

## Russell spreads the wealth at Shire

**A**ngus Russell took over as CEO of Shire in June after serving nine years as CFO and EVP of global finance. He's played a key role in growing the company through product and licensing acquisition and diversification. As CEO, Russell says he will continue to diversify the pipeline in both specialty pharma and human genetic therapies while extending the company's geographic reach.

"Product sales grew 40% for Q2, and 75% of that came from products that have only been on the market a few years," he says. "That's tremendous growth. Since 2007, we've completed five transactions and brought eight new products into Shire."

Total revenues for Q2 were up 35% to \$776 million, but there's been a lot of talk about how it will cope with generic competition next year on ADHD drug Adderall XR. Last summer, Shire launched the pediatric indication of Vyvanse, a new class of ADHD drug, which is currently the number three ADHD brand with sales over \$325 million since launch. Many Adderall XR patients are transitioning to Vyvanse. An adult indication launched recently is expected to be a growth driver. Adderall XR has represented about \$900 million a year, and Russell says analysts estimate Shire will lose "half or a bit more." He hopes Shire "can achieve \$350 million at least" from Vyvanse this year.

"As XR goes down, we expect Vyvanse to continue to grow, but that's not the whole story," he says. "Product sales excluding XR grew by 64% in this quarter. We have a big sales platform even if you take XR out of the picture. It's not about one product trying to replace another. When we replaced the first Adderall, we did only have one product replacing another. It's taken a long time [for the investment community and media] to realize it's about six

**"As Adderall XR goes down, we expect Vyvanse to continue to grow, but that's not the whole story"**

### Angus Russell

CEO, Shire

1999-2008  
CFO, Shire

1993-1999  
Group investor relations  
manager to VP corporate  
finance, Zeneca and  
AstraZeneca

strong growth drivers replacing a product. Will that be a perfect, seamless transition? We'll do our best to make it that way."

Rare diseases is growing rapidly, and the planned acquisition of Jerini would bring Firazyr, an orphan drug for hereditary angioedema, which is expected to bring in \$350-\$400 million in annual global sales. It didn't get FDA approval, but it will launch this year in Europe, and Shire will try again in the US using data from Europe.

In just three years, the company has increased operations facilities from seven countries to 21. Russell hopes to enter Japan by the end of 2008, and he's also looking at China. Seventeen new product launches are planned between 2008-2015—many of which have long periods of exclusivity or orphan status. "It's a tremendous set of opportunities," Russell says. "This model can work in this niche of rare diseases and specialty medicine."

Russell studied science in high school and considered becoming a pharmacist before deciding he wanted to be an architect. He was advised against architecture and became a CPA instead. When Imperial Chemical Industries (ICI) offered him a job in its pharma division he took it—and ended up becoming an architect of a different sort. He handled the spin-off of ICI's pharma

division into Zeneca in 1993, and then he negotiated the merger of Astra and Zeneca. When Shire approached Russell in 1999, he says the company had about 400 employees and a market value between \$800 million-\$1 billion. The CEO wanted Russell to help grow Shire into a top-100 UK company, which meant it needed a market value of about \$3 billion. By the end of 2000, Shire entered the UK's top 100 with a market cap of \$3 billion.

"It was tough trying to sell the story that we were going to build a sustainable, growing pharma company without prime rediscovery research," says Russell. "People had only built on research that lead to drug development and commercialization. We're just going to buy assets from others and build a business. No one thought we could build a growing business based on that. Here we are today between \$9-\$10 billion, 4,000 employees and \$3 billion in sales." —Tanya Lewis



PHOTO: DAN D'ERRICO