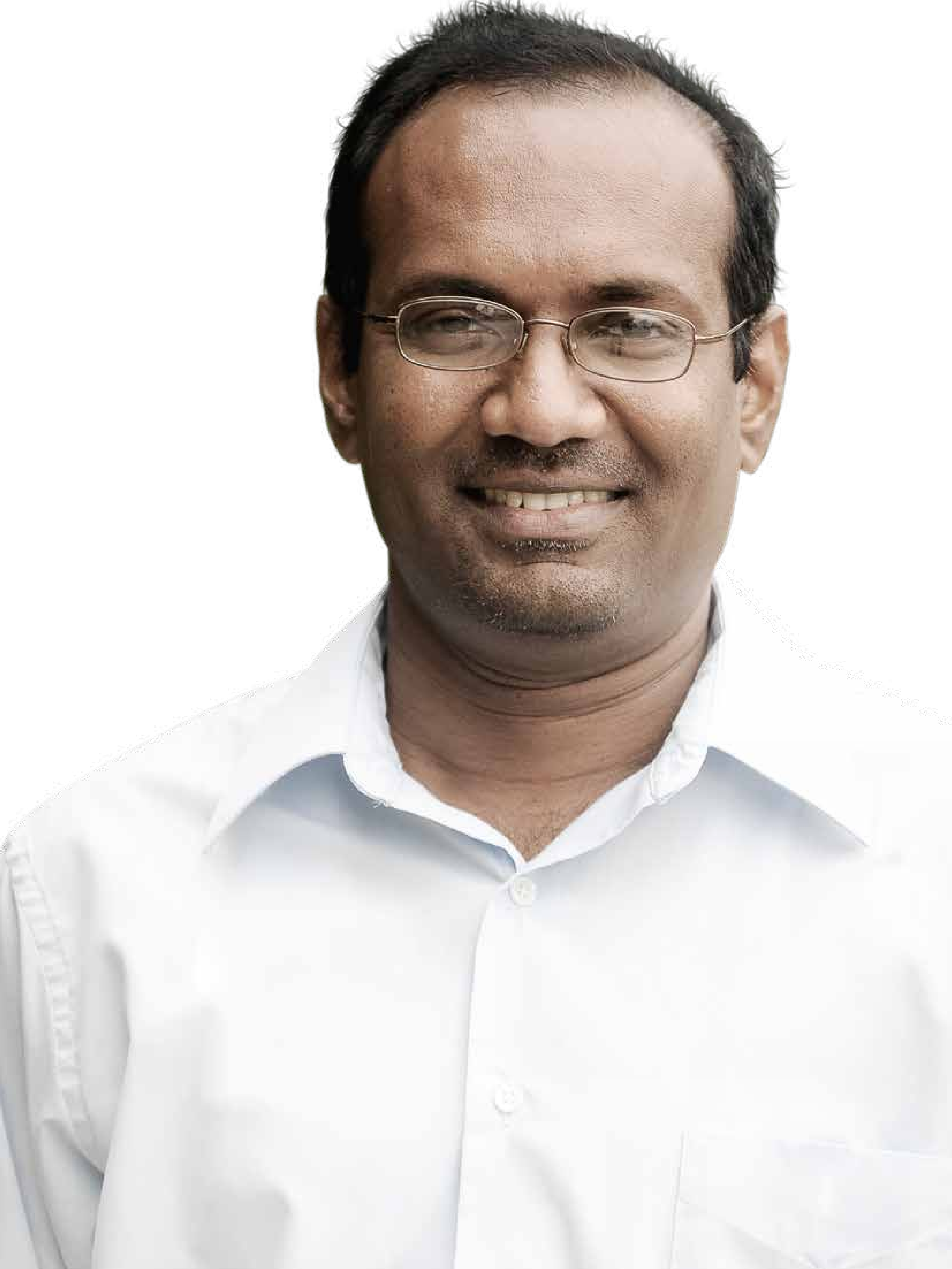
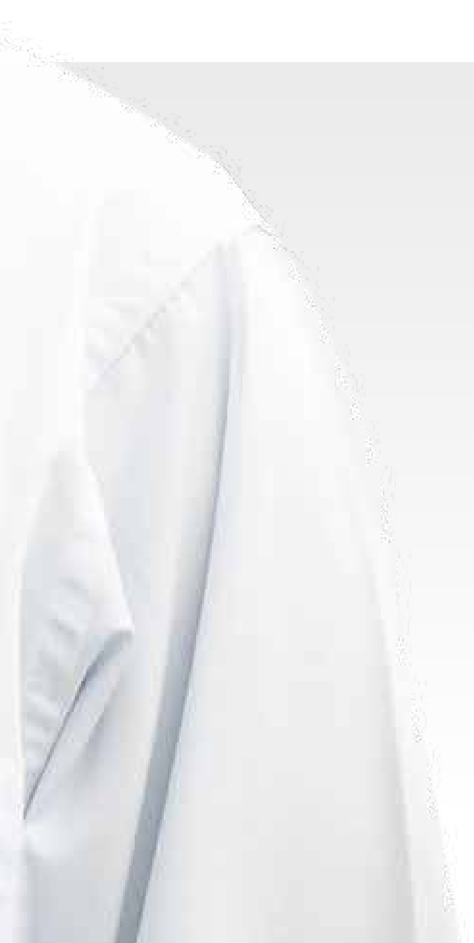


We know that we have to always embrace change to stay ahead and deliver our growth ambitions.

change



Working together as one

- In 2013 we reorganized the company to form a simpler, more cohesive and streamlined organization – One Shire
- We now have four market-focused business units and a single innovation-driven R&D organization supported by unified global corporate functions
- Significant cost savings have come from creating One Shire
- We have also been able to streamline decision making and improve our commercial excellence, which has underpinned accelerated growth
- Our unified way of working comes to life through our employees who together form One Shire. Their great contributions and unwavering commitment to meeting the needs of our patients make all the difference

Other financial information

Quarterly results of operations (unaudited)

The following tables reconcile previously reported data with current year quarterly data which has been updated for discontinued operations related to the DERMAGRAFT business, see note 9 for further details.

	First quarter of 2013			Second quarter of 2013		
	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M
Total revenues	1,161.9	(18.5)	1,143.4	1,274.5	(22.3)	1,252.2
Cost of product sales	155.9	(8.5)	147.4	175.7	(11.4)	164.3
Income from continuing operations, net of taxes	64.8	216.2	281.0	258.1	32.8	290.9
Loss from discontinued operations, net of taxes	–	(216.2)	(216.2)	–	(32.8)	(32.8)
Net income/(loss)	64.8	–	64.8	258.1	–	258.1
Earnings per Ordinary Share – basic						
Earnings from continuing operations	11.7c	39.3c	51.0c	46.9c	6.0c	52.9c
Loss from discontinued operations	–	(39.3c)	(39.3c)	–	(6.0c)	(6.0c)
Earnings per share – basic	11.7c	–	11.7	46.9c	–	46.9c
Earnings per Ordinary Share – diluted						
Earnings from continuing operations	11.7	36.7c	49.0c	45.3c	(5.6c)	50.9c
Loss from discontinued operations	–	(36.7c)	(36.7c)	–	(5.6c)	(5.6c)
Earnings per share – diluted	11.7	–	12.3c	45.3c	–	45.3c

	Third quarter of 2013			Fourth quarter of 2013		
	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M
Total revenues	1,236.6	(23.9)	1,212.7	1,351.1	(25.1)	1,326.0
Cost of product sales	197.1	(16.6)	180.5	196.5	(17.9)	178.6
Income from continuing operations, net of taxes	278.2	22.9	301.1	64.0	482.6	546.6
Loss from discontinued operations, net of taxes	–	(22.9)	(22.9)	–	(482.6)	(482.6)
Net income	278.2	–	278.2	64.0	–	64.0
Earnings per Ordinary Share – basic						
Earnings from continuing operations	50.7c	4.2c	54.9c	11.5c	86.5c	98.0c
Loss from discontinued operations	–	(4.2c)	(4.2c)	–	(86.5c)	(86.5c)
Earnings per share – basic	50.7c	–	50.7c	11.5c	–	11.5c
Earnings per Ordinary Share – diluted						
Earnings from continuing operations	48.8c	3.9c	52.7c	11.7c	81.7c	93.4c
Loss from discontinued operations	–	(3.9c)	(3.9c)	–	(81.7c)	(81.7c)
Earnings per share – diluted	48.8c	–	48.8c	11.7c	–	11.7c

	First quarter of 2012			Second quarter of 2012		
	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M
Total revenues	1,171.8	(48.8)	1,123.0	1,207.8	(52.4)	1,155.4
Cost of product sales	158.4	(10.0)	148.4	152.5	(17.0)	135.5
Income from continuing operations, net of taxes	238.4	7.4	245.8	237.8	10.7	248.5
Loss from discontinued operations, net of taxes	–	(7.4)	(7.4)	–	(10.7)	(10.7)
Net income	238.4	–	238.4	237.8	–	237.8
Earnings per Ordinary Share – basic						
Earnings from continuing operations	43.1c	1.3c	44.4c	42.7c	1.9c	44.6c
Loss from discontinued operations	–	(1.3c)	(1.3c)	–	(1.9c)	(1.9c)
Earnings per share – basic	43.1c	–	43.1c	42.7c	–	42.7c
Earnings per Ordinary Share – diluted						
Earnings from continuing operations	41.4c	1.3c	42.7c	41.3c	1.8c	43.1c
Loss from discontinued operations	–	(1.3c)	(1.3c)	–	(1.8c)	(1.8c)
Earnings per share – diluted	41.4c	–	41.4c	41.3c	–	41.3c

	Third quarter of 2012			Fourth quarter of 2012		
	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M	Previously reported $'M	Adjusted for DERMAGRAFT $'M	As reported $'M
Total revenues	1,100.4	(33.7)	1,066.7	1,201.2	(18.9)	1,182.3
Cost of product sales	167.9	(16.0)	151.9	166.6	(16.6)	150.0
Income from continuing operations, net of taxes	227.2	16.2	243.4	42.0	26.0	68.0
Loss from discontinued operations, net of taxes	–	(16.2)	(16.2)	–	(26.0)	(26.0)
Net income	227.2	–	227.2	42.0	–	42.0
Earnings per Ordinary Share – basic						
Earnings from continuing operations	40.9c	2.9c	43.8c	7.5c	4.7c	12.2c
Loss from discontinued operations	–	(2.9c)	(2.9c)	–	(4.7c)	(4.7c)
Earnings per share – basic	40.9c	–	40.9c	7.5c	–	7.5c
Earnings per share – diluted						
Earnings from continuing operations	39.6c	2.7c	42.3c	7.4c	4.7c	12.1c
Loss from discontinued operations	–	(2.7c)	(2.7c)	–	(4.7c)	(4.7c)
Earnings per share – diluted	39.6c	–	39.6c	7.4c	–	7.4c

Other financial information
(continued)

Non GAAP Measures

Non GAAP financial measures are used by the Company's management to make operating decisions because they facilitate internal comparisons of the Company's performance to historical results and to competitors' results. The Company's Remuneration Committee uses certain key Non GAAP measures when assessing the performance and compensation of employees, including Shire's Executive Directors.

The Non GAAP measures are presented in this Annual Report as the Company's management believe that they will provide investors with a means of evaluating, and an understanding of how Shire's management evaluates, Shire's performance and results on a comparable basis that is not otherwise apparent on a US GAAP basis, since many non-recurring, infrequent or non-cash items that Shire's management believe are not indicative of the core performance of the business may not be excluded when preparing financial measures under US GAAP.

These Non GAAP measures should not be considered in isolation from, as substitutes for, or superior to financial measures prepared in accordance with US GAAP.

Where applicable the following items, including their tax effect, have been excluded from both 2013 and 2012 Non GAAP earnings:

Amortization and asset impairments:

- Intangible asset amortization and impairment charges; and
- Other than temporary impairment of investments.

Acquisitions and integration activities:

- Up-front payments and milestones in respect of in-licensed and acquired products;
- Costs associated with acquisitions, including transaction costs, fair value adjustments on contingent consideration and acquired inventory;
- Costs associated with the integration of companies; and
- Noncontrolling interests in consolidated variable interest entities.

Divestments, reorganizations and discontinued operations:

- Gains and losses on the sale of non-core assets;
- Costs associated with restructuring and reorganization 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).

Depreciation, which is included in Cost of product sales, R&D and SG&A costs in our US GAAP results, has been separately disclosed for the presentation of 2013 and 2012 Non GAAP earnings.

Cash generation represents net cash provided by operating activities, excluding up-front and milestone payments for in-licensed and acquired products, tax and interest payments.

Free cashflow represents net cash provided by operating activities, excluding up-front and milestone payments for in-licensed and acquired products, but including capital expenditure in the ordinary course of business.

Non GAAP adjusted ROIC aims to measure true underlying economic performance of the Group, by making a number of adjustments to ROIC as derived from Shire's Non GAAP financial results including:

- Adding back to Non GAAP operating income all R&D expenses and operating lease costs incurred in the period;
- Capitalizing on the Group's balance sheet historic, cumulative R&D, IPR&D, intangible asset impairment charges and operating lease costs which previously have been expensed;
- Deducting from Non GAAP operating income an amortization charge for the above capitalized costs, based on the estimated commercial lives of the relevant products;
- Excluding the income statement and balance sheet impact of non-operating assets (such as surplus cash and non-strategic investments); and
- Taxing the resulting adjusted operating income at the underlying Non GAAP tax rate.

Non GAAP EBITDA represents Non GAAP operating income before depreciation.

The following table reconciles US GAAP Net Income to Non GAAP EBITDA:

	For the year ended December 31, 2013 $'M	For the year ended December 31, 2012 $'M	Growth %
US GAAP Net Income	**665.1**	745.4	(12.3%)
(Deduct)/add back:			
Loss from discontinued operations net of tax	**754.5**	60.3	
Equity in earnings of equity method investees, net of taxes	**(3.9)**	(1.0)	
Income taxes	**277.9**	203.1	
Other expense, net	**3.9**	2.2	
Interest expense	**38.1**	38.2	
Interest income	**(2.1)**	(3.0)	
US GAAP Operating Income from continuing operations	**1,733.5**	1,045.2	
Amortization	**152.0**	153.6	
Depreciation	**127.6**	109.0	
Asset impairments	**27.0**	197.9	
Integration and acquisition costs	**(134.1)**	36.5	
Divestments, reorganizations and discontinued operations	**72.3**	(18.1)	
Legal and litigation costs	**9.0**	94.1	
Non GAAP EBITDA	**1,987.3**	1,618.2	23%
Depreciation	**(127.6)**	(109.0)	
Non GAAP Operating Income from continuing operations	**1,859.7**	1,509.2	

Unaudited results for the year to December 31, 2013 Non GAAP reconciliation

								Memo	
	US GAAP	Adjustments						Non GAAP including DERMAGRAFT operations	
Year to December 31, 2013	$M	(a) $M	(b) $M	(c) $M	(d) $M	(e) $M	Non GAAP	DERMAGRAFT operations	Total
Product sales	4,757.5	–	–	–	–	–	4,757.5	89.8	4,847.3
Royalties	153.7	–	–	–	–	–	153.7	–	153.7
Other revenues	23.1	–	–	–	–	–	23.1	–	23.1
Total revenues	**4,934.3**	**–**	**–**	**–**	**–**	**–**	**4,934.3**	**89.8**	**5,024.1**
Costs and expenses:									
Cost of product sales	670.8	–	–	–	–	(37.5)	633.3	51.2	684.5
R&D	933.4	(19.9)	–	–	–	(23.3)	890.2	12.7	902.9
SG&A	1,651.3	(152.0)	–	–	(9.0)	(66.8)	1,423.5	124.7	1,548.2
Goodwill impairment charge	7.1	(7.1)	–	–	–	–	–	–	–
Gain on sale of product rights	(15.9)	–	–	15.9	–	–	–	–	–
Reorganization costs	88.2	–	–	(88.2)	–	–	–	–	–
Integration and acquisition costs	(134.1)	–	134.1	–	–	–	–	–	–
Depreciation	–	–	–	–	–	127.6	127.6	5.6	133.2
Total operating expenses	3,200.8	(179.0)	134.1	(72.3)	(9.0)	–	3,074.6	194.2	3,268.8
Operating income	**1,733.5**	**179.0**	**(134.1)**	**72.3**	**9.0**	**–**	**1,859.7**	**(104.4)**	**1,755.3**
Interest income	2.1	–	–	–	–	–	2.1	–	2.1
Interest expense	(38.1)	–	–	–	–	–	(38.1)	0.6	(37.5)
Other expense, net	(3.9)	–	–	–	–	–	(3.9)	3.7	(0.2)
Total other expense, net	(39.9)	–	–	–	–	–	(39.9)	4.3	(35.6)
Income from continuing operations before income taxes and equity in earnings of equity method investees	1,693.6	179.0	(134.1)	72.3	9.0	–	1,819.8	(100.1)	1,719.7
Income taxes	(277.9)	(42.8)	(4.3)	(17.2)	(3.3)	–	(345.5)	41.7	(303.8)
Equity in earnings of equity method investees, net of tax	3.9	–	–	–	–	–	3.9	–	3.9
Income from continuing operations	**1,419.6**	**136.2**	**(138.4)**	**55.1**	**5.7**	**–**	**1,478.2**	**(58.4)**	**1,419.8**
Loss from discontinued operations, net of tax	(754.5)	–	–	754.5	–	–	–	–	–
Net income	**665.1**	**136.2**	**(138.4)**	**809.6**	**5.7**	**–**	**1,478.2**	**(58.4)**	**1,419.8**
Impact of convertible debt, net of tax	28.3	–	–	–	–	–	28.3	–	28.3
Numerator for diluted EPS	**693.4**	**136.2**	**(138.4)**	**809.6**	**5.7**	**–**	**1,506.5**	**(58.4)**	**1,448.1**
Weighted average number of shares (millions) – diluted	590.3	–	–	–	–	–	590.3	–	590.3
Diluted earnings per ADS	352.5c	69.2c	(70.3c)	411.3c	2.9c	–	765.6c	(29.7c)	735.9c
Diluted earnings per ADS from continuing operations	**735.9c**	**69.2c**	**(70.3c)**	**27.9c**	**2.9c**	**–**	**765.6c**	**(29.7c)**	**735.9c**

The following items are included in adjustments:

(a) **Amortization and asset impairments:** Impairment of IPR&D intangible assets acquired with Movetis ($19.9 million), impairment of goodwill relating to Shire's Regenerative Medicine Business relating to the continuing operations ($7.1 million), amortization of intangible assets relating to intellectual property rights acquired ($152.0 million), and tax effect of adjustments;

(b) **Acquisitions and integration activities:** Costs primarily associated with acquisition of ViroPharma, SARcode and Lotus ($25.0 million), net credit related to the change in fair values of contingent consideration liabilities ($159.1 million), and tax effect of adjustments;

(c) **Divestments, reorganizations and discontinued operations:** Re-measurement of DAYTRANA contingent consideration to higher fair value ($15.9 million), costs relating to the One Shire reorganization announced at Q1 2013 ($64.6 million) and the collective dismissal and closure of Shire's facility at Turnhout, Belgium ($23.6 million), tax effect of adjustments and loss from discontinued operations, net of tax ($754.5 million);

(d) **Legal and litigation costs:** Costs related to litigation, government investigations, other disputes and external legal costs ($9.0 million), and tax effect of adjustments; and

(e) **Depreciation reclassification:** Depreciation of $127.6 million included in Cost of product sales, R&D and SG&A for US GAAP separately disclosed for the presentation of Non GAAP earnings.

Unaudited results for the year to December 31, 2012 Non GAAP reconciliation

	US GAAP	Adjustments						Memo Non GAAP including DERMAGRAFT operations	
Year to December 31, 2012	**$M**	**(a) $M**	**(b) $M**	**(c) $M**	**(d) $M**	**(e) $M**	**Non GAAP**	**DERMAGRAFT operations**	**Total**
Product sales	4,252.9	–	–	–	–	–	4,252.9	153.8	4,406.7
Royalties	241.6	–	–	–	–	–	241.6	–	241.6
Other revenues	32.9	–	–	–	–	–	32.9	–	32.9
Total revenues	**4,527.4**	**–**	**–**	**–**	**–**	**–**	**4,527.4**	**153.8**	**4,681.2**
Costs and expenses:									
Cost of product sales	585.8	–	–	–	–	(29.0)	556.8	57.1	613.9
R&D	953.0	(71.2)	(23.0)	–	–	(22.5)	836.3	12.5	848.8
SG&A	1,948.0	(280.3)	–	–	(94.1)	(57.5)	1,516.1	114.7	1,630.8
Gain on sale of product rights	(18.1)	–	–	18.1	–	–	–	–	–
Integration and acquisition costs	13.5	–	(13.5)	–	–	–	–	–	–
Depreciation	–	–	–	–	–	109.0	109.0	4.8	113.8
Total operating expenses	3,482.2	(351.5)	(36.5)	18.1	(94.1)	–	3,018.2	189.1	3,207.3
Operating income	**1,045.2**	**351.5**	**36.5**	**(18.1)**	**94.1**	**–**	**1,509.2**	**(35.3)**	**1,473.9**
Interest income	3.0	–	–	–	–	–	3.0	0.1	3.1
Interest expense	(38.2)	–	–	–	–	–	(38.2)	–	(38.2)
Other expense, net	(2.2)	4.0	–	–	–	–	1.8	(0.5)	1.3
Total other expense, net	(37.4)	4.0	–	–	–	–	(33.4)	(0.4)	(33.8)
Income from continuing operations before income taxes and equity in earnings of equity method investees	1,007.8	355.5	36.5	(18.1)	94.1	–	1,475.8	(35.7)	1,440.1
Income taxes	(203.1)	(45.0)	(5.7)	–	(25.3)	–	(279.1)	14.4	(264.7)
Equity in earnings of equity method investees, net of tax	1.0	–	–	–	–	–	1.0	–	1.0
Income from continuing operations	**805.7**	**310.5**	**30.8**	**(18.1)**	**68.8**	**–**	**1,197.7**	**(21.3)**	**1,176.4**
Loss from discontinued operations, net of tax	(60.3)	–	–	60.3	–	–	–	–	–
Net income	**745.4**	**310.5**	**30.8**	**42.2**	**68.8**	**–**	**1,197.7**	**(21.3)**	**1,176.4**
Impact of convertible debt, net of tax	31.3	–	–	–	–	–	31.3	–	31.3
Numerator for diluted EPS	**776.7**	**310.5**	**30.8**	**42.2**	**68.8**	**–**	**1,229.0**	**(21.3)**	**1,207.7**
Weighted average number of shares (millions) – diluted	593.5	–	–	–	–	–	593.5	–	593.5
Diluted earnings per ADS	392.7c	156.7c	15.5c	21.3c	34.8c	–	621.0c	(10.8c)	610.5c
Diluted earnings per ADS from continuing operations	423.0c	156.7c	15.5c	(9.0c)	34.8c	–	621.0c	(10.8c)	610.5c

The following items are included in adjustments:

(a) **Amortization and asset impairments:** Impairment of IPR&D intangible assets for RESOLOR in the EU ($71.2 million), impairment charges of intellectual property rights acquired for RESOLOR in the EU ($126.7 million), amortization of intangible assets relating to intellectual property rights acquired ($153.6 million), impairment of available for sale securities ($4.0 million), and tax effect of adjustments;

(b) **Acquisitions and integration activities:** Up-front payments made to Sangamo Biosciences Inc. and for the acquisition of the US rights to prucalopride (marketed in certain countries in Europe as RESOLOR) ($23.0 million), costs primarily associated with the acquisition of FerroKin ($4.3 million), charges related to the change in fair values of contingent consideration liabilities ($9.2 million), and tax effect of adjustments;

(c) **Divestments, reorganizations and discontinued operations:** Re-measurement of DAYTRANA contingent consideration to fair value ($18.1 million), tax effect of adjustments and loss from discontinued operations, net of tax ($60.3 million);

(d) **Legal and litigation costs:** Costs related to litigation, government investigations, other disputes and external legal costs ($94.1 million), and tax effect of adjustments; and

(e) **Depreciation reclassification:** Depreciation of $109.0 million included in Cost of product sales, R&D and SG&A for US GAAP separately disclosed for the presentation of Non GAAP earnings.

Shareholder information

E-communications
Shire offers shareholders the ability to access shareholder documents, such as its annual reports and notices of AGMs, by way of e-communications as an alternative to receiving paper copies through the post.

To register for e-communications, simply log onto www.shareview.co.uk/myportfolio and follow the online instructions. To start, you will require your shareholder reference number which you will find on your share certificate or dividend tax voucher. Following registration, you will need to alter your mailing preference to e-communications and confirm your email address.

Shareholders who do not elect to receive documents or notifications via e-communications will continue to receive paper copies.

Shareholder security
Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments.

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- make sure you get the name of the person and organization;
- check that they are properly authorized by the FSA before getting involved by visiting www.fsa.gov.uk/register/; and
- report the matter to the FSA either by calling 0845 606 1234 or by completing an online form at: www.fsa.gov.uk/pages/doing/regulated/law/alerts/form.shtml

If you deal with an unauthorized firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FSA website: www.fsa.gov.uk/consumerinformation/scamsandswindles

This warning has been issued by the Financial Services Authority and endorsed by the Institute of Chartered Secretaries and Administrators.

Financial calendar

Second interim dividend payment	April 2014
Annual General Meeting	April 2014
First quarter results' announcement	May 2014
Second quarter results' announcement	July 2014
First interim dividend payment	October 2014
Third quarter results' announcement	October 2014
Annual results' announcement	February 2015
Second interim dividend payment	April 2015

Dividends
Shareholders are able to choose how they receive their dividends:

- directly into their bank account*; or
- by cheque.

* Shire preferred option.

The quickest and most efficient way to receive your dividends is to have them paid directly into your bank account. Those selecting this payment method receive a tax voucher with each payment. To change how you receive your dividends, either log on to www.shareview.co.uk/myportfolio or contact Equiniti.

Income Access Share ("IAS") Arrangements
Shareholders who elect, or are deemed to have elected, to receive their dividends via the IAS arrangements will receive their dividends from a UK source (rather than directly from the Company which is an Irish tax resident company) for UK tax purposes.

Shareholders who hold 25,000 or fewer shares at the first dividend record date after becoming a shareholder in the Company will be deemed to have elected to receive their dividends under the IAS arrangements, unless they elect otherwise.

Shareholders who hold more than 25,000 shares and who wish to receive their dividends from a UK source must make an IAS Election. All elections remain in force indefinitely unless revoked.

Unless shareholders have made an IAS Election, or are deemed to have made an IAS Election, dividends will be received from an Irish source and will be taxed accordingly.

