

abbvie

# MORGAN STANLEY HEALTHCARE CONFERENCE

Bill Chase, Executive Vice President, Finance and CFO

September 10, 2014



# Disclaimer and Forward-Looking Statement

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## **Additional Information and Where to Find It**

In furtherance of the combination, AbbVie Private Limited (“New AbbVie”) has filed with the SEC a registration statement on Form S-4 containing a preliminary Proxy Statement of AbbVie that also constitutes a preliminary Prospectus of New AbbVie relating to the New AbbVie Shares to be issued to New AbbVie Stockholders in the combination. In addition, AbbVie, New AbbVie and Shire may file additional documents with the SEC. INVESTORS AND SECURITY HOLDERS OF ABBVIE AND SHIRE ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE TRANSACTION, CAREFULLY AND IN THEIR ENTIRETY, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Those documents, when filed, as well as AbbVie’s and New AbbVie’s other public filings with the SEC may be obtained without charge at the SEC’s website at [www.sec.gov](http://www.sec.gov), at AbbVie’s website at [www.abbvieinvestor.com](http://www.abbvieinvestor.com) and at Shire’s website at [www.shire.com](http://www.shire.com). AbbVie plans to mail its stockholders the definitive proxy statement/prospectus after the registration statement on Form S-4 is declared effective by the SEC. It is expected that the New AbbVie shares to be issued to Shire shareholders under a scheme of arrangement will be issued in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof.

## **Participants in the Solicitation**

AbbVie, its directors and certain of its executive officers may be considered participants in the solicitation of proxies in connection with the transactions contemplated by the Proxy Statement/Prospectus. Information about the directors and executive officers of AbbVie is set forth in its Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 21, 2014, and its proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on March 24, 2014. Other information regarding potential participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement/Prospectus when it is filed.

## **Forward-Looking Statements**

This document contains certain forward-looking statements with respect to a combination involving AbbVie and Shire. The words “believe,” “expect,” “anticipate,” “project” and similar expressions, among others, generally identify forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the possibility that necessary regulatory approvals or stockholder approvals will not be obtained or any of the other conditions to the combination will not be satisfied, adverse effects on the market price of AbbVie Shares and on AbbVie’s or Shire’s operating results because of a failure to complete the combination, failure to realise the expected benefits of the possible combination, negative effects relating to the announcement of the possible combination or any further announcements relating to the possible combination or the consummation of the possible combination on the market price of AbbVie shares or Shire shares, significant transaction costs and/or unknown liabilities, general economic and business conditions that affect the combined companies following the consummation of the possible combination, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business combinations or disposals and competitive developments. These forward-looking statements are based on numerous assumptions and assessments made in light of AbbVie’s or, as the case may be, Shire’s experience and perception of historical trends, current conditions, business strategies, operating environment, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this document could cause AbbVie’s plans with respect to Shire, AbbVie’s or Shire’s actual results, performance or achievements, industry results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and persons reading this document are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Additional information about economic, competitive, governmental, technological and other factors that may affect AbbVie is set forth in Item 1A, “Risk Factors,” in AbbVie’s 2013 Annual Report on Form 10-K, in Item 1A, “Risk Factors” of Part II of AbbVie’s second quarter 2014 Quarterly Report on Form 10-Q and in Item 1A, “Risk Factors,” in Shire’s 2013 Annual Report on Form 10-K, which have been filed with the SEC, the contents of which are not incorporated by reference into, nor do they form part of, this document. Neither AbbVie nor Shire undertakes any obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

## **Responsibility**

The directors of AbbVie accept responsibility for the information contained in this document and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and it does not omit anything likely to affect the import of such information.

