being unable to continue marketing or developing a product or may result in Shire being unable to do so on a commercially viable basis for some period of time.
- the development, approval and manufacturing of Shire’s products is subject to extensive oversight by various regulatory agencies and regulatory approvals or interventions associated with changes to manufacturing sites, ingredients or manufacturing processes could lead to significant delays, increase in operating costs, lost product sales, an interruption of research activities or the delay of new product launches;
- the actions of certain customers could affect Shire’s ability to sell or market products profitably. Fluctuations in buying or distribution patterns by such customers can adversely impact Shire’s revenues, financial conditions or results of operations;
- investigations or enforcement action by regulatory authorities or law enforcement agencies relating to Shire’s activities in the highly regulated markets in which it operates may result in the distraction of senior management, significant legal costs and the payment of substantial compensation or fines;
- adverse outcomes in legal matters and other disputes, including Shire’s ability to enforce and defend patents and other intellectual property rights required for its business, could have a material adverse effect on Shire’s revenues, financial condition or results of operations;
- Shire faces intense competition for highly qualified personnel from other companies, academic institutions, government entities and other organizations. Shire is undergoing a corporate reorganization and the consequent uncertainty could adversely impact Shire’s ability to attract and/or retain the highly skilled personnel needed for Shire to meet its strategic objectives;
- failure to achieve Shire’s strategic objectives with respect to the acquisition of ViroPharma Incorporated may adversely affect Shire’s financial condition and results of operations;

and other risks and uncertainties detailed from time to time in Shire’s filings with the U.S. Securities and Exchange Commission, including its most recent Annual Report on Form 10-K.



To be as brave as the people we help.

Shire delivers strong 2013 results and improved outlook

**Strategy
Shift**

**Double digit product sales growth drives
Non GAAP EPS growth of 23%***

Step change in operating leverage

**Expecting 2014 Non GAAP EPS growth at a
similar level to 2013**

Repositioned for further growth

**Operational
Discipline**



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* percentage compares to the full financial year 2012, recast to exclude the DERMAGRAFT business from continuing operations.

2013: two major initiatives

Strategy Shift

- ✓ Focused on specialty areas where innovation still drives differentiation and value
- ✓ Executed M&A in line with therapeutic area strategy: Lotus Tissue Repair, SARcode, Premacure and ViroPharma
- ✓ Pipeline prioritized
- ✓ Divested DERMAGRAFT (Jan 2014)

Operational Discipline

- ✓ One Shire simplification: EBITDA margin up to 38%
- ✓ Top-line growth delivered through improved execution: six products delivering double digit growth
- ✓ Drove customer centricity

2013 Business highlights

Strategy shift: Pipeline



- Acquisition of SARcode brought new ophthalmology asset lifitegrast for Dry Eye disease
 - OPUS-2 data showed positive impact on symptoms of Dry Eye, although the co-primary signs endpoint was not met
 - Anticipate meeting with the FDA to discuss totality of data in 1H 2014
 - Lifitegrast remains an important asset and a substantial opportunity in a therapeutic area with a significant unmet need



- LDX Positive data on BED



- Acquisition of ViroPharma
 - A strategic move to strengthen our Rare Disease business
 - Augments Shire's already strong growth prospects

Operational discipline: In-Line



- VYVANSE sales growth of 19%
 - A strong end to 2013 with VYVANSE consistently growing above the market
 - Entering 2014 with positive momentum



- LIALDA sales growth of 32%
 - Asacol manufacturing cessation in the US provided opportunity for market share gains
 - Further, moderate share growth expected



- FIRAZYR sales growth of 102%
 - Over 1,600 patients have been treated with FIRAZYR in the US
 - Fewer than half of patients with HAE currently receive treatment*



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* Internal market research.