An IAS dividend election form can be found on Shire's website at: http://www.shire.com/shireplc/en/investors/shareholderinformation/shareholderforms

ShareGift
Shareholders with a small number of shares, the value of which makes it uneconomical to sell, may wish to consider donating them to the charity ShareGift (registered charity no. 1052686). Donated shares are aggregated and sold by ShareGift, the proceeds being passed on to a wide range of charities.
Find out more about ShareGift:

Website: www.sharegift.org
Email: help@sharegift.org.uk
Tel: +44 (0)20 7930 3737

Registered office
22 Grenville Street
St Helier
JE4 8PX
Jersey

Registered in Jersey (No. 99854)

Group headquarters
5 Riverwalk
Citywest Business Campus
Dublin 24
Republic of Ireland

UK
Unity Place
Hampshire International Business Park
Chineham
Basingstoke
Hampshire
RG24 8EP
United Kingdom

Website
www.shire.com

Investor relations
Laurie Stelzer
Tel: +1 781 482 0733
Email: investorrelations@shire.com

Registrar
All administrative enquiries relating to shareholders should be addressed to Equiniti, clearly stating the registered shareholder's name and address.

Equiniti
Shire Shareholder Services
Equiniti (Jersey) Limited
c/o Equiniti Limited
Aspect House
Spencer Road
Lancing
BN99 6DA

Shareholder helpline
From overseas:
Tel: +44 (0)121 415 7593

In the UK:
Tel: 0871 384 2553*

* Calls cost 8p per minute plus network extras.
Lines open 8:30am to 5:30pm, Monday to Friday.

American Depositary Shares
The Company's American Depositary Shares ("ADSs"), each representing three Ordinary Shares, are listed on the NASDAQ Global Select Market under the symbol 'SHPG'. The Company files reports and other documents with the Securities and Exchange Commission ('SEC') that are available for inspection and copying at the SEC's public reference facilities or can be obtained by writing to the Company Secretary.

Citibank, N.A. is the depository for Shire ADSs. All enquiries concerning ADS records, certificates or the transfer of Ordinary Shares into ADSs should be addressed to:

Citibank shareholder services
P.O. Box 43077
Providence, Rhode Island
02940-3077
USA

General enquiries:
Toll free in US:
1-877-Citi-ADR (248-4237)
From outside the US:
1-781-575-4555
E-mail: citibank@shareholders-online.com

Shire head offices and main operating locations

Ireland
Group Headquarters
5 Riverwalk
Citywest Business Campus
Dublin 24
Republic of Ireland
Tel +353 1 429 7700
Fax +353 1 429 7701

UK
Unity Place
Hampshire International Business Park
Chineham
Basingstoke
Hampshire
RG24 8EP
United Kingdom
Tel +44 (0) 1256 894000
Fax +44 (0) 1256 894708

Switzerland
Route de Crassier 7
PO Box 2558
1262 Eysins
Switzerland
Tel +41 22 419 4000
Fax +41 22 419 4001

USA
Lexington
300 Shire Way
Lexington
Massachusetts 02421
USA
Tel +1 617 349 0200
Fax +1 617 613 4004

Chesterbrook
725 Chesterbrook Blvd.
Wayne, Philadelphia
19087-5637
USA
Tel +1 484 595 8800
Fax +1 484 595 8200

Cautionary statements

Statements included in this release 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 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 Securities and Exchange Commission, including those risks outlined in pages 24 to 29.

Shire plc
Annual report and financial statements
For the year ended December 31, 2013

Contents Page

Officers and professional advisors

Directors
Matthew Emmens
Dr. Flemming Ornskov
Graham Hetherington
Dominic Blakemore
William Burns
Dr. Steven Gillis
Dr. David Ginsburg
David Kappler
Susan Kilsby
Anne Minto OBE
David Stout

Company Secretary
Tatjana May

Registered office
22 Grenville Street
St Helier
JE4 8PX
Jersey

Corporate headquarters
5 Riverwalk
Citywest Business Campus
Dublin 24
Republic of Ireland

Auditor
Deloitte LLP
London
United Kingdom

Directors' report

The Directors present their annual report and the audited financial statements for the year ended December 31, 2013.

Principal activity and business review

Shire plc and its subsidiaries (collectively referred to as either "Shire", or the "Company") is a leading specialty biopharmaceutical company that focuses on developing and marketing innovative specialty medicines that address significant unmet patient needs.

The Company has grown through acquisition, completing a series of major transactions that have brought therapeutic, geographic and pipeline growth and diversification. The Company will continue to evaluate companies, products and pipeline opportunities that offer a good strategic fit and have the potential to deliver demonstrable value to all of the Company's stakeholders: patients, physicians, policy makers, payors, investors and employees.

The Company unified its business during 2013 by integrating the operations of the Specialty Pharmaceuticals ("SP"), Human Genetic Therapies ("HGT") and Regenerative Medicine ("RM") business units into a simplified "One Shire" organization. The One Shire model has created a simple structure and a focused, efficient organization that is scalable for growth.

The principal legislation under which the Company operates is Companies (Jersey) Law 1991 and regulations made thereunder. The Ordinary Shares of the Company are listed on the London Stock Exchange in the UK, and American Depositary Shares ('ADS'), representing three Ordinary Shares of the Company, (evidenced by an American Depositary Receipt issued by Shire's Depositary, Citibank, N.A.) are listed on the NASDAQ Global Select Market in the USA.

Business review

The Business review of the Group can be found in the consolidated financial statements and Annual Report and Accounts of the Company for the year to December 31, 2013, prepared in accordance with United Kingdom Listing Authority requirements (the 'Shire Annual Report'); in the Chairman's review on pages 04 and 05; the Chief Executive Officer's review on pages 06 to 09 and the Review of our business on pages 34 to 49. The Shire Annual Report also provides a description of the principal risks and uncertainties facing the Company and the Group as well as the Group's risk management objectives and policies that are in place to assist in mitigating the potential impact. Details of the Company's financial risks can be found in Note N on page 184 to these financial statements.

During the year the Company continued in its capacity as the parent company for the Group in the management of its subsidiaries.

The Company is tax resident in the Republic of Ireland.

Key performance indicators

The Company's key performance indicators are the same as the Group's. For details of the Group's key performance indicators see page 30 in the Shire Annual Report.

Income Access Share arrangements

In 2008 Shire put in place and continues to operate Income Access Share ('IAS') arrangements enabling shareholders to choose whether they receive their dividends from a company tax resident in the Republic of Ireland or from a company tax resident in the UK. Further details in respect of the IAS arrangements can be found in the Shire Annual Report.

Results and dividends

A loss on ordinary activities before taxation of $69.9 million was recorded for the year ended December 31, 2013 (year ended December 31, 2012: $74.1 million).

The net assets of the Company increased from $9,548.4 million for the year ended December 31, 2012 to $10,474.1 million for the year ended December 31, 2013, primarily as a result of the Company's 2.75% Convertible Bonds converting in the year.

Dividends paid and dividend policy

The Company paid dividends amounting to $5.7 million in the year (2012: $4.8 million). In accordance with IAS arrangements, the Company directed Shire Biopharmaceuticals Holdings to pay dividends totalling $91.1 million (2012: $81.5 million) to those shareholders who choose to receive their dividends from a company tax resident in the UK.

A first interim dividend for the six months to June 30, 2013 of 3.00 cents (1.95 pence) per Ordinary Share, equivalent to 9.00 cents per ADS, was paid in October 2013. The Board has resolved to pay a second interim dividend of 16.93 cents (10.21 pence) per Ordinary Share equivalent to 50.79 cents per ADS for the six months to December 31, 2013.

This is consistent with Shire's stated policy of paying a dividend semi-annually, set in US cents per Ordinary Share. Typically, the first interim payment each year will be higher than the previous year's first interim USD dividend. Dividend growth for the full year will be reviewed by the Board when the second interim dividend is determined. However there is no guarantee that dividends will be declared for any period.

Liquidity, cash flow and going concern

The Company and the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Shire Annual Report in the Chairman's review, Chief Executive Officer's review and Review of our business. The financial position of the Company and the Group, its cash flows, liquidity position and borrowing facilities are described in the Liquidity and capital resources section of the Review of our business of the Shire Annual Report. The Review of our business also includes information in respect of the Group's objectives, policies and processes for managing capital; its financial risk management objectives; details of its hedging activity; and its exposures to credit risk and liquidity risk. Details of the Company's financial instruments are disclosed in Note N on page 184 to these financial statements.

Shire 2.75% Convertible Bonds due 2014

On November 26, 2013, Shire issued an optional redemption notice under the Trust Deed dated May 9, 2007 (the "Trust Deed") to holders (the "Holders") of the Company's 2.75% Convertible Bonds due 2014 (the "Bonds"). The aggregate outstanding principal amount of Bonds on November 25, 2013, the last practicable date prior to the date of the optional redemption notice, was $1,075,070,000. The last day on which bondholders were able to exercise their conversion rights was December 13, 2013. Those Bonds which were not voluntarily converted were redeemed by the Company on December 27, 2013 at par together with interest accrued to that date. As of December 31, 2013, Bonds in an aggregate principal amount of the $1,099,050,000 had been voluntarily converted into 33,806,464 fully paid Ordinary Shares at a conversion price of US$32.51 per Ordinary Share, in the capital of the Company, with par value of £0.05 each. The remaining outstanding Bonds in an aggregate principle amount of $950,000 were redeemed pursuant to the Optional Redemption Notice issued on November 26, 2013. Following the redemption of all the outstanding Bonds, the Company cancelled the listing of the Bonds on the Official List maintained by the UK Listing Authority and the admission to trading of the Bonds on the Professional Securities Market of the London Stock Exchange.

