Shire to acquire NPS Pharmaceuticals

Further step in building a leading biotech

Transaction valued at $5.2 billion

Enhances growth profile

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

Shire

“SAFE HARBOR” statement under the Private Securities Litigation Reform Act of 1995 and tender offer materials

Statements included in this communication 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, 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 and INTUNIV are subject to generic erosion;
- 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 products and is reliant on third party contract manufacturers 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 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. Submission of an application for regulatory approval of any of our product candidates, such as our planned submission of a New Drug Application to the FDA for Lifitegrast, may be delayed for any number of reasons and, once submitted, may be subjected to lengthy review and ultimately rejected. Moreover, 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 condition 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 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;

“SAFE HARBOR” statement under the Private Securities Litigation Reform Act of 1995 and tender offer materials

- Shire’s proposed acquisition of NPS Pharma may not be consummated due to the occurrence of an event, change or other circumstances that gives rise to the termination of the merger agreement;
- a governmental or regulatory approval required for the proposed acquisition of NPS Pharma may not obtained, or may be obtained subject to conditions that are not anticipated, or another condition to the closing of the proposed acquisition may not be satisfied;
- NPS Pharma may be unable to retain and hire key personnel and/or maintain its relationships with customers, suppliers and other business partners pending the consummation of the proposed acquisition by Shire, or NPS Pharma’s business may be disrupted by the proposed acquisition, including increased costs and diversion of management time and resources;
- difficulties in integrating NPS Pharma into Shire may lead to the combined company not being able to realize the expected operating efficiencies, cost savings, revenue enhancements, synergies or other benefits at the time anticipated or at all;
- and other risks and uncertainties detailed from time to time in Shire’s or NPS Pharma’s filings with the U.S. Securities and Exchange Commission, including their respective most recent Annual Reports on Form 10-K.

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Shire and NPS Pharma – Leadership in rare diseases

Shire is acquiring NPS Pharma, a significant step on our journey to become a leading biotechnology company

Building on NPS Pharma's success, we will use our GI market expertise, rare disease patient identification and management capabilities, and global footprint to deliver NPS Pharma's products to patients worldwide

The transaction will enhance Shire's growth profile and is expected to be accretive to Non GAAP EPS from 2016 onward

NPS Pharma is a biopharmaceutical company focused on rare diseases

History

- Founded in 1986, with an early focus on osteoporosis and thyroid disorders
- Acquired Allelix Pharmaceuticals in 1999 to specialize in rare disease with first-in or best-in-class disease therapies

Key Products

- GATTEX®/REVESTIVE® (teduglutide) for the treatment of short bowel syndrome (SBS), a rare GI condition, launched in the U.S. (Q1 2013), and Europe (Q3 2014)
- NATPARA®/NATPAR® (recombinant parathyroid hormone) for the treatment of hypoparathyroidism (HPT), a rare endocrine disease, in registration phase in the U.S. and EU

