

Notes to the summary financial information

1 BASIS OF PREPARATION

The accompanying consolidated financial statements include the accounts of Shire plc, all of its subsidiary undertakings and the Income Access Share trust, after elimination of inter-company accounts and transactions. Noncontrolling interests in the equity and earnings or losses of a consolidated subsidiary are reflected in 'Noncontrolling interest in subsidiaries' in the Company's consolidated balance sheet and consolidated statement of operations. Noncontrolling interest adjusts the Company's consolidated results of operations to present the net income or loss attributable to the Company exclusive of the earnings or losses attributable to the noncontrolling interest.

2 RECONCILIATION OF MOVEMENTS IN EQUITY

	Total equity \$'M
As at December 31, 2008 (as previously reported)	1,298.5
Prior year adjustment (See Note 5)	29.0
As at December 31, 2008 (as restated)	1,327.5
Net income	491.4
Shares released by ESOT to satisfy options exercised	13.9
Share based compensation (including excess tax benefit associated with exercise of stock options)	82.5
Foreign exchange	35.2
Unrealized holding gains on available-for-sale securities (net of tax)	16.1
Dividends	(54.4)
Other	0.3
At December 31, 2009	1,912.5

3 DIVIDENDS

During the year to December 31, 2009 the Company paid dividends totaling 9.91 US cents per Ordinary Share (equivalent to 29.72 US cents per American Depositary Share), totaling \$54.4 million.

4 BUSINESS COMBINATIONS

EQUASYM IR and XL

On March 31, 2009 the Company acquired the worldwide rights (excluding the US, Canada and Barbados) to EQUASYM IR and XL for the treatment of ADHD from UCB Pharma Limited ('UCB') for cash consideration of \$72.8 million. Included within the recognized purchase price for the acquisition is further consideration of \$18.2 million, which may become payable in 2010 and 2011 if certain sales targets are met. This acquisition has broadened the scope of Shire's ADHD portfolio and facilitated immediate access to the European ADHD market as well as providing Shire the opportunity to enter additional markets around the world.

The acquisition of EQUASYM IR and XL has been accounted for as a business combination. The purchase price has been allocated on a preliminary basis to the currently marketed products acquired (\$73.0 million), IPR&D (\$5.5 million), other liabilities (\$0.7 million) and goodwill (\$13.2 million).

5 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

Subsequent to the issuance of the Company's financial statements for the year ended December 31, 2008, the Company's management determined that its non-current deferred tax liabilities were overstated by \$29 million, following a misstatement in computing the temporary difference between the tax and book value of its other intangible assets. The Company has corrected this misstatement by restating its previously issued financial statements for the year ended December 31, 2008.

This prior period adjustment does not affect the Company's net income or earnings per share for the year ended December 31, 2008. The effect of correcting this misstatement has decreased the Company's accumulated deficit at January 1, 2008 by \$29 million and has reduced non-current deferred tax liabilities by a corresponding amount. The restatement does not affect the Company's net income or cash flows in the year to December 31, 2008.