Term Loan Agreement

On November 11, 2013, Shire entered into a $2.60 billion Facilities Agreement with, among others, Morgan Stanley Bank International Limited (acting as lead arranger and agent) (the "Facilities Agreement"). The Facilities Agreement comprises two credit facilities: (i) a $1.75 billion term loan facility and (ii) a $0.85 billion term loan facility.

On December 13, 2013 and on February 21, 2014, the Company cancelled part of the $2.60 billion term loan facility. The revised Facilities Agreement of $1.75 billion now comprises two credit facilities: (i) a $0.55 billion term loan facility and (ii) a $0.85 billion term loan facility. All other terms and conditions remain unchanged.

The $0.55 billion term loan facility, which matures on November 10, 2014, may be used only to finance the purchase price payable in respect of Shire's acquisition of ViroPharma (including certain related costs) and for the redemption of Shire's Bonds. Shire has the option to extend the maturity of the $0.55 billion term loan facility once by a further 364 days.

The $0.85 billion term loan facility, which matures on November 11, 2015, may be used only to finance the purchase price payable in respect of Shire's acquisition of ViroPharma (including certain related costs).

Interest on any loans made under the facilities will be payable on the last day of each interest period, which may be one week or one, two, three or six months at the election of Shire, or as otherwise agreed with the lenders. The interest rate applicable to the $0.55 billion term loan facility is LIBOR plus 0.75% per annum and increases by 0.25% per annum on August 11, 2014 and on three-month intervals thereafter.

The interest rate applicable to the $0.85 billion term loan facility commenced at LIBOR plus 1.15% per annum until delivery of the compliance certificate for the year ending December 31, 2013 and thereafter is subject to change depending upon the prevailing ratio of Net Debt to EBITDA of the Group (each as defined in the Facilities Agreement), in respect of the most recently completed financial year or financial half year.

Shire shall also pay a commitment fee on the available but unutilized commitments under the $0.55 billion term loan facility and the $0.85 billion term loan facility for the availability period applicable to each facility. With effect from first utilization, the commitment fee rate will be 35% of the applicable margin. Before first utilization, the commitment fee rate will increase in stages from 0% to 35% of the applicable margin over a period of three months.

The Facilities Agreement includes customary representations and warranties, covenants and events of default, including requirements that the ratio of Net Debt to EBITDA of the Group (each as defined in the Facilities Agreement) must not, at any time, exceed 3.5:1 for the Relevant Period (as defined in the Facilities Agreement), except that following certain acquisitions, including the ViroPharma acquisition, Shire may elect to increase the ratio to 4.0:1 in the relevant period in which the acquisition was completed and the immediately following relevant period. In addition, for each 12-month period ending December 31 or June 30, the ratio of EBITDA of the Group to Net Interest (each as defined in the Facilities Agreement) must not be less than 4.0:1.

The Facilities Agreement restricts (subject to certain covenants) Shire's ability to incur additional financial indebtedness, grant security over its assets or provide or guarantee loans. Furthermore, any lender may require mandatory prepayment of its participation if there is a change of control of Shire. In addition, in certain circumstances, the net proceeds of certain shares, undertakings or business disposals by Shire must be applied towards the mandatory prepayment of the facilities, subject to certain exceptions.

Events of default under the facilities include: (i) non-payment of any amounts due under the facilities, (ii) failure to satisfy any financial covenants, (iii) material misrepresentation in any of the finance documents, (iv) failure to pay, or certain other defaults, under other financial indebtedness, (v) certain insolvency events or proceedings, (vi) material adverse changes in the business, operations, assets or financial condition of Shire and its subsidiaries, (vii) if it becomes unlawful for Shire or any of its subsidiaries that are parties to the Facilities Agreement to perform their obligations or (viii) if Shire or any subsidiary of Shire which is a party to the Facilities Agreement repudiates the Facilities Agreement or any other finance document, among others. The Facilities Agreement is governed by English law.

Revolving Credit Facilities Agreement

In addition, the Group has committed multi-currency revolving and swingline facilities of $1,200 million which mature in 2015 (the "RCF"). The RCF, which includes a $250 million swingline facility, may be used for general corporate purposes and matures on November 23, 2015.

Going concern

The Directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

Directors

The Directors who served during the year and up to the date of signing these financial statements are shown below:

Matthew Emmens	
Angus Russell	(resigned April 30, 2013)
Dr. Flemming Ornskov	(appointed January 02, 2013)
Graham Hetherington	
Dominic Blakemore	(appointed January 01, 2014)
William Burns	
Dr. Steven Gillis	
Dr. David Ginsburg	
David Kappler	
Susan Kilsby	
Anne Minto OBE	
David Stout	

Purchase of own shares

During the year to December 31, 2012 the Company commenced a share buyback program, for the purpose of returning funds to shareholders, of up to $500 million through both direct purchases of Ordinary Shares and through the purchase of Ordinary Shares underlying ADRs.

During the year ended December 31, 2013 the Company made on-market repurchases totaling 6,191,965 Ordinary Shares at a cost of $193 million (excluding transaction costs). The program covers purchases of Ordinary Shares for cancellation or to be held as treasury shares, in accordance with the authority renewed by shareholders at the Company's AGM on April 30, 2013 when the Company was authorized to make market purchases of up to 55,741,587 of its own Ordinary Shares.

On November 11, 2013, contemporaneous with Shire's announcement of its acquisition of ViroPharma, the Company's share buyback program was terminated. Since the inception of the share buyback program the Company had purchased $300 million of Ordinary Shares and Ordinary Shares underlying ADRs.

Payment of creditors

The Company is non-trading and accordingly has no trade creditors.

Directors' liability insurance and indemnification

In the year under review, the Group maintained an insurance policy for its Directors and Officers in respect of liabilities arising out of any act, error or omission whilst acting in their capacity as Directors or Officers. Qualifying third party indemnity provisions were also in place during the year under review for the benefit of Directors in relation to certain losses and liabilities which they may potentially incur to third-parties in the course of their duties. These remain in force at the date of this report.

Subsequent events

On January 16, 2014, Shire announced that it had sold its DERMAGRAFT assets to Organogenesis comprising the key operating assets relating to the development, manufacture and sale of the DERMAGRAFT product. These assets include intellectual property relating to DERMAGRAFT including patents, trademarks and know-how; regulatory filings and registrations relating to DERMAGRAFT; certain manufacturing plant, equipment and materials; DERMAGRAFT product inventory and accounts receivable.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

Tatjana May
Company Secretary
February 24, 2014

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

By order of the Board

Graham C. Hetherington

Graham Hetherington
Director
February 24, 2014

Independent Auditor’s report to the members of Shire plc

Opinion on financial statements of Shire plc
In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

The financial statements comprise the profit and loss account, balance sheet and the related notes A to P. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

Going concern
As required by the Listing Rules we have reviewed the Directors’ statement that the Company is a going concern. We confirm that we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified any material uncertainties that may cast significant doubt on the Company’s ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

Our assessment of risks of material misstatement
The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Investment in subsidiaries There is a risk that the Company’s investment in Shire Pharmaceutical Holdings Ireland Limited may be impaired.	We have challenged the Directors’ impairment analysis and have considered the valuation of the Company’s subsidiary against other indicators of value such as the overall market capitalisation of the Shire group.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Company to be $60 million, based on the net assets of the Company and then capped at materiality established for the Shire plc group financial statements.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of $3m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

- Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Our duty to read other information in the Annual Report

Under International Standards on auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

James Bates
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
February 24, 2014

Financial statements

Profit and loss account

For the year ended December 31, 2013

	Note	2013 $'M	2012 $'M
Administrative expenses		(34.6)	(28.5)
Operating loss	C	(34.6)	(28.5)
Interest payable and similar charges	D	(35.3)	(45.6)
Loss on ordinary activities before taxation		(69.9)	(74.1)
Tax on loss on ordinary activities	E	–	–
Loss on ordinary activities after taxation		(69.9)	(74.1)

All activities of the Company relate to continuing operations.

There are no recognized gains and losses other than those stated above. Accordingly, no statement of total recognized gains and losses has been presented.

Balance sheet

As at December 31, 2013

	Note	2013 $'M	2012 $'M
Fixed assets			
Investment in subsidiaries	G	11,044.9	10,972.2
Current assets			
Debtors	H	53.2	29.1
Current liabilities			
Creditors: amounts falling due within one year	I	(624.0)	(352.9)
Net current liabilities		(570.8)	(323.8)
Total assets less current liabilities		10,474.1	10,648.4
Creditors: amounts falling due after more than one year	J	–	(1,100.0)
Net assets		10,474.1	9,548.4
Capital and reserves			
Called–up share capital	K	58.5	55.7
Share premium account	L	7,056.7	5,941.9
Equity component of convertible bonds	L	–	43.2
Other reserve	L	418.3	302.4
Profit and loss account	L	3,240.7	3,311.7
Treasury shares	M	(300.1)	(106.5)
Shareholders' funds	L	10,474.1	9,548.4

The financial statements of the Company were approved by the Board of Directors and authorized for issue on February 24, 2014. They were signed on its behalf by:

Graham Hetherington
Director

A. Presentation of the financial statements

Preparation of financial statements

These separate financial statements of the Company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice ('UK GAAP') as at December 31, 2013 and in accordance with the requirements of Companies (Jersey) Law 1991. They have been prepared under the historical cost convention except for the revaluation of certain financial instruments at fair value as permitted by the Companies (Jersey) Law 1991 and in accordance with applicable United Kingdom accounting standards.

Consolidated accounts prepared in conformity with accounting principles generally accepted in the United States of America ('US GAAP'), in which the financial results and cash flow statement of the Company and its subsidiaries are included, can be found in the Shire Annual Report.

These financial statements have been prepared in accordance with the Company's accounting policies described below, which have been applied consistently throughout the current and preceding year and have been approved by the Board.

B. Accounting policies

Going Liquidity, cash flow and going concern

The Group's balance sheet includes $2,239.4 million of cash and cash equivalents at December 31, 2013. The Group has committed multi-currency revolving and swingline facilities of $1.20 billion, which mature in 2015, and a $1.75 billion Facilities Agreement.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the report and financial statements.

Investments

Investments held as fixed assets are stated at historic cost less any provision for impairment.

Dividends paid and received

Dividend distributions to the Company's shareholders are recognized as a liability in the Company's financial statements in the period in which the shareholders' right to receive payment is established. Dividend income is recognized in the profit and loss account on the date the Company's right to receive payment is established.

Expenditure

Expenditure is recognized in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated.

Local currency and currency translation

The financial statements have been presented in local currency, US dollar. The local currency is defined as the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet dates are reported at the rate of exchange prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Share-based compensation

The Company operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options has been valued using option-pricing models. Options and performance share awards granted without market conditions are valued using the Black-Scholes option-pricing model. Options and performance share awards granted with market conditions are valued using a binomial model. In accordance with FRS 20 'Share-based payment', the resulting cost for the Company's employees is recognized as an expense on a straight-line basis over the vesting period of the awards. The value of the charge is adjusted to reflect expected and actual levels of vesting. The cost for awards granted to the Company's subsidiaries' employees represents additional capital contributions by the Company in its subsidiaries. An additional investment in subsidiaries has been recorded in respect of those awards granted to the Company's subsidiaries' employees, with a corresponding increase in the Company's shareholders' equity. The additional capital contribution is based on the fair value at the grant date of the awards issued. This accounting treatment applies as the parent has granted the share option rather than being subsidiary granting an option in the parent's equity.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

B. Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognized in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognized only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

Related party transactions

Under the provisions of FRS 8 'Related party disclosures', as the consolidated financial statements in which the Company's results are included have been made available to the public, the Company is not required to separately disclose details of related party transactions with relation to wholly owned subsidiaries.

Pensions

The Company contributes to personal defined contribution pension plans of employees. Contributions are charged to the profit and loss account as they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Convertible bonds

On issuance, or substitution from other Shire Group companies, of convertible bonds the Company bifurcates these convertible bonds into their debt and equity components. The fair value of the debt component is estimated using the market interest rate for an equivalent non-convertible bond. If the fair value of an equivalent non-convertible bond is greater than the carrying value of convertible bond, then the limit of the carrying value of convertible bond allocated to the liabilities is that carrying value. The amount allocated to the debt component is classified as a liability and subsequently measured on an amortized cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds from the issuance, or the fair value on substitution from other Shire Group companies, of convertible bonds is allocated to the equity component, (which represents the embedded conversion option), and is classified in shareholders' equity, net of any income tax effects. The carrying amount of the equity component is not re-measured in subsequent periods. On conversion the equity component has been reclassified to Other Reserves in line with the requirements of FRS25 'Financial Instruments: Presentation'.

Treasury shares

Where the Company purchases the Company's own share capital, the consideration paid is deducted from the total shareholders' funds and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders funds.

Where the Company enters a financial close or other prohibited period and broker contracts cannot be cancelled in this period, a liability equivalent to the present value of the maximum number of shares available to purchase is debited against total equity. Accretion of the discount is recorded in the profit and loss during the close period. Shares purchased in the close period are deducted from the liability and are recorded as treasury shares with any remaining liability on leaving the close period is reversed with a corresponding credit in shareholder equity.

C. Operating loss

The operating loss is stated after charging.

	2013 $'M	2012 $'M
Staff costs:		
Salaries and wages	5.4	4.1
Social security costs	0.5	0.5
Pension contributions	1.3	0.8
Share-based payments to Directors	4.6	6.5
Directors' fees	2.3	2.1
	14.1	14.0
Foreign exchange losses	0.3	0.2

The Company employed two employees during the year (2012: two).

The Auditor's remuneration in respect of audit and other services is disclosed in Note 30 of the Shire Annual Report in the consolidated accounts for the year ending December 31, 2013. The fee payable to the Company's auditor for the audit of the Company's financial statements was $13,000 (2012: $13,000).

D. Interest payable and similar charges

	2013 $'M	2012 $'M
Interest payable on convertible bonds	28.3	43.9
Interest payable on amounts owed to Group undertakings	6.9	1.7
Bank interest payable	0.1	–
	35.3	45.6

Interest charged on the convertible bonds represents the 2.75% coupon and the amortization of issue costs and discount arising on substitution of the convertible bonds at the time of the Scheme of Arrangement in 2008, see Note I.

E. Tax on loss on ordinary activities

There was $nil corporation tax charged for the year ended December 31, 2013 (2012: $nil).

The differences between the total current tax and the amount calculated by applying the standard rate of Irish corporation tax to the loss before tax is as follows:

	2013 $'M	2012 $'M
Loss on ordinary activities before taxation	(69.9)	(74.1)
Tax on loss on ordinary activities at standard Irish corporation tax rate of 25%	(17.5)	(18.5)
Effects of:		
Expenses not deductible for tax purposes	8.9	13.0
Group relief surrendered	1.3	0.2
Movements on deferred tax not recognized	7.3	5.3
Current tax charge for the year	–	–

F. Dividends

Ordinary Shares

	2013 $'M	2012 $'M
Second interim dividend – 14.38 cents (9.39 pence) per Ordinary Share, equivalent to 43.80 cents per ADS, paid in April 2013	79.7	–
First interim dividend – 3.00 cents (1.95 pence) per Ordinary Share, equivalent to 9.00 cents per ADS, paid in October 2013	17.1	–
Second interim dividend – 12.59 cents (7.96 pence) per Ordinary Share, equivalent to 37.77 US cents per ADS, paid in April 2012	–	70.7
First interim dividend – 2.73 cents (1.74 pence) per Ordinary Share, equivalent to 8.19 cents per ADS, paid in October 2012	–	15.6
	96.8	86.3

Of the above amounts, the Company paid dividends amounting to $5.7 million in the year (2012: $4.8 million). In accordance with IAS arrangements, the Company directed Shire Biopharmaceuticals Holdings to pay dividends totalling $91.1 million (2012: $81.5 million) to those shareholders who choose to receive their dividends from a company tax resident in the UK.

The Board has resolved to pay a second interim dividend of 16.93 cents (10.21 pence) per Ordinary Share equivalent to 50.79 cents per ADS for the six months to December 31, 2013.

G. Investments in subsidiaries

	2013 $'M	2012 $'M
Cost		
As at January 1,	10,972.2	10,891.6
Capital contribution relating to share-based payments	72.7	80.6
As at December 31	11,044.9	10,972.2

Subsidiaries

Details of the Company's direct subsidiaries as at December 31, 2013 are as follows:

	Country of incorporation	Principal activity	Holding
Shire Pharmaceutical Holdings Ireland Limited	Republic of Ireland	Holding Company	100%

Details of the Company's indirect subsidiaries can be found in Note 29 of the Shire Annual Report in the consolidated accounts for the year ending December 31, 2013.

H. Debtors

	2013 $'M	2012 $'M
Amounts due from Group undertakings	42.2	29.0
Other debtors	11.0	0.1
	53.2	29.1

The amounts due from Group undertakings are primarily US dollar denominated and non-interest bearing. An amount of $12.3 million (2012: $nil) bears interest at floating rates of interest.

Deferred tax

The Company had an unrecognised deferred tax asset of $19.5 million (2012: $14.7 million) in respect of short term timing differences and losses as at December 31, 2013.

I. Creditors: amounts falling due within one year

	2013 $'M	2012 $'M
Amounts owed to Group undertakings	**620.5**	344.3
Accrued interest	**0.1**	4.4
Other creditors	**3.4**	4.1
	624.0	352.9

The amounts due to Group undertakings are primarily unsecured, US dollar denominated, repayable on demand and bear interest at floating rates of interest.

Shire 2.75% convertible bonds

The Bonds bore interest at 2.75% per annum, payable semi-annually in arrears on November 9 and May 9. The Bonds constituted direct, unconditional, unsubordinated and unsecured obligations of the Company, and rank pari passu and ratably, without any preference amongst themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Company.