Financial review

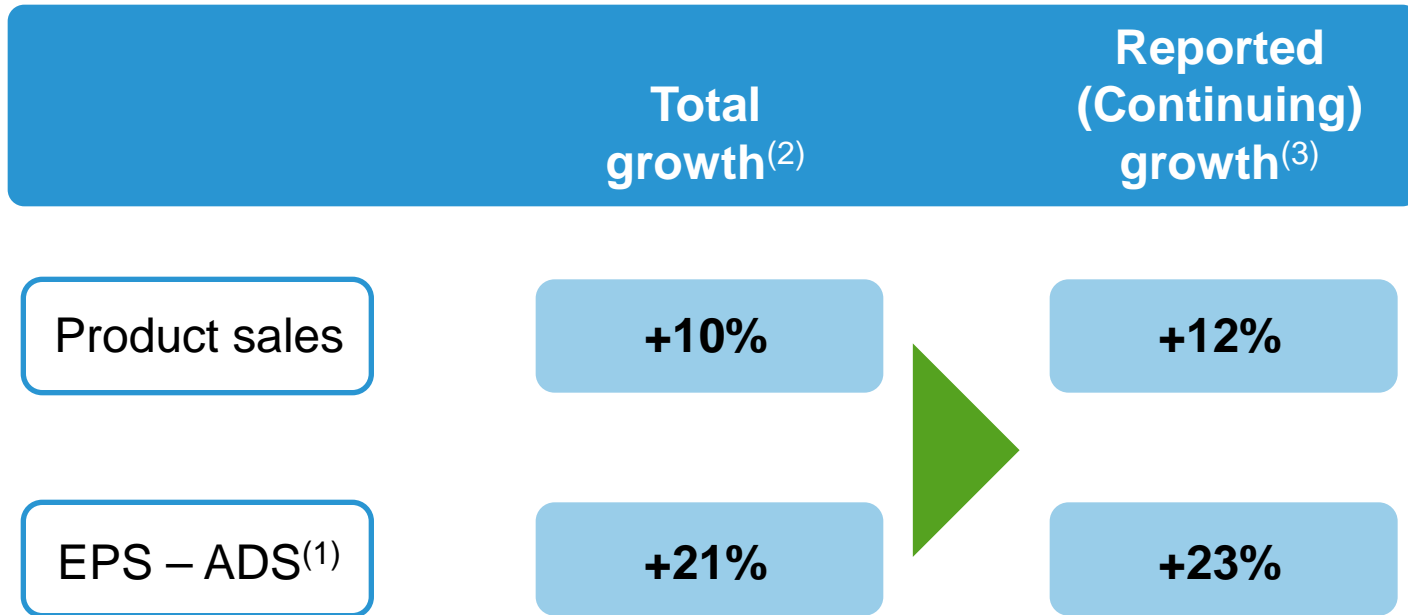
Graham Hetherington
Chief Financial Officer



Our purpose

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Strong growth in 2013



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

(2) Total results include DERMAGRAFT, and are presented on the same basis as the previously provided 2013 outlook.

(3) Continuing business results exclude DERMAGRAFT, which is treated as a discontinued operation following divestment on January 17, 2014.



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Strong performance in 2013 – Non GAAP EPS up 23%

	2013 Total \$m	2013 DERMAGRAFT ⁽³⁾ \$m	2013 Reported (Continuing) ⁽³⁾ \$m	YoY Total Growth	YoY Reported (Continuing) Growth ⁽³⁾
Product sales	4,847	(90)	4,757	+10%	+12%
Royalties and other revenues	177	-	177	-36%	-36%
Total revenues	5,024	(90)	4,934	+7%	+9%
Combined R&D and SG&A	2,451	(137)	2,314	-1%	-2%
EBITDA ⁽¹⁾	1,889	98	1,987	+19%	+23%
EBITDA % of product sales ⁽¹⁾⁽²⁾	35%	n/a	38%	+551bp	+646bp
EPS - ADS ⁽¹⁾	\$7.36	\$0.30	\$7.66	+21%	+23%
Cash generation ⁽¹⁾	1,781	n/a	n/a	+9%	n/a

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

(2) Excluding royalties and other revenues.

(3) Continuing business results exclude DERMAGRAFT, which is treated as a discontinued operation following divestment on January 17, 2014.

Double digit product sales growth in 2013

	2013 \$m	2012 \$m	Full Year Reported (Continuing) Growth %	Q4 Reported (Continuing) Growth %
VYVANSE	1,228	1,030	+19%	+29%
ELAPRASE	546	498	+10%	+10%
LIALDA / MEZAVANT	529	400	+32%	+34%
REPLAGAL	468	497	-6%	+11%
ADDERALL XR	375	429	-12%	-
VPRIV	343	307	+12%	+17%
INTUNIV	335	288	+16%	+6%
PENTASA	281	266	+6%	-5%
FIRAZYR	235	116	+102%	+134%
OTHER	417	422	-1%	+2%
Continuing product sales	4,757	4,253	+12%	+19%

Step change in operating leverage and strong margin improvement in 2013

	2013 Reported (Continuing)	2012 Recast (Continuing)
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Year on Year:

Product sales	+12%	+11%
R&D⁽¹⁾	+6%	+16%
SG&A⁽¹⁾	-6%	+3%
Combined R&D and SG&A⁽¹⁾	-2%	+7%

Ratios:

% of product sales		
Gross margin⁽¹⁾	87%	87%
R&D⁽¹⁾	19%	20%
SG&A⁽¹⁾	30%	36%
EBITDA^{(1) (2)}	38%	32%

(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.

Strong full year cash generation

Millions of USD



For details of Shire's credit facilities refer to slide 32.



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2014 Priorities

Flemming Ornskov, MD
Chief Executive Officer



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2014 Priorities: continue to reposition Shire for future growth

Strategy Shift

- Further refine therapeutic area strategy
- Strengthen our portfolio organically and via M&A

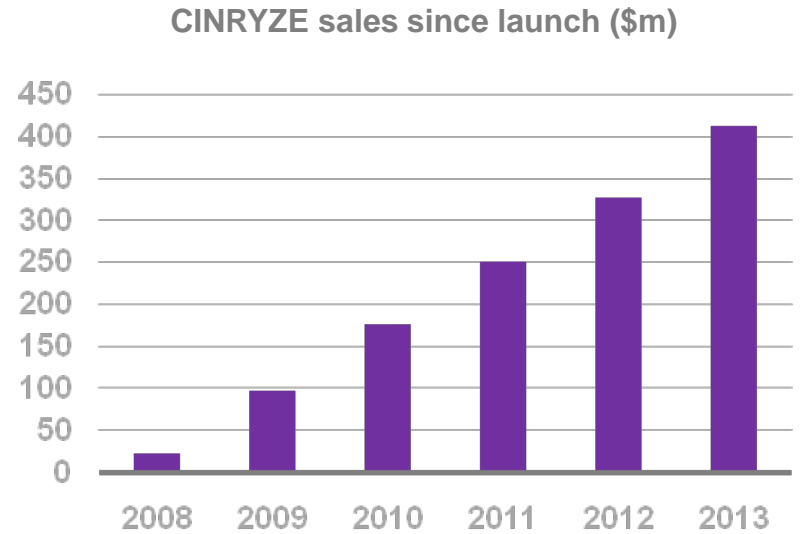
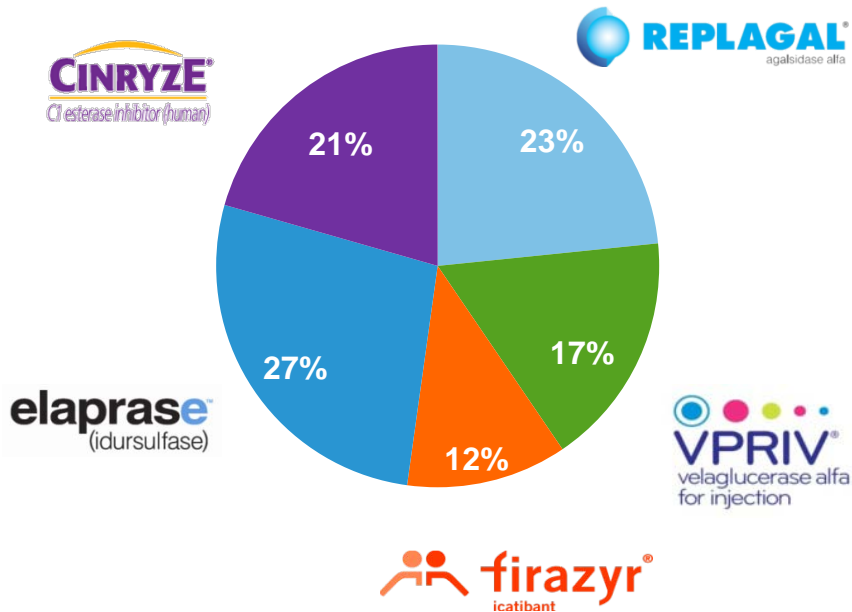
Operational Discipline

- Continued growth from in-line portfolio
- Maintain discipline and continue One Shire program to drive further operational leverage
- Advance our pipeline
- Integrate ViroPharma

ViroPharma - creates a growing \$2 billion Rare Disease business

CINRYZE makes an immediate and significant contribution to the Rare Disease business...