# 2014: Accomplishments to Date

Strategy Focused on **Delivering Strong Results and Returns for Shareholders**,  
Ensuring AbbVie is a **Sustainable Growth Business**

1

Delivering strong operational performance and shareholder returns

2

Raised 2014 earnings outlook, reflecting robust underlying business performance

3

Driving stellar growth from HUMIRA and several other products

4

Advancing our compelling pipeline

5

Reached agreement with Shire for a recommended  
transaction to combine our two companies

Continued progress toward building a  
platform for **future growth and innovation**

# A strategically compelling and financially attractive combination



Proposed combination would **strengthen our position as a global biopharmaceutical leader**

**Adds leading franchises** within specialty therapeutic areas, including **rare disease and neuroscience**

Transaction gives us the opportunity to **diversify, expand and augment our product portfolio**

**Broad and deep pipeline of diverse development programs** and enhanced R&D capabilities

Transaction expected to achieve a competitive tax structure and provide New AbbVie with **enhanced access to its global cash flows**

**Creates larger and more diversified company** with significant **financial capacity for future strategic investment** and **increased shareholder returns**

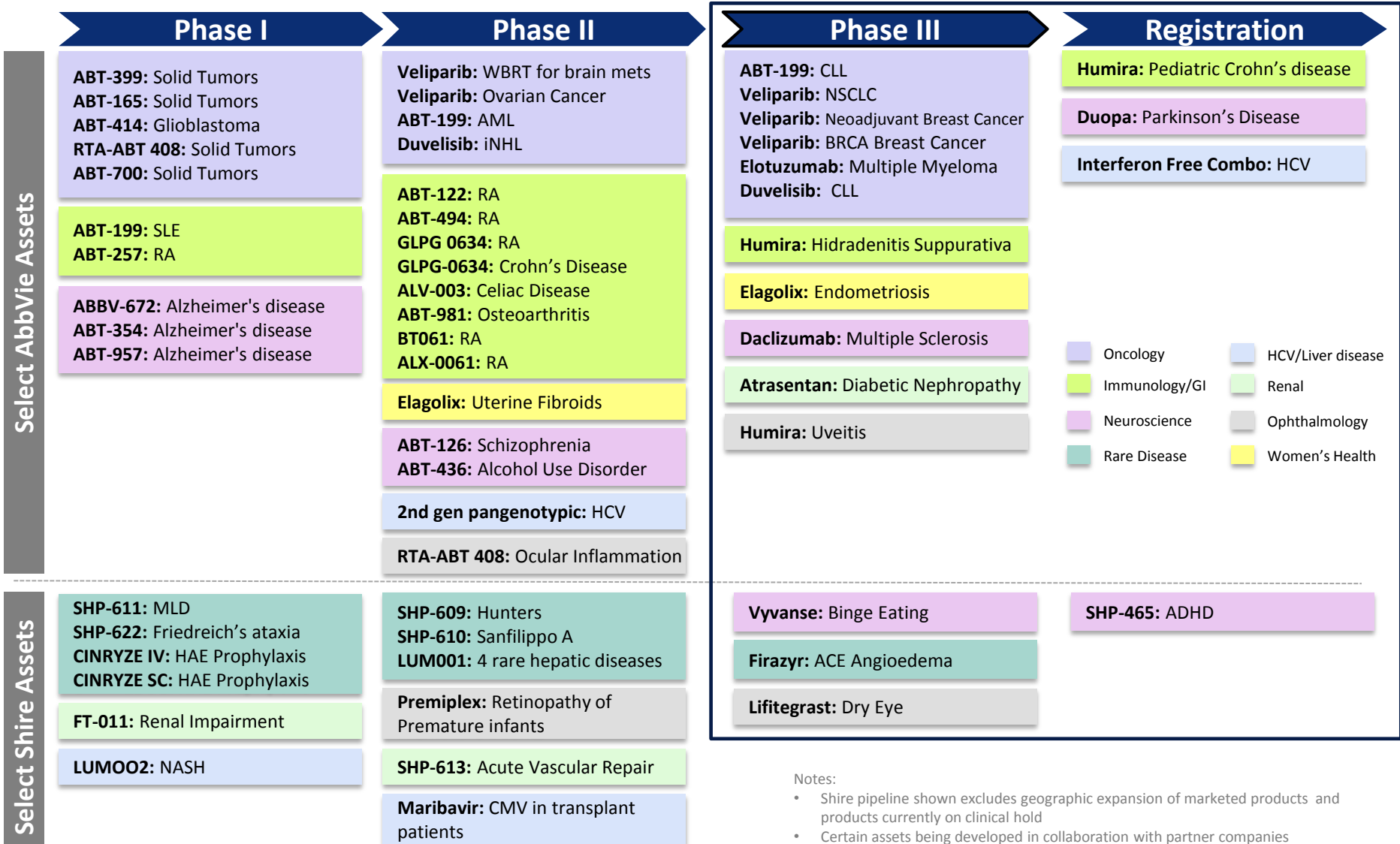
Strategic and Financial Benefits Expected to **Enhance Long-Term Value for Shareholders**

