

Company Registration No. 06275900

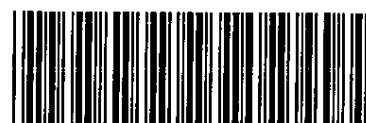


Shire US Investments

Annual report and financial statements

For the year ended 31 December 2008

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Shire US Investments

Annual report and financial statements

For the year ended 31 December 2008

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Shire US Investments

Officers and professional advisers

Directors

PN Clements

JN Bowling

ISD Ward

Secretary

AJ Guthrie

Registered office

Hampshire International Business Park

Chineham

Basingstoke

RG24 8EP

Independent auditors

Deloitte LLP

London

Shire US Investments

Directors' report

The Directors presents their Annual report and the audited financial statements for the year ended 31 December 2008.

The Company has taken advantage of the exemption from preparing an Enhanced Business Review applying to small companies in accordance with the provisions of s246(4) of the Companies Act 1985.

Principal activity and business review

The Company is a wholly owned indirect subsidiary of Shire plc and part of the Shire plc Group ("the Group"), the principal activity of which is the research, development and marketing of prescription medicines. The Group focuses on three therapeutic areas: attention deficit and hyperactivity disorder ("ADHD"), gastrointestinal and human genetic therapies ("HGT").

The principal activity of the Company is that of an investment company.

During the year ended 31 December 2008 the Company disposed of its investment (see Note 7 for further details); issued new ordinary shares to its shareholder; reduced its share capital and share premium account and made a return to its shareholder (see Note 10 for further details).

Future developments

The Directors expect the position of the Company to remain unchanged for the foreseeable future from its position at the balance sheet date.

Going concern

The Directors have acknowledged the latest guidance on going concern. Whilst the current volatility in financial markets has created general uncertainty, the Group has a robust balance sheet and access to credit facilities. As a consequence, the Directors of the Company believe that the Company and the Group are well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, 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, they continue to adopt the going concern basis 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.

Results and dividends

A loss on ordinary activities before taxation of \$27,279,000 was recorded for the year (2007: \$35,286,000).

The Directors do not recommend the payment of a dividend (2007: \$nil).

Directors

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

PN Clements

JN Bowling (appointed 18 June 2008)

ISD Ward (appointed 18 June 2008)

Shire US Investments

Directors' report (continued)

Independent auditors

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 auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with provisions of section 234ZA of the Companies Act 1985.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. It is the Directors' intention that Deloitte LLP will be automatically re-appointed as auditors at the end of the next financial period under S487(2) of the Companies Act 2006.

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



AJ Guthrie
Secretary
19 October 2009

Shire US Investments

Statement of Director's responsibilities

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). The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that 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 Act 1985. 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.

Independent auditors' report to the members of Shire US Investments

We have audited the financial statements of Shire US Investments for the year ended 31 December 2008 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of Shire US Investments
(continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors
London, United Kingdom

22nd October 2009

Shire US Investments

Profit and loss account

For the year ended 31 December 2008

		Year ended 31 December 2008 \$'000	Period from 11 June 2007 to 31 December 2007 \$'000
	Note		
Interest receivable and similar income	4	3	4
Interest payable and similar charges	5	(27,282)	(35,290)
Loss on ordinary activities before taxation		(27,279)	(35,286)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(27,279)	(35,286)

All activities relate to continuing operations.

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

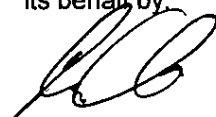
Shire US Investments

Balance sheet

As at 31 December 2008

	Note	2008 \$'000	2007 \$'000
Fixed assets			
Fixed asset investments	7	-	878,920
Current assets			
Debtors: amounts falling due after more than one year	8	-	100
Creditors: amounts falling due within one year	9	-	(878,920)
Net current liabilities		-	(878,820)
Net assets		-	100
Capital and reserves			
Called-up share capital	10	-	100
Share premium account	11	-	35,286
Profit and loss account	11	-	(35,286)
Shareholder's funds	11	-	100

The financial statements were approved by the Board of Director on 19 October 2009 and signed on its behalf by:



PN Clements
Director

Shire US Investments

Notes to the financial statements

For the year ended 31 December 2008

1. Accounting policies

The principal accounting policies adopted are described below. They have been applied consistently throughout the current and preceding period.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of Shire plc, an undertaking incorporated in Jersey, that itself prepares consolidated financial statements in which the Company's results are included and are available to the public. Accordingly, these financial statements are for the Company only and do not reflect the results of its subsidiary undertakings.

b) 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 Business Review of the Shire plc Annual Report and Accounts 2008 (the "Annual Report"). The Directors' report in the Annual Report describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group's robust balance sheet contains \$218 million of cash and cash equivalents at 31 December 2008. The Group generated \$800 million of cash from operating activities during the year ended 31 December 2008. The Group has no debt or facilities maturing in the next two years and substantially all of the Group's debt relates to its \$1.1 billion 2.75% convertible bonds which mature in 2014, although these include a put option which could require repayment in 2012. In addition, the Group has a committed facility until 2012 of \$1.2 billion, which is currently undrawn.

