



Shire Acquires Meritage Pharma

Transaction Adds Phase 3-Ready Rare GI Disease Product to Strong Pipeline

Lexington, MA and San Diego, CA – February 24, 2015 – Shire plc (LSE: SHP, NASDAQ: SHPG) and Meritage Pharma, Inc. announced today that Shire has acquired Meritage, a privately-held company, for an upfront fee of \$70 million and additional contingent payments based on the achievement of development and regulatory milestones. With the acquisition, Shire has acquired the global rights to—and undertaken the further development of—Meritage’s Phase 3-ready compound, Oral Budesonide Suspension (OBS), for the treatment of adolescents and adults with eosinophilic esophagitis (EoE), a rare, chronic inflammatory gastrointestinal (GI) disease. This acquisition further enhances Shire’s late-stage pipeline and builds upon the Company’s rare disease and GI commercial infrastructure and expertise. Shire does not expect this acquisition to result in a change to its previously published earnings guidance for 2015.

Shire obtained the rights to acquire Meritage in connection with its acquisition of ViroPharma in 2014.

Shire’s Head of Research and Development, Philip J. Vickers, Ph.D., commented: “Shire’s pipeline and strategic focus on rare diseases is further strengthened with the acquisition of Meritage, which also complements our strong GI capabilities. Adding this Phase 3-ready compound to our late-stage portfolio will allow us to leverage our expertise to further develop this important therapy that, if approved, will give hope to patients living with eosinophilic esophagitis.”

Meritage’s President and Chief Executive Officer, Elaine Phillips, Ph.D., commented: “Meritage has worked closely with gastroenterologists, patients and their caregivers to develop Oral Budesonide Suspension, which was the first medication to significantly reduce eosinophilic inflammation and related symptom endpoints in patients with eosinophilic esophagitis in a Phase 2 clinical trial. The acquisition of Meritage by Shire, a global biotechnology company with GI and rare disease expertise, may benefit physicians and patients by helping develop OBS to potentially become the first approved treatment in the U.S. indicated for this often disabling disease.”

EoE is a chronic disease that is increasingly being diagnosed in children and adults, with an estimated prevalence in the U.S. of ~181,000. It is characterized by inflammation and accumulation of a specific type of immune cell, called an eosinophil, in the esophagus. EoE patients may have persistent or relapsing symptoms related to esophageal dysfunction, which include dysphagia (difficulty swallowing) and food impaction.

OBS is a proprietary viscous oral formulation of budesonide that is designed to coat the esophagus where the drug can act locally. Budesonide is the active pharmaceutical ingredient in several products approved by the FDA, including products for the treatment of asthma,

allergic rhinitis, ulcerative colitis and Crohn's disease. Budesonide is a corticosteroid and has an established safety profile in those diseases. The FDA has granted Orphan Drug Status designation to OBS for the treatment of patients with EoE.

For further information please contact:

Investor Relations

For Shire:

Sarah Elton-Farr seltonfarr@shire.com +44 1256 894157

For Meritage:

Pam Lord pam@canalecomm.com + 1 619 849 6003

Media

For Shire:

Stephanie Fagan sfagan@shire.com +1 201 572 9581

Jessica Cotrone jcotrone@shire.com +1 781 482 9538

For Meritage:

Pam Lord pam@canalecomm.com + 1 619 849 6003

NOTES TO EDITORS

Shire enables people with life-altering conditions to lead better lives.

Our strategy is to focus on developing and marketing innovative specialty medicines to meet significant unmet patient needs.

We focus on providing treatments in Rare Diseases, Neuroscience, Gastrointestinal and Internal Medicine and we are developing treatments for symptomatic conditions treated by specialist physicians in other targeted therapeutic areas, such as Ophthalmics.

www.shire.com

About Meritage Pharma

Meritage Pharma is committed to the development of prescription products based on safe and effective molecules for the treatment of gastrointestinal and atopic diseases. The company was founded in 2008 by a management team that has an established track record of building successful specialty pharmaceutical companies and in identifying and developing novel products for atopic diseases. Investors include Domain Associates, Latterell Venture Partners and the Vertical Group. More information about Meritage Pharma is available at www.meritagepharma.com. Meritage™ is a trademark of Meritage Pharma, Inc.

For Shire

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. 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;
- product sales from ADDERALL XR and INTUNIV are subject to generic competition;
- the failure to obtain and maintain reimbursement, or an adequate level of reimbursement, by third-party payers in a timely manner for Shire's products may affect 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 the Shire's products or ingredients are only available from a single approved source for manufacture. Any disruption to the supply chain for any of the 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 manufacture of Shire's products is subject to extensive oversight by various regulatory agencies. Regulatory approvals or interventions associated with changes to manufacturing sites, ingredients or manufacturing processes could lead to significant delays, an increase in operating costs, lost product sales, an interruption of research activities or the delay of new product launches;
- Shire has a portfolio of products in various stages of research and development. The successful development of these products is highly uncertain and requires significant expenditures and time, and there is no guarantee that these products will receive regulatory approval;
- 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 affect 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 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 and organizations. Shire is undergoing a corporate reorganization and was the subject of an unsuccessful acquisition proposal and the consequent uncertainty could adversely affect 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 NPS Pharmaceuticals, Inc. 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 US Securities and Exchange Commission, including its most recent Annual Report on Form 10-K.

Meritage Pharma Forward-Looking Statements

Meritage Pharma cautions you that statements included in this press release that are not a description of historical facts may be forward-looking statements. The inclusion of forward looking statements should not be regarded as a representation by Meritage Pharma that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Meritage Pharma's business including, without limitation, statements about: difficulties or delays in developing, obtaining regulatory approval, manufacturing and commercializing its products; unexpected performance or side effects of its products that could delay or prevent development or commercialization; the scope and validity of patent protection for its products; competition from other pharmaceutical companies; and its ability to obtain additional financing to support its operations. All forward looking statements are qualified in their entirety by this cautionary statement and Meritage Pharma undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof.