

# A year of transformation and growth

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This year has been one of transformation for Shire — one where we are now recognized as the world leader in the treatment of rare diseases.

With the acquisitions of Dyax and Baxalta, we have grown from 6,000 employees at the start of 2016 to approximately 24,000 today, and have expanded the reach of our global sales from 72 to over 100 countries. During this time, Shire launched four new drugs, including XIIDRA®, the first and only product approved in the U.S. to treat both the signs and symptoms of dry eye disease. We also expanded and progressed our pipeline so we now have roughly 40 programs in the clinic with about 20 in the later stages of development. These accomplishments set the stage for Shire's continued growth and are just a few examples of the many achievements highlighted in this Annual Report.

The patient is at the center of everything we do at Shire. This drives how we discover, develop and deliver new medicines, and guides how we interact and support our patient communities. During 2016, Shire provided a multi-year grant to the SeriousFun Children's Network to enable young people with rare illnesses to have a life-changing experience at summer camp and to help their families bond through Family Weekend programs. Many families have told us about the extraordinary impact of these experiences, a sentiment echoed by our employees who volunteered with SeriousFun.

Shire is also a leader in responsibility and sustainability. The company was recognized by Scrip's Pharma as "Company of the Year" in 2016. We were once again included in the FTSE4Good Index, which measures globally recognized standards for corporate responsibility. Newsweek ranked Shire as the number one greenest company in its 2016 Green Rankings. Our commitment to transparency was recognized by AllTrials, as Shire was the only company to have published results for all clinical trials completed during the past 10 years.

Our business is not without its challenges. We operate in an environment with significant political and market volatility. Shire's strategy is to deliver products that are innovative and differentiated, enabling us to provide value to patients and payers, while creating value for shareholders.

I would like to thank Flemming Ornskov, Shire's CEO, and his leadership team for their vision, passion and exceptional performance. We are now a global industry leader and forward-thinking organization. This is driven by the company's focus on innovation and high performance. I would also like to acknowledge Shire employees for their commitment to the company, and to patients, especially during a time of major transformation. I particularly want to recognize the thousands of Shire employees who participated in Shire's Global Day of Service, helping to improve local communities.

During the year, the Board played an important role, especially as the company completed the Baxalta acquisition, the largest in our history. My sincerest thanks to fellow Board members for their many contributions. In 2016, Gail Fosler and Albert Stroucken, formerly Baxalta Directors, joined our Board as Non-Executive Directors. In early 2017, Ian Clark, former CEO of Genentech, also joined the Shire Board. You can read more about the Board in the Governance section, beginning on page 66.

Looking forward, our priorities are to progress revenue growth, further develop the product pipeline, and continue to integrate the Baxalta business while reducing the associated debt. We will continue to be responsible and responsive to our communities while remaining focused on delivering long-term value to shareholders. I am confident we have the right team, the right strategy and the right resources in place to accomplish these goals. It is my privilege to be a part of this organization.



**Susan Kilsby**  
Chairman