After making enquiries, 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, they continue to adopt the going concern basis in preparing the Company's Annual report and financial statements.

c) Functional and presentational currency

The principal cash flows and liabilities of the Company are denominated in US dollars. Therefore the functional currency of the Company and the presentational currency of its financial statements is the US dollar.

d) Fixed asset investments

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

Shire US Investments

Notes to the financial statements (continued)

For the year ended 31 December 2008

1. Accounting policies (continued)

e) Taxation

Current tax, including UK corporation tax and foreign 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 recognised 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 recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised 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 not provided in respect of timing differences arising on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings.

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.

f) Cash flow statement

No cash flow statement has been prepared in accordance with FRS 1 'Cash flow statements' (revised 1996), as the ultimate parent undertaking, Shire plc, has prepared consolidated financial statements including a cash flow statement in which the results of the Company are included.

g) Related party transactions

Under the provisions of FRS 8 'Related party disclosures', the Company is not required to disclose details of related party transactions with other Group undertakings as it is a wholly owned subsidiary, and the consolidated financial statements in which the Company's results are included are available to the public.

2. Auditors' remuneration

Auditors' remuneration in respect of audit services amounting to \$4,000 (2007: \$4,000) has been borne by another Group undertaking and there was no recharge made to the Company.

3. Director's remuneration

All of the Directors were employed by other Group undertakings and were remunerated \$766,174 (2007: \$507,000) for their services to the Company and other Group undertakings. Their remuneration costs have been borne by those other Group undertakings and the amount recharged to the Company is \$nil (2007: \$nil).

The Company had no employees during the period.

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Notes to the financial statements (continued)

For the year ended 31 December 2008

4. Interest receivable and similar income

	Year ended 31 December 2008 \$'000	Period from 11 June 2007 to 31 December 2007 \$'000
Interest receivable on amounts due from Group undertakings	3	4

5. Interest payable and similar charges

	Year ended 31 December 2008 \$'000	Period from 11 June 2007 to 31 December 2007 \$'000
Interest payable on amounts due to Group undertakings	27,282	35,290

6. Tax on loss on ordinary activities

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

	Year ended 31 December 2008 \$'000	Period from 11 June 2007 to 31 December 2007 \$'000
Loss on ordinary activities before taxation	(27,279)	(35,286)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2007: 30%)	(7,774)	(10,586)
Effects of:		
Expenses not deductible for tax purposes	7,775	10,587
Group relief claimed not paid	(1)	(1)
Current tax charge for the period	-	-

Shire US Investments

Notes to the financial statements (continued)

For the year ended 31 December 2008

7. Fixed asset Investments

<i>Other investments</i>	\$'000
Cost	
As at 1 January 2008	878,920
Share buy-back	(878,920)
As at 31 December 2008	-

Share buy-back

On 18 July 2008 Shire US Holdings Inc. ("SUSHI"), a company incorporated in the United States of America, effected a share buy-back of the Company's shareholding in SUSHI, being 14,359 ordinary shares of \$1 each, for consideration totalling \$878,920,230 in the form of the assignment of a loan payable by the Company to another Shire Group company.

8. Debtors

	2008 \$'000	2007 \$'000
Amounts falling due after more than one year:		
Amounts due from Group undertakings	-	100

The maturity of amounts due from Group undertakings is as follows:

	2008 \$'000	2007 \$'000
Between two and five years	-	100

The amounts due from Group undertakings are interest bearing at floating rates of interest.

9. Creditors: amounts falling due after more than one year

	2008 \$'000	2007 \$'000
Amounts due to Group undertakings – loan note	-	878,920

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Notes to the financial statements (continued)

For the year ended 31 December 2008

10. Called-up share capital

	2008 \$'000	2007 \$'000
Authorised		
101,000 (2007: 101,000) ordinary shares of \$1 each	101	101
Called-up, allotted and fully paid		
2 (2007: 100,034) ordinary shares of \$1	-	100

The called-up, allotted and fully paid share capital of the Company is \$2 (2007: \$100,034).

On 1 April 2008 the Company issued 14 ordinary shares of \$1 each to SUSHI for cash consideration totalling \$14,891,031.

On 18 July 2008 the Company issued 12 ordinary shares of \$1 each to SUSHI for cash consideration totalling \$12,391,175.

On 18 July 2008 the Company reduced its share capital by cancelling 100,058 ordinary shares of \$1 each and by cancelling and reducing its entire share premium account. The Company credited its profit and loss reserve with an amount totalling \$62,564,937 and returned \$103,400 to its shareholder.

11. Reserves and shareholder's funds

	Called-up share capital \$'000	Share premium account \$'000	Profit and loss account \$'000	2008 Total \$'000	2007 Total \$'000
As at 1 January	100	35,286	(35,286)	100	-
Issue of ordinary share capital	-	27,282	-	27,282	100
Premium on ordinary shares issued	-	-	-	-	914,206
Issue of loan note	-	-	-	-	(878,920)
Reduction of share capital (see	(100)	(62,568)	62,565	(103)	-
Loss for the year	-	-	(27,279)	(27,279)	(35,286)
As at 31 December	-	-	-	-	100

12. Immediate and ultimate parent company

Shire US Holdings Inc., a company incorporated in the United States of America, is the immediate parent undertaking. Shire plc, a company incorporated in Jersey, is the ultimate parent undertaking and controlling party and heads the only group in which the results of the Company are consolidated. The financial statements of Shire plc are available from The Secretary, Shire, Hampshire International Business Park, Chineham, Basingstoke, RG24 8EP.