... supported by a track record of strong growth



2013 Pro Forma



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ViroPharma: integration update

5 key success factors:

Drive revenue from marketed products

- Maintaining and building commercial efforts behind CINRYZE
- Leveraging Shire international infrastructure

Ensure uninterrupted supply

- Resolving outstanding manufacturing issues
- Leveraging Shire's manufacturing expertise

Realize cost and revenue synergies

- Leveraging opportunities in HAE
- Integration of ViroPharma into One Shire organisation
- Rapid transition of G&A activities; commercial and R&D over longer-term

Leverage talent

- Leveraging ViroPharma expertise in HAE and strength in patient advocacy area

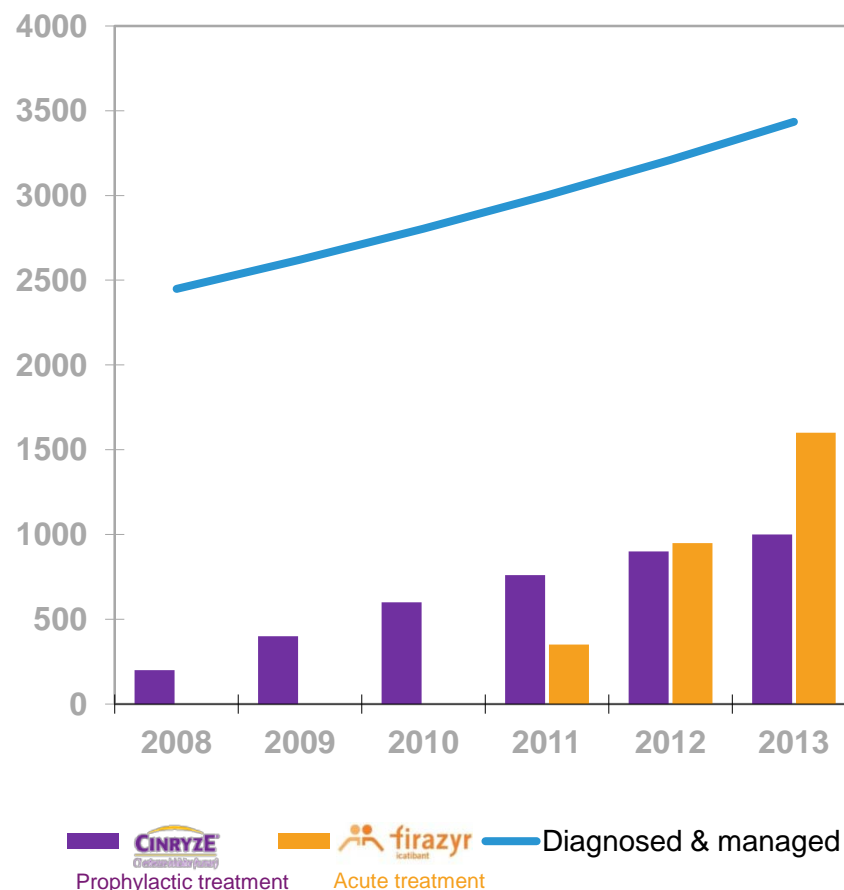
Extract value from pipeline programs

- Pipeline programs reviewed and key decisions made

Revenue opportunities in US acute and prophylactic HAE markets

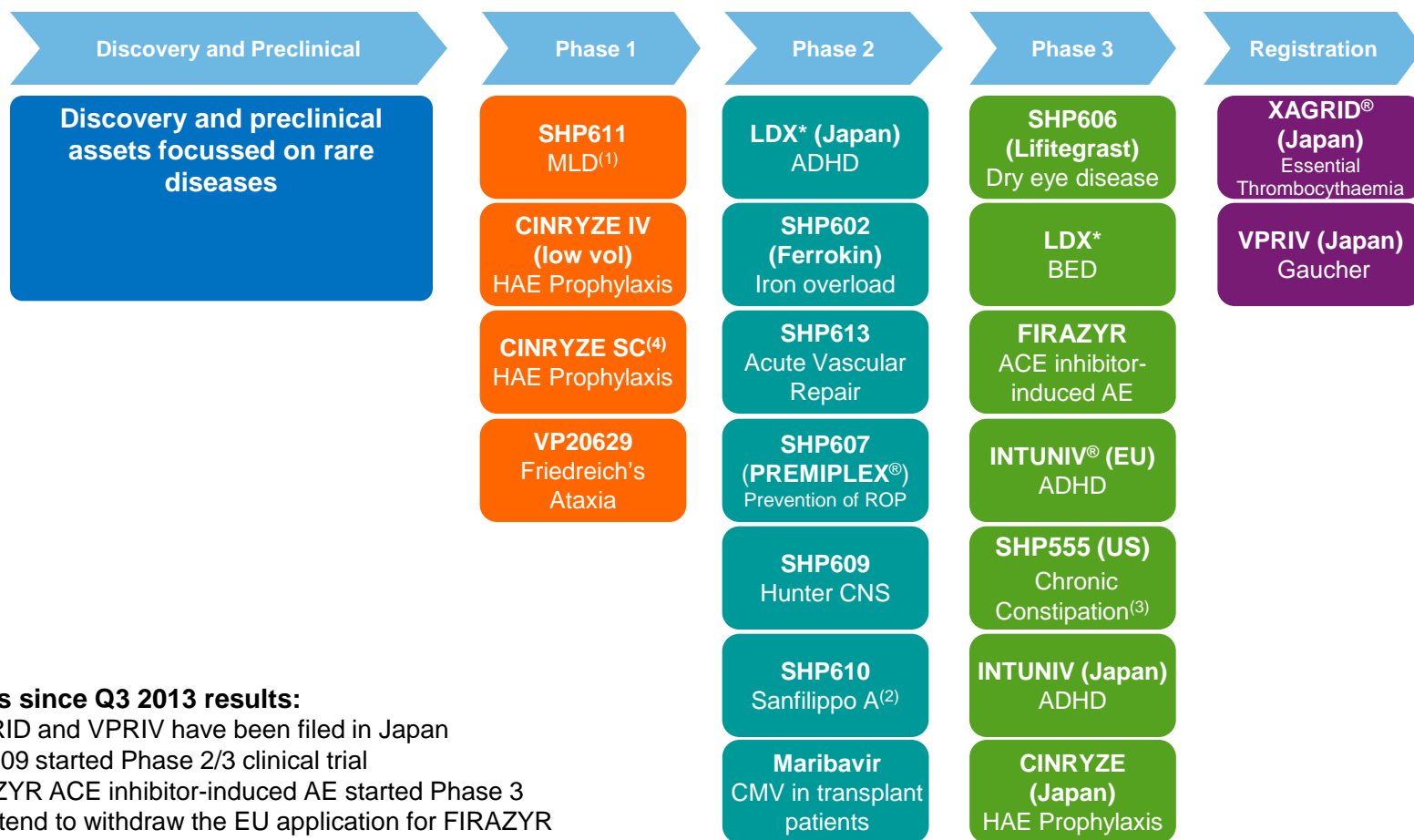
- Shire now offers two complementary therapies:
 - CINRYZE (C1 esterase inhibitor [human]) for prophylaxis treatment of HAE in adolescents and adults
 - FIRAZYR (icatibant injection) for acute attacks of HAE in adults of 18 years and older
- Two dedicated sales forces offer broader and deeper reach to expand physician awareness
- Strong patient support services
- Continued growth in patient numbers on both products anticipated
- Estimated 7,000-8,000* US HAE sufferers: potential for growth – with only 3000-4000 on treatment**

US patient numbers



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Strong innovative pipeline



Changes since Q3 2013 results:

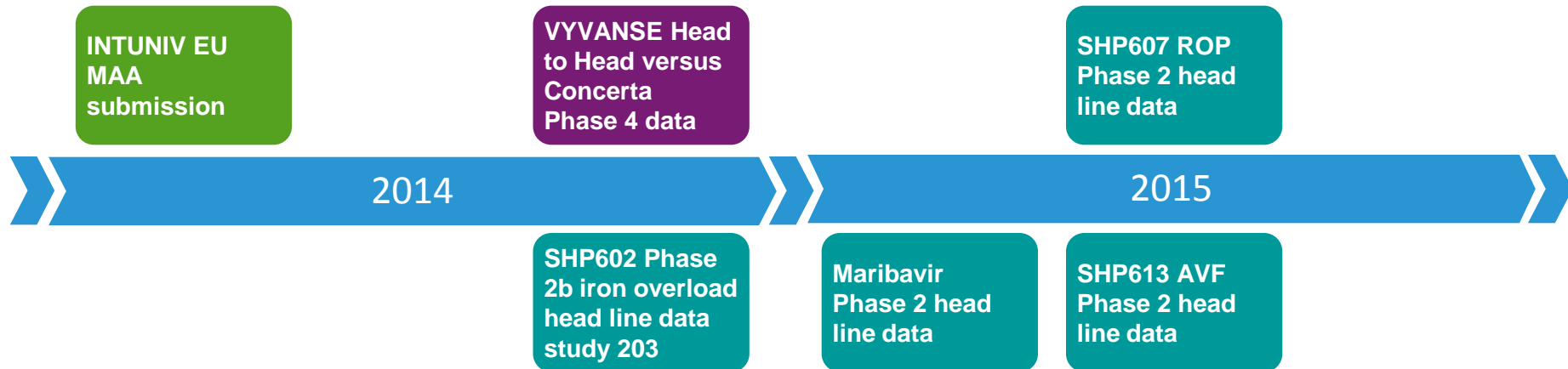
- XAGRID and VPRIV have been filed in Japan
- SHP609 started Phase 2/3 clinical trial
- FIRAZYR ACE inhibitor-induced AE started Phase 3
- We intend to withdraw the EU application for FIRAZYR ACE inhibitor-induced AE, and will resubmit pending completion of ongoing Ph 3 trial
- Added ViroPharma pipeline programs
- LDX MDD discontinued

