Press Release

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Shire to Acquire SARcode Bioscience, Expands Presence in Ophthalmology

Acquisition brings Shire a new phase 3 compound being investigated for the signs and symptoms of Dry Eye Disease

Lexington, MA, US – March 25, 2013 – Shire plc (LSE: SHP, NASDAQ: SHPG) today announced that it will acquire SARcode Bioscience Inc., a privately held biopharmaceutical company based in Brisbane, California. This acquisition continues to build Shire's presence in the ophthalmology therapeutic category and brings a new phase 3 compound – LIFITEGRAST – currently under development for the signs and symptoms of dry eye disease, into Shire's portfolio. Shire anticipates launching LIFITEGRAST in the United States as early as 2016 pending a positive outcome of the phase 3 clinical development program and regulatory approvals. Shire is acquiring the global rights to LIFITEGRAST and will evaluate an appropriate regulatory filing strategy for markets outside of the United States.

Some 25 million people in the United States suffer from dry eye disease, and, of the approximate 9 million patients who are candidates for prescription drug treatment, approximately 10% are treated with the only currently approved prescription product for dry eye disease, indicated to help increase the eyes' natural ability to produce tears, which may be suppressed by inflammation due to chronic dry eye. However, there is no approved treatment indication which includes symptoms of dry eye (one of the most common complaints to eye care specialists).

"The acquisition of SARcode is a demonstration of Shire's focus on continuing to build our research and development pipeline with innovative, well-differentiated assets that address significant unmet patient need," said Flemming Ornskov, M.D., Shire's CEO Designate. "This acquisition and our recent acquisition of Premacure have the potential to provide the basis for an attractive ophthalmology business for our company, given the significant growth opportunities in this therapeutic area as well as Shire's proven expertise in specialist markets."

The global ophthalmic pharmaceutical market, valued at approximately $13 billion in 2012 with a compound annual growth rate of 4.5 percent, is consistent with Shire's focus on the specialty market. There are approximately 42,000 office-based ophthalmologists, optometrists and retinal specialists in the United States.

Under the terms of agreement, Shire will make an upfront payment of $160 million and SARcode shareholders will be eligible to receive additional undisclosed payments upon achievement of certain clinical, regulatory, and/or commercial milestones. The transaction is expected to close in the second quarter, subject to regulatory approval in the United States, and other customary closing conditions.

The acquisition of SARcode will introduce a new late-stage phase 3 clinical program to Shire's research and development portfolio. Shire is currently conducting a prioritization review of its portfolio to accommodate this new expenditure in 2013.

Barclays acted as financial advisor to Shire and Davis Polk LLP acted as legal counsel to Shire. J.P. Morgan Securities LLC acted as financial advisor to SARCode and Wilson Sonsini Goodrich & Roasati acted as legal counsel to Sarcode.

LIFITEGRAST and its Clinical Development Program

LIFITEGRAST, a small-molecule integrin antagonist, is believed to work by reducing inflammation through binding inhibition of the proteins lymphocyte function – associated antigen 1 (LFA-1) and intercellular adhesion molecule-1 (ICAM-1), influencing T-cell activation and cytokine (protein) release. The interaction between these two proteins plays a key role in the chronic inflammation associated with dry eye. T-cells are important components of the immune system that help control the body's response to a foreign or harmful substance or stimuli. LIFITEGRAST is administered via a preservative-free topical eye solution.

Three clinical trials – OPUS-1, OPUS-2 and SONATA – currently make up the phase 3 clinical development program for LIFITEGRAST. OPUS-1, a safety and efficacy study, concluded in 2012. In this study the co-primary endpoint of reducing signs of dry eye was met. Although the co-primary endpoint of reducing symptoms was not achieved, this study was the basis of a positive meeting with the FDA and for the continuation of the phase 3 clinical program, including OPUS-2, a safety and efficacy study of both signs and symptoms of dry eye disease, which is currently ongoing. In addition to the OPUS-2 clinical efficacy study, SONATA, a randomized, placebo-controlled safety study is also ongoing. Shire is excited about the potential contribution of this product to the treatment options for patients with dry eye disease.

About Dry Eye Disease

Dry eye disease varies in severity and etiology, and symptoms most commonly manifest as ocular discomfort, eye dryness, and tear film instability due to decreased quality or quantity of tears. A major contributing factor towards the development of dry eye is inflammation caused by T-cell infiltration, proliferation and inflammatory cytokine production that can lead to reduction in tear film quality and ocular surface damage.

Some 25 million people are affected in the United States. This number is expected to grow substantially in the next decade due to an aging population, a contributor to higher rates of dry eye disease.

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NOTES TO EDITORS

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

Through our deep understanding of patients' needs, we develop and provide healthcare in the areas of:

- Behavioral Health and Gastro Intestinal conditions
- Rare Diseases
- Regenerative Medicine

as well as other symptomatic conditions treated by specialist physicians.

We aspire to imagine and lead the future of healthcare, creating value for patients, physicians, policymakers, payors and our shareholders.

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FORWARD - LOOKING STATEMENTS - "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;
- 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 and earnings;
- Shire relies on a single source for manufacture of certain of its products and a disruption to the supply chain for those 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;
- Shire uses third party manufacturers to manufacture many of its products and is reliant upon third party contractors for certain goods and services, and any inability of these third party manufacturers to manufacture products, or any failure of these third party contractors to provide these goods and services, in each case in accordance with its respective contractual obligations, could adversely affect Shire's ability to manage its manufacturing processes or to operate its business;
- 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 and fluctuations in buying or distribution patterns by such customers could 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 obtain, maintain, 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;

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.