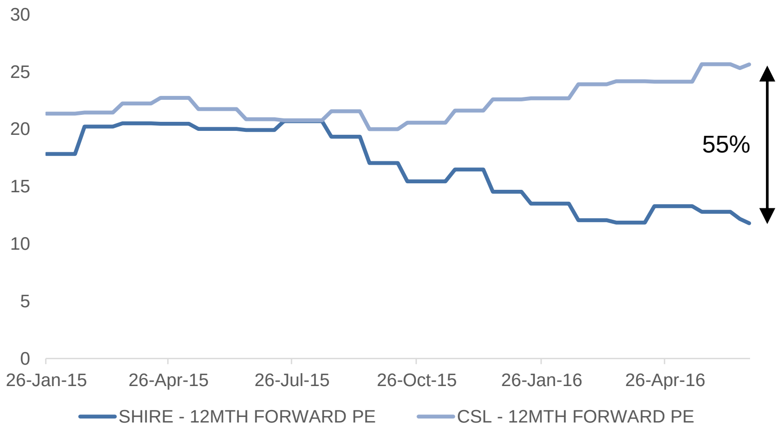
BG *Healthcare* CHART *#29*

Focus on SHIRE valuation

Shire vs CSL – P/E 12m forward



- **SHP is trading on a 55% discount to CSL on 2017e PE…** whereas Shire displays 1/ a more attractive growth profile (EPS CAGR 2015-2020: +14% vs +10% respectively), along with 2/ a quite similar product mix and profile risk.

- 2nd August 2016 - **We believe the guidance on cost synergies could be raised**.
- As said in our initiation report, our current assumption is cautious (BG: USD500m).
- Potential impact on our mid-term EPS should this figure be raised to USD750m: +4%.

- We might have more coluor on **potential sales synergies** (current BG est.: USD0m).

- **BUY rating with a FV of GBp6,500.**

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