General Facts

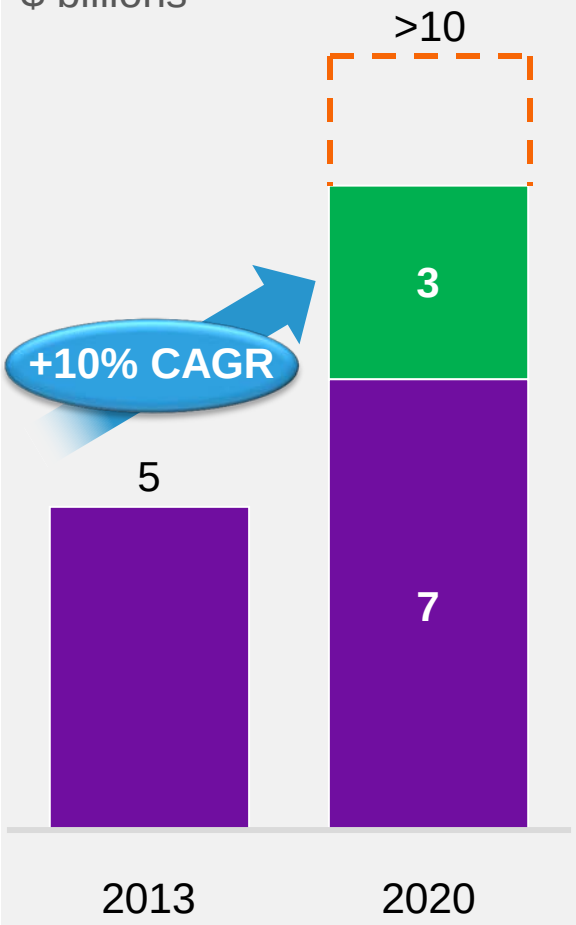
- NASDAQ listed (NASDAQ: NPSP)
- Headquarters: Bedminster, NJ, U.S.
- Operations in the U.S., Canada, Europe, Latin America, and Japan
- More than 350 employees

Acquisition is aligned to our strategy and adds significant upside to 10 x 20 aspirations

Clear and focused strategy

To become a leading global biotech delivering innovative medicines to patients with rare diseases and other specialty conditions

10 x 20 aspirational product sales



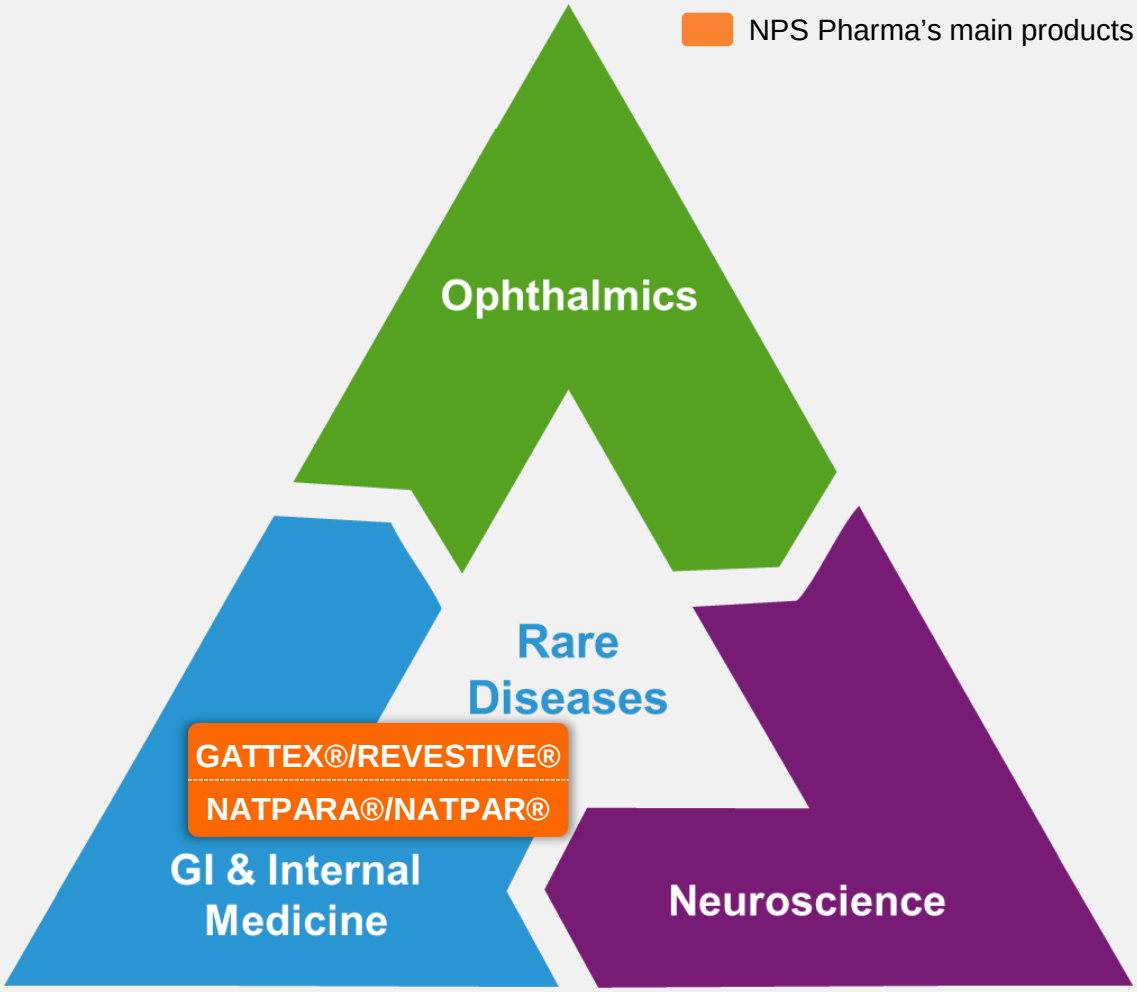
Upside potential
NPS Pharma, Lumena, Fibrotech, BIKAM, Cinryze new uses, early stage pipeline, and future BD

Pipeline
$3 billion expected from existing pipeline(1)

In-Line
$7 billion expected from on-market products

(1) Products included on pipeline as of February 2014, as reported on Q4 2013 quarterly results

Acquisition of NPS Pharma adds to innovative portfolio



NPS Pharma strengthens our GI and Internal Medicine franchise with two innovative products and leverages our rare disease expertise and patient management capabilities

- **GATTEX®/REVESTIVE®:** A commercialized product for a rare GI condition
- **NATPARA®/NATPAR®:** A product in registration for a rare endocrine disease

GATTEX®/REVESTIVE® - The first recombinant GLP-2 for long term treatment of short bowel syndrome (SBS)

Disease

- SBS results from resection of the small intestine; leads to body being unable to absorb sufficient nutrients

Health impact

- Associated with life-threatening complications, including infections, blood clots, and liver damage

Current treatment

- More than 55% of SBS patients require parenteral nutrition support
  - High constraints to lifestyle (80% of patients require between 3 and 6 days of support per week)
  - High cost (~$185-568K per year(1))
  - Does not address the issue of malabsorption

Prevalence

- ~6-7K parenteral support dependent SBS adults in the U.S. (similar number in the EU5)

SOURCE: NA HPEN Patient Registry. Oley Foundation. 1994; Weiser, Lancet. 2008;372:139; HCUP.net;
(1) Annual mean costs of lifelong, complex home healthcare associated with PS, not including the indirect costs associated with disability (Piamjariyakul 2010, NIH).

Gattex® (Teduglutide [rDNA origin]) for Injection

- First analog of GLP-2 approved to:
  - Increase absorption of remaining bowel
  - Decrease or eliminate the need for parenteral support
- During pivotal phase 3 trial >60% of patients achieved at least 20% reduction in the volume of weekly parenteral nutrition
- Stimulates intestinal lining growth, resulting in increased fluid and nutrient absorption
- Launched in the U.S. in 2013; ex-U.S. launch underway since Q3 2014
- Strong growth expected given opportunity to identify new SBS patients

NATPARA®/NATPAR® - In registration for the treatment of hypoparathyroidism (HPT)

Disease

- HPT is a disease in which patients' parathyroid glands fail to produce sufficient levels of parathyroid hormone leading to low calcium levels

Health impact

- Low calcium levels can lead to problems with the heart, nervous system, kidneys, bones and teeth

Current treatment

- Widespread treatment practice involves high-dose oral calcium and vitamin D
  - High pill burden
  - Inadequate control of symptoms

Prevalence

- ~75K patients in the U.S., 41K with moderate or severe disease (similar number in the EU5)

SOURCE: Powers et al., Prev. and Incid. of HPT in the USA, large cohort study, DOI 10.1002/jbmr.2004, (2013); Sun et al., Trends in U.S. Thyroidectomy, Thyroid 23 (6), 2013;

Natpara® (parathyroid hormone) for Injection

- If approved, the only bioengineered hormone replacement therapy indicated for use in the treatment of HPT
- Pivotal phase 3 clinical trial showed clinically meaningful efficacy:
  - Maintenance of serum calcium in the target range
  - 50% decrease in calcium and vitamin D supplements
- PDUFA date in the U.S. is January 24, 2015
- MAA submitted on November 5, 2014; anticipated approval with standard review in Q1 2016

Shire will accelerate the growth of NPS Pharma's portfolio

GI and rare disease expertise

- **#2 GI sales force** as ranked by U.S. GI's(1)
- **#1 prescribed 5-ASA** (Lialda) in U.S.(2)
- **Leader** in enzyme / protein replacement
- **#1 position** in HAE(3) market
- **Deep development portfolio,** including SHP625 for rare GI / hepatic diseases

Commercial excellence

- Broad **international commercial footprint** with products marketed in over 50 countries
- **Innovative services** to identify, support and manage patients
- Best-in-class **market access and launch capabilities**

(1) IMS Attributable Ranking Study 2013
(2) IMS NPA Weekly Date Reports for week ending February 7, 2014
(3) Seeking Alpha "Dyax And ViroPharma: An Overview Of Hereditary Angioedema (HAE) Space", September 18, 2012

Combination will create shareholder value

Extend rare disease model to GI franchise, by pairing innovative products with best-in-class patient support services

Accelerate the growth of GATTEX® in the U.S. by leveraging Shire's #2 ranked GI sales force and rare disease commercial expertise

Efficiently launch REVESTIVE® ex-U.S. through Shire's extensive international commercial infrastructure

Maximize value of NATPARA®/NATPAR® (if approved) through Shire's proven development and launch capabilities

Realize operating synergies by integrating NPS Pharma into Shire's organization, leveraging previous experience with similar acquisitions

Transaction highlights

Consideration	• $46.00 per share in cash (a 51% premium to NPS Pharma's unaffected share price of $30.47 on December 16, 2014) • Approximately $5.2 billion total consideration
Financial impact	• Expected to enhance revenue growth from 2015 onward • Expected to be accretive to Non GAAP EPS from 2016 onward
Financing	• Funded using cash on hand, existing $2.1 billion committed bank facility and a newly arranged $850 million short term bank facility • The transaction is not subject to any financing contingency
Timing	• Closing expected in Q1 of 2015
Expected operating synergies	• Realization of operating synergies beginning in 2016 and growing substantially thereafter • Anticipated synergies of approximately 25-35% of the Street's consensus forecast of NPS Pharma's standalone future operating cost base from 2017 onward

This acquisition will allow NPS Pharma's products to transform the lives of even more patients

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Q&A

Shire

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NPS Pharmaceuticals

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Appendix

NPS Pharma's financials (in $ thousands)

	2012	2013	2014 (first 3 quarters)
GATTEX® Sales	-	31,752	67,917
Royalties and license fees	130,644	123,804	89,450
Total Revenues	**130,644**	**155,592**	**157,367**
Gross Profit	**130,644**	**151,996**	**149,573**
R&D	94,839	85,421	66,238
SG&A	36,929	68,070	79,142
Operating income	**(1,124)**	**(1,495)**	**4,193**

Outline prepared using historic company data under US GAAP

NPS Pharma's additional pipeline

REVESTIVE® geographic expansion	• Japan • Canada • Switzerland
Teduglutide label extension	• Global study for teduglutide in pediatric patients with SBS who are dependent on parenteral support
NPSP795	• Ongoing phase 2a study of NPSP795 in adults with autosomal dominant hypocalcemia; an ultra-rare, life-long genetic disorder that affects both adults and children