# Leadership positions within growing therapeutic categories

abbvie & Shire

RA	Derm	GI	Liver Disease / Virology	Rare Disease	Neuroscience	Other
<p><b>Leadership in RA</b></p> <p>#1 in Psoriasis</p> <p>Continued geographic and label expansion</p>	<p>#1 in Ulcerative Colitis</p> <p>Leadership position in Crohn's disease</p>	<p>#1 in RSV infections</p> <p>Well-positioned for success in HCV</p> <p>Early stage pipeline in other liver disorders</p>	<p>#1 in HAE, Hunter</p>	<p>#1 in ADHD</p> <p>Novel treatment for advanced Parkinson's disease</p>	<p>#1 in Hypo-gonadism</p> <p>#1 in Essential Thrombocythemia</p>	
	  	    	    	   	        	

# Complementary pipeline positioned to enhance innovation



# Late Stage Pipeline Highlights: HCV Interferon-Free Combination

- Upon approval, AbbVie’s HCV therapy poised to be a breakthrough offering for patients
- Regulatory review progressing well
  - Actively engaged with regulators
  - Currently in late stages of launch-readiness plan
- Significant body of data supports strong therapeutic profile across GT1 populations
- Global footprint, strong commercial execution capabilities
- Well positioned for success in large and growing market
- Second-generation program also progressing well, currently in Phase IIB development

Phase III Data	
ABBV Regimen + RBV	SVR 12 Rates
<b>SAPPHIRE-I</b> (GT1 naïve)	96%
<b>SAPPHIRE-II</b> (GT1 exp.)	96%
ABBV Regimen +/- RBV	SVR 12 Rates
<b>PEARL-II</b> (GT1b exp.)	97% w/RBV 100% RBV-free
<b>PEARL-III</b> (GT1b naïve)	99% w/RBV 99% RBV-free
<b>PEARL-IV</b> (GT1a naïve)	97% w/RBV 90% RBV-free
Special Populations	SVR 12 Rates
<b>TURQUOISE-II</b> (GT1 cirrhotics)	92% 12 weeks 96% 24 weeks

## Late-Stage Pipeline Highlights: Oncology

Compound	Mechanism	Indication
<b>ABT-199</b>	<b>Bcl-2 inhibitor</b>	<b>Chronic Lymphocytic Leukemia (Phase III)</b> <b>Acute Myelogenous Leukemia and Other Hematologic Malignancies (Phase II)</b>
<b>Duvelisib</b>	<b>Dual PI3K inhibitor</b>	<b>Chronic Lymphocytic Leukemia (Phase III)</b> <b>Indolent Non-Hodgkin Lymphoma (Phase II)</b>
<b>Veliparib</b>	<b>PARP inhibitor</b>	<b>Neoadjuvant treatment of TNBC (Phase III)</b> <b>Squamous NSCLC (Phase III)</b> <b>BRCA Breast (Phase III)</b> <b>Brain Metastasis and Other Cancers (Phase II)</b>
<b>Elotuzumab</b>	<b>SLAMF7</b>	<b>Multiple Myeloma (Phase III)</b>