The Bonds were redeemable at the option of the Company, at their principal amount together with accrued and unpaid interest if: (i) at any time after May 23, 2012 if on no less than 20 dealing days in any period of 30 consecutive dealing days the value of Shire's Ordinary Shares underlying each Bond in the principal amount of $100,000 would exceed $130,000; or (ii) at any time conversion rights have been exercised, and/or purchases and corresponding cancellations, and/or redemptions effected in respect of 85% or more in principal amount of Bonds originally issued. The Bonds were repayable in US dollars, but also contain provisions entitling the Company to settle redemption amounts in Pounds sterling, or in the case of the Final Maturity Date and or any change of control Shire, by delivery of the underlying Ordinary Shares and a cash top-up amount.

The Bonds were convertible into Ordinary Shares during the conversion period, being the period from June 18, 2007 until the earlier of: (i) the close of business on the date falling fourteen days prior to the Final Maturity Date; (ii) if the Bonds have been called for redemption by the Company, the close of business fourteen days before the date fixed for redemption; (iii) the close of business on the day prior to a Bond holder giving notice of redemption in accordance with the conditions; and (iv) the giving of notice by the trustee that the Bonds are accelerated by reason of the occurrence of an event of default.

Upon conversion, the Bond holder is entitled to receive Ordinary Shares at the conversion price of $32.83 per Ordinary Share, (subject to adjustment as outlined below).

The conversion price is subject to adjustment in respect of (i) any dividend or distribution by the Company, (ii) a change of control and (iii) customary anti-dilution adjustments for, inter alia, share consolidations, share splits, spin-off events, rights issues, bonus issues and reorganizations. The initial conversion price of $33.5879 was adjusted to $33.17 with effect from March 11, 2009 as a result of cumulative dividend payments during the period from October 2007 to April 2009 inclusive, and was further adjusted to $32.83 with effect from March 11, 2011 as a result of cumulative dividend payments during the period April 2009 to April 2011 inclusive. The Ordinary Shares issued on conversion will be delivered credited as fully paid, and will rank pari passu in all respects with all fully paid Ordinary Shares in issue on the relevant conversion date.

I. Creditors: amounts falling due within one year (continued)

Shire 2.75% convertible bonds

The value of the Bonds as recognized in the balance sheet is as follows:

	2013 $'M	2012 $'M
Nominal value of 2.75% convertible bonds due 2014	–	1,100.0
Liability component at January 1	1,104.4	1,090.7
Interest charged(i)	28.3	24.5
Interest paid	(30.3)	(10.8)
Redeemed bonds converted to Ordinary Shares	(1,101.5)	–
Redeemed bonds settled by cash	(09)	–
Liability component at December 31	–	1,104.4
Of which:		
Creditors: amounts falling due after more than one year	–	1,100.0
Creditors: amounts falling due within one year(ii)	–	4.4
Liability component at December 31	–	1,104.4

(i) Interest charged represents the accrued coupon and amortization of discount.
(ii) Interest payable represents the coupon of 2.75% on the Bonds.

On November 26, 2013, Shire issued an optional redemption notice under the Trust Deed to the Holders of the Bonds. Pursuant to the terms of the Trust Deed, the Bonds which Holders elected to convert as of December 31, 2013 were converted into 33,806,464 Ordinary Shares at a conversion price of $32.51 per Ordinary Share.

J. Creditors: amounts falling after more than one year

	2013 $'M	2012 $'M
Convertible bonds	–	1,100.0

As per Note I, the bonds were redeemed in the year and consequently there is no liability as at December 31, 2013.

K. Called up share capital

	2013		2012	
Ordinary Shares of 5p each	Number	$'M	Number	$'M
Authorized				
At January 1, 2013 and 2012	1,000,000,000	99.1	1,000,000,000	99.1
At December 31, 2013 and 2012	1,000,000,000	99.1	1,000,000,000	99.1
Issued and fully paid				
At January 1, 2013 and 2012	562,546,335	55.7	562,472,830	55.7
Issued on exercise of options	1,189,545	–	73,505	–
Issued on conversion of loan notes	33,806,464	2.8	–	–
At December 31, 2013 and 2012	597,542,344	58.5	562,546,335	55.7

	2013		2012	
Subscriber Ordinary Shares of £1 each	Number	$'M	Number	$'M
Authorized				
At December 31	2	–	2	–
Issued and fully paid				
At December 31	2	–	2	–

Income Access Share arrangements

Details of the Shire Income Access Share arrangements are disclosed in Note 23 of the Shire Annual Report.

Share options

Details of options and awards granted over the Ordinary Shares of the Company which are outstanding as at December 31, 2013 are provided in the Shire Annual Report in Note 28 together with the total cost of share-based payment compensation in respect of such schemes.

The charge for the period relating to share-based payment plans in respect of Directors of the Company was $4.6 million (2012: $6.5 million), all of which related to equity-settled share-based payment transactions.

Details of options and awards granted to Directors of the Company are contained in the consolidated accounts of the Director' remuneration report of the Shire Annual Report on page 64.

Conversion of loan notes

As per the information provided in note I, Ordinary Shares have been issued on the conversion of the loan notes which were due to mature in 2014. 33,806,464 shares were issued to the holders of the loan which has increased the issued and fully paid share capital of the Company by $2.8m.

L. Movements in shareholders' funds

	Called up share capital $'M	Share premium account $'M	Equity component of convertible bonds $'M	Other capital reserve $'M	Profit and loss account $'M	Treasury Shares $'M	Other Reserve $'M	Total $'M
As at January 1, 2013	55.7	5,941.9	43.2	302.4	3,311.7	(106.5)	–	9,548.4
Capital contribution relating to share based payments	–	–	–	72.7	–	–	–	72.7
Credit to equity for share based payment	–	–	–	–	4.6	–	–	4.6
Dividends paid	–	–	–	–	(5.7)	–	–	(5.7)
Options exercised	–	16.1	–	–	–	–	–	16.1
Shares issues on conversion of convertible bonds	2.8	1,098.7	–	–	–	–	–	1,101.5
Reserve transfer of equity element of convertible debt on redemption of bonds	–	–	(43.2)	43.2	–	–	–	–
Recognition of liability to repurchase own shares in first close period (Note M)	–	–	–	–	–	–	(140.5)	(140.5)
Repurchase of own shares during close period	–	–	–	–	–	(57.4)	57.4	–
Derecognition of liability to repurchase own shares	–	–	–	–	–	–	83.1	83.1
Recognition of liability to repurchase own shares in second close period (Note M)	–	–	–	–	–	–	(65.5)	(65.5)
Repurchase of own shares during close period	–	–	–	–	–	(59.5)	59.5	–
Derecognition of liability to repurchase own shares	–	–	–	–	–	–	6.0	6.0
Recognition of liability to repurchase own shares in third close period (Note M)	–	–	–	–	–	–	(248.4)	(248.4)
Repurchase of own shares during close period	–	–	–	–	–	(25.3)	25.3	–
Derecognition of liability to repurchase own shares	–	–	–	–	–	–	223.1	223.1
Repurchase of own shares (Note M)	–	–	–	–	–	(51.4)	–	(51.4)
Loss for the year	–	–	–	–	(69.9)	–	–	(69.9)
As at December 31, 2013	58.5	7,056.7	–	418.3	3,240.7	(300.1)	–	10,474.1

M. Treasury shares

The treasury shares reserve represents the cost of shares in the Company purchased in the market and held by the Company for the purpose of returning funds to shareholders. The number of Ordinary Shares held by the Company as at 31 December 2013 was 9,823,536 with a purchase value of $300.1 million (including transaction costs) (2012: 3,631,571 with a purchase value of $106.5 million).

The Company instructed independent third parties to purchase the shares of the Company up to a maximum value of $500m. These contracts could be cancelled at any time other than when the Company was in a financial close or other prohibited period. As the contracts cannot be cancelled in a close or other prohibited period, the Company is obliged to recognise a liability equivalent to the present value of the maximum number of shares still available to purchase which is debited against total equity. Accretion of the discount is recorded in the profit and loss during the close or other prohibited period. Shares purchased in the close period or other prohibited were deducted from the liability and recorded as treasury shares with any remaining liability on leaving the close or other prohibited period is reversed with a credit recognised in shareholder equity. On November 11, 2013, contemporaneous with Shire's announcement of its acquisition of ViroPharma, the Company's share buyback program was terminated. Since the inception of the share buyback program the Company had purchased $300 million of Ordinary Shares and Ordinary Shares underlying ADRs.

N. Risk management and financial instruments

Financial risk factors

The Company's risks are managed on a Group basis.

The Group's activities expose it to a variety of financial risks: credit risk; liquidity risk; and market risk (including foreign currency exchange risk, price risk and interest rate risk).

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's financial risk management is carried out by a corporate treasury function conducted within a framework of policies and procedures approved annually by the Company's Board of Directors. The corporate treasury function identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. As a matter of policy, the Group does not undertake speculative transactions that would increase currency or interest rate exposure.

Further information in respect of the financial risk management of the Group can be obtained from the Shire Annual Report in the consolidated accounts for the year ending December 31, 2013.

Credit risk

As at December 31, 2013 the Company had amounts due from Group undertakings and other debtors which in the aggregate totalled $53.2 million. The Company's maximum exposure to credit risk from these amounts is $53.2 million.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Company finances its activities through debt securities and committed bank facilities, borrowings and the repayment of loans from Group companies and the proceeds of asset or investment disposals and cash generated from private and public offerings of equity.