Notes

* Lisdexamfetamine dimesylate, active ingredient in VYVANSE/ELVANSE.

- (1) SHP611 is currently in a Phase 1/2 clinical trial.
- (2) SHP610 has completed its Phase 1/2 clinical trial and preparation is underway for a Phase 2b trial.
- (3) Discussions are planned with the FDA to determine potential clinical development pathways.
- (4) Subcutaneous formulation

Multiple pipeline milestones expected



- Registration and Phase 4
- Phase 3
- Phase 2

2014 Outlook

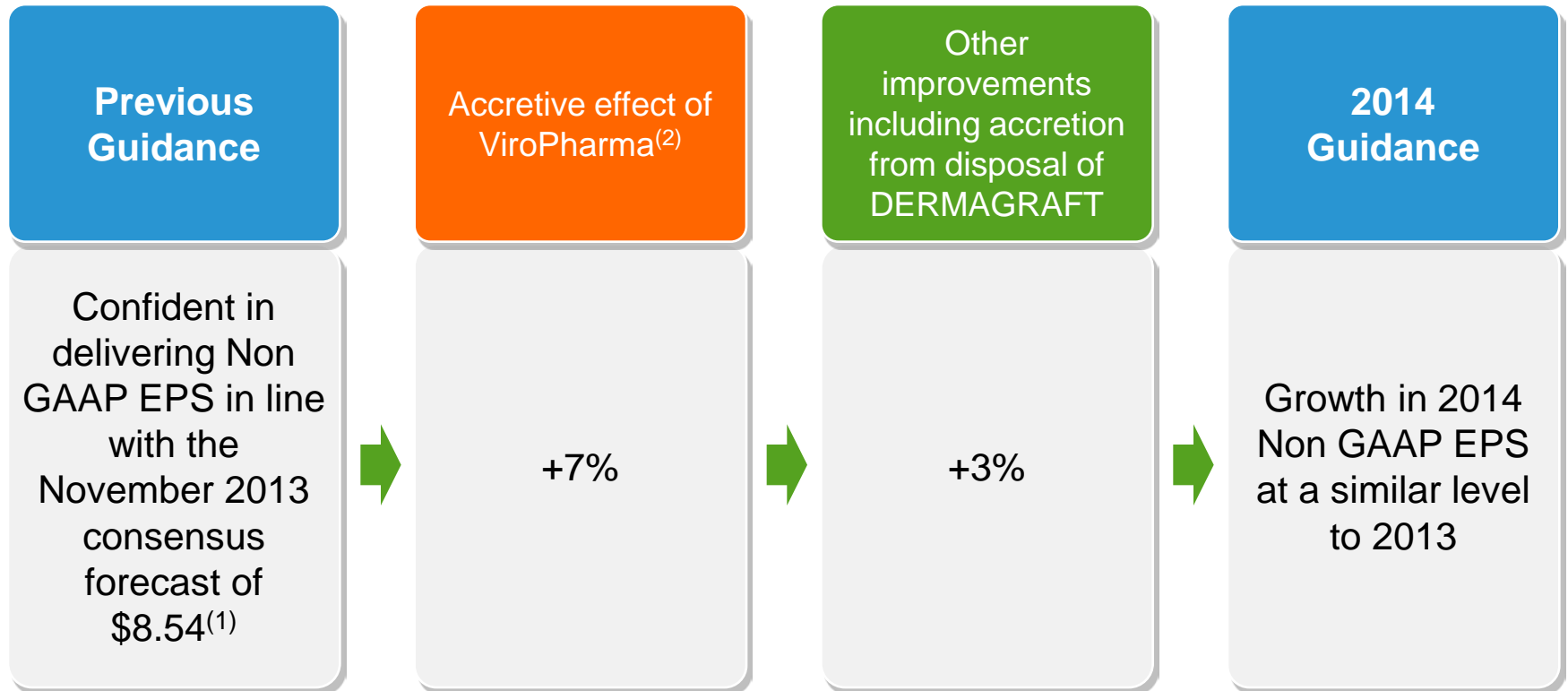
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Chief Financial Officer