## Late Stage Pipeline Highlights: Other Promising Opportunities

Compound	Mechanism	Indication
Daclizumab	Humanized antibody specific for IL2 receptor	Relapsing Remitting Multiple Sclerosis (Phase III)
Elagolix	GnRH antagonist	Endometriosis (Phase III) Uterine Fibroids (Phase IIB)
Atrasentan	Selective endothelin-A receptor antagonist	Diabetic Kidney Disease (Phase III)
GLPG0634	Selective JAK-1 inhibitor	Rheumatoid Arthritis (Phase IIB) Crohn's Disease (Phase II)
ABT-494	Selective JAK-1 inhibitor	Rheumatoid Arthritis (Phase II)

### Select Assets from Shire's Late-Stage Pipeline

Compound	Mechanism	Indication
Lifitegrast	Integrin (LFA-1) antagonist	Dry Eye (Phase III)
Vyvanse	Prodrug of dextroamphetamine	Binge Eating (Phase III)
SHP-465	Single-entity mixed amphetamine salts (MAS)	Adult ADHD (Phase III)

# Partnering and In-Licensing Activity

Continued augmentation of pipeline through concerted focus on strategic licensing, acquisition and partner activity

Recent collaborations with Calico and Infinity provide opportunity to accelerate development in promising areas of unmet medical need



# AbbVie & Shire: Enhanced Financial Profile Offers Compelling and Sustainable Growth Opportunity

<b>Revenue</b>	<ul style="list-style-type: none"> <li>Combined company has potential for <b>meaningful revenue growth</b>, driven by on-market products, as well as the launch of assets from rich late-stage pipeline</li> <li><b>Revenue base further diversified</b> by the combination</li> </ul>
<b>Accretion</b>	<ul style="list-style-type: none"> <li>Expected to be accretive to adjusted EPS in the first year following completion and to increase to <b>more than \$1.00 per share by 2020<sup>1</sup></b></li> </ul>
<b>Synergies</b>	<ul style="list-style-type: none"> <li>Upon full integration, <b>expect to achieve meaningful synergies</b></li> </ul>
<b>Tax Rate</b>	<ul style="list-style-type: none"> <li>Forecasting a <b>tax rate for the combined company of ~13% by 2016</b></li> </ul>
<b>EPS Growth</b>	<ul style="list-style-type: none"> <li>Combined company <b>positioned to deliver margin expansion and double digit earnings growth over the long term<sup>1</sup></b></li> </ul>

<sup>1</sup> Adjusted EPS excludes intangible asset amortization expense and purchase accounting adjustments and other specified items. The statement that the Transaction is earning accretive should not be construed as a profit forecast and is therefore not subject to the requirements of Rule 28 of the Code. It should not be interpreted to mean that the earnings per share in any future financial period will necessarily match or be greater than those for the relevant preceding financial period.

# AbbVie & Shire: Robust Cash Flow Available for Shareholder Returns and Business Expansion

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<b>Free Cash Flow</b>	<ul style="list-style-type: none"><li>• Attractive free cash flow provides financial wherewithal to support <b>enhanced business development activity and strengthened balance sheet via de-leveraging</b></li></ul>
<b>Dividend</b>	<ul style="list-style-type: none"><li>• Upon closing, <b>anticipate a 15% increase in the annual dividend</b></li><li>• Will maintain <b>strong ongoing commitment to a growing dividend thereafter</b></li></ul>
<b>Share Repurchase</b>	<ul style="list-style-type: none"><li>• Anticipate significant <b>annual share repurchase program</b></li></ul>

# Shire Transaction: Next Steps

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- Currently actively seeking relevant approvals
  - Recently received early termination of HSR waiting period
- Working to publish updated Scheme Circular and S4
- Expect shareholder votes to occur thereafter
- Dedicated integration team in place to ensure seamless transition

Targeting transaction close in 4Q2014

# Well-Positioned to be a Unique Biopharmaceutical Leader

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- Established a strong foundation as an independent company
- Strong track record of exceeding financial commitments
- Driving leading performance of Humira and other key products
- Advancing promising pipeline to fuel future growth
- Proposed transaction with Shire offers compelling opportunity for shareholders and creates a truly unique biopharmaceutical leader

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**Strategic actions fortify AbbVie's position of strength, set up company for sustainable success for many years to come**

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