

# Strategy and business model

We focus on researching, developing and marketing innovative medicines that have the potential to transform the lives of people around the world with rare and other specialized conditions.

## Where we are heading

### Transforming lives

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

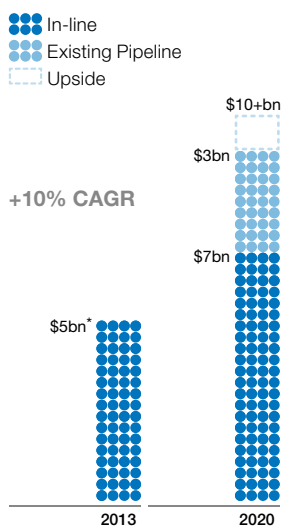
### A leading global biotech

We aspire to be a leading, global biotech delivering innovative medicines to patients with rare diseases and other specialty conditions.

### 10 x 20

To guide and motivate us on our journey we seek to achieve product sales of \$10 billion by 2020.

### Product sales; Percent CAGR



### 10 x 20 Details

- > **In-line:** \$7 billion expected from on-market products<sup>1</sup>
- > **Pipeline:** \$3 billion expected from existing pipeline<sup>1</sup>
- > **Upside:** NPS Pharma, Lumena, Fibrotech, BIKAM, CINRYZE new uses, early stage pipeline and future business development provide additional upside to 10 x 20

\* \$5bn represents sales from continuing operations.

<sup>1</sup> Shire announced its 10 x 20 aspiration on June 23, 2014 and seeks to achieve 2020 product sales of \$10 billion from its In-line and Pipeline portfolio as at May 2014.

## How we are going to get there

### Four strategic drivers

To realize our aspiration to become a leading biotech, we will concentrate our efforts on four strategic drivers:



### Growth

- > Optimize In-line assets via commercial excellence
- > Advance late-stage pipeline and launch new products
- > Accelerate top and bottom-line growth through the acquisition of core / adjacent assets



### Innovation

- > Expand our rare diseases expertise and offerings
- > Reinvest in R&D
- > Extend our portfolio to new indications and therapeutic areas
- > Collaborate globally to advance our scientific and commercial priorities



### Efficiency

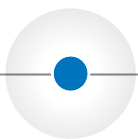
- > Operate a lean and agile organization
- > Concentrate operations in Lexington and Zug
- > Execute to a high standard by meeting milestones and delivering on our commitments



### People

- > Foster and reward a high-performance culture
- > Attract, develop and retain the best talent
- > Live our values

We are on a dynamic journey characterized by high growth, ongoing innovation and leadership in the areas in which we choose to compete.



## Our business model

To drive our growth, we have a unified, global business model focused on our strategic drivers. We lead our business through our Executive Committee which, supported by our In-line and Pipeline Committees, ensures we allocate resources and make decisions across the enterprise in the best interests of all our stakeholders – patients, employees, physicians, payers, policy makers and investors.

This streamlined way of working means we can quickly adapt and change our business around the world as we pursue and make the most of opportunities to develop and market innovative treatments that have the potential to transform the lives of people around the world.

## One culture

We have a clear and strong patient-focused, performance-based culture which is grounded in our purpose of enabling people with life altering conditions to lead better lives:

- > We have the courage to lead the way
- > We are agile and adaptable to meet the changing needs of our stakeholders
- > We deliver on our promises to all of our stakeholders
- > We fearlessly innovate to address unmet patient need
- > We do the right thing, in the right way

We value and invest in our employees to ensure they have the capabilities and support to implement our strategy, achieve our vision and deliver value to all our stakeholders.



### In-line – commercial excellence

Our In-line focus is on marketing products to meet the needs of patients today.

Our business units focus exclusively on the commercial execution of our marketed products in the areas of Rare Disease, Neuroscience, Gastrointestinal, and Internal Medicine. In addition, we have recently added an Ophthalmics business unit to support the development of our pipeline candidates.



### Pipeline – innovation excellence

Our Pipeline focus is on the products we are developing to meet the needs of patients tomorrow.

We have a single Research and Development (R&D) organization that focuses on enhancing our pipeline of innovative treatments to address unmet patient needs with an increasing emphasis on rare diseases. We are also adapting our expertise in existing therapeutic areas to that of a rare disease focus. This focus ensures we explore and develop opportunities built upon our core strengths and also enables us to explore related and emerging areas.

Our growth is also fueled by the acquisition of new companies, licensing agreements and new product development opportunities through partnerships. Our global Corporate Development team searches for new technologies, innovative products and strategic partnerships that have the potential to address unmet medical needs and provide new growth opportunities for Shire. The team is engaged in conversations with scientists and entrepreneurs around the world, while collaborating daily with commercial and R&D experts throughout the Company.