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2014 Outlook – Non GAAP EPS growth in 2014 at a similar level to 2013



(1) Based on the 2014 consensus estimates compiled by Consensus Forecast Ltd, posted on Shire.com on November 11, 2013, of \$8.54 Non GAAP diluted earnings per ADS for the year ended December 31, 2014, included on Shire's website (<http://www.shire.com/shireplc/en/investors/forecasts>).








(2) Represents the effect of ViroPharma's revenues and costs for the 11 months post-closing.

2014 Outlook – Non GAAP EPS growth in 2014 at a similar level to 2013

Full year 2014 dynamics⁽¹⁾

Direction vs FY 13
Reported (Continuing)⁽¹⁾

Guidance

Product sales		Mid-to-high teens growth
Royalties and Other Revenues		10-15% lower than 2013
Gross margins		~1% lower than 2013
Combined R&D and SG&A		6-8% higher than 2013
Net interest expense		At a similar level to 2013
Tax rate		Core effective tax rate of 18-20%
Reported EPS-ADS		Growth in 2014 at a similar level to 2013



To be as brave as the people we help.

(1) Outlook includes the effect of ViroPharma's revenues and costs for the 11 months post-closing and excludes the effect of DERMAGRAFT operations.

Summary

Flemming Ornskov, MD
Chief Executive Officer



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

Strategy Shift + Operational Discipline = Continued Growth

Strategy Shift

2013 Accomplishments

- ✓ Focused on specialty areas where innovation still drives differentiation and value
- ✓ Executed M&A in line with therapeutic area strategy
- ✓ Pipeline prioritized
- ✓ Divested DERMAGRAFT

- ✓ One Shire simplification: EBITDA margin up to 38%
- ✓ Top-line growth delivered through improved execution: six products delivering double digit growth
- ✓ Drove customer centricity

Operational Discipline

2014 Priorities

- ❑ Further refine therapeutic area strategy
- ❑ Strengthen our portfolio organically and via M&A
- ❑ Continued growth from in-line portfolio
- ❑ Maintain discipline and continue One Shire program to drive further operational leverage
- ❑ Advance our pipeline
- ❑ Integrate ViroPharma

Questions and Answers



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Appendix



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Q4 2013 performance summary

	Q4 2013 Total \$m	Q4 2013 DERMAGRAFT ⁽³⁾ \$m	Q4 2013 Reported (Continuing) ⁽³⁾ \$m	YoY Total Growth	YoY Reported (Continuing) Growth ⁽³⁾
Product sales	1,305	(25)	1,280	+19%	+19%
Royalties and other revenues	46	-	46	-56%	-56%
Total revenues	1,351	(25)	1,326	+12%	+12%
Combined R&D and SG&A	639	(29)	610	-1%	-1%
EBITDA ⁽¹⁾	528	21	549	+33%	+29%
EBITDA % of product sales ⁽¹⁾⁽²⁾	37%	n/a	39%	+1017bp	+957bp
EPS - ADS ⁽¹⁾	\$2.21	\$0.05	\$2.26	+40%	+36%
Cash generation ⁽¹⁾	668	n/a	n/a	+47%	n/a

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

(2) Excluding royalties and other revenues.

(3) Continuing business results exclude DERMAGRAFT, which is treated as a discontinued operation following divestment on January 17, 2014.

Q4 2013 key financial ratios

	Q4 2013 Reported (Continuing)	Q4 2012 Recast (Continuing)
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Year on Year:

Product sales	+19%	+8%
R&D⁽¹⁾	-4%	+14%
SG&A⁽¹⁾	+1%	+5%
Combined R&D and SG&A⁽¹⁾	-1%	+8%

Ratios:

% of product sales		
Gross margin⁽¹⁾	87%	87%
R&D⁽¹⁾	17%	21%
SG&A⁽¹⁾	30%	36%
EBITDA^{(1) (2)}	39%	30%

(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.







Regional product sales analysis – reported (continuing)

	US \$m	Europe \$m	LATAM \$m	Other \$m	Total \$m
FY 2013 product sales	3,178	1,018	207	354	4,757
% of Product sales	67%	21%	4%	8%	100%
YoY growth	+15%	+4%	+21%	+9%	+12%
FY 2012 product sales	2,775	983	171	324	4,253
% of Product sales	65%	23%	4%	8%	100%
YoY growth	+13%	0%	+33%	+19%	+11%

2013 Royalties & other revenues

	Financial Year			Q4
	2013 \$m	2012 \$m	Reported (Continuing) Change	Reported (Continuing) Change
FOSRENOL	48	53	-10%	-11%
3TC and ZEFFIX	47	92	-49%	-77%
ADDERALL XR	28	70	-61%	+4%
REMINYL & Other	31	27	+19%	-7%
Royalties	154	242	-36%	-53%
Other revenues	23	32	-30%	-74%
Royalties & Other Revenues	177	274	-36%	-56%

2013 Income statement growth analysis – reported (continuing)

	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2012 FY	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2013 FY	FY 2014 Dynamics Direction v. FY 13 Guidance	
Total Product Sales	\$1,058m	\$1,095m	\$1,021m	\$1,079m	\$4,253m	\$1,098m	\$1,208m	\$1,171m	\$1,280m	\$4,757m		Mid-to-high teens growth
versus prior year	+19%	+10%	+5%	+8%	+11%	+4%	+10%	+15%	+19%	+12%		
Royalties & Other revenues	\$65m	\$60m	\$46m	\$103m	\$274m	\$45m	\$44m	\$42m	\$46m	\$177m		10-15% lower than 2013
versus prior year	-22%	-14%	-32%	+11%	-12%	-30%	-26%	-9%	-56%	-36%		
Total Revenues	\$1,123m	\$1,155m	\$1,067m	\$1,182m	\$4,527m	\$1,143m	\$1,252m	\$1,213m	\$1,326m	\$4,934m		~1% lower than 2013
versus prior year	+16%	+9%	+3%	+9%	+9%	+2%	+8%	+14%	+12%	+9%		
Gross Margin ^{(1) (2)}	87%	88%	86%	87%	87%	87%	87%	85%	87%	87%		6-8% higher than 2013
versus prior year	+14%	+3%	+4%	+8%	+7%	-7%	+1%	+1%	-1%	-2%		
Combined R&D and SG&A ⁽²⁾	\$597m	\$583m	\$557m	\$615m	\$2,352m	\$554m	\$589m	\$561m	\$610m	\$2,314m		Core effective tax rate of 18-20%
versus prior year	+14%	+3%	+4%	+8%	+7%	-7%	+1%	+1%	-1%	-2%		
Tax Rate ⁽²⁾	19%	20%	19%	17%	19%	20%	23%	20%	12%	19%		Growth in 2014 at a similar level to 2013
versus prior year	+20%	+29%	+8%	+13%	+17%	+16%	+12%	+31%	+36%	+23%		



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(1) Gross margin calculated as a percentage of net 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.

2013 Non GAAP cash flow measures

Non GAAP cash generation and free cash flow reconciliation	2013 \$m	2012 \$m	Q4 2013 \$m	Q4 2012 \$m
Non GAAP cash generation⁽¹⁾	1,781	1,637	668	452
Tax and interest payments, net	(318)	(231)	(58)	(80)
Up-front payments in respect of in-licensed and acquired products	-	(23)	-	-
US GAAP Net cash provided by operating activities	1,463	1,383	610	372
Capital expenditure	(157)	(150)	(46)	(58)
Up-front payments in respect of in-licensed and acquired products	-	23	-	-
Non GAAP free cash flow⁽²⁾	1,306	1,256	564	314

(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 debt

	December 31, 2013 \$m	December 31, 2012 \$m
Cash and cash equivalents	2,239	1,482
Convertible bonds ⁽¹⁾	-	(1,100)
Other	(9)	(9)
Net cash	2,230	373

Shire has a revolving 5 year credit facility of \$1.2bn which matures in November 2015, and a \$0.9bn 1 year term facility (with 1 year extension option) and \$0.85bn 2 year term facility to fund the ViroPharma acquisition and related costs. After paying for the ViroPharma acquisition Shire's Non GAAP net debt will be approximately \$1.5bn.

(1) The \$1.1bn convertible bonds were converted into ordinary shares during December 2013.

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, and 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).