The Company anticipates that its funding sources will be sufficient to meet its anticipated future administrative expenses, debt principal, dividend obligations and service costs as they become due over the next twelve months.

Maturity analysis of financial liabilities

At December 31, 2013	Less than 3 months $'M	Between 3-6 months $'M	Between 6-12 months $'M	Between 1-3 years $'M	Between 3-5 years $'M	Total $'M
Amounts owed to Group undertakings(i)	620.5	–	–	–	–	620.5
Convertible bonds(ii)	–	–	–	–	–	–
	620.5	–	–	–	–	620.5
At December 31, 2012						
Amounts owed to Group undertakings(i)	344.3	–	–	–	–	344.3
Convertible bonds(ii)	–	4.4	–	1,100.0	–	1,104.4
	344.3	4.4	–	1,100.0	–	1,448.7

(i) The amounts due to Group undertakings are primarily unsecured, US dollar denominated, repayable on demand and bear interest at floating rates of interest.
(ii) As per note I Shire's $1,100 million 2.75% convertible bonds were converted into shares during the year.

Market risk

Foreign currency exchange risk

As at December 31, 2013 substantially all of the Company's financial assets and financial liabilities were denominated in its functional currency, the US dollar. The Company is not exposed to any significant foreign exchange currency risk.

Price risk

As at December 31, 2013 the Company held no investments other than fixed asset investments in subsidiary undertakings which are held at historic cost less any provision for impairment. The Company is not exposed to any price risk.

Interest rate risk

As at December 31, 2013 the Company held no cash or cash equivalents or had any trade debtors or creditors which were interest bearing. The Company had short-term borrowings of $620.5 million from another Group company, which are repayable on demand and bear interest at floating rates. Interest on these borrowings in the period amounted to $6.9 million and the Directors do not perceive that servicing this debt poses any significant risk to the Company given its size in relation to the Company's net assets.

Market risk sensitivity analysis

FRS 29 'Financial Instruments: Disclosures' requires a market risk sensitivity analysis illustrating the fair value of the Company's financial instruments and the impact on the Company's profit and loss account and shareholders' equity of reasonably possible changes in selected market risks. The Company has no financial assets or liabilities that expose it to market risk, other than amounts owed to Group undertakings of $620.5 million. The Directors do not believe that a 1% movement in interest rates will have a material impact on the Company's profit and loss account or shareholders' equity.

Financial instruments

The table below sets out the Company's accounting classification of each class of financial assets and financial liabilities and their fair values at December 31, 2013.

At December 31, 2013	**Designated at fair value**	**Available for sale $'M**	**Loans and receivables $'M**	**Amortized cost $'M**	**Carrying amount $'M**	**Fair value $'M**
Amounts due from Group undertakings[i]	**–**	**–**	**42.2**	**–**	**42.2**	**42.2**
Other debtors[i]	**–**	**–**	**11.0**	**–**	**11.0**	**11.0**
Amounts owed to Group undertakings[i]	**–**	**–**	**–**	**(620.5)**	**(620.5)**	**(620.5)**
Convertible bonds[ii]	**–**	**–**	**–**	**–**	**–**	**–**
	–	**–**	**53.2**	**(620.5)**	**(567.3)**	**(567.3)**

At December 31, 2013	Designated at fair value	Available for sale $'M	Loans and receivables $'M	Amortized cost $'M	Carrying amount $'M	Fair value $'M
Amounts due from Group undertakings[i]	–	–	29.0	–	29.0	29.0
Other debtors[i]	–	–	0.1	–	0.1	0.1
Amounts owed to Group undertakings[i]	–	–	–	(344.3)	(344.3)	(344.3)
Convertible bonds[ii]	–	–	–	(1,100.0)	(1,100.0)	(1,228.0)
	–	–	29.1	(1,444.3)	(1,415.2)	(1,543.2)

[i] The carrying amount of amounts due to and from Group undertakings and other debtors is at approximate fair value because of the short term maturity of the amounts.
[ii] The fair value of the Company's convertible bonds is based on the quoted market price of the bonds at the balance sheet date – as such the fair value quoted above represents the composite fair value for both the liability and equity components of the convertible bonds, whereas the carrying amount represents only the liability component.

Capital risk management

The capital structure of the Company consists of debt, which includes borrowings disclosed in Note I, issued capital, reserves and retained earnings as disclosed in Note L. The Company manages its capital to ensure that entities in the Group will be able to continue as a going concern and to ensure the Group has sufficient capital available to meet future funding requirements. The Group had net cash, as determined under US GAAP, of $2,230.5 million at December 31, 2013 (2012 net cash: $372.9 million), which is low relative to its market capitalization, and positions the Group to take advantage of any opportunities that might arise to develop the business. Details of funding requirements are explained in the Liquidity and capital resources section of the Review of our business in the Shire Annual Report in the consolidated accounts for the year ending December 31, 2013.

The Company is not subject to any externally imposed capital requirements.

O. Commitments

Capital commitments

There are no significant capital commitments relating to the Company.

Guarantees

The Company has guaranteed external lease commitments, overdrafts, trade facility lines and other banking obligations of various subsidiaries, amounting to $130.7 million (2012: $126.4 million).

Revolving credit facilities agreement

On November 23, 2010 the Company entered into the RCF. The RCF is for an aggregate amount of $1,200 million and canceled the Company's then existing committed revolving credit facility. The RCF, which includes a $250 million swingline facility, may be used for general corporate purposes and matures on November 23, 2015.

The interest rate on each loan drawn under the RCF for each interest period is the percentage rate per annum which is the aggregate of the applicable margin (ranging from 0.90 to 2.25 per cent per annum) and LIBOR for the applicable currency and interest period. Shire also pays a commitment fee on undrawn amounts at 35 per cent per annum of the applicable margin.

Under the RCF it is required that (i) Shire's ratio of Net Debt to EBITDA (as defined within the RCF agreement) does not exceed 3.5 to 1 for either the 12 month period ending December 31 or June 30 unless Shire has exercised its option (which is subject to certain conditions) to increase it to 4.0 to 1 for two consecutive testing dates; (ii) the ratio of EBITDA to Net Interest (as defined in the RCF agreement) must not be less than 4.0 to 1, for either the 12 month period ending December 31 or June 30, and (iii) additional limitations on the creation of liens, disposal of assets, incurrence of indebtedness, making of loans, giving of guarantees and granting security over assets. These financial and operating covenants have not had, and are not expected to have, an effect on the Company's financial position and liquidity.

On entering into the RCF in November 2010 the Company paid arrangement costs of $8.0 million, which have been recorded as deferred charges, with amortization of these costs to the Company's income statement over the contractual term of the RCF.

The availability of loans under the new RCF is subject to customary conditions.

Fees for the arrangement of the RCF and ongoing commitment fees are borne by another Group company.

Term Loan Agreement

See the Director's report for details of the Term Loan Agreement entered into on November 11, 2013.

P. Subsequent events

On January 17, 2014, Shire announced that it had sold its DERMAGRAFT assets to Organogenesis comprising the key operating assets relating to the development, manufacture and sale of the DERMAGRAFT product. These assets include intellectual property relating to DERMAGRAFT including patents, trademarks and know-how; regulatory filings and registrations relating to DERMAGRAFT; certain manufacturing plant, equipment and materials; DERMAGRAFT product inventory and accounts receivable.

Trade marks

The following are trade marks either owned or licensed by Shire plc or its subsidiaries, which are the subject of trade mark registrations in certain territories, or which are owned by third parties as indicated and referred to in this Annual Report:

ADDERALL XR® (mixed salts of a single entity amphetamine)

CARBATROL® (carbamazepine extended release capsules)

CINRYZE® (C1 esterase inhibitor [human])

DAYTRANA® (trade mark of Noven Pharmaceutical Inc.)

DERMAGRAFT® (trade mark of Organogenesis, Inc.)

ELAPRASE® (idursulfase)

ELVANSE® (lisdexamfetamine dimesylate)

FIRAZYR® (icatibant)

FOSRENOL® (lanthanum carbonate)

INTUNIV® (guanfacine extended release)

LIALDA® (trade mark of Nogra International Limited)

MEZAVANT® (trade mark of Giuliani International Limited)

PENTASA® (trade mark of Ferring B.V. Corp)

PREMIPLEX® (IGF-I/IGFBP-3)

REMINYL® (galantamine hydrobromide) (UK and Republic of Ireland) (trade mark of Johnson & Johnson, excluding UK and Republic of Ireland)

REPLAGAL® (agalsidase alfa)

RESOLOR® (prucalopride)

TYVENSE® (lisdexamfetamine dimesylate)

VASCUGEL® (allogeneic aortic endothelial cells cultured in a porcine gelatin matrix [Gelfoam®] with cytokines, implanted)

VENVANSE® (lisdexamfetamine dimesylate)

VPRIV® (velaglucerase alfa)

VYVANSE® (lisdexamfetamine dimesylate)

XAGRID® (anagrelide hydrochloride)

ZEFFIX® (trade mark of GSK)

3TC® (trade